

# THE FUTURE IS NOW

ANNUAL REPORT 2021

**JAVEDAN**  
CORPORATION LIMITED









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# Company Information

## Board of Directors

Arif Habib  
Samad Habib  
Muhammad Siddiq Khokhar  
Muhammad Ejaz  
Abdul Qadir Sultan  
Abdullah Ghaffar  
Darakshan Zohaib  
Alamgir A. Shaikh  
Saeed Ahmad

Chairman  
CEO  
Director  
Director  
Director  
Director  
Director  
Director  
Director

## Audit Committee

Abdul Qadir Sultan  
Alamgir Shaikh  
Muhammad Ejaz  
Owais Ahmed

Chairman  
Director  
Director  
Secretary

## HR & Remuneration Committee

Saeed Ahmad  
Arif Habib  
Samad A. Habib  
Muhammad Ejaz

Chairman  
Member  
Member  
Member

## Chief Financial Officer & Company Secretary

Muneer Gader



**Auditors**

EY Ford Rhodes  
Chartered Accountants

Reanda Haroon Zakaria and Co.  
Chartered Accountants

**Bankers**

Al Baraka Bank Pakistan Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Al-Falah Limited  
BankIslami Pakistan Limited  
Bank of Punjab  
Dubai Islamic Bank  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Sindh Bank Limited  
Summit Bank Limited  
United Bank Limited  
Faysal Bank Limited  
Meezan 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](http://www.jcl.com.pk)

**Site Office:**

Naya Nazimabad  
Manghopir Road  
Karachi - 75890  
Phones: +92 21 36770141-42  
Website: [www.nayanazimabad.com](http://www.nayanazimabad.com)

**Share Registrar**

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



# OUR VISION

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 & competitive.



# OUR MISSION

To become a profitable organization and exceed the expectations of our customers and stakeholders by developing and marketing high quality real estate development at competitive price through concentration on quality, business value and fair play.

To develop and promote the best use of human talent in a safe environment, as an equal opportunity employer while using advance technology for efficient and cost effective operations.



# CORE VALUES & CODE OF CONDUCT

## Overview

JCL understands that retaining the confidence of its employees, shareholders, customers and other stakeholders is very important for the growth of its business.

JCL's Code of Ethics forms the foundation of how we conduct business and work together to achieve our goals. JCL is committed to achieving the highest level of ethical conduct and standards and we believe it is extremely important for the success of our Company.

## Objectives.

JCL follows ethical and responsible business practices in all of its activities and operations.

## Responsibilities

To Our Employees:

To respect each other and to provide employees with a safe place to work, satisfying and rewarding employment, on-going professional development and an open team environment.

## To Our Customers:

Our mission is to serve in an innovative, cost-effective and transparent manner. Our clients are our partners in business.

## This means that we:

- Put clients at the center of everything we do;
- Interact with our clients in a fair, correct, transparent, professional and timely manner provide our clients with tailor-made services when appropriate;
- Develop effective solutions and services for our clients;
- Ensure that any information entrusted to us by our Clients is kept confidential, except when disclosure is authorized by them or required by applicable laws, rules or regulations.

## To Our Suppliers:

Create long-term supply chain relationships to ensure continued product and service excellence. We always try to build confidence, reliability and trust by ensuring fulfillment of our commitments with suppliers and service providers.

## To Our Shareholders:

To steward our resources in a manner that will provide a very attractive return on investment.

## Health, Safety, Environment & Community

The Company is committed to promoting and providing a safe working environment for all employees and complying with all applicable environmental regulations. JCL takes a proactive approach to health, safety and environmental matters. We also actively participate in contributing to the betterment of society. To correct it the extent practical, JCL will be involved in community, education and donations programs.

## Compliance with Applicable Laws and Regulation

The company ensures compliance to all applicable laws and regulations and discharge all legal responsibilities diligently.

## Internal control and financial reporting

We have implemented a very sound and reliable internal control system in our organization, which is well understood by all of our employees and practice dealing with us. Financial planning is a core activity of our system through which we ensure efficient and effective utilization of financial and human resources.



# BOARD OF DIRECTORS PROFILE







## Mr. Arif Habib Chairman

Mr. Arif Habib is the Chief Executive of Arif Habib Corporation Limited, the holding company of Arif Habib Group. He is also the Chairman of Fatima Fertilizer Company Limited, Aisha Steel Mills Limited and Sachal Wind Power.

Mr. Arif Habib remained the elected President/Chairman of Pakistan Stock Exchange (formerly Karachi Stock Exchange) for six times in the past and was a Founding Member and Chairman of the Central Depository Company of Pakistan Limited. He has served as a Member of the Privatisation Commission, Board of Investment, Tariff Reforms Commission and Securities & Exchange Ordinance Review Committee. He is currently a member of the Prime Minister's Economic Advisory Council (EAC) and the Think-Tank constituted by the Prime Minister on COVID-19 related economic issues.

Mr. Habib participates significantly in welfare activities. He remains one of the directors of Pakistan Centre for Philanthropy (PCP), Karachi Education Initiative (KSBL) and Karachi Sports Foundation as well as trustee of Memon Health & Education Foundation (MMI) and Fatimid Foundation.

### **CORPORATE RESPONSIBILITIES**

- Arif Habib Corporation Limited (Chief Executive)

### **AS CHAIRMAN**

- Aisha Steel Mills Limited
- Arif Habib Consultancy (Private) Limited
- Arif Habib Foundation

- Black Gold Power Limited
- Fatima Fertilizer Company Limited
- Fatimafert Limited
- Karachi Sports Foundation
- National Resources (Private) Limited
- Pakarab Fertilizers Limited
- Sachal Energy Development (Private) Limited

### **AS DIRECTOR**

- Arif Habib Equity (Private) Limited
- Arif Habib Real Estate Services (Private) Limited
- Fatima Cement Limited
- International Builders and Developers (Private) Limited
- NCEL Building Management Limited
- Pakarab Energy Limited
- Pakistan Business Council
- Pakistan Engineering Company Limited
- Pakistan Opportunities Limited

### **AS HONORARY TRUSTEE/DIRECTOR**

- Fatimid Foundation
- Habib University Foundation
- Karachi Education Initiative
- Pakistan Centre for Philanthropy



## Mr. Samad A. Habib Chief Executive

Starting off with a career at Arif Habib Corporation Limited; Samad built up his experience in sales, marketing and corporate activities working his way up through various executive positions. Joining Arif Habib Limited in 2004, he led the company as Chairman and Chief Executive playing a key role in the strategic direction of the company where he specialized in capital market operations and corporate finance building achieving a range of significant IPOs and private placements.

In 2011 he moved to Javedan Corporation Limited as a part of the driving force behind the transformation of the dilapidated cement plant to a living community. At Naya Nazimabad, Samad Habib has contributed to making a positive impact on society providing a quality lifestyle to the middle class of the city. His dedication and optimism is set to further transform the area with the largest commercial precinct development in the city presently under planning.

### **CORPORATE RESPONSIBILITIES**

- Safemix Concrete Limited (Chief Executive)

### **AS CHAIRMAN**

- NN Maintenance Company (Private) Limited

### **AS DIRECTOR**

- Power Cement Limited
- Arif Habib Equity (Pvt.) Limited
- Arif Habib Foundation
- Arif Habib Real Estate Services (Pvt.) Limited
- Black Gold Power Limited
- Nooriabad Spinning Mills (Pvt.) Limited

- Pakarab Fertilizers Limited
- Pakistan Opportunities Limited
- Rotocast Engineering Company (Pvt.) Limited
- Sukh Chayn Gardens (Pvt.) Ltd.
- Aisha Steel Mills Limited
- Arif Habib Dolmen REIT Management Limited  
Funds Under Management are as Follows:
  - Dolmen City REIT
  - Slik Islamic Developmental REIT

### **AS HONORARY TREASURER**

- Memon Medical Institute



## Mr. Muhammad Ejaz Director

Muhammad Ejaz is the founding Chief Executive of Arif Habib Dolmen REIT Management Limited, which has successfully launched South Asia's first listed REIT fund. Dolmen City REIT and Pakistan first Developmental REIT "Slik Islamic Developmental REIT". He has been associated with Arif Habib Group since August 2008 and sits on the board of several group companies. He has spear headed several group projects when these were at a critical stage during their execution.

Prior to joining Arif Habib Group, Ejaz has served at senior positions with both local and international banks. He was the Treasurer of Emirates NBD bank in Pakistan and served Faysal Bank Pakistan as Regional Head of Corporate Banking group. He also served Saudi-Pak bank (now Silkbank) as Head of Corporate and Investment Banking. He also had short stints at Engro Chemical and American Express bank.

Ejaz did his graduation in Computer Science from FAST, ICS and did MBA in Banking and Finance from IBA, Karachi where he is a regular visiting faculty member. He has also conducted programs at NIBAF-SBP and IBP. He is a Certified Director and also a Certified Financial Risk Manager.

He actively participates in the group's CSR initiatives especially those which render services in the fields of health and education with emphasis on female literacy.

### **CORPORATE RESPONSIBILITIES**

- Arif Habib Dolmen REIT (Chief Executive)  
Funds under Management are as follows:
  - Dolmen City REIT
  - Slik Islamic Developmental REIT

### **AS DIRECTOR**

- Arif Habib Real Estate Services (Pvt.) Limited
- REMMCO Builders & Developers Limited
- Sachal Energy Development (Pvt.) Limited



## Mr. Saeed Ahmad Director

Mr. Saeed Ahmad is a Fellow of the Institute of Actuaries, London. He holds a Master's Degree in Finance & Accounting from the London School of Economics and BSc (Hons) from Punjab University, Lahore with a gold medal. He also attended Senior Management Program of Harvard Business School at Boston, USA.

Mr. Saeed Ahmad has extensive Banking, Finance and Management experience of over 45 years. He started his career with Prudential Corporation, London in 1969 and then moved on to Banking and worked in SIBC Riyadh, an Associate of Chase Manhattan Bank, in Corporate Finance and as Head of Corporate Finance and International in Kuwait Asia Bank, Bahrain. Mr. Saeed Ahmad has worked as Head of Treasury, Credit and Marketing of Paris-based Union de Banques Arabes et Francaise at Bahrain, a subsidiary of Credit Lyonnais, Paris for several years. He also headed Islamic Investment and Financial Products Group at Faysal Islamic Bank of Bahrain-Manama, Bahrain.

Mr. Saeed Ahmad has also worked in the corporate sector at senior executive positions such as Vice President Finance & Chief Financial Officer at the biggest Saudi multinational group in Jeddah. Earlier, he was also heading a group of companies in England.

He was appointed by the Federal Government as Chairman of the Steering Committee for the Promotion of Islamic Finance in December, 2013. This apex forum was responsible for developing a roadmap for Islamic Finance in the country.

Mr. Saeed Ahmad has also served at the State Bank of Pakistan as Deputy Governor, from January 2014

to March 2017. At State Bank of Pakistan, he contributed as Chairman / Member of several committees, playing a key role in decision making for the central bank. He chaired the Banking Policy Committee, Investment Committee of the Management, Management Committee on Information Technology, Payment Systems Policy Committee. He was also a member of the Monetary Policy Committee and Monetary Operations Committee. To meet the special skill requirements and develop human resources for an expanding Islamic Banking Industry, he played a pivotal role in the establishment of three Centers of Excellence in Islamic Finance in three leading universities of the country. With a focus on the smooth flow of financial services to priority sectors including Agriculture, Warehousing Receipts, Microfinance, SMEs, low-cost housing, Financial Inclusion, Digital Banking, Mr. Saeed Ahmad has played a key role in developing a number of innovative market instruments.

During 2014-17, Mr. Saeed Ahmad was Chairman of the Board of Directors of House Building Finance Company Limited, Pakistan Mortgage Refinance Company and EXIM Bank. He was Member, Policy Board of Securities and Exchange Commission of Pakistan, State Life Insurance Corporation and Zarai Taraqiati Bank Limited. Moreover, he is a member of the Board of Governors as well as Board of Trustees of Pakistan Kidney and Liver Institute and Research Center, Lahore. Mr. Saeed Ahmad also chaired SAARC Payments Council, which is an international forum of SAARC countries to share experiences on payment systems.



## Mr. Muhammed Siddique Khokhar Director

Mr. Muhammed Siddiq Khokhar holds Master Degrees in Economics and in Islamic studies. Also acquired L.L.B and L.L.M. Degrees from Karachi University. He is the Members of Karachi Bar Association, Sindh High Court Bar Association and enrolled with Sindh Bar Council. He is an Advocate High Court and practicing in the field of Civil, Criminal, Corporate and Labor matters. He is the partner in a Law house namely SANDHU AND SIDDIQUE ASSOCIATES.

He has gained extensive experience in the area of Finance, Economics, Management and legal matters and attained the position of SENIOR ECONOMIST; in PCSIR Ministry of Science and Technology; Government of Pakistan, where he prepared many pre-feasibility reports, which were approved, recognized and implemented by the ECNEC, Government of Pakistan for commercial production.

He is well known critic on finance, accounts and various appraisals in the corporate world and his contribution in this respect has been appreciated by the higher ups. He has contributed many articles on economy, finance and budget etc in the various newspaper and magazines of high repute.

At present he is on the board of AL-Abbas Sugar Mills Limited, Sindh Abadgar Sugar Mills Limited and AKD Capital Limited. Now AKD Hospitality Limited. He is the Chariman of Audit Committee and Member HR Committee of the Company.

He has also served the board of First Dawood Investment Bank Limited as Director, nominated by National Investment Trust. He has remained

an independent Director in Network Micro Finance Bank Limited (Now APNA MICROFINANCE BANK Ltd) and Golden Arrow Selected Fund Limited (AKD Group), also served as chairman Audit Committee of Golden Arrow Selected Fund Limited.

Mr. Siddiq Khokhar is the certified director by Securities and Exchange Commission of Pakistan and Insitute of Chartered Accountant of Pakistan as required under corporate governance.



## Mr. Abdul Qadir Sultan Director

Mr. Abdul Qadir Sultan is a Qualified Chartered Accountant from the Institute of Chartered Accountants of Pakistan (ICAP). He is currently working as the Chief Compliance and Risk Officer at SadaPay, one of Pakistan's fastest growing fintechs. The Company is funded by notable VCs including New York-based Recharge Capital, Kingsway Capital, Raptor Group and others.

He completed his articleship from A.F.Ferguson & Co. one of the finest accountancy firms in

Pakistan. He has a working experience of over 16 years in various diversified capacities. His last assignment was as the Head of Compliance and Risk Governance at Bank Alfalah Limited. He is a certified director from ICAP and holds a diploma in Islamic Finance from CIMA (UK).

Mr. Sultan takes keen interest in the promotion of education, trade and industry and strongly advocates these causes through various professional, corporate and trade platforms.



## Mr. Alamgir Sheikh Director

Mr. Alamgir Sheikh is a businessman. He is associated with Chamber of Commerce and Industries where he served as Advisor to the office of Chairman Banking & Insurance Committee, Chairman Renovation Committee, Chairman & Advisor Export Committee and Hilal Foods and Import Development. He is also serving as President of Snooker Association of Pakistan and also represented Habib Bank and Karachi region as domestic hockey player. In

2014, he was appointed as Vice President of Asian Federation of Snooker. In honor of recognition to his efforts in the sports of snooker the President of Pakistan awarded him "President's Award for performance Excellence".



## **Mrs. Darakshan Zohaib** Director

Mrs. Darakshan Zohaib has completed her graduation and is now currently pursuing her career in the field of accounts as Association of Chartered Accountant (ACCA). She has completed her internships in Central Depository Company Limited (CDM), Hum Television Network and A.F Ferguson and Company as an

Audit Trainee. Furthermore, she has achieved Academic Excellence Award 2009. She is also serving on the Board of Directors of Al-Abbas Sugar Mills Limited.



## **Mr. Abdullah Ghaffar** Director

Mr. Ghaffar is associated with Al Baraka Bank Pakistan Limited since July 2009. At present, he is serving Al Baraka as SEVP / Group Head - Corporate & Investment Banking. He is a member of the Bank's MANCOM, ALCO and CRMC. His professional experience spans over 32 years across various disciplines including Retail Banking, Corporate Finance, Capital Markets, Cash Management, Islamic Products & Services and Information Technology. Mr. Ghaffar

graduated from the Institute of Business Administration (IBA), Karachi with an MBA and subsequently completed professional trainings in Islamic Banking from Darul-Uloom, Korangi and SBP-NIBAF. He has held managerial positions in leading financial institutions such as United Bank Limited (Head of Islamic Banking) and Standard Chartered Bank (Associate Director - Islamic Banking).

# NOTICE OF 59TH ANNUAL GENERAL MEETING

# NOTICE OF 59TH ANNUAL GENERAL MEETING

Notice is hereby given that Fifty Ninth Annual General Meeting of the shareholders of Javedan Corporation Limited (the Company) will be held on Tuesday, October 26, 2021 at 04:00 p.m. at PSX Auditorium, Stock Exchange Building, Stock Exchange Road, Karachi to transact the following business

## ORDINARY BUSINESS

1. To confirm minutes of the 58th Annual General Meeting held on October 27, 2020.
2. To receive, consider and adopt annual audited financial statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2021 together with the Audited Consolidated Financial Statement of the Company and the Auditors' Report thereon for the year ended June 30, 2021.
3. To appoint Auditors and fix their remuneration for the year ending June 30, 2022. The Board of Directors have recommended for reappointment of M/s. EY Ford Rhodes Chartered Accountants and M/s. Reanda Haroon Zakaria & Co., Chartered Accountants as external auditors.
4. To elect 9 (nine) Directors, as fixed by the Board in accordance with the provision of Section 159 of the Companies Act, 2017, for a term of 3 (three) years commencing from the date of holding AGM i.e. October 26, 2021. The names of retiring directors of the Company, also eligible to offer themselves for re-election, are as follows:
  - 1) Arif Habib
  - 2) Samad A. Habib
  - 3) Alamgir A. Sheikh
  - 4) Muhammad Ejaz
  - 5) Saeed Ahmad
  - 6) Darakshan Zohaib
  - 7) Abdullah Ghaffar
  - 8) Abdul Qadir Sultan
  - 9) Muhammad Siddique Khokhar

## SPECIAL BUSINESS

5. To approve the issuance of bonus shares in the proportion of 20 shares of every 100 shares held i.e. 20%.

### RESOLVED THAT

A sum of Rs. 634,767,412 out of free reserve of the Company be capitalized and applied towards the issue of 63,476,741 ordinary shares of Rs. 10 each and allotted as fully paid bonus shares to shareholders in the proportion of twenty (20) shares for every hundred (100) existing ordinary shares held by the shareholders whose name appear on the Member Register on October 18, 2021.

### FURTHER RESOLVED THAT

These Bonus Shares shall rank pari passu in all respects with existing ordinary shares of the Company.

### FURTHER RESOLVED THAT

In the event of any Member holding shares which are not an exact multiple of his/her entitlement, the Board of Directors be and are hereby authorized to consolidate all such fractions of bonus shares and sell the same on Pakistan Stock Exchange and the sale proceeds thereof shall be utilized as deemed appropriate by the Board.

**FURTHER RESOLVED THAT**

For the purpose of giving effect to the foregoing the Chief Executive Officer, Chief Financial Officer and Company Secretary is be and are hereby singly or jointly authorized to do all acts, deeds, and things and take any and all necessary steps to fulfill the legal, corporate and procedural formalities and to file all documents/returns as deemed necessary, expedient and desirable to give effect to this resolution.

6. To authorize the Board of Directors of the Company to approve those transactions with Related Parties (if executed) during the financial year ending June 30, 2022 which require approval of shareholders u/s 207 and / or 208 of the companies Act, 2017, by passing the following special resolution with or without modification:

**RESOLVED THAT**

The Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending June 30, 2022.

**FURTHER RESOLVED THAT**

The transactions approved by the Board shall be deemed to have been approved by the shareholders u/s 207 and / or 208 of the companies Act, 2017 (if triggered) and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval u/s 207 and / or 208 of the Companies Act, 2017 (if required).

7. To consider and if deemed fit, to pass the following Special Resolutions with or without modification(s):

**Investment in Associated Companies & Associated Undertakings****RESOLVED THAT**

The consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, for the following limits of investments in associated companies and associated undertakings for a period upto next annual general meeting, and subject to the terms and conditions as mentioned in the Annexure-B of Statement under Section 134(3).

S.No	Name of Associated Companies & Undertakings	Proposed Fresh Investment	
		Equity	Loan/Advance/ Guarantee
		PKR in million	PKR in million
1	Aisha Steel Mills Limited	500	1,000
2	Power Cement Limited	500	1,000
3	Arif Habib Limited	500	1,000
4	Fatima Fertilizer Company Limited	500	-
5	Sapphire Bay Development Company Limited and or Sapphire Bay Islamic Developmental REIT	6,000	-
6	Gymkhana Apartment REIT	5,000	-
7	Globe Residencies REIT	3,000	-
8	Naya Nazimabad Apartment REIT	6,500	-

**FURTHER RESOLVED THAT**

Chief Financial Officer or Company Secretary (the "Group A") and Chief Executive or any Director (the "Group B"), any one from Group A jointly with any one from Group B, or any two from Group B jointly, are hereby authorized to take and do, and/or cause to be taken or done, any/all necessary actions, deeds and things which are or may be necessary for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential to the investment of the Company's funds as above, as and when required at the time of investment, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.

## ANY OTHER BUSINESS

8. To transact any other business with the permission of the chair.

A Statement under section 134(3) of the Companies Act, 2017 pertaining to the special business is being sent to the shareholders along with this notice.



By Order of the Board  
**Muneer Gader**  
Company Secretary

Karachi  
Dated: October 05, 2021

## NOTES:

1. In pursuance of SECP's Circular No. 4 dated February 15, 2021, pertaining to Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector, the shareholders shall be entitled to attend the proceedings of the AGM through online means using a video link facility, Zoom application or other electronic means for the safety and well-being of the valued shareholders and the general public.

Accordingly the company intends to convene the AGM with minimum physical interaction with shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies.

Therefore the company has made arrangements to ensure that all participants including shareholders, can also participate in the AGM proceeding via video link. Hence, those members who desire online participation in the AGM are requested to register themselves by sending an email along with following particulars and valid copy of both sides of their CNIC at [muhammad.adnan@jcl.com.pk](mailto:muhammad.adnan@jcl.com.pk) with subject of "Registration for JCL AGM 2021" not less than 48 hours before the time of meeting:

Name of Shareholder	CNIC No	Folio No / CDC Account No	Cell No	Email Address

Video Link to join the AGM will be shared with only those members whose emails, containing all the required and correct particulars are received at above mentioned email address.

2. The share transfer books of the Company will remain closed from October 19, 2021 to October 26, 2021 (both days inclusive). Transfer received in order at the office of our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400 at the close of the business on Monday, October 18, 2021, will be considered in time for the determination of entitlement of shareholders to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting may appoint another person as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
4. Procedure including the guidelines as laid down in Circular No. I - Reference No. 3 (5-A) Misc / ARO / LES / 96 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan:
- Members, proxies or nominees shall authenticate their identity by showing their original national identity card or original passport and bring their folio numbers at the time of attending the meeting
  - In the case of corporate entity, Board of Directors' resolution / power of attorney and attested copy of the CNIC or passport of the nominee shall also be produced (unless provided earlier) at the time of meeting

- iii. In order to be effective, the proxy forms must be received at the office of our registrar not later than 48 hours before the meeting, duly signed and stamped and witnessed by two persons with their names, address, CNIC numbers and signatures
  - iv. In the case of individuals, attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form
  - v. In the case of proxy by a corporate entity, Board of Directors resolution / power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy form
5. For election of Directors any person who seeks to contest the election of Directors shall file with the Company at its registered office, not later than fourteen (14) days before the above said meeting his/her intention to offer himself/herself for the election of the Directors in terms of Section 159(3) of the Companies Act, 2017 together with:
- i. Consent to act as director under Section 167(1) of the Act on a duly filled and signed FORM-28.
  - ii. Declaration for eligibility to act as director of listed company and awareness of duties and powers of directors under the Companies Act, 2017, Memorandum and Articles of Association of the Company, Rule Book of Pakistan Stock Exchange Limited and the Listed Companies (Code of Corporate Governance) Regulations, 2017 and other relevant laws and regulations.
  - iii. Declaration of independence in terms of Section 166(2) of the Companies Act, 2017 as required under Listed Companies (Code of Corporate Governance) Regulations, 2017 (applicable only for person filing consent to act as independent director of the Company).
  - iv. A detailed profile along with office address for placement on the Company's website.
  - v. Detail of other directorship and offices held
  - vi. Copy of valid CNIC (in case of Pakistan national) / Passport (in case of foreign national), and
  - vii. NTN & Folio No./CDC Investors Account No./CDC Sub-Account No (applicable for person filing consent for the first time).

## **Important**

### **Notice to Shareholders for provision of CNIC and other details**

The Individual Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi. The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number with the copy of CNIC / NTN details.

Further, under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Consequently, in order to receive future cash dividends directly into bank account, if any, shareholders having physical shares are requested to fill in 'Electronic Mode Dividend Form' available at Company's website containing prescribed details and send it duly signed along with a copy of CNIC to the Registrar of the Company. In case of book-entry securities, shareholders must get their respective records updated as per the 'Electronic Mode Dividend Form' with their Broker / Participant / CDC account services.

In case of absence / non-receipt of the copy of a valid CNIC and bank account details, the Company would be constraint under Section 243(2)(a) of the Companies Act, 2017 to withhold the payment of future dividends, if any, to such members till provision of prescribed details.

### **E-Voting**

Members can also exercise their right of E-Voting subject to the requirement of Sections 143-145 of the Companies Act, 2017 and the applicable clauses of the Companies (Postal Ballot) Regulations 2018.

### **Provision of Video Link Facility**

Shareholders may participate in the meeting via video-link facility. If the Company receives a demand (at least 7 days before the date of meeting) from shareholder(s) holding an aggregate 10% or more shareholding residing in any other city, to participate in the meeting through video link, the Company will arrange video link facility in that city.

Shareholders, who wish to participate through video-link facility, are requested to fill in Video Link Facility Form available at Company's website and send a duly signed copy to the Registered Address of the Company.

### **Distribution of Annual Report:**

The Annual Report of the Company for the year ended June 30, 2021 has been placed on the Company's website at the given link: <http://jcl.com.pk/financial-statements>.

Further, Annual Report of the Company for the year ended June 30, 2021 is dispatched to the shareholders through CD. However, if a shareholder, in addition, requests for hard copy of Annual Report, the same shall be provided free of cost within seven days of receipt of such request. For convenience of shareholders, a "Standard Request Form for provision of Annual Report" has also been made available on the Company's website [www.jcl.com.pk](http://www.jcl.com.pk)

### **Deposit of Physical shares in CDC Accounts:**

As per Section 72 of the Companies Act 2017 every exiting company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP within a period not exceeding four years from the commencement of the Companies Act 2017 i.e. 30th May 2017. The shareholders having physical shareholding are requested to open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into scrip less form.

### **Unclaimed dividends**

Shareholders, who by any reason, could not claim their previous dividends are advised to contact our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi, to collect/enquire about their unclaimed dividend, if any. The details of the dividend declared by the Company which have remained due for more than three years are available on the Company's website.

# STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business given in Agenda item No. 6 and Agenda item No. 7 of the Notice to be transacted at the Annual General Meeting of the Company.

Directors of the Company have no interest in the special business except in their capacity as director / shareholder.

# STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business given in Agenda item No. 6 and Agenda item No. 7 of the Notice to be transacted at the Annual General Meeting of the Company. Directors of the Company have no interest in the special business except in their capacity as director / shareholder.

## ANNEXURE-A

AUTHORIZATION FOR THE BOARD OF DIRECTORS TO APPROVE THOSE TRANSACTIONS WITH RELATED PARTIES (IF EXECUTED) DURING THE FINANCIAL YEAR ENDING 30TH JUNE 2022 WHICH REQUIRE APPROVAL OF SHAREHOLDERS U/S 207 AND / OR 208 OF THE COMPANIES ACT, 2017

The Company shall be conducting transactions with its related parties during the year ending June 30, 2022 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. However Directors may be deemed to be treated as interested in transactions with related parties due to their common directorships and/or shareholding. In order to promote good corporate governance and transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis, including transactions (if executed) triggering approval of shareholders u/s 207 and / or 208 of the Companies Act, 2017, for the year ending June 30, 2022, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification

## ANNEXURE-B

INVESTMENTS IN ASSOCIATED COMPANIES & ASSOCIATED UNDERTAKINGS

The Board of Directors of the Company has approved the specific limits for equity investments and investment in form of loans/advances along with other particulars for investments in the following associated companies and associated undertakings, subject to the consent of members under Section 199 of the Companies Act, 2017 / Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017. The Board of Directors do hereby undertake / certify that necessary due diligence for the following proposed investments have been carried out. The principle purpose of this special resolution is to make the Company in a ready position to capitalize on the investment opportunities as and when they arrive. It is prudent that the Company should be able to make the investment at the right time when the opportunity is available, and the limit shall be valid till the holding of next annual general meeting with the option of renewal thereon.

Ref. No.	Requirement	Information																
<b>Information required to be disclosed as per Regulation 3(1)(a):</b>																		
i	Name of associated company or associated undertaking	<b>Aisha Steel Mills Limited (“ASML”)</b>																
ii	Basis of relationship	An associated undertaking due to common directorships.																
iii	Earnings per share (Basic) for the last three years	<b>Year 2020:</b> (0.89) <b>Year 2019:</b> 0.26 <b>Year 2018:</b> 1.57																
iv	Break-up value of share, based on the latest audited financial statements	PKR 10.58 per share as at 30th June 2020.																
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	30th June 2020 (PKR in Million) <table border="0"> <tr> <td>Non-current assets</td> <td>21,226.34</td> </tr> <tr> <td>Current assets</td> <td>13,283.05</td> </tr> <tr> <td>Equity</td> <td>8,097.43</td> </tr> <tr> <td>Non-current liabilities</td> <td>9,467.75</td> </tr> <tr> <td>Current liabilities</td> <td>16,944.20</td> </tr> <tr> <td>Operating Revenue</td> <td>29,776.82</td> </tr> <tr> <td>Loss before Tax</td> <td>(1,343.2)</td> </tr> <tr> <td>Loss after Tax</td> <td>(616.57)</td> </tr> </table>	Non-current assets	21,226.34	Current assets	13,283.05	Equity	8,097.43	Non-current liabilities	9,467.75	Current liabilities	16,944.20	Operating Revenue	29,776.82	Loss before Tax	(1,343.2)	Loss after Tax	(616.57)
Non-current assets	21,226.34																	
Current assets	13,283.05																	
Equity	8,097.43																	
Non-current liabilities	9,467.75																	
Current liabilities	16,944.20																	
Operating Revenue	29,776.82																	
Loss before Tax	(1,343.2)																	
Loss after Tax	(616.57)																	
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, prescribed details thereof	Not applicable.																
vii	Maximum amount of investment to be made	Following limits are requested for approval: <ul style="list-style-type: none"> <li>• Fresh limit of PKR 500 million is requested for approval in equity securities; and</li> <li>• Fresh limit of PKR 1 billion is requested for approval as loans / advances / running finance at the discretion of the Company.</li> </ul>																
viii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns on investment by capturing the opportunities on the right time. Approval of limit shall remain valid for a period up to next annual general meeting, and shall be renewable thereon for further period(s).																
ix	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds.	The investment may be made from Company’s own available liquidity and/or credit lines.																

Ref. No.	Requirement	Information
	<ul style="list-style-type: none"> <li>Justification for investment through borrowing</li> <li>Detail of collateral, guarantees provided and assets pledged for obtaining such funds</li> <li>Cost benefit analysis</li> </ul>	<ul style="list-style-type: none"> <li>Higher rate of return</li> <li>Pledge of listed securities and / or charge over assets of the Company, if and where needed.</li> <li>Company's average borrowing cost is 3MK/6MK + 1.67% and the Company expects to earn over and above the average borrowing cost.</li> </ul>
x	Salient feature of agreements (if any) with associated company or associated undertaking with regards to proposed investment	There is no agreement to date.
xi	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the company have no interest in the investee company except in their capacity as sponsor / director / shareholder of associated company.
xii	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	Fresh approval is being sought and no previous investment has been made. Performance of ASML can be referred in Point III to V above.
xiii	Any other important details necessary for the members to understand the transaction	None
<b>Information required to be disclosed as per Regulation 3(1)(a):</b>		
xiv	Maximum price at which securities will be acquired	At par / premium / market / offered / negotiated price prevailing on the date of transaction/investment.
xv	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not applicable.
xvi	Maximum number of securities to be acquired	No. of securities purchasable under approved limit in accordance with / based on Sr. Nos. VII & XIV.
xvii	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil After: Increase in securities / percentage in accordance with Sr. Nos. VII, XIV and XVI.
xviii	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	As at 22 September 2021: Current price per share: Rs. 23.16 (ordinary shares) and Rs. 32.5 (preference shares)  Weighted average market price per share of preceding twelve weeks: 24.22 (ordinary shares) and Rs. 32.5 (preference shares).

Ref. No.	Requirement	Information
xix	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Not applicable.
<b>Information required to be disclosed as per Regulation 3(1)(C):</b>		
xx	Category-wise amount of investment	<p>Fresh limit of PKR 1 billion is requested for approval as loans / advances / running finance at the discretion of the Company.</p> <p>The investment upto PKR 1 billion may be made in form of loan, advances or running finance at the discretion of the Company but the total shall not exceed the approved limit.</p>
xxi	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	Company's average borrowing cost is 3MK/6MK + 1.67%.
xxii	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company.	Negotiable: in line with prevailing commercial rates for similar facilities and will be decided at the time of extending the facility.
xxiii	Particulars of collateral or security to be obtained in relation to the proposed investment.	As investee is a Group Company, no collateral is required.
xxvi	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	Not Applicable.
xxv	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	<p>Facilities extended in the nature of Running Finance / Advance / term loan shall be for a period of one year and renewable in next general meeting for further period (s) of one year (s).</p> <p>Facility extended in the nature of term loan shall be for a period as agreed at the time of disbursement, and the portion of facility to the extent of disbursement of term loan shall be exhausted and shall not be renewable in next annual general meeting.</p>

Ref. No.	Requirement	Information																		
<b>Information required to be disclosed as per Regulation 3(1)(a):</b>																				
i	Name of associated company or associated undertaking	<b>Power Cement Limited (“PCL”)</b>																		
ii	Basis of relationship	An associated undertaking due to common directorship.																		
iii	Earnings per share (Basic) for the last three years	<b>Year 2020:</b> (3.4) <b>Year 2019:</b> 0.55 <b>Year 2018:</b> 0.32																		
iv	Break-up value of share, based on the latest audited financial statements	PKR 8.68 per share as at 30th June 2020.																		
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table border="0"> <tr> <td>30th June 2020</td> <td>(PKR in Million)</td> </tr> <tr> <td>Non-current assets</td> <td>38,068.90</td> </tr> <tr> <td>Current assets</td> <td>7,126.06</td> </tr> <tr> <td>Equity</td> <td>9,228.39</td> </tr> <tr> <td>Non-current liabilities</td> <td>16,459.21</td> </tr> <tr> <td>Current liabilities</td> <td>19,507.35</td> </tr> <tr> <td>Operating Revenue</td> <td>4,132.36</td> </tr> <tr> <td>Loss before Tax</td> <td>(3,959.48)</td> </tr> <tr> <td>Loss after Tax</td> <td>(3,616.45)</td> </tr> </table>	30th June 2020	(PKR in Million)	Non-current assets	38,068.90	Current assets	7,126.06	Equity	9,228.39	Non-current liabilities	16,459.21	Current liabilities	19,507.35	Operating Revenue	4,132.36	Loss before Tax	(3,959.48)	Loss after Tax	(3,616.45)
30th June 2020	(PKR in Million)																			
Non-current assets	38,068.90																			
Current assets	7,126.06																			
Equity	9,228.39																			
Non-current liabilities	16,459.21																			
Current liabilities	19,507.35																			
Operating Revenue	4,132.36																			
Loss before Tax	(3,959.48)																			
Loss after Tax	(3,616.45)																			
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, prescribed details thereof	Not applicable.																		
vii	Maximum amount of investment to be made	<p>Following limits are requested for approval:</p> <ul style="list-style-type: none"> <li>• Fresh limit of PKR 500 million is requested for approval in equity securities; and</li> <li>• Fresh limit of PKR 1 billion is requested for approval as loans / advances / running finance at the discretion of the Company.</li> </ul>																		
viii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns on investment by capturing the opportunities on the right time. Approval of limit shall remain valid for a period upto next annual general meeting, and shall be renewable thereon for further period(s).																		
ix	<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds</p> <ul style="list-style-type: none"> <li>• Justification for investment through borrowing</li> <li>• Detail of collateral, guarantees provided and assets pledged for obtaining such funds</li> </ul>	<p>The investment may be made from Company’s own available liquidity and/or credit lines.</p> <ul style="list-style-type: none"> <li>• Higher rate of return</li> <li>• Pledge of listed securities and / or charge over assets of the Company, if and where needed.</li> </ul>																		

Ref. No.	Requirement	Information
	<ul style="list-style-type: none"> <li>Cost benefit analysis</li> </ul>	<ul style="list-style-type: none"> <li>Company's average borrowing cost is 3MK/6MK + 1.67% and the Company expects to earn over and above the average borrowing cost.</li> </ul>
x	Salient feature of agreements (if any) with associated company or associated undertaking with regards to proposed investment	There is no agreement to date.
xi	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the company have no interest in the investee company except in their capacity as sponsor / director / shareholder of associated company.
xii	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	Performance of PCL can be referred in Point III to V above.
xiii	Any other important details necessary for the members to understand the transaction	None
<b>Information required to be disclosed as per Regulation 3(1)(b):</b>		
xiv	Maximum price at which securities will be acquired	At par / premium / market / offered / negotiated price prevailing on the date of transaction/investment.
xv	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not applicable.
xvi	Maximum number of securities to be acquired	No. of securities purchasable under approved limit in accordance with / bases on Sr. Nos. VII & XIV.
xvii	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil After: Increase in securities / percentage in accordance with Sr. Nos. VII, XIV and XVI.
xviii	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	As at 22 September 2021: Current price per share: Rs. 7.33 Weighted average market price per share of preceding twelve weeks: 8.93
xix	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Not applicable.

Ref. No.	Requirement	Information
<b>Information required to be disclosed as per Regulation 3(1)(c):</b>		
xx	Category-wise amount of investment	<p>Fresh limit of PKR 1 billion is requested for approval as loans / advances / running finance at the discretion of the Company.</p> <p>The investment upto PKR 1 billion may be made in form of loan, advances or running finance at the discretion of the Company but the total shall not exceed the approved limit.</p>
xxi	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Company's average borrowing cost is 3MK/6MK + 1.67%.
xxii	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	Negotiable: in line with prevailing commercial rates for similar facilities and will be decided at the time of extending the facility.
xxiii	Particulars of collateral or security to be obtained in relation to the proposed investment	As investee is a Group Company, no collateral is required.
xxiv	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable.
xxv	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	<p>Facilities extended in the nature of Running Finance / Advance / term loan shall be for a period of one year and renewable in next general meeting for further period (s) of one year (s).</p> <p>Facility extended in the nature of term loan shall be for a period as agreed at the time of disbursement, and the portion of facility to the extent of disbursement of term loan shall be exhausted and shall not be renewable in next annual general meeting.</p>

Ref. No.	Requirement	Information																		
<b>Information required to be disclosed as per Regulation 3(1)(a):</b>																				
i	Name of associated company or associated undertaking	<b>Arif Habib Limited (“AHL”)</b>																		
ii	Basis of relationship	An associated undertaking due to common control.																		
iii	Earnings per share (Basic) for the last three years	<b>Year 2021:</b> 35.08 <b>Year 2020:</b> 1.00 <b>Year 2019:</b> (0.95)																		
iv	Break-up value of share, based on the latest audited financial statements	PKR 84 per share as at 30th June 2021.																		
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table border="0"> <tr> <td>30th June 2021</td> <td>(PKR in Million)</td> </tr> <tr> <td>Non-current assets</td> <td>2,221.558</td> </tr> <tr> <td>Current assets</td> <td>6,249.943</td> </tr> <tr> <td>Equity</td> <td>4,995.383</td> </tr> <tr> <td>Non-current liabilities</td> <td>3.525</td> </tr> <tr> <td>Current liabilities</td> <td>3,472.593</td> </tr> <tr> <td>Operating Revenue</td> <td>1,511.596</td> </tr> <tr> <td>Profit before Tax</td> <td>2,393.102</td> </tr> <tr> <td>Profit after Tax</td> <td>2,084.005</td> </tr> </table>	30th June 2021	(PKR in Million)	Non-current assets	2,221.558	Current assets	6,249.943	Equity	4,995.383	Non-current liabilities	3.525	Current liabilities	3,472.593	Operating Revenue	1,511.596	Profit before Tax	2,393.102	Profit after Tax	2,084.005
30th June 2021	(PKR in Million)																			
Non-current assets	2,221.558																			
Current assets	6,249.943																			
Equity	4,995.383																			
Non-current liabilities	3.525																			
Current liabilities	3,472.593																			
Operating Revenue	1,511.596																			
Profit before Tax	2,393.102																			
Profit after Tax	2,084.005																			
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, prescribed details thereof	Not applicable.																		
vii	Maximum amount of investment to be made	<p>Following limits are requested for approval:</p> <ul style="list-style-type: none"> <li>• Fresh limit of PKR 500 million is requested for approval in equity securities; and</li> <li>• Fresh limit of PKR 1 billion is requested for approval as loans / advances / running finance at the discretion of the Company.</li> </ul>																		
viii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns on investment by capturing the opportunities on the right time. Approval of limit shall remain valid for a period upto next annual general meeting, and shall be renewable thereon for further period(s).																		
ix	<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds</p> <ul style="list-style-type: none"> <li>• Justification for investment through borrowing</li> <li>• Detail of collateral, guarantees provided and assets pledged for obtaining such funds</li> </ul>	<p>The investment may be made from Company’s own available liquidity and/or credit lines.</p> <ul style="list-style-type: none"> <li>• Higher rate of return</li> <li>• Pledge of listed securities and / or charge over assets of the Company, if and where needed.</li> </ul>																		

Ref. No.	Requirement	Information
<b>Information required to be disclosed as per Regulation 3(1)(a):</b>		
	<ul style="list-style-type: none"> <li>Cost benefit analysis</li> </ul>	<ul style="list-style-type: none"> <li>Company's average borrowing cost is 3MK/6MK + 1.67% and the Company expects to earn over and above the average borrowing cost.</li> </ul>
x	Salient feature of agreements (if any) with associated company or associated undertaking with regards to proposed investment	There is no agreement to date.
xi	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the company have no interest in the investee company except in their capacity as sponsor / director / shareholder of associated company.
xii	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	Performance of AHL can be referred in Point III to V above.
xiii	Any other important details necessary for the members to understand the transaction	None.
<b>Information required to be disclosed as per Regulation 3(1)(b):</b>		
xiv	Maximum price at which securities will be acquired	At par / premium / market / offered / negotiated price prevailing on the date of transaction/investment.
xv	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not applicable.
xvi	Maximum number of securities to be acquired	No. of securities purchasable under approved limit in accordance with / bases on Sr. Nos. VII & XIV.
xvii	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil After: Increase in securities / percentage in accordance with Sr. Nos. VII, XIV and XVI.
xviii	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	As at 22 September 2021: Current price per share: Rs. 51.64 Weighted average market price per share of preceding twelve weeks: 81.12
xix	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Not applicable.

Ref. No.	Requirement	Information
<b>Information required to be disclosed as per Regulation 3(1)(c):</b>		
xx	Category-wise amount of investment	<p>Fresh limit of PKR 1 billion is requested for approval as loans / advances / running finance at the discretion of the Company.</p> <p>The investment upto PKR 1 billion may be made in form of loan, advances or running finance at the discretion of the Company but the total shall not exceed the approved limit.</p>
xxi	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Company's average borrowing cost is 3MK/6MK + 1.67%.
xxii	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	Negotiable: in line with prevailing commercial rates for similar facilities and will be decided at the time of extending the facility.
xxiii	Particulars of collateral or security to be obtained in relation to the proposed investment	As investee is a Group Company, no collateral is required.
xxiv	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable.
xxv	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	<p>Facilities extended in the nature of Running Finance / Advance / term loan shall be for a period of one year and renewable in next general meeting for further period (s) of one year (s).</p> <p>Facility extended in the nature of term loan shall be for a period as agreed at the time of disbursement, and the portion of facility to the extent of disbursement of term loan shall be exhausted and shall not be renewable in next annual general meeting.</p>

Ref. No.	Requirement	Information
<b>Information required to be disclosed as per Regulation 3(1)(a):</b>		
i	Name of associated company or associated undertaking	<b>Fatima Fertilizer Company Limited ("FFCL")</b>
ii	Basis of relationship	An associated undertaking due to common directorship.
iii	Earnings per share (Basic) for the last three years	<b>Year 2020:</b> 6.32 <b>Year 2019:</b> 5.75 <b>Year 2018:</b> 5.67
iv	Break-up value of share, based on the latest audited financial statements	PKR 41.48 per share as at 30th June 2020
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	31 December 2020 (PKR in Million) Non-current assets 114,999.261 Current assets 42,557.629 Equity 87,102.656 Non-current liabilities 29,303.057 Current liabilities 41,151.177 Operating Revenue 71,267.316 Profit before Tax 18,742.755 Profit after Tax 13,274.691
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, prescribed details thereof	Not applicable
vii	Maximum amount of investment to be made	Following limits are requested for approval: <ul style="list-style-type: none"> <li>Fresh limit of PKR 500 million is requested for approval in equity securities.</li> </ul>
viii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns on investment by capturing the opportunities on the right time. Approval of limit shall remain valid for a period upto next annual general meeting, and shall be renewable thereon for further period(s).
ix	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds <ul style="list-style-type: none"> <li>Justification for investment through borrowing</li> <li>Detail of collateral, guarantees provided and assets pledged for obtaining such funds</li> <li>Cost benefit analysis</li> </ul>	The investment may be made from Company's own available liquidity and/or credit lines. <ul style="list-style-type: none"> <li>Higher rate of return</li> <li>Pledge of listed securities and / or charge over assets of the Company, if and where needed.</li> <li>Company's average borrowing cost is 3MK/6MK + 1.67% and the Company expects to earn over and above the average borrowing cost.</li> </ul>

Ref. No.	Requirement	Information
<b>Information required to be disclosed as per Regulation 3(1)(a):</b>		
x	Salient feature of agreements (if any) with associated company or associated undertaking with regards to proposed investment	There is no agreement to date.
xi	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the company have no interest in the investee company except in their capacity as sponsor / director / shareholder of associated company.
xii	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	Performance of FFCL can be referred in Point III to V above.
xiii	Any other important details necessary for the members to understand the transaction	None.
<b>Information required to be disclosed as per Regulation 3(1)(b):</b>		
xiv	Maximum price at which securities will be acquired	At par / premium / market / offered / negotiated price prevailing on the date of transaction/investment.
xv	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not applicable.
xvi	Maximum number of securities to be acquired	No. of securities purchasable under approved limit in accordance with / bases on Sr. Nos. VII & XIV.
xvii	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil After: Increase in securities / percentage in accordance with Sr. Nos. VII, XIV and XVI.
xviii	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	As at 22 September 2021: Current price per share: Rs. 29.7 Weighted average market price per share of preceding twelve weeks: 28.84
xix	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Not applicable.

Ref. No.	Requirement	Information
<b>Information required to be disclosed as per Regulation 3(1)(a):</b>		
i	Name of associated company or associated undertaking	<b>Sapphire Bay Development Company Limited (“SBDCL”) and or Sapphire Bay Islamic Developmental REIT (“SBIDR”)</b>
ii	Basis of relationship	<p>SBDCL is a wholly owned subsidiary of the Company [The approval of Investment in Associated Companies &amp; Associated undertakings is being sought for SBDCL in case if during the period SBDCL no longer remain a wholly owned subsidiary company].</p> <p>Further the company is in process of forming SBIDR [The approval of Investment in Associated Companies &amp; Associated undertakings is being sought for SBIDR in case if at time of formation of proposed REIT or subsequently during the period until next General Meeting proposed REIT does no longer remain a wholly owned subsidiary of the Company.]</p>
iii	Earnings per share (Basic) for the last three years	SBDCL has been incorporated on 25 August 2021 and SBIDR is in process of formation therefore this information is not applicable.
iv	Break-up value of share, based on the latest audited financial statements	SBDCL has been incorporated on 25 August 2021 and SBIDR is in process of formation therefore this information is not applicable.
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	SBDCL has been incorporated on 25 August 2021 and SBIDR is in process of formation therefore this information is not applicable.
vi	<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information namely,</p> <p>i) Description of the project and its history since conceptualization;</p>	Not applicable, as Company is investing in Sapphire Bay Development Company Limited and or Sapphire Bay Islamic Developmental REIT and not any of its project.

Ref. No.	Requirement	Information
	ii) Starting date and expected date of completion of work; iii) Time by which such project will become commercially operational iv) Expected time by which the project shall start paying return on investment; and v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.	
vii	Maximum amount of investment to be made	Following limits are requested for approval: <ul style="list-style-type: none"> <li>• Fresh limit of PKR 6,000 million is requested for approval in equity securities.</li> </ul>
viii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns on investment by capturing the opportunities on the right time. Approval of limit shall remain valid for a period upto next annual general meeting, and shall be renewable thereon for further period(s).
ix	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds <ul style="list-style-type: none"> <li>• Justification for investment through borrowing</li> <li>• Detail of collateral, guarantees provided and assets pledged for obtaining such funds</li> <li>• Cost benefit analysis</li> </ul>	The investment may be made from Company's own available liquidity and/or credit lines. <ul style="list-style-type: none"> <li>• Higher rate of return</li> <li>• Pledge of listed securities and / or charge over assets of the Company, if and where needed.</li> <li>• Company's average borrowing cost is 3MK/6MK + 1.67% and the Company expects to earn over and above the average borrowing cost.</li> </ul>
x	Salient feature of agreements (if any) with associated company or associated undertaking with regards to proposed investment	There is no agreement to date.
xi	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the company have no interest in the investee company except in their capacity as sponsor / director / shareholder of associated company.

Ref. No.	Requirement	Information
xii	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	Not applicable.
xiii	Any other important details necessary for the members to understand the transaction	None.
<b>Information required to be disclosed as per Regulation 3(1)(b):</b>		
xiv	Maximum price at which securities will be acquired	At par / premium / market / offered / negotiated price prevailing on the date of transaction/investment.
xv	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not applicable.
xvi	Maximum number of securities to be acquired	No. of securities purchasable under approved limit in accordance with / bases on Sr. Nos. VII & XIV.
xvii	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil After: Increase in securities / percentage in accordance with Sr. Nos. VII, XIV and XVI.
xviii	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Not applicable.
xix	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Regulation 5(1) of Companies (Investment in associated Companies & Associated undertakings) Regulations 2017 provides that in case of investment in un-listed securities of an associated company or undertaking, the fair value for such security shall be determined based on the generally accepted valuation techniques and latest financial statement of the associated company.  SBDCL is currently not an operating company and SBIDR has not been formed therefore the determination of fair value of its shares/units provided for in the regulation cannot be made at this time.  The initial investment or subscription in shares is at par/face value which in case SBDCL is PKR 10 per share and it is expected for SBIDR it will be PKR 10 per unit.

Ref. No.	Requirement	Information
<b>Information required to be disclosed as per Regulation 3(1)(a):</b>		
i	Name of associated company or associated undertaking	<b>Gymkhana Apartment REIT</b>
ii	Basis of relationship	A company is in process of forming a REIT by the name "Gymkhana Apartment REIT".  An approval of investment is being sought from members in General Meeting in case if the proposed REIT at time of formation is not a wholly owned subsidiary or subsequently during the period until next General Meeting does no longer remain a wholly owned subsidiary of the Company.
iii	Earnings per share (Basic) for the last three years	REIT is in process of formation / registration therefore this information is not applicable.
iv	Break-up value of share, based on the latest audited financial statements	REIT is in process of formation / registration therefore this information is not applicable.
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	REIT is in process of formation / registration therefore this information is not applicable.
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information namely, <ul style="list-style-type: none"> <li>i) Description of the project and its history since conceptualization;</li> <li>ii) Starting date and expected date of completion of work;</li> <li>iii) Time by which such project will become commercially operational</li> <li>iv) Expected time by which the project shall start paying return on investment; and</li> <li>v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.</li> </ul>	Not applicable, as Company is investing in Gymkhana Apartment REIT and not any of its projects.

Ref. No.	Requirement	Information
vii	Maximum amount of investment to be made	Following limits are requested for approval: <ul style="list-style-type: none"> <li>• Fresh limit of PKR 5,000 million is requested for approval in equity securities.</li> </ul>
viii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns on investment by capturing the opportunities on the right time. Approval of limit shall remain valid for a period upto next annual general meeting, and shall be renewable thereon for further period(s).
ix	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds <ul style="list-style-type: none"> <li>• Justification for investment through borrowing</li> <li>• Detail of collateral, guarantees provided and assets pledged for obtaining such funds</li> <li>• Cost benefit analysis</li> </ul>	The investment will be in the form of kind. <ul style="list-style-type: none"> <li>• N/A</li> <li>• N/A</li> <li>• N/A</li> </ul>
x	Salient feature of agreements (if any) with associated company or associated undertaking with regards to proposed investment	There is no agreement to date.
xi	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the company shall have no interest in the investee company except in their capacity as sponsor or shareholder of associated undertaking (if any).
xii	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	Not applicable.
xiii	Any other important details necessary for the members to understand the transaction	None.
<b>Information required to be disclosed as per Regulation 3(1)(b):</b>		
xiv	Maximum price at which securities will be acquired	At par / premium / market / offered / negotiated price prevailing on the date of transaction/investment.
xv	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not applicable.
xvi	Maximum number of securities to be acquired	No. of securities purchasable under approved limit in accordance with / bases on Sr. Nos. VII & XIV.

Ref. No.	Requirement	Information
xvii	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil After: Increase in securities / percentage in accordance with Sr. Nos. VII, XIV and XVI.
xviii	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Not applicable.
xix	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Regulation 5(1) of Companies (Investment in associated Companies & Associated undertakings) Regulations 2017 provides that in case of investment in un-listed securities of an associated company or undertaking, the fair value for such security shall be determined based on the generally accepted valuation techniques and latest financial statement of the associated company.  The Gymkhana Apartment REIT is in process of registration therefore the determination of fair value of its units provided for in the regulation cannot be made at this time.  The initial investment or subscription in units will be at par/face value i.e., PKR 10 per unit.

Ref. No.	Requirement	Information
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**Information required to be disclosed as per Regulation 3(1)(a):**

i	Name of associated company or associated undertaking	<b>Globe Residencies REIT</b>
ii	Basis of relationship	A company is in process of forming a REIT by the name "Globe Residencies REIT".  An approval of investment is being sought from members in General Meeting in case if the proposed REIT at time of formation is not a wholly owned subsidiary or subsequently during the period until next General Meeting does no longer remain a wholly owned subsidiary of the Company.
iii	Earnings per share (Basic) for the last three years	REIT is in process of formation / registration therefore this information is not applicable.
iv	Break-up value of share, based on the latest audited financial statements	REIT is in process of formation / registration therefore this information is not applicable.
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	REIT is in process of formation / registration therefore this information is not applicable.

Ref. No.	Requirement	Information
vi	<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information namely,</p> <p>i) Description of the project and its history since conceptualization;</p> <p>ii) Starting date and expected date of completion of work;</p> <p>iii) Time by which such project will become commercially operational</p> <p>iv) Expected time by which the project shall start paying return on investment; and</p> <p>v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.</p>	Not applicable, as Company is investing in Globe Residencies REIT and not any of its projects.
	Maximum amount of investment to be made	<p>Following limits are requested for approval:</p> <ul style="list-style-type: none"> <li>• Fresh limit of PKR 3,000 million is requested for approval in equity securities.</li> </ul>
vii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns on investment by capturing the opportunities on the right time. Approval of limit shall remain valid for a period upto next annual general meeting, and shall be renewable thereon for further period(s).
viii	<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds</p> <ul style="list-style-type: none"> <li>• Justification for investment through borrowing</li> <li>• Detail of collateral, guarantees provided and assets pledged for obtaining such funds</li> </ul>	<p>The investment will be in the form of kind.</p> <ul style="list-style-type: none"> <li>• N/A</li> <li>• N/A</li> </ul>
ix	<ul style="list-style-type: none"> <li>• Cost benefit analysis</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
x	Salient feature of agreements (if any) with associated company or associated undertaking with regards to proposed investment	There is no agreement to date.
xi	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the company shall have no interest in the investee company except in their capacity as sponsor or shareholder of associated undertaking (if any).

Ref. No.	Requirement	Information
xii	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	Not applicable.
xiii	Any other important details necessary for the members to understand the transaction	None.
<b>Information required to be disclosed as per Regulation 3(1)(b):</b>		
xiv	Maximum price at which securities will be acquired	At par / premium / market / offered / negotiated price prevailing on the date of transaction/investment
xv	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not applicable.
xvi	Maximum number of securities to be acquired	No. of securities purchasable under approved limit in accordance with / bases on Sr. Nos. VII & XIV.
xvii	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil After: Increase in securities / percentage in accordance with Sr. Nos. VII, XIV and XVI.
xviii	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Not applicable.
xix	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Regulation 5(1) of Companies (Investment in associated Companies & Associated undertakings) Regulations 2017 provides that in case of investment in un-listed securities of an associated company or undertaking, the fair value for such security shall be determined based on the generally accepted valuation techniques and latest financial statement of the associated company.  The Globe Residencies REIT is in process of registration therefore the determination of fair value of its units provided for in the regulation cannot be made at this time.  The initial investment or subscription in units will be at par/face value i.e., PKR 10 per unit.

Ref. No.	Requirement	Information
<b>Information required to be disclosed as per Regulation 3(1)(a):</b>		
i	Name of associated company or associated undertaking	<b>Naya Nazimabad Apartment REIT</b>
ii	Basis of relationship	A company is in process of forming a REIT by the name "Naya Nazimabad Apartment REIT".  An approval of investment is being sought from members in General Meeting in case if the proposed REIT at time of formation is not a wholly owned subsidiary or subsequently during the period until next General Meeting does no longer remain a wholly owned subsidiary of the Company.
iii	Earnings per share (Basic) for the last three years	REIT is in process of formation / registration therefore this information is not applicable.
iv	Break-up value of share, based on the latest audited financial statements	REIT is in process of formation / registration therefore this information is not applicable.
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	REIT is in process of formation / registration therefore this information is not applicable.
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information namely,  i) Description of the project and its history since conceptualization;  ii) Starting date and expected date of completion of work;  iii) Time by which such project will become commercially operational  iv) Expected time by which the project shall start paying return on investment; and  v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.	Not applicable, as Company is investing in Naya Nazimabad Apartment REIT and not any of its projects.

Ref. No.	Requirement	Information
vii	Maximum amount of investment to be made	Following limits are requested for approval: <ul style="list-style-type: none"> <li>• Fresh limit of PKR 6,500 million is requested for approval in equity securities.</li> </ul>
viii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns on investment by capturing the opportunities on the right time. Approval of limit shall remain valid for a period upto next annual general meeting, and shall be renewable thereon for further period(s).
ix	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds <ul style="list-style-type: none"> <li>• Justification for investment through borrowing</li> <li>• Detail of collateral, guarantees provided and assets pledged for obtaining such funds</li> <li>• Cost benefit analysis</li> </ul>	The investment will be in the form of kind. <ul style="list-style-type: none"> <li>• N/A</li> <li>• N/A</li> <li>• N/A</li> </ul>
x	Salient feature of agreements (if any) with associated company or associated undertaking with regards to proposed investment	There is no agreement to date.
xi	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the company shall have no interest in the investee company except in their capacity as sponsor or shareholder of associated undertaking (if any).
xii	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	Not applicable.
xiii	Any other important details necessary for the members to understand the transaction	None.

Ref. No.	Requirement	Information
<b>Information required to be disclosed as per Regulation 3(1)(b):</b>		
xiv	Maximum price at which securities will be acquired	At par / premium / market / offered / negotiated price prevailing on the date of transaction/investment.
xv	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not applicable.
xvi	Maximum number of securities to be acquired	No. of securities purchasable under approved limit in accordance with / bases on Sr. Nos. VII & XIV.
xvii	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil After: Increase in securities / percentage in accordance with Sr. Nos. VII, XIV and XVI.
xviii	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Not applicable.
xix	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Regulation 5(1) of Companies (Investment in associated Companies & Associated undertakings) Regulations 2017 provides that in case of investment in un-listed securities of an associated company or undertaking, the fair value for such security shall be determined based on the generally accepted valuation techniques and latest financial statement of the associated company.  The Naya Nazimabad Apartment REIT is in process of registration therefore the determination of fair value of its units provided for in the regulation cannot be made at this time.  The initial investment or subscription in units will be at par/face value i.e., PKR 10 per unit.

**Following directors of the company have no interest in the investee companies except in their capacity as director / shareholder**

Mr. Arif Habib	<ul style="list-style-type: none"><li>- Director / shareholder of Aisha Steel Mills Limited</li><li>- Shareholder of Power Cement Limited</li><li>- Indirect Shareholding of Arif Habib Limited</li><li>- Director / Shareholder of Fatima Fertilizer Company Limited</li><li>- Director of Sapphire Bay Development Company Limited</li></ul>
Mr. Samad A. Habib	<ul style="list-style-type: none"><li>- Director of Sapphire Bay Development Company Limited</li><li>- Director and shareholder of Power Cement Limited</li><li>- Director of Aisha Steel Mills Limited</li></ul>



# REVIEW REPORT BY THE CHAIRMAN



# REVIEW REPORT BY THE CHAIRMAN

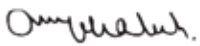
During the year under review, the Board of Directors (the Board) of JCL has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the Companies Act, 2017, the Code of Corporate Governance ("the Code") and the Rule Book of the Pakistan Stock Exchange (the Rule Book) where the Company is listed.

The Board during the year ended 30th June 2021 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill, experience and knowledge to manage the affairs of the Company;
- The Board has formed an Audit and Human Resource and Remuneration Committee having approved respective terms of references, and has assigned adequate resources so that the committees perform their responsibilities diligently;
- The Board has developed and put in place the rigorous mechanism for an annual evaluation of its own performance and that of its committees and individual directors. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically;
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner;
- The Board has ensured that the meetings of the Board and that of its committees were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
- The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and has developed significant policies for smooth functioning;
- The Board has actively participated in strategic planning process, enterprise risk management system, policy development, and financial structure, monitoring and approval;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and / or internal audit activities;
- The Board has prepared and approved the director's report and has ensured that the directors report is published with the quarterly and annual financial statement of the Company and the content of the directors report are in accordance with the requirement of applicable laws and regulation;
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary, and Head of Internal Audit;
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings; and

- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.

The evaluation of the Board's performance is assessed based on those key areas where the Board requires clarity in order to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risk faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of JCL has played a key role in ensuring that the Company objectives' are achieved through a joint effort with the management team and guidance and oversight by the Board and its members.



**Arif Habib**  
**Chairman**

Date: 22 September 2021

# REPORT OF THE AUDIT COMMITTEE

# REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Javedan Corporation Limited is appointed by the Board and has three (3) non-executive directors, out of which two (2) are independent directors. The Chairman of the Committee, Mr. Abdul Qadir Sultan, is an Independent Director. The committee as a whole possess significant economic, financial and business acumen. During the year, six meetings of the Audit Committee. The external auditors of the company also attended two of the meetings when issues related to accounts and audit were discussed.

The Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30, 2021 and reports that:

1. The Company has adhered in full, without any material departure, of the listing regulations of the Pakistan Stock Exchange, Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company's Code of Conduct and Values and the international best practices of governance throughout the year.
2. The Company has issued a "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" which has also been reviewed and certified by the External Auditors of the Company.
3. The Company's Code of Conduct has been disseminated and placed on Company's website.
4. The Audit Committee reviewed quarterly, half-yearly and annual financial statements of the Company and recommended for approval of the Board of Directors. It has also reviewed preliminary announcements of results prior to publication and the internal audit reports.
5. Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements. Applicable International Financial Reporting Standards were followed in the preparation of financial statements of the Company and consolidated financial statements on a going concern basis, for the financial year ended June 30, 2021, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company and its subsidiaries for the year under review.
6. Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the applicable laws and financial reporting is consistent with Management processes and adequate for shareholder needs.
7. These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017 (the Act), provisions of and directives issued under the Act. In case requirements differ, the provisions of or directives under the Act prevail.
8. The CEO and the CFO have endorsed the standalone as well as consolidated financial statements of the Company and the Board of Directors' Report. They acknowledge their responsibility for true and fair presentation of the Company's financial statements, accuracy of reporting, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the company.
9. The Audit Committee has reviewed the related party transactions and recommended the same for approval of the Shareholders in the Annual General Meeting after ratification from the Board of Directors.

10. Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company's shares, prior to each Board meeting involving announcement of interim/final results, distribution of dividend to the shareholders or communication of any other business decision, which could materially affect the market share price of the Company.
11. All direct or indirect trading and holdings of Company's shares by Directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction, which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding.
12. The statutory and regulatory obligations and requirements of best practices of governance have been met.
13. The Committee members carried out the Annual Evaluation of the Board Audit Committee in terms of board structure, Strategy, Decision Making, Internal Controls and Risk Management.
14. The Committee regularly reviews the mechanism for employees and management to report concerns to the Audit Committee and ensures that any allegations are scrutinized seriously

### **Annual Report 2021**

15. The Company has issued a very comprehensive Integrated Annual Report, which gives fair, balanced and understandable information in excess of the regulatory requirements to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year, and future prospects to various stakeholders of the Company.
16. The Audit Committee believes that the Integrated Annual Report 2021 includes both financial and non-financial performance, risks and opportunities and outcomes attributable to Company's activities and key stakeholders having significant influence on its value creation ability.

### **Internal Audit Function**

17. The Board Audit Committee has effectively implemented the internal control framework through an in-house Internal Audit function, which is independent of the External Audit function. The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.
18. The Board Audit Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the Company and the shareholders wealth through effective financial, operational and compliance controls and risk management at all levels within the Company.
19. The Internal Audit Department carried out independent audits in accordance with an internal audit plan which was approved by the Board Audit Committee. Further, the Board Audit Committee has reviewed material Internal Audit findings and management's response thereto, taking appropriate action or bringing the matters to the Board's attention where required.
20. The Head of Internal Audit has direct access to the Chairman of the Board Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
21. Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

## External Auditors

22. The external auditors of the Company, M/s EY Ford Rhodes, Chartered Accountants and M/s Reanda Haroon Zakaria, Chartered Accountants, have completed their audit assignment of the standalone and consolidated financial statements and the “Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019” of the Company for the year ended June 30, 2021 and shall retire on the conclusion of the 59th Annual General Meeting.
23. M/s. EY Ford Rhodes, Chartered Accountants and M/s Reanda Haroon Zakaria, Chartered Accountants have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and they are registered with Audit Oversight Board of Pakistan. The firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP and have indicated their willingness to continue as auditors for the year ended June 30, 2022.



**Abdul Qadir Sultan**  
**CHAIRMAN AUDIT COMMITTEE**

Karachi: 22 September 2021

# DIRECTORS' REPORT

# Directors' Report

## Dear Shareholders

On behalf of the Board of Directors of the Company, we are pleased to present herewith the Director's Report along with the audited unconsolidated and consolidated financial statements for the financial year ended June 30, 2021 together with auditors' report thereon.

## 2020-2021 at a Glance

On an overall basis the financial year ended June 30, 2021 has been up to the mark on account of significant increase in secondary market demand, value appreciation, increase in construction of houses and increased habitation. These positive developments are indeed encouraging and demonstrate the confidence of the public in Naya Nazimabad as a brand name as well as a housing society transforming into an abode.

The financial performance for the year declined as compared to the corresponding period on account of no new developments being launched during the period. Going forward, the management expects sales and profitability to improve as many new projects are set to be launched in the market.

## Financial Review

During the financial year (on an unconsolidated basis) the Company recorded sale of PKR 1,047 million as compared to PKR 1,643 million in the corresponding period last year. The Cost of sales for the period was recorded at PKR 264 million as compared to PKR 708 million in the corresponding period. The gross profit over the year declined by 16% amounting to PKR 152 million and to the contrary gross profit margin has increased by 17%. The administrative expenses for the period remained at PKR 420 million representing an increase of 9% over the corresponding period. The finance cost for the year remained at PKR 107 million as compared to PKR 207 million resulting in a decline of 48%. The finance cost has declined due to improved working capital leading to reduced financing cost on short-term running finance. The profit before tax and profit after tax for the period remained at PKR 370 million and 331 million respectively. The PBT has declined by 10% whereas PAT has increased by 39% due to significant decrease in taxation expense over the corresponding period. This translated into earning per share of Rs 1.04 as compared to Rs. 0.75 over the corresponding period.

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

Particulars	30 June 2021	30 June 2020
	(Rupees in thousands)	
Net Sales	<b>1,047,286</b>	1,643,274
Cost of sales	<b>(264,909)</b>	(708,637)
Gross Profit	<b>782,377</b>	934,637
Profit before taxation	<b>370,171</b>	409,330
Profit after taxation	<b>331,240</b>	236,700
EPS - Basic & Diluted (in rupees)	<b>1.04</b>	0.75

JCL has set up a wholly owned subsidiary Company - NN Maintenance Company (Private) Limited, to provide streamlined and dedicated services to the residents for seamless living. The subsidiary company commenced its operations on 01 January 2020. On a consolidated basis revenue of JCL for the year ended June 30, 2021 are PKR 1,117 million and the profit after tax is PKR 262 million, which translates into EPS of Rs. 0.83.

The office of Deputy Commissioner (DC) Manghopir District West Karachi had issued a notice dated 18 December 2019 under Section 22 of Sindh Land Revenue Act 1967 and another letter dated 27 January 2020 was issued to Director General (DG) Sindh Building Control Authority from same office directing DG to cancel layout plan of Naya Nizamabad.

Upon attention of issuance of such notice the Company had filed a petition before Honorable High Court of Sindh (SHC) and SHC through its order dated 11 February 2020 had suspended the aforementioned notice/letter and has restrained the respondents from any coercive and adverse action against the Company which was complied by DC's office.

The management was confident that the Company has obtained all necessary approval for the launch of Naya Nazimabad project and was also confident that Company's title of land is lawful and clear and rest with the Company. Based on that the Company rigorously perused the matter with concerned departments and after tiring efforts the office of DC West was convinced to withdraw its earlier letters issued without merit. Deputy Commissioner - DC West Karachi through its letter dated 22 April 2021 withdrew earlier letters issued to the Company and DG SBCA.

Subsequent to the year end the Company has also withdrawn the petitions filed before SHC on the premise that office of DC West has withdrawn all its ill-founded letters and the order to this effect has been issued by SHC on 08 September 2021 recording withdrawal of DC West letters leading to disposal of the cases.

The management is thankful to its shareholders and other stakeholders who stood by the management and the Company during its testing times. With the grace of Almighty Allah and support of shareholders, the Company and project successfully resolved the challenge. The Management is also grateful to the Government of Sindh for their understanding.

## **Development Performance**

### **Infrastructure development Work:**

During the year special emphasis has been put on development of external storm water drain before the monsoon season. The external drain measuring 7700 ft has been laid from Haji Fazal Town to existing drain on 4,000 road. A bund has been built between block B, C, D and PSM side of our land to control flow of storm water from PSM to these blocks. Further, additional measures as per recommendation of technical consultant have been taken.

Infrastructure development of Block M is progressing as per plan and the Company targets to offer possession soon.

The flyover project is in its advance stage with all the necessary approvals including NOC from government authorities and NOC from Sindh Environment Protection Agency in place. The Contract has been awarded and ground work is scheduled to commence very soon. The expected completion time for the project is 15 to 18 months. The flyover will connect North Nazimabad to Naya Nazimabad by passing Qalandaria chowk, Nusrat Bhutto Colony and Anwar Shamim Road. The project will be instrumental for future growth and development of the overall project.

### **Naya Nazimabad Gymkhana (Club House)**

Naya Nazimabad Gymkhana (NNG) which includes state of the art and one of its kind club house facility and eight floor services suites is under construction. The construction work of Naya Nazimabad Gymkhana has been fast-tracked to complete the project by June 2022. The civil work has been completed, and the work on internal finishing and completion of sports facilities is ongoing. The project will be completed in sub-phases and Company is targeting launch of membership and launch of first sub-phase within the ongoing calendar year.

### **Ali Habib Medical Centre**

During the year another milestone has been achieved with inauguration of Ali Habib Medical Center. The medical center provides all necessary facilities of health care to the residents of Naya Nazimabad as well as to others residing in the vicinity of the project.

The Company is also planning to commence the work on full scale tertiary level hospital with ultimate capacity of 500 beds. The design has been finalized and is currently under approval with Sindh Building Control Authority. The groundbreaking is expected in 2nd quarter of FY 21-22.

The Company has obtained financing facility of PKR 1 billion at 0% mark-up rate through HBL under SBP Refinance facility scheme.

### **Jama Mosque**

The work on Jama Masjid is progressing however, due to lockdown there have been some delays in procurement/delivery of material. A portion of masjid has been made operational and Bab-e-Muhammad of Jama Masjid was inaugurated on 16 August 2020 by Dr. Abdul Hafeez Shaikh. On completion the Jama Masjid will accommodate 10,000 worshippers.

Further during the year, the Company has also carried out the groundbreaking of another masjid in Block D which will accommodate 1,500 worshippers. The work is progressing as per plan and company is targeting to make masjid operational before next Ramzan.

### **Corporate Social Responsibility (CSR)**

The Company is cognizant of its social responsibility towards the nation. As a responsible corporate citizen, the Company has contributed to different social segments with the objective of improving quality of life in the country. In this regard, the company works with many reputable organizations and NGOs in Pakistan. Some of social community initiatives that Naya Nazimabad is actively engaged in are:

#### **Environment, Health and Safety**

The company has designed its project with an energy efficient approach with minimum cooling and heating requirements in consideration of utilizing sunlight and natural wind. Extensive plantation has already been done around the project. Being a responsible corporate citizen, we are aware of our responsibility to provide a safe and healthy work environment to our associates. We make every effort to eliminate workplace hazards and provide safe, healthy and comfortable working conditions for our employees. Our safety culture is founded on the premise that all injuries are preventable. To this end, we have established “zero accidents and zero injuries” as our goal. We pursue this goal through a culture of continuous improvement in which all incidents are reported and investigated, and the root causes are resolved. We believe that safety and health is a journey of continuous improvement and eternal diligence. We will continue to take steps to improve the safety and health of all our associates.

#### **Adding value and Health & Care**

The year 2020-21 has been very challenging all over the world due to COVID Pandemic. Naya Nazimabad, with intention to provide best medical services to its community and adjoining neighbourhood, conducted several “Free Medical Camps” at its state of the art facility Ali Habib Medical Center.



In addition, Naya Nazimabad also established “COVID Vaccination Center” at Ali Habib Medical Center in collaboration with Government of Sindh – Ministry of Health. Thousands of people have been vaccinated so far with the vaccine provided by Sindh government.



In order to create awareness towards health and hygiene, Naya Nazimabad actively conducts seminars and workshops and different occasions.



### Eco-friendly Environment

On the part of sustainable and eco-friendly environment, Naya Nazimabad has always been participating in plantation activities and campaigns.



In collaboration with National Form for Environment & Health, Naya Nazimabad has planted a sum of 5,000 tree on various occasions.

### Sponsoring Sports Activities:

The Company pays special attention to sports facilities and for the purpose has developed International Standards Cricket, Football stadium and Basketball court. During the year the Company sponsored various tournaments at Naya Nazimabad as well as other venues to play its part in development of sports in the City. The Company also runs football and cricket academies at its premises for the youth of Karachi to engage in healthy activities.

## Credit Rating

The Company has been assigned entity ratings of 'A+/A-1' (A Plus/A-One) by VIS Credit Rating Company Ltd. The outlook on the assigned ratings is 'Stable'. Such credit rating shows high credit quality in the long-term whereas high certainty of timely payments in the short-term. This certification underscores the Management vision for continuous growth and is expected to provide further confidence to the market.

## Memberships

The Company is the member of Karachi Chamber of Commerce and Industry (KCCI) and Association of Builders and Developers (ABAD).

## Future Outlook:

The board and the management are planning to launch the new phase soon .With increasing demands and value of Naya Nazimabad project appreciating, further surge is very probable. Moreover, the differentiating factor which makes Naya Nazimabad a preferred investment is that Naya Nazimabad offers a bankable title for its buyers of as it qualifies for mortgage financing by banks.

The recent initiatives of Government of Pakistan and State Bank of Pakistan (SBP) "Mera Pakistan - Mera Ghar scheme", "Roshan Apna Ghar scheme" and new guidelines for housing finance particularly for high rise under construction projects by SBP have completely changes the dynamics of the sector. These steps will increase the potential customer base manifold for the project. And it is likely to create additional demand of plots, Houses, and apartments (to be launched soon) in Naya Nazimabad. In view of above outlook of your company is encouraging.

## Corporate and Financial Reporting Framework

JCL is listed at the Pakistan Stock Exchange. The Board of the Company is committed to observe the Code of Corporate Governance and are familiar with their responsibilities to monitor operations and performance, enhance accuracy, comprehensiveness and transparency of financial and non-financial information

The Board would like to state that proper books of accounts of JCL have been maintained and appropriate accounting policies have been adopted and consistently applied in preparation of the financial statements; and accounting estimates are based on reasonable and prudent judgment. International Financial Reporting Standards, as applicable in Pakistan, are followed in the preparation of the financial statements. The system of internal controls is sound in design and has been effectively implemented and monitored. The financial statements of JCL present fairly its state of affairs, the result of its operations, cash flows and statement of changes in equity. No material payment has remained outstanding on account of any taxes, duties, levies or charges.

In compliance with the Code, the Board hereby reaffirm that there is no doubt about JCL's ability to continue as a going concern and that there has been no material departure from the best practices of corporate governance except for disclosed in Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019.

It has always been JCL's endeavour to excel through better Corporate Governance and fair and transparent practices.

## Trading in Company's Shares

During the year ended June 30 2021, trading in shares of the Company by the directors, executives and their spouses and minor children are disclosed in Annexure I.

## Directors' Attendance at Board and its Committee Meeting

During the year ended 30 June 2021, four (04) Board Meetings, six (06) Audit Committee Meetings and Two (2) Human Resource & Remuneration Committee Meeting were held. Attendance by director were as follows:

Name of Director	Board Meeting	Audit Committee	HR & R Committee
Mr Arif Habib	4	N/A	2
Mr Samad A. Habib	4	4 (By invitation)	2
Mr Muhammad Ejaz	4	5	1
Mr Abdul Qadir Sultan	4	6	N/A
Mr Faisal Bilwany*	4	N/A	N/A
Mr. Alamgir Sheikh	3	6	N/A
Mr. Siddique Khokar	4	N/A	N/A
Ms. Darakshan Zohaib	4	N/A	N/A
Mr. Saeed Ahmad	4	N/A	2
Mr. Abdullah Ghaffar*	N/A	N/A	N/A

- Mr. Faisal Bilwany had resigned from the board of director on 21 May 2021 and Mr. Abdullah Ghaffar has been appointed in his place with effect from 22 May 2021. As Mr. Abdullah Ghaffar has been appointed subsequent to last BOD Meeting held in last year hence he has not attended any BOD meeting.

## Directors' Remuneration

The Non- Executive Directors (including independent directors) but excluding those directors who are concurrently serving as Executive Directors in any of the Arif Habib Group of Companies are provided a remuneration for attending Board and its Committee Meetings as may be approved by the board from time to time.

Further as and when board decides to assign any additional roles and responsibilities to any non-executive directors, the board shall decide the remuneration to be provided to such director which commensurate with the roles and responsibilities so assigned.

## Composition of the Board

The current composition of the board is as follows:-

### Total Number of Directors:

- (a) Male: 8  
(b) Female: 1

### Composition:

- (a) Independent Director: 3  
(b) Non-Executive Director: 5  
(c) Executive Director: 1

## Committees of the Board:

### Audit Committee

Mr Abdul Qadir Sultan	Chairman
Mr Muhammad Ejaz	Member
Mr. Alamgir Shiekh	Member

## Human Resource & Remuneration Committee

Mr Saeed Ahmed	Chairman
Mr Arif Habib	Member
Mr Samad A. Habib	Member
Mr Muhammad Ejaz	Member

## Internal Control

The Company have deployed an effective system of Internal Financial Control in order to safeguard its assets and ensure the accuracy and reliability of its records. Senior management reviews financial performance of the Company through detailed monthly financial reports and analysis, while the Board also carries out its own review at each quarter and probes into any variation versus expectation. Detailed examinations are also carried out by the internal audit function which reviews adherence to internal control processes as well as laid out procedures and report its findings to the Board of Audit Committee.

## Director's Training Program

The Board has duly complied with the Directors' Training Program requirement and the criteria as prescribed in the Listed Companies Corporate Governance Regulations, 2019.

## External Auditors

The financial statements of the company for the year ended June 30, 2021 were audited by M/s. Reanda Haroon Zakaria & Co., Chartered Accountants and M/s. EY Ford Rhodes, Chartered Accountants. The auditors will retire at the end of the forthcoming Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board has recommended the appointment of M/s. Reanda Haroon Zakaria & Co., Chartered Accountants and M/s. EY Ford Rhodes, Chartered Accountants as auditors for the year ending 30 June 2022, as recommended by the Audit Committee, subject to approval of the members Annual General Meeting.

## Pattern of Shareholding

Pattern of shareholding of the Company in accordance with the Section 227 (2)(f) of the Companies Act, 2017 as at June 30, 2021 is annexed to this report.

## Information to Stakeholders

Key Operating and financial data of previous years has been summarized and presented at Page No. 68.

## Related Party Transaction

All transactions with related parties have been executed in accordance with applicable regulations and have been disclosed in the financial statements under relevant notes.

## Investment in Retirement Benefits

The company operates an approved funded gratuity scheme for all its eligible employees who have completed their minimum qualifying period of service with the company. The value of the investments of the gratuity fund is Rs. 3.71 million.

### Post Balance Sheet Event

Subsequent to the year end the board of directors in their meeting held on September 22, 2021 has recommend issuance of Bonus shares in the proportion of 20 shares for every 100 shares held subject to approval by shareholders in the General Meeting to be held on October 26, 2021. Further the shareholder who will appear in the Register of Member on October 18, 2021 shall be entitled for bonus share.

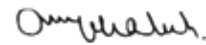
### Acknowledgements

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.



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**Abdus Samad Habib**  
Chief Executive



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**Arif Habib**  
Chairman

Dated: 22 September 2021

## Annexure I

Statement Showing Shares Bought and Sold by Director and CEO  
From July 1, 2020 to June 30, 2021

<b>Name</b>	<b>Designation</b>	<b>Shares Bought</b>	<b>Shares Sold</b>	<b>Remarks</b>
Mr. Arif Habib	Director	10,500,000	-	-
Mr. Abdus Samad	Chief Executive	-	12,000	-

# FINANCIAL HIGHLIGHTS





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1,538.78 -58.93

0.01 -0.00

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26,465.54

28,161.92

26,465.54

198.45

201.55

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1,097.95

0.00

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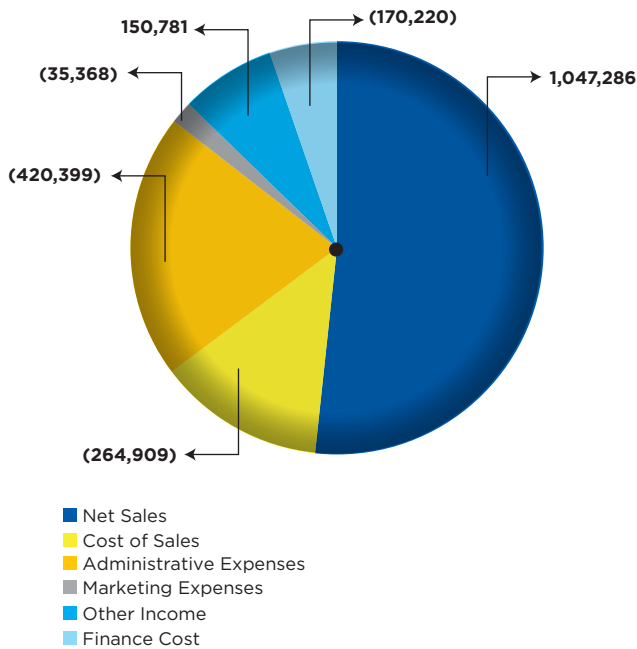
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# Performance Review Report

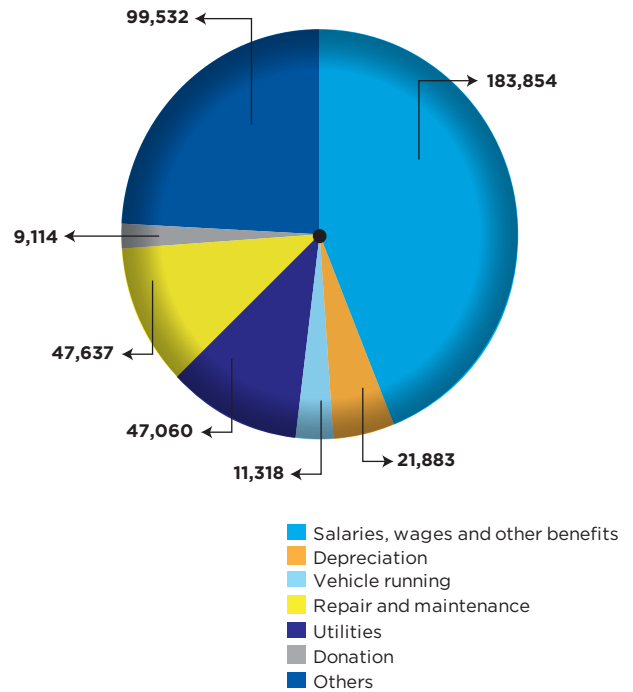
		2021	2020	2019	2018	2017	2016
Investment measure							
Ordinary Share Capital	Rs./Mn	<b>3174</b>	3174	2,885	2,671	1,571	1,294
Reserves	Rs./Mn	<b>6216</b>	5804	5,723	5,361	2,059	373
Surplus on revaluation of freehold land	Rs./Mn	<b>8462</b>	8545	8,675	5,803	6,149	6,355
Ordinary Share holder's Equity	Rs./Mn	<b>17852</b>	17,523	17,284	13,835	9,778	8,022
Dividend on Ordinary Shares							
Dividend on Ordinary Shares	Rs./Mn	-	-	-	187	445	-
Dividend per Ordinary Shares	Rs.	-	-	-	0.7	2.5	-
Profit before Taxation	Rs./Mn	<b>370</b>	409	696	1,101	1,388	600
Profit after Taxation	Rs./Mn	<b>331</b>	237	579	704	990	695
Earning per share (Basic)	Rs.	<b>1.04</b>	0.75	1.83	3.35	7.43	4.57
Measure of financial Status							
Current Ratio	X:1	<b>4.07</b>	3.94	4.51	3.10	3.59	2.57
Debt Equity Ratio	X:1	<b>0.39</b>	0.29	0.31	0.26	0.19	0.29
Total Debt Ratio	X:1	<b>0.36</b>	0.33	0.21	0.34	0.32	0.40
Sales	Rs./Mn	<b>1,047</b>	1,643	1,899	2,479	2,468	1,227
Cost of Goods Sold as % of Sales	%	<b>25.29%</b>	43.12%	40.70%	44.34%	24.14%	23.86%
Profit before Taxation as % of Sales	%	<b>35.35%</b>	24.91%	40.53%	44.39%	56.24%	48.90%
Profit after Taxation as % of Sales	%	<b>31.63%</b>	14.40%	33.24%	28.39%	40.10%	56.64%

# JCL A BIRD'S EYE VIEW

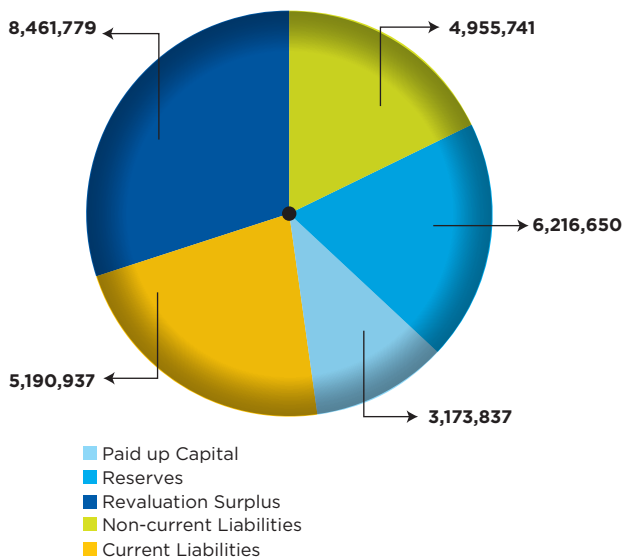
### Operating Revenue & Expenses



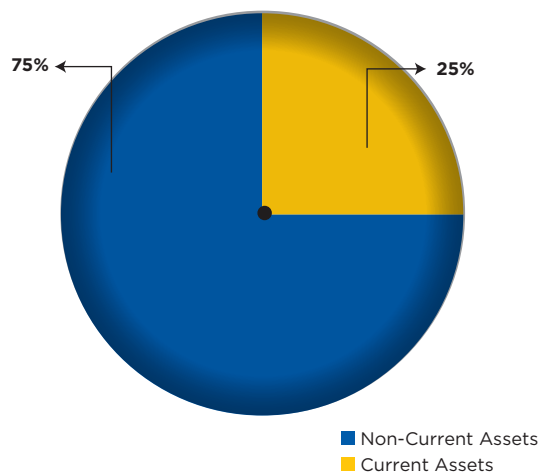
### Administrative Expense



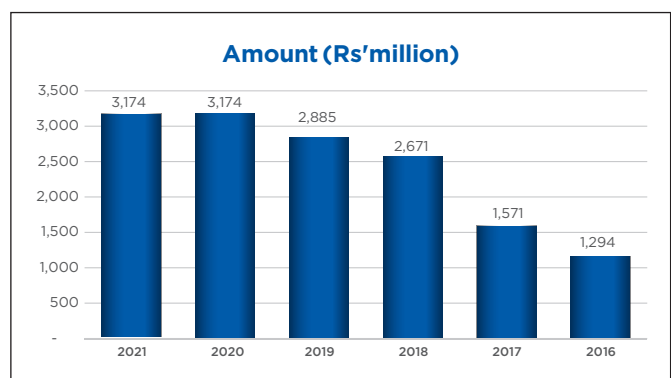
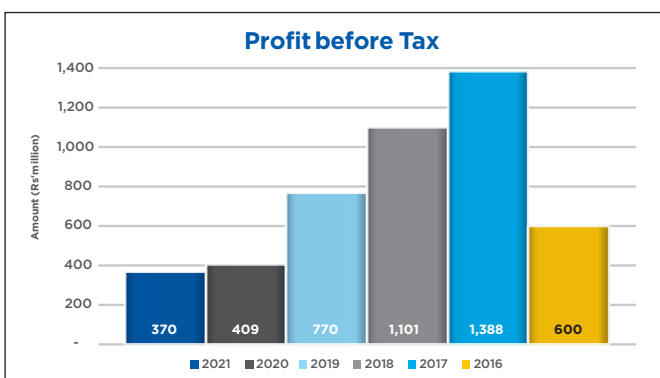
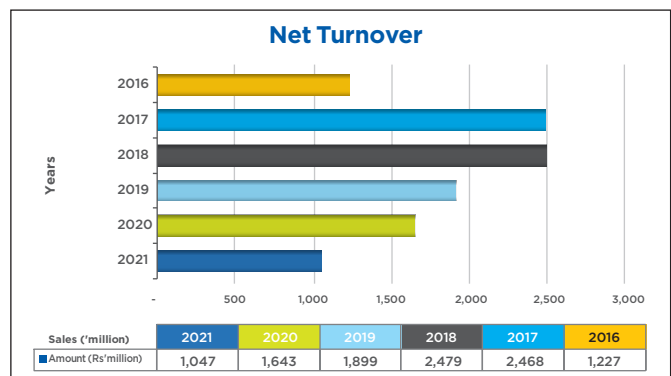
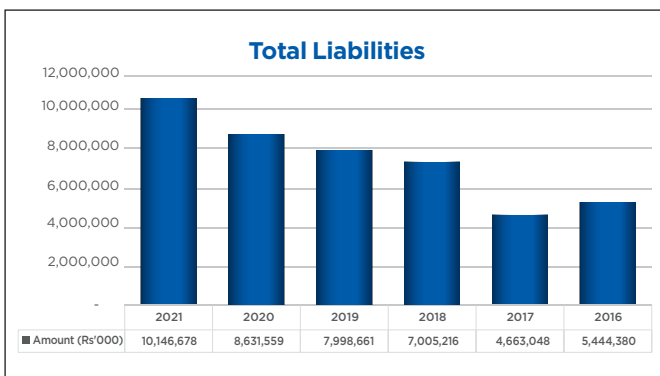
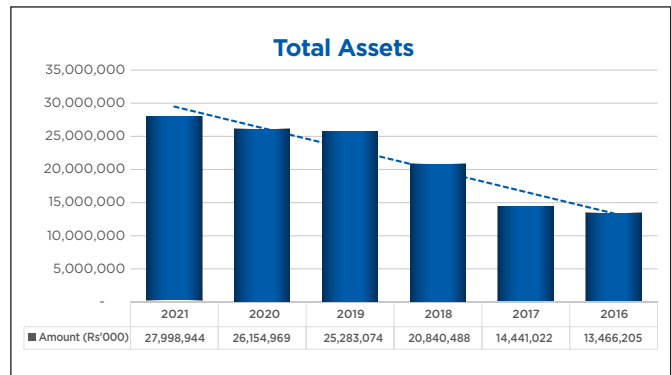
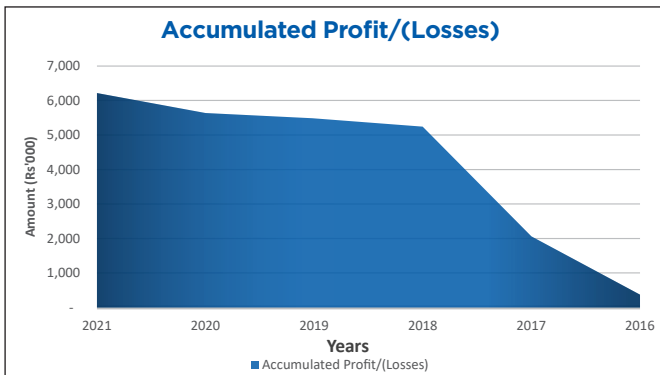
### Equity & Liabilities



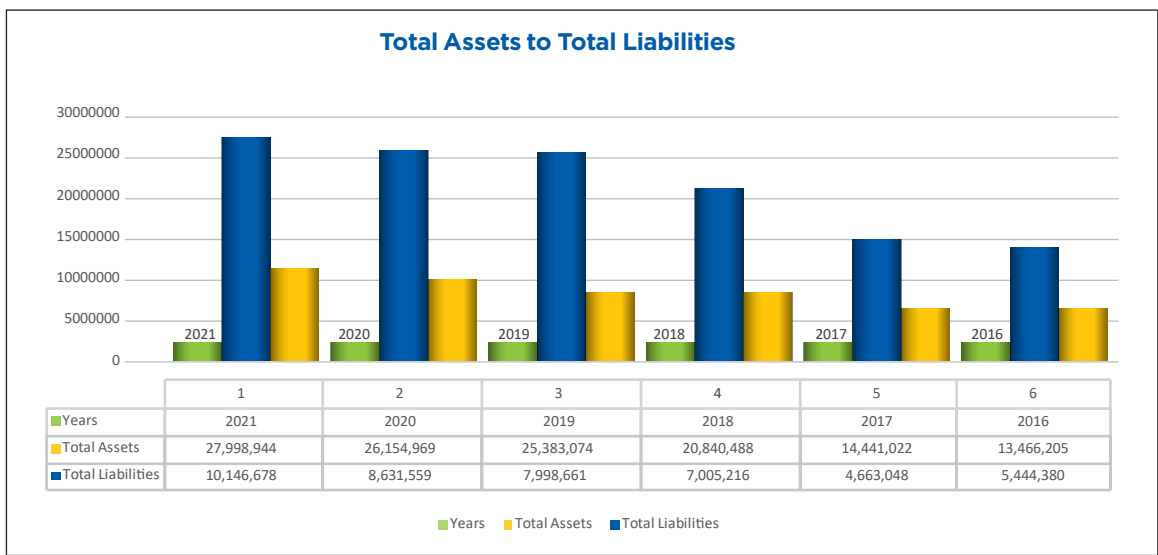
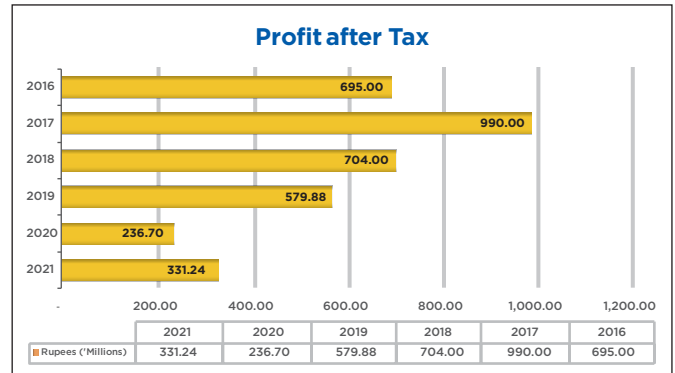
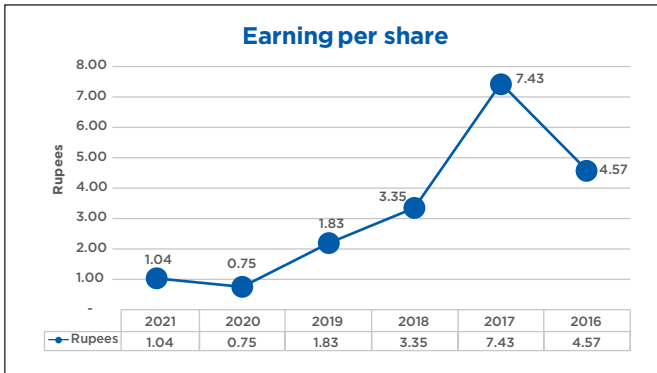
### Current & Non - Current Liabilities



# GRAPHICAL REPRESENTATION



# GRAPHICAL REPRESENTATION



# Horizontal Analysis of the Financial Statements

## Statement of Financial Position

	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
	2021		2020		2019		2018		2017		2016	
Non - Current Assets	6,879,605	5%	6,530,822	18%	5,545,588	199%	1,855,949	-9%	2,029,115	-15%	2,382,127	8%
Current Assets	21,119,339	8%	19,624,147	-1%	19,737,486	4%	18,984,539	53%	12,411,907	12%	11,084,078	-7%
<b>Total Assets</b>	<b>27,998,944</b>	<b>7%</b>	<b>26,154,969</b>	<b>3%</b>	<b>25,283,074</b>	<b>21%</b>	<b>20,840,488</b>	<b>44%</b>	<b>14,441,022</b>	<b>7%</b>	<b>13,466,205</b>	<b>-5%</b>

## Equity and Liabilities

Shareholders' Equity	17,852,266	2%	17,523,410	1%	17,284,413	25%	13,835,272	41%	9,777,974	22%	8,021,825	-8%
Non - Current Liabilities	4,955,741	36%	3,646,553	1%	3,596,916	304%	890,441	-26%	1,204,919	6%	1,132,617	16%
Current Liabilities	5,190,937	4%	4,985,006	13%	4,401,745	-28%	6,114,775	77%	3,458,129	-20%	4,311,763	-2%
<b>Total Equity and Liabilities</b>	<b>27,998,944</b>	<b>7%</b>	<b>26,154,969</b>	<b>3%</b>	<b>25,283,074</b>	<b>21%</b>	<b>20,840,488</b>	<b>44%</b>	<b>14,441,022</b>	<b>7%</b>	<b>13,466,205</b>	<b>-5%</b>

## Statement of Profit and Loss

Revenue	1,047,286	-36%	1,643,274	-13%	1,899,014	-23%	2,479,158	0%	2,467,969	101%	1,227,915	-3%
Cost of Sales	(264,909)	-63%	(708,637)	-8%	(772,949)	-30%	(1,099,368)	85%	(595,735)	103%	(292,961)	-31%
<b>Gross profit / (loss)</b>	<b>782,377</b>	<b>-16%</b>	<b>934,637</b>	<b>-17%</b>	<b>1,126,065</b>	<b>-18%</b>	<b>1,379,790</b>	<b>-26%</b>	<b>1,872,234</b>	<b>100%</b>	<b>934,954</b>	<b>12%</b>
Marketing and selling expenses	(35,368)	-33%	(52,939)	-6%	(56,176)	-18%	(68,525)	-44%	(122,161)	250%	(34,877)	58%
Administrative expenses	(420,399)	9%	(385,643)	6%	(363,881)	39%	(260,954)	22%	(214,648)	29%	(166,912)	14%
Finance (costs) / income	(107,220)	-48%	(207,560)	76%	(117,818)	-1658%	7,563	-104%	(177,628)	-2%	(181,229)	-4%
Other income	150,781	25%	120,835	12%	108,274	154%	42,703	42%	30,147	-38%	48,446	-91%
<b>Profit before taxation</b>	<b>370,172</b>	<b>-10%</b>	<b>409,330</b>	<b>-41%</b>	<b>696,464</b>	<b>-37%</b>	<b>1,100,577</b>	<b>-21%</b>	<b>1,387,944</b>	<b>131%</b>	<b>600,382</b>	<b>-40%</b>
Taxation	(38,931)	-77%	(172,630)	48%	(116,584)	-71%	(396,864)	0%	(398,387)	-518%	95,234	-146%
<b>Profit for the year</b>	<b>331,241</b>	<b>40%</b>	<b>236,700</b>	<b>-59%</b>	<b>579,880</b>	<b>-18%</b>	<b>703,713</b>	<b>-29%</b>	<b>989,557</b>	<b>42%</b>	<b>695,616</b>	<b>-13%</b>

# Vertical Analysis of the Financial Statements

## Statement of Financial Position

	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
	2021		2020		2019		2018		2017		2016	
Non - Current Assets	6,879,605	25%	6,530,822	25%	5,545,588	22%	1,855,949	9%	2,029,115	14%	2,382,127	18%
Current Assets	21,119,339	75%	19,624,147	75%	19,737,486	78%	18,984,539	91%	12,411,907	86%	11,084,078	82%
<b>Total Assets</b>	<b>27,998,944</b>	<b>100%</b>	<b>26,154,969</b>	<b>100%</b>	<b>25,283,074</b>	<b>100%</b>	<b>20,840,488</b>	<b>100%</b>	<b>14,441,022</b>	<b>100%</b>	<b>13,466,205</b>	<b>100%</b>

## Equity and Liabilities

Shareholders' Equity	17,852,266	64%	17,523,410	67%	17,284,413	68%	13,835,272	66%	9,777,974	68%	8,021,825	60%
Non - Current Liabilities	4,955,741	18%	3,646,553	14%	3,596,916	14%	890,441	4%	1,204,919	8%	1,132,617	8%
Current Liabilities	5,190,937	19%	4,985,006	19%	4,401,745	17%	6,114,775	29%	3,458,129	24%	4,311,763	32%
<b>Total Equity and Liabilities</b>	<b>27,998,944</b>	<b>100%</b>	<b>26,154,969</b>	<b>100%</b>	<b>25,283,074</b>	<b>100%</b>	<b>20,840,488</b>	<b>100%</b>	<b>14,441,022</b>	<b>100%</b>	<b>13,466,205</b>	<b>100%</b>

## Statement of Profit and Loss

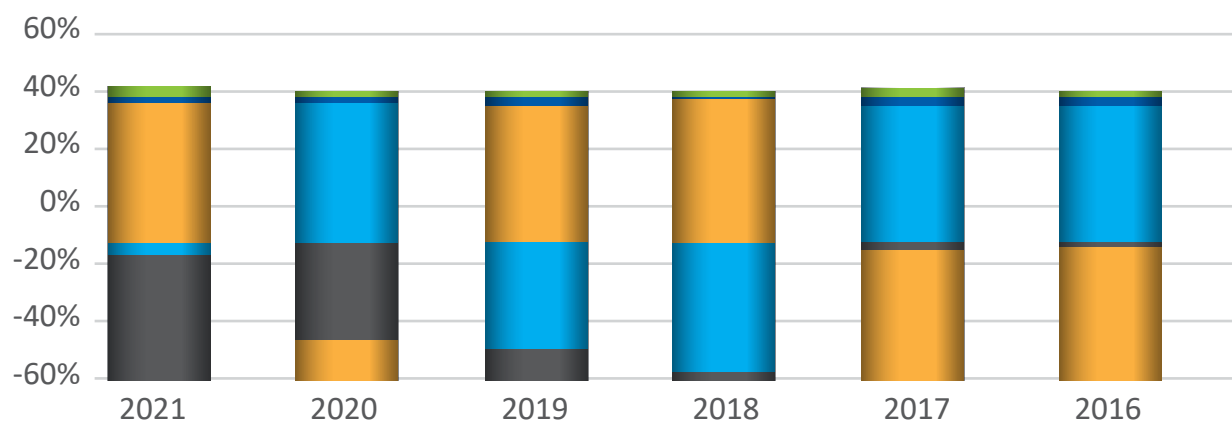
Revenue	1,047,286	100%	1,643,274	100%	1,899,014	100%	2,479,158	100%	2,467,969	100%	1,227,915	100%
Cost of Sales	(264,909)	-25%	(708,637)	-68%	(772,949)	-74%	(1,099,368)	-105%	(595,735)	-57%	(292,961)	-28%
<b>Gross profit / (loss)</b>	<b>782,377</b>	<b>75%</b>	<b>934,637</b>	<b>89%</b>	<b>1,126,065</b>	<b>108%</b>	<b>1,379,790</b>	<b>132%</b>	<b>1,872,234</b>	<b>179%</b>	<b>934,954</b>	<b>89%</b>
Marketing and selling expenses	(35,368)	-3%	(52,939)	-5%	(56,176)	-5%	(68,525)	-7%	(122,161)	-12%	(34,877)	-3%
Administrative expenses	(420,399)	-40%	(385,643)	-37%	(363,881)	-35%	(260,954)	-25%	(214,648)	-20%	(166,912)	-16%
Finance (costs) / income	(107,220)	-10%	(207,560)	-20%	(117,818)	-11%	7,563	1%	(177,628)	-17%	(181,229)	-17%
Other income	150,781	14%	120,835	12%	108,274	10%	42,703	4%	30,147	3%	48,446	5%
<b>Profit before taxation</b>	<b>370,171</b>	<b>35%</b>	<b>409,330</b>	<b>39%</b>	<b>696,464</b>	<b>67%</b>	<b>1,100,577</b>	<b>105%</b>	<b>1,387,944</b>	<b>133%</b>	<b>600,382</b>	<b>57%</b>
Taxation	(38,931)	-4%	(172,630)	-16%	(116,584)	-11%	(396,864)	-38%	(398,387)	-38%	95,234	9%
<b>Profit for the year</b>	<b>331,241</b>	<b>32%</b>	<b>236,700</b>	<b>23%</b>	<b>579,880</b>	<b>55%</b>	<b>703,713</b>	<b>67%</b>	<b>989,557</b>	<b>94%</b>	<b>695,616</b>	<b>66%</b>

# Summary of Cash Flows Statement

Year ended 30th June

	2021	2020	2019	2018	2017	2016
Net cash flows (used in) / generated from operating activities	(167,061)	1,431,082	(1,248,892)	(4,160,136)	495,578	1,779,527
Net cash flows used in investing activities	(1,575,461)	(1,003,586)	(393,384)	(199,091)	(29,974)	(10,531)
Net cash flows generated from / (used in) financing activities	1,835,309	(424,338)	1,592,599	4,440,253	(474,288)	(1,847,764)
Cash and cash equivalents at beginning of the year	59,908	56,750	106,428	25,402	34,086	112,854
Cash and cash equivalents at end of the year	152,696	59,908	56,751	106,428	25,402	34,086

## Summary of Cash Flow Statement

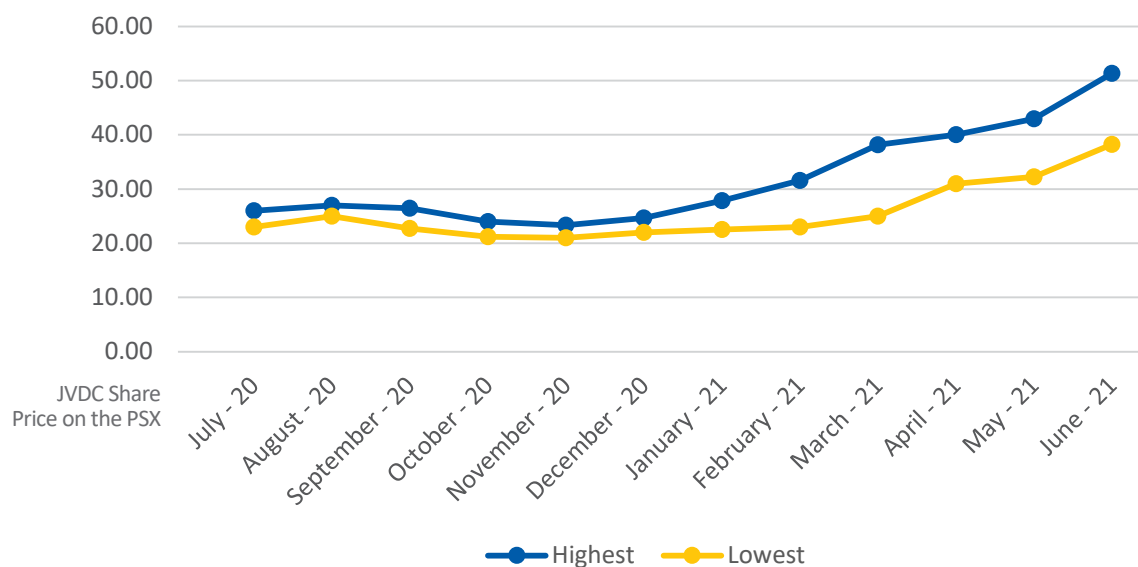


- Cash and cash equivalents at end of the year
- Cash and cash equivalents at beginning of the year
- Net cash flows generated from / (used in) financing activities
- Net cash flows used in investing activities
- Net cash flows (used in) / generated from operating activities

# Share Price / Volume Analysis

Month	Highest	Lowest	Volume
<b>JVDC Share Price on the PSX</b>			
July - 20	26.00	23.00	2,671,500
August - 20	27.00	25.00	1,119,000
September - 20	26.45	22.70	166,500
October - 20	24.00	21.21	281,000
November - 20	23.30	21.00	45,000
December - 20	24.65	22.00	175,500
January - 21	27.83	22.50	840,500
February - 21	31.60	23.00	919,500
March - 21	38.15	24.99	2,082,000
April - 21	40.00	31.00	443,500
May - 21	42.98	32.25	8,913,000
June - 21	51.35	38.26	34,156,000
	51.35	21.00	51,813,000

Share Price movement at PSX during FY 2021



**INDEPENDENT AUDITORS  
REVIEW REPORT &  
STATEMENT OF COMPLIANCE  
WITH LISTED COMPANIES  
(CODE OF CORPORATE  
GOVERNANCE)  
REGULATIONS 2019**

# Independent Auditors' Review Report

To the members of Javedan Corporation Limited

## Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), prepared by the Board of Directors of Javedan Corporation Limited (the Company) for the year ended 30 June 2021 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

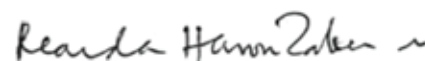
Further, we highlight below instances of non-compliance with the requirement of the Regulations as reflected in the paragraph references, where these are stated in the Statement of Compliance:

Reference	Description
19	The position of Chief Financial Officer and the Company Secretary is being held by the same person.
12 & 19	The HR and Remuneration committee does not have any independent director by virtue of which the Chairman is a non-executive director.



EY Ford Rhodes  
Chartered Accountants

Karachi



Reanda Haroon Zakaria & Co.  
Chartered Accountants

# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019.

Year ended 30 June 2021

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance Regulations, 2019 (the Regulation) in the following manner:

1. The total number of directors are 09 (nine) as per the following:

Male	Female
8	1

2. The composition of the Board is as follows:

Category	Names
Independent Director	Mr. Abdul Qadir Sultan Mr. Alamgir Sheikh Mr. Siddique Khokar
Executive Director	Mr. Samad A. Habib
Non-Executive Directors	Mr. Arif Habib – Chairman Mr. Saeed Ahmad Mr. Abdullah Ghaffar Mr. Muhammad Ejaz
Female Director	Ms. Darakshan Zohaib (Non-Executive Director)

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the date of approval or updating has been maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Companies Act 2017 (“Act”) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has duly complied with the Directors’ Training Program requirement and the criteria as prescribed in the Listed Companies Corporate Governance Regulations, 2019.

10. The Board has approved appointment of CFO, Company Secretary and Head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. No new appointments were made during the year.
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

Audit Committee	Mr. Abdul Qadir Sultan - Chairman Mr. Muhammad Ejaz - Member Mr. Alamgir Sheikh - Member
HR and Remuneration Committee	Mr. Saeed Ahmad - Chairman Mr. Arif Habib - Member Mr. Abdus Samad A. Habib - Member Mr. Muhammad Ejaz - Member

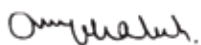
13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings of the Committees were as per following:

Name of Committee	Frequency of Meeting
Audit Committee	6 meetings were held during the year.
HR and Remuneration Committee	2 meetings were held during the year.

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:

Regulation	Explanation
Regulation 24	Regulation 24 of Regulations states that the same person shall not simultaneously hold office of Chief Financial Officer and the Company Secretary of a listed Company. The Board is of the opinion the person is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles simultaneously. In addition, it is a cost effective measure and in the best interest of Company and the shareholders.
Regulation 28(2)	The Chairman of the Human Resource and Remuneration Committee (HRRC) shall be an independent director. The current chairman of HRRC, Mr. Saeed Ahmed at the time of appointment as the Chairman of the Committee was an independent director. However, subsequent to his appointment, he was appointed as a Chief Executive of a subsidiary Company hence he does not meet the criteria of independent after such appointment. The Board is of the opinion that considering the vast local and international experience of leading corporates he will add more value to the Committee and the Company being in the position of the Chairman of HRRC (see point 12 above).

For and behalf of the Board.



**Arif Habib**  
**Chairman**

Date: 22 September 2021

# **INDEPENDENT AUDITORS' REPORT AND UNCONSOLIDATED FINANCIAL STATEMENTS**

# INDEPENDENT AUDITORS' REPORT

## To the members of Javedan Corporation Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of Javedan Corporation Limited (the Company), which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
<p><b>1. Contingencies</b></p> <p>(Refer notes 29.1.1 (a) to the accompanying financial statements)</p> <p>The Company has contingent liabilities in respect of income tax matters, which are pending adjudication at various levels with the taxation authorities, courts and other legal forums.</p> <p>Contingencies require management to make judgements and estimates in relation to the interpretation of tax laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies.</p> <p>Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgements and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income tax a key audit matter.</p>	<p>Our audit procedures in respect of tax contingencies included, amongst others, we obtained and checked details of the pending tax related matters and discussed the same with the Company's management.</p> <p>We checked the correspondence of the Company with the relevant authorities, tax advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved.</p> <p>We obtained and checked confirmations from the Company's external tax advisors for their views on the probable outcome of the open tax assessments and other tax related contingencies.</p> <p>We involved internal specialists to assess management's conclusions on contingent matters and to evaluate the consistency of such conclusions with the views of the external legal / tax advisors engaged by the Company.</p> <p>We also evaluated the adequacy of disclosures made in respect of tax contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.</p>
<p><b>2. Valuation of development properties</b></p> <p>(Refer note 11 to the accompanying financial statements)</p> <p>The Company's development properties ('DP') acquired or being constructed for sale in ordinary course of business constitutes the 'Naya Nazimabad' Project which is located in Karachi, principally comprising open plots, bungalows, etc. As of 30 June 2021, DP amounted to Rs. 18,911 million and constitutes 68% of the total assets of the Company and is measured at the lower of cost or net realizable value (NRV).</p> <p>Due to its materiality and significance in terms of judgements and estimates involved in</p>	<p>Our audit procedures amongst others included, review of controls around the valuation of DP by testing the underlying cost calculation; physical inspection of the Project site to ascertain the condition and existence of development properties, assessing the basis and appropriateness for cost capitalised in accordance with the applicable financial reporting standards.</p> <p>We also tested the development expenditure incurred and capitalized during the year from agreements, invoices and related documents</p>

Key audit matter	How the matter was addressed in our audit
<p>capitalization of cost incurred as a part of Project and valuation of underlying DP, we have considered this a key audit matter.</p>	<p>supporting various components of the Project costs and checked related approvals. We also reviewed the minutes of the meetings at the Board level to identify any indicators of adjustments.</p> <p>We assessed the reasonableness of the selling price used in the assessment of NRV of DP and compared with the cost on sample basis to ascertain the recording of DP at lower of cost or NRV.</p> <p>We also reviewed the related disclosures in accordance with the applicable financial reporting standards.</p>

**Information Other than the Financial Statements and Auditors’ Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Company’s financial reporting process.

**Auditors’ Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

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Karachi

audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partners on the audit resulting in this independent auditors' report are **Arif Nazeer** and **Muhammad Haroon**.

*EY Ford Rhodes*

EY Ford Rhodes  
Chartered Accountants

Karachi

Date: 04 October 2021

*Reanda Haroon Zakaria*

Reanda Haroon Zakaria & Co.  
Chartered Accountants

# Javedan Corporation Limited

## STATEMENT OF FINANCIAL POSITION

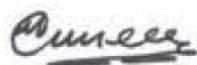
AS AT JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	6,224,610	5,937,790
Intangible assets	7	4,313	5,463
Investment properties	8	631,366	567,664
Long-term deposits	9	9,316	9,905
Long-term investment	10	10,000	10,000
		<b>6,879,605</b>	6,530,822
<b>CURRENT ASSETS</b>			
Development properties	11	18,910,598	18,359,932
Trade debts	12	267,863	494,188
Loans and advances	13	293,389	599,518
Trade deposits, prepayments and other receivables	14	197,991	72,851
Short-term investments	15	1,296,802	37,750
Cash and bank balances	16	152,696	59,908
		<b>21,119,339</b>	19,624,147
<b>TOTAL ASSETS</b>		<b>27,998,944</b>	26,154,969
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
<b>Authorised</b>			
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	17	3,173,837	3,173,834
Capital reserves	18	3,393,060	3,393,056
Revenue reserves	18	2,823,590	2,411,899
Other component of equity - revaluation surplus on lands	19	8,461,779	8,544,621
		<b>17,852,266</b>	17,523,410
<b>NON-CURRENT LIABILITIES</b>			
Long-term financings	20	4,904,662	3,589,433
Deferred grant	21	168	1,289
Deferred tax liability	22	704	19,566
Deferred liability - gratuity	23	50,207	36,265
		<b>4,955,741</b>	3,646,553
<b>CURRENT LIABILITIES</b>			
Trade and other payables	24	962,474	331,431
Preference shares	25	505	510
Accrued mark-up	26	92,014	177,110
Contract liabilities	27	2,091,971	2,887,990
Advance against sale of investment properties		48,346	83,051
Short-term borrowings	28	904,959	899,406
Current maturity of non-current liabilities	20 & 21	991,963	479,568
Taxation - net		94,264	121,377
Unpaid preference dividend		182	122
Unclaimed dividend		4,259	4,441
		<b>5,190,937</b>	4,985,006
<b>CONTINGENCIES AND COMMITMENTS</b>	29		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,998,944</b>	26,154,969

The annexed notes from 1 to 44 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# Javedan Corporation Limited

## STATEMENT OF PROFIT OR LOSS

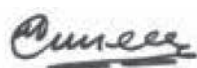
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
Revenue from contracts with customers - net	30	1,047,286	1,643,274
Cost of sales	31	(264,909)	(708,637)
<b>Gross profit</b>		<b>782,377</b>	934,637
Marketing and selling expenses	32	(35,368)	(52,939)
Administrative expenses	33	(420,399)	(385,643)
Finance costs	34	(107,220)	(207,560)
Other income	35	150,781	120,835
<b>Profit before taxation</b>		<b>370,171</b>	409,330
Taxation	36	(38,931)	(172,630)
<b>Profit for the year</b>		<b>331,240</b>	236,700
<b>Earnings per share</b>			
----- (Rupees in '000) -----			
Basic	37	1.04	0.75
Diluted	37	1.04	0.75

The annexed notes from 1 to 44 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# Javedan Corporation Limited

## STATEMENT OF COMPREHENSIVE INCOME

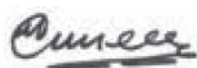
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>Profit for the year</b>		<b>331,240</b>	236,700
<b>Other comprehensive income, net of tax</b>			
<b><i>Other comprehensive (loss) / income not to be reclassified to profit or loss in subsequent periods (net of tax):</i></b>			
Actuarial (loss) / gain on remeasurement of defined benefit obligation	23.5	<b>(3,368)</b>	3,848
Related tax effect		<b>977</b>	(1,116)
		<b>(2,391)</b>	2,732
<b>Total comprehensive income for the year, net of tax</b>		<b>328,849</b>	239,432

The annexed notes from 1 to 44 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# Javedan Corporation Limited

## STATEMENT OF CHANGES IN EQUITY

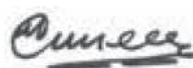
FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Other component of equity	Total Equity
		Share premium	Tax holiday reserve	General	Unappropriated profits	Revaluation surplus on lands	
----- (Rupees in '000) -----							
<b>Balance as at June 30, 2019</b>	2,885,304	3,381,090	11,966	63,500	2,266,940	8,675,613	17,284,413
Issuance of 10% ordinary bonus shares for the year ended June 30, 2019	288,530	-	-	-	(288,530)	-	-
Cost on issuance of shares	-	-	-	-	(435)	-	(435)
Profit for the year	-	-	-	-	236,700	-	236,700
Other comprehensive income, net of tax	-	-	-	-	2,732	-	2,732
Total comprehensive income, net of tax	-	-	-	-	239,432	-	239,432
Revaluation surplus on lands realised on account of sale of development properties	-	-	-	-	130,992	(130,992)	-
	-	-	-	-	-	-	-
<b>Balance as at June 30, 2020</b>	<b>3,173,834</b>	<b>3,381,090</b>	<b>11,966</b>	<b>63,500</b>	<b>2,348,399</b>	<b>8,544,621</b>	<b>17,523,410</b>
Profit for the year	-	-	-	-	331,240	-	331,240
Other comprehensive (loss), net of tax	-	-	-	-	(2,391)	-	(2,391)
Total comprehensive income, net of tax	-	-	-	-	328,849	-	328,849
Revaluation surplus on lands realised on account of sale of development properties	-	-	-	-	82,842	(82,842)	-
Conversion of preference shares into ordinary shares (notes 17 & 25)	3	4	-	-	-	-	7
<b>Balance as at June 30, 2021</b>	<b>3,173,837</b>	<b>3,381,094</b>	<b>11,966</b>	<b>63,500</b>	<b>2,760,090</b>	<b>8,461,779</b>	<b>17,852,266</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# Javedan Corporation Limited

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		370,171	409,330
<i>Adjustments for non-cash items:</i>			
Depreciation	6.1	21,883	21,323
Amortization	7.1	1,150	288
Provision for gratuity	23.8	11,701	14,615
Remeasurement gain on investment properties	8.2	(37,861)	(47,587)
Development charges borne by the Company	31	30,289	238,700
Finance costs		91,249	204,028
Loss on disposal of investment properties	35	114	-
Amortisation of deferred grant	35	(3,293)	(147)
Remeasurement gain on investment designated at FVTPL	35	(3,751)	-
Mark-up on saving accounts	35	(14,366)	(9,853)
Loss / (gain) on disposal of property, plant and equipment	35	(132)	77
<b>Operating profit before working capital changes</b>		<b>467,153</b>	<b>830,774</b>
<b>(Increase) / decrease in current assets</b>			
Development properties		(550,666)	(215,277)
Trade debts		121,306	295,307
Loans and advances		306,129	354,818
Trade deposits and other receivables		(136,334)	(53,550)
		<b>(259,565)</b>	<b>381,298</b>
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		631,043	(195,414)
Contract liabilities		(721,289)	1,052,865
Advance against sale of investment properties		(34,704)	83,050
		<b>(124,950)</b>	<b>940,501</b>
<b>Cash flows generated from operations</b>		<b>82,637</b>	<b>2,152,573</b>
<b>(Payments) / receipts for:</b>			
Income taxes		(72,735)	(47,376)
Finance costs		(176,345)	(666,448)
Gratuity	23.5	(1,207)	(6,030)
Long-term deposits		589	(1,637)
		<b>(249,698)</b>	<b>(721,491)</b>
<b>Net cash flows (used in) / generated from operating activities</b>		<b>(167,061)</b>	<b>1,431,082</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES *</b>			
Additions to property, plant and equipment	6.1 & 6.2	(309,122)	(494,951)
Additions to intangible assets	7	-	(5,751)
Sale proceeds from disposal of property, plant and equipment		551	90
Additions to investment properties	8.2	(136,869)	(465,077)
Sale proceeds from disposal of investment properties	8.2.2	110,914	-
Investment in subsidiary		-	(10,000)
Short-term investments - net		(1,255,301)	(37,750)
Mark-up on saving accounts received	35	14,366	9,853
<b>Net cash flows used in investing activities</b>		<b>(1,575,461)</b>	<b>(1,003,586)</b>

# Javedan Corporation Limited

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

### CASH FLOWS FROM FINANCING ACTIVITIES \*

Cost on issuance of bonus shares  
 Dividend paid  
 Increase in capital reserves  
 Long-term financings - net  
 Short-term borrowings - net  
**Net cash flows generated from / (used in) financing activities**

### Net increase in cash and cash equivalents

Cash and cash equivalents at beginning of the year

### Cash and cash equivalents at end of the year

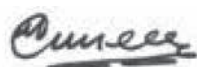
Note	2021	2020
	----- (Rupees in '000) -----	
	-	(435)
	(182)	386
	-	-
	1,829,938	161,908
	5,553	(586,197)
	1,835,309	(424,338)
	92,788	3,158
16	59,908	56,750
16	152,696	59,908

\* No non-cash item is included in investing and financing activities

The annexed notes from 1 to 44 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 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 are the separate financial statements of the Company in which investment in subsidiaries are stated at cost less accumulated impairment losses, if any.

#### **1.4 Impact of COVID-19 pandemic**

In March 2020, the World Health Organization made an assessment that the outbreak of a coronavirus (COVID-19) can be characterized as a global pandemic. Thereafter, COVID-19 emerged to have impacts on Pakistan's economy as the Government decided for a Country wide lockdown.

Due to the nature of business operations, the Company is immune to the effects of the pandemic but it has witnessed a slow down in sales and certain planned initiatives, the impact of which remained marginal for the year ended June 30, 2021 and in ensuing periods. However, the Company in general has considered the business risks emanating from COVID-19 and has assessed the possible financial implications on the carrying amounts of assets and going concern assumption used for the preparation of these financial statements. According to the management's assessment, the Company expects that the carrying amount of these assets will be recovered and there is no significant accounting impact of the effects of COVID-19 on these financial statements. However, in order to make payment to employees without disruption, the Company has availed facility under Refinance Scheme for payment of wages and salaries.

In addition, the management of the Company is closely monitoring the situation, and in response to the developments, taking all possible precaution and measures to safeguard health and safety of employees and other stakeholders.

**1.5** The geographical location and addresses of business units are as under:

<b>Location</b>	<b>Address</b>
Registered office	Arif Habib Centre, 23, M.T Khan Road, Karachi
Naya Nazimabad Project	Naya Nazimabad, Deh, Manghopir road, Gadap town, Scheme #43, Karachi
Naya Nazimabad Sales Center	Naya Nazimabad, Deh, Manghopir road, Gadap town, Scheme #43, Karachi

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs), issued by International Accounting Standard Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and provisions of directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

### 3. BASIS OF PREPARATION

#### 3.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- recognition of certain employees' retirement benefits at present value;
- lands (i.e. freehold and leasehold) classified under property, plant and equipment at revalued amount;
- investment properties at fair value; and
- equity instruments designated at fair value through profit or loss

#### 3.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest thousand rupees.

### 4. STANDARDS, AMENDMENTS, INTERPRETATIONS AND IMPROVEMENTS

#### 4.1 New standards, amendments, interpretations and improvements to approved accounting standards and the framework for financial reporting that became effective during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except for the following amendments to International Financial Reporting Standards (IFRSs) and the framework for financial reporting, that the Company has adopted, which became effective for the current year:

IFRS 3 - Business Combinations - Definition of a Business (Amendments)  
IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)  
IAS 1 / IAS 8 - Definition of Material (Amendments)  
Conceptual Framework for Financial Reporting

The adoption of above amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Company's financial statements.

#### 4.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

<b>Amendment</b>		<b>Effective date (annual periods beginning on or after)</b>
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)	January 01, 2021
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	April 01, 2021
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 01, 2022
IAS 37	Onerous Contracts - Costs of Fulfilling a Contract (Amendments)	January 01, 2022

### **Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)**

IFRS 9	Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
IFRS 16	Leases: Lease incentives	January 01, 2022
IAS 41	Agriculture - Taxation in fair value measurements	January 01, 2022

The above amendments and improvements are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

<b>Standard</b>		<b>IASB effective date (annual periods beginning on or after)</b>
IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 4.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Judgments, estimates and assumptions are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following judgments, estimates and assumptions which are significant to these financial statements:

#### (i) Free-hold and leasehold lands under property, plant and equipment

The Company's freehold land and leasehold land are carried at revalued amount, with changes in fair value being recognised in the other comprehensive income or loss. An independent valuation specialist is engaged by the Company to assess fair value of freehold land based on values with reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

#### (ii) Revenue recognition

The Company assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Company has assessed that based on the sale and purchase agreements entered into with customers, where contracts are entered into to provide real estate assets to customer, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. In these circumstances, the Company recognises revenue over time, whereas, if this is not the case revenue is recognised at a point in time. In cases where the Company determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer. The Company determines the transaction price in respect of each of its contracts with customers and in making such judgment the Company assess the impact of any variable consideration in the contract (if any), due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

#### (iii) Development properties

The Company reviews the net realisable value of development properties to assess any diminution in the respective carrying values. Net realizable value (NRV) for completed development property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for property in the same geographical market serving the same real estate segment. NRV in respect of development property under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### (iv) Recognition of tax and deferred tax

The provision for taxation is accounted for by the Company after taking into account the relevant laws and decisions taken by appellate authorities. Instances, where the Company's view differs from the view taken by the tax authorities at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities / assets.

Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The management consider tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## 4.4 Property, plant and equipment

### 4.4.1 Owned

Property, plant and equipment (except for free-hold, leasehold land and other land) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Free-hold and leasehold land are stated at revalued amount, which is the fair value at the date of revaluation. Subsequently, these are stated at revalued amounts less subsequent impairment losses, if any. Other land are stated at cost less accumulated impairment losses, if any. Depreciation is charged to profit or loss applying the reducing balance method. Depreciation on additions during the year is charged from the month of addition when the asset is available for use, whereas, no depreciation is charged in the month of disposal.

Rates of depreciation which are disclosed in note 6.1 to these financial statements are designed to write-off the cost over the estimated useful lives of the assets.

Major renewals and improvements for assets are capitalised and the assets so replaced, if any, are retired. Maintenance and normal repairs are charged to profit or loss, as and when incurred.

Assets residual values, useful lives and method of depreciation are reviewed and adjusted, if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the reporting date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is charged to profit or loss.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 4.4.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred in respect of operating fixed assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating fixed assets when they are available for use.

### 4.4.3 Revaluation surplus on lands

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

### 4.5 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation on additions is charged from the month in which an asset is available for use, while no amortisation is charged for the month in which the asset is disposed off. Amortisation is charged based on straight line method at the rates specified in note 7 to these financial statements.

### 4.6 Investment properties

Investment properties comprise of completed properties that are held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business.

Investment properties are measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred, if the recognition criteria is met. Subsequent to initial recognition, investment properties are stated at fair value which reflects market condition at reporting date. Gains or losses arising from changes in the fair values are included in the profit or loss in the period in which they arise, including the corresponding tax effect, if any. Fair values are determined based on an annual valuation performed by an accredited valuer.

Investment properties are derecognised when these have been disposed of or permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on disposal of an investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the profit or loss.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 4.7 Right-of-use assets and leases liabilities

#### 4.7.1 Company as a lessee

The Company assess at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Company recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets. As of reporting date, the Company has no contractual arrangement in place as a lessee.

##### i) Right-of-use assets

The Company recognises right-of-use assets (ROU assets) at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, if any, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

##### ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

The Company has the option, under its lease arrangements to lease the assets for additional terms under the contracts. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Any change is accounted for change in estimate and applied prospectively with corresponding change in ROU assets and lease liabilities.

### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### 4.7.2 Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### 4.8 Development properties

Property acquired, constructed or in the course of construction for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is classified as development properties and is measured at lower of cost and net realisable value. The Company will sell plots and bungalows and will not provide any construction services as a contractor engaged by the buyer. In addition, the buyer of constructed units does not have an ability to specify the major structural elements of the design or major structural changes before construction and / or construction is in progress. All project costs incurred or to be incurred are capitalised as a cost of development properties and mainly includes: costs / rights for free-hold and leasehold land; construction cost of bungalows; borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs necessary to bring the premises in saleable condition; and development charges.

Net realizable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date less estimated costs of completion and the estimated costs necessarily to be incurred to make the sale.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

When a development property is sold, the carrying amount of the development property is recognized as an expense in the period in which the related revenue is recognized.

The cost of sales recognised in profit or loss is determined with reference to the costs incurred on the plots / bungalows sold and an allocation of any non-specific costs based on the total area of land sold for plots / bungalows, in relation to total area of land. The development charges are recognised in profit or loss on the basis of reimbursable development costs recoverable to date from customers on plots / bungalows sold apportioned to total area of land sold in relation to total area of land. Development charges not recoverable from customers are borne by the Company and charged to profit or loss in the year, in which these are incurred.

### 4.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

#### 4.9.1 Financial assets

##### 4.9.1.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### 4.9.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

#### a) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### **b) Financial assets designated at fair value through OCI with recycling of cumulative gains and losses (debt instruments)**

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

### **c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as dividend income in the profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments, if any, under this category.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as dividend income in the profit or loss when the right of payment has been established.

#### 4.9.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 4.9.1.4 Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Company applies a simplified approach in calculating ECLs for its trade debts and other receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Trade debts are secured against good sold and have low credit risk. Similarly, the Company's deposits, accrued interest and bank balances that are held with reputational banks and other third parties, the Company applies low credit risk simplifications. At each reporting date, the Company evaluates whether these assets are considered to have low credit risk using all reasonable and supportable information that is available without un-due cost or effort including their credit ratings assessed by reputable agencies and therefore assessed to have immaterial impact of allowances for ECL. For other receivables, the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the third parties and the economic environment.

The Company considers a financial asset in default when contractual payments are past due over the agreed terms. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 4.9.2 Financial liabilities

#### 4.9.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### 4.9.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

#### 4.9.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

#### 4.9.2.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 4.10 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 4.11 Cash and cash equivalents

Cash and cash equivalents are stated at cost and are defined as cash in hand, cash at banks and short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of cash flow statement, cash and cash equivalents comprises cash in hand and bank balances.

### 4.12 Preference shares

The Company classify a financial instrument (or its components) on initial recognition as a financial liability or as equity considering the substance of a contractual arrangement rather than its legal form. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

### 4.13 Employees retirement benefits

#### 4.13.1 Defined benefit plan - gratuity

The Company operates an approved funded gratuity scheme for all its eligible employees who have completed their minimum qualifying period of service with the Company. Provisions are made in the financial statements to cover obligation on the basis of actuarial valuation carried out annually by an independent actuary, using the Projected Unit Credit Method. Actuarial gain or loss (remeasurements) are immediately recognised in statement of other comprehensive income, as they occur. The amount recognised in the statement of financial position represents the present value of defined benefit obligations as reduced by the fair value of the plan assets. Current service costs and any past service costs together with net interest cost are charged to statement of profit or loss.

#### 4.13.2 Compensated absences

The Company recognises the accrual for compensated absences in respect of employees' for which these are earned up to the reporting date.

### 4.14 Borrowing costs

All interest bearing financings and borrowings are initially recognised at fair value less directly attributable transaction costs. Subsequently, these are measured at amortised cost using effective interest rate method.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are capitalised and added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalisation.

### 4.15 Taxation

#### Current

Provision for current taxation is computed on taxable income at the current rates of taxation, after taking into account tax credits and rebates available, if any, in accordance with the provision of the Income Tax Ordinance, 2001. It also includes any adjustment to tax payable in respect of prior years. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

#### Deferred

Deferred tax is recognised using the balance sheet method, on all temporary differences arising at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date. Deferred tax is charged or credited to the profit or loss.

Deferred tax relating to items recognised directly in the other comprehensive income is recognised in the other comprehensive income and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 4.16 Revenue recognition

#### 4.16.1 Revenue from contracts with customers

Revenue from contracts with customers is recognised when the contract of goods and services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

- i) Revenue from the sale of plots and bungalows is recognised at a point in time at which the performance obligation is satisfied and one of the below conditions are not met:
- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
  - the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
  - the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance obligation completed to date.

For performance obligations where one of the above conditions are met, revenue is recognised over the time when the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. When the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

- ii) Revenue on plots and bungalows cancelled during the period is recognized to the extent of amount forfeited at the time when the cancellation request is approved.
- iii) Reimbursable development costs incurred are recognised as an expense and its reimbursement from customers as a corresponding income in profit or loss under cost of sales. Development charges which are invoiced to customers are recognised as development charges billed, whereas, unbilled development charges represent value of development work executed but billed subsequently.

#### 4.16.2 Other revenues

Revenue from other sources is recognized on the following basis:

- i) Rental income arising from investment properties is recognised, net of discounts, in accordance with the terms of lease contracts over the lease term on straight-line basis until such time the lessee exercises its option to purchase.
- ii) Profit on deposits is recognized on a time proportionate basis, by reference to the principal outstanding and at the applicable effective interest rate.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- iii) Gain on sale of property, plant and equipment / investment properties is recorded when title is transferred in favour of transferee.
- iv) Income from sale of scrap is recorded when risks and rewards are transferred to the customers which coincides with the time of dispatch of items.
- v) Other income (i.e. transfer fee, income from cricket ground, etc.), if any, recognised on accrual basis.

### 4.17 Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and accordingly adjusted to reflect current best estimates.

### 4.18 Ijarah agreements

Payments made under ijarah arrangements / agreements are charged to the profit or loss on a straight line basis over the ijarah term.

### 4.19 Foreign currency translations

Transactions in foreign currencies are translated into Pakistani Rupee at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the reporting date. Exchange gains and losses are recognised in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### 4.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period, in which these are approved. However, if these are approved after the reporting period but before the financial statements are authorised for issue, they are disclosed in the notes to the financial statements.

### 4.21 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Whereas, diluted EPS is determined by adjusting the profit or loss attributable to ordinary share holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 4.22 Government grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant related to an expense item, it is recognised in the statement of profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

### 4.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets. Segment results, assets and liabilities include items directly attributable to a segment as well as those allocated on a reasonable basis.

## 5. DETAILS OF RELATED PARTIES

Name of related parties	%age holding	Basis of relationship
NN Maintenance Company (Private) Limited	100	Subsidiary Company
Aisha Steel Mills Limited	-	Common directorship
Arif Habib Consultancy (Private) Limited	-	Common directorship
Black Gold Power Limited	-	Common directorship
Fatima Fertilizer Company Limited	-	Common directorship
Karachi Sports Foundation	-	Common directorship
Sachal Energy Development (Private) Limited	-	Common directorship
Arif Habib Corporation Limited	-	Common directorship
International Builders and Developers (Private) Limited	-	Common directorship
NCEL Building Management Limited	-	Common directorship
Pakarab Energy Limited	-	Common directorship
Pakistan Business Council	-	Common directorship
Pakistan Engineering Company Limited	-	Common directorship
Pakistan Opportunities Limited	-	Common directorship
Fatimid Foundation	-	Common directorship
Karachi Education Initiative	-	Common directorship
Pakistan Centre for Philanthropy	-	Common directorship
Arif Habib Equity (Private) Limited	-	Common directorship
Nooriabad Spinning Mills (Private) Limited	-	Common directorship
Rotocast Engineering Company (Private) Limited	-	Common directorship
Sukh Chayn Gardens (Private) Limited	-	Common directorship
Safemix Concrete Limited	-	Common directorship
Arif Habib Foundation	-	Common directorship
Fatimafert Limited	-	Common directorship

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Name of related parties	%age holding	Basis of relationship
Fatima Cement Limited	-	Common directorship
MMI	-	Common directorship
Pakarab Fertilizers Limited	-	Common directorship
REMMCO Builders & Developers Limited	-	Common directorship
Arif Habib Dolmen REIT Management Limited	-	Common directorship
Arif Habib Real Estate Services (Private) Limited	-	Common directorship
Power Cement Limited	-	Common directorship
Arif Habib Limited	-	Common Control
Go Real Estate	-	Associated person, major shareholder
National Resources (Private) Limited	-	Common directorship
Mr. Haji Abdul Ghani	-	Associated person, major shareholder
Miss. Nida Ahsan	-	Close family member
Mr. Samad A. Habib - Chief Executive	-	Key management personnel
Mr. Arif Habib - Director	-	Key management personnel
Mr. Muhammad Ejaz - Director	-	Key management personnel
Mr. Saeed Ahmed - Director	-	Key management personnel
Miss. Darakshan Zohaib - Director	-	Key management personnel
Mr. Abdul Qadir - Director	-	Key management personnel
Mr. Alamgir A. Sheikh - Director	-	Key management personnel
Mr. Siddiq Khokhar - Director	-	Key management personnel
Mr. Faisal Anees Bilwany - Ex Director	-	Key management personnel
Mr. Muneer Gadar - CFO & Company Secretary	-	Key management personnel
JCL Gratuity Fund Trust	-	Employees' Gratuity Fund

Note	2021	2020
	----- (Rupees in '000) -----	

### 6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6.1	<b>4,771,008</b>	4,772,373
Capital work-in-progress	6.2	<b>1,453,602</b>	1,165,417
		<b>6,224,610</b>	5,937,790

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 6.1 Operating fixed assets - owned

Particulars	Cost / Revaluation Amount				Accumulated Depreciation				Revalued Amount / Written Down Value As At June 30, 2021	Rate
	As At July 01, 2020	Additions	Disposals	As At June 30, 2021	As At July 01, 2020	Charge For The Year	Disposals	As At June 30, 2021		
----- (Rupees in '000) -----										
Free-hold land (notes 6.1.1 and 6.1.2)	541,599	-	-	541,599	-	-	-	-	541,599	-
Lease-hold land (notes 6.1.1 and 6.1.2)	4,050,555	-	-	4,050,555	-	-	-	-	4,050,555	-
Other land (note 6.1.4)	50,918	-	-	50,918	-	-	-	-	50,918	-
Buildings on lease-hold land	36,564	4,055	-	40,619	21,692	1,766	-	23,458	17,161	10
Buildings on other land	63,383	-	-	63,383	6,703	5,668	-	12,371	51,012	10
Furniture and fixtures	15,018	544	-	15,562	7,888	1,022	-	8,910	6,652	20
Office equipment	47,980	6,428	60	54,348	22,833	6,188	13	29,008	25,340	10 to 33
Medical equipment	-	4,957	-	4,957	-	946	-	946	4,011	10 to 33
Computer equipment	25,917	1,806	-	27,723	18,089	2,734	-	20,823	6,900	33
Vehicles	44,243	3,147	1,100	46,290	26,599	3,559	728	29,430	16,860	20
<b>2021</b>	<b>4,876,177</b>	<b>20,937</b>	<b>1,160</b>	<b>4,895,954</b>	<b>103,804</b>	<b>21,883</b>	<b>741</b>	<b>124,946</b>	<b>4,771,008</b>	

Particulars	Cost / Revaluation Amount				Accumulated Depreciation				Revalued Amount / Written Down Value As At June 30, 2020	RATE
	As At July 01, 2019	Additions	Disposals	As At June 30, 2020	As At July 01, 2019	Charge For The Year	Disposals	As At June 30, 2020		
----- (Rupees in '000) -----										
Free-hold land (notes 6.1.1 and 6.1.2)	541,599	-	-	541,599	-	-	-	-	541,599	-
Lease-hold land (notes 6.1.1 and 6.1.2)	4,050,555	-	-	4,050,555	-	-	-	-	4,050,555	-
Other land (note 6.1.4)	50,918	-	-	50,918	-	-	-	-	50,918	-
Buildings on lease-hold land	34,438	2,126	-	36,564	20,265	1,427	-	21,692	14,872	10
Buildings on other land	62,036	1,347	-	63,383	517	6,186	-	6,703	56,680	10
Furniture and fixtures	14,060	958	-	15,018	6,703	1,185	-	7,888	7,130	20
Office equipment	36,755	11,278	53	47,980	17,739	5,119	25	22,833	25,147	10 to 33
Computer equipment	21,180	4,936	199	25,917	15,147	3,002	60	18,089	7,828	33
Vehicles	44,113	130	-	44,243	22,195	4,404	-	26,599	17,644	20
<b>2020</b>	<b>4,855,654</b>	<b>20,775</b>	<b>252</b>	<b>4,876,177</b>	<b>82,566</b>	<b>21,323</b>	<b>85</b>	<b>103,804</b>	<b>4,772,373</b>	

**6.1.1** The Company has carried out the last valuation exercise through an independent valuer in year 2020. Had there been no revaluation, the carrying amount of lands (free-hold and leasehold) and revaluation surplus on lands (free-hold and leasehold) would have been lower by Rs. 496.01 million and Rs. 3,709.57 million, respectively.

The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. The fair value of said lands falls under level 3 of fair value hierarchy (i.e. significant unobservable inputs).

**6.1.2** The forced sale value of free-hold land and leasehold land are Rs. 433 million and Rs. 3,240 million based on the latest revaluation carried out by an independent valuer on June 30, 2020, respectively.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**6.1.3** The immovable assets (i.e. free-hold and leasehold land) of the Company as at June 30, 2021 have an area of 5.58 acres free-hold land and 56.42 acres leasehold land respectively, located at Naya Nazimabad, Deh, Manghopir, Gadap Town, Scheme 43, Karachi, and is used by the Company for business purposes. Out of the total 62 acres land, 9.05 acres lease-hold land has been mortgaged/pledged with various financial institutions against financing facilities obtained (note 20).

**6.1.4** Land classified as 'Other land' are amenity plots (i.e. land for construction of mosques).

**6.1.5** The depreciation charge for the year has been allocated to administrative expenses.

	Note	2021	2020
----- (Rupees in '000) -----			
<b>6.2 Capital work-in-progress</b>			
Opening		1,165,417	691,241
Additions (net of Rs. 20.346 million)		288,185	474,176
Closing	6.2.1	1,453,602	1,165,417
<b>6.2.1 The details of capital work-in-progress are as under:</b>			
Gymkhana (club house)		1,126,285	887,083
Jama masjid		222,459	174,573
Cricket ground		62,564	61,702
Football stadium		42,294	42,059
		1,453,602	1,165,417

## 7. INTANGIBLE ASSETS

	Cost			Rate	Accumulated Amortization			Net Book Value
	As At July 1, 2020	Addition During The Year	As At June 30, 2021		As At July 1, 2020	During The Year	As At June 30, 2021	As At June 30, 2021
----- (Rupees in '000) -----				%	----- (Rupees in '000) -----			
<b>Software - 2021</b>	5,751	-	5,751	20	288	1,150	1,438	4,313
Software - 2020	-	5,751	5,751	20	-	288	288	5,463

## 8. INVESTMENT PROPERTIES

	Note	2021	2020
----- (Rupees in '000) -----			
Investment property - completed	8.1	631,366	567,664

**8.1** Investment properties comprise of various properties having aggregated area of 366,851 square yards (2020: 511,083 square yards) situated at Deh Mangopir and other locations in Karachi (note 8.5).

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>8.2 The movement in investment properties during the year is as follows:</b>			
As at July 01		<b>567,664</b>	55,000
Additions during the year	8.2.1	<b>136,869</b>	465,077
Disposal during the year	8.2.2	<b>(111,028)</b>	-
Remeasurement gain	8.3	<b>37,861</b>	47,587
As at June 30		<b>631,366</b>	567,664

**8.2.1** Represents properties acquired by the Company having aggregate area of 02 acres situated at N.C. 182, Deh Khari Lakhi, Anwer Shamim Road, North Nazimabad, District Central, Karachi.

**8.2.2** During the year, the Company has disposed off properties bearing survey no. 57, 58, 59 and 61 having aggregate area of 31.8 acres, and carrying value of Rs. 111.028 million at a sale consideration of Rs. 110.914 million.

**8.3** An independent valuation was carried out by the Company through an independent professional valuer on June 30, 2021 and the fair value of Rs.631 million (2020: Rs.568 million) was determined with reference to market based evidence, active market prices and relevant information. Accordingly, the fair value adjustment of Rs. 37.86 million (2020: Rs. 47.587 million) is recognised in profit or loss. The fair value of investment property falls under level 3 of fair value hierarchy (i.e. significant unobservable inputs).

**8.4** The aggregated forced sale value of investment properties as per the latest valuation reports are Rs.515 million (2020: Rs. 430.90 million).

**8.5 The details of investment properties as of June 30, 2021 are as follows:**

S.No	Location of investment properties	Land area
1.	Survey No 85,86,87,88,89 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	40 acres and 92 ghuntas
2.	Survey No 62 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	3 acres and 36 ghuntas
3.	Survey no 79 & 80 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	13 acres and 35 ghuntas
4.	Survey No 77, 78 & 81 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	10 acres and 21 ghuntas
5.	Plots No 27-C to 36-C at N.C-1 Deh Orangi Town District West Karachi.	4,949 sq yds
6.	Plots No 11-C to 16- C at N.C-1 Deh Orangi Town District West Karachi.	3,385 sq yds
7.	Plots No 17-C to 26- C at N.C-1 Deh Orangi Town District West Karachi.	5,010 sq yds
8.	Plot No D-24 Survey No 32 situated at Deh Manghopir District West Karachi.	2,123 sq yds
9.	N.C. 182, Deh Khari Lakhi, Anwer Shamim Road, North Nazimabad, District Central, Karachi.	9,680 sq yds

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 9. LONG-TERM DEPOSITS

	2021	2020
	----- (Rupees in '000) -----	
Utilities	4,701	4,701
Rent	500	1,190
Lease deposits	3,399	3,399
Others	716	615
	<b>9,316</b>	<b>9,905</b>

### 10. LONG-TERM INVESTMENT

Represents investment of 1 million ordinary shares having face value of Rs. 10 each made by the Company in 2020, in a wholly owned subsidiary namely NN Maintenance Company (Private) Limited. The principal activities of the subsidiary is to carry out maintenance and related services for Naya Nazimabad project of the Company. The subsidiary company commenced its operational activities effective from January 2020.

### 11. DEVELOPMENT PROPERTIES

#### Land

	2021	2020
	----- (Rupees in '000) -----	
Opening balance	14,980,418	14,962,418
Add: Additions during the year	51,500	18,000
	<b>15,031,918</b>	14,980,418

#### Development expenditure incurred

Opening balance	9,915,362	8,658,619
Add: Incurred during the year	1,041,923	1,256,743
	<b>10,957,285</b>	9,915,362

#### Borrowing costs related to development properties

Opening balance	2,316,625	1,848,597
Add: Additions during the year	366,610	468,028
	<b>2,683,235</b>	2,316,625
	<b>28,672,438</b>	27,212,405

#### Transferred to:

- property, plant and equipment	(68,545)	(68,545)
- investment properties	(40,291)	(40,291)
- cost of sales to date	(5,562,243)	(5,327,623)
- development charges incurred and apportioned to date	(4,090,760)	(3,416,014)
	<b>18,910,598</b>	<b>18,359,932</b>

11.1 The land under development properties having an area of 357.71 acre has been mortgaged / pledged with various financial institutions against financing facilities obtained (note 20).

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

12. TRADE DEBTS	Note	2021	2020
		----- (Rupees in '000) -----	
<b>Secured, considered good</b>			
Receivable against:			
- sales of plots and bungalows		159,028	301,842
- utilities infrastructure charges		10,145	-
- development charges incurred:			
- billed	12.1	74,249	94,900
- un-billed	12.2	24,441	97,446
		98,690	192,346
	12.3 & 12.4	267,863	494,188

**12.1** Represents development cost billed to customers as per the terms of their sale agreement.

**12.2** Represents development cost incurred but not billed to customers as of reporting date, however the same will be billed to the respective customers in accordance with the terms of the sale contract.

**12.3** As of June 30, 2021 and 2020, the ageing analysis of unimpaired trade debts are as follows:

	Total	Past due but not impaired			
		Neither past due nor impaired	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
<b>Sales of plots and bungalows:</b>					
Other than related parties	159,028	38,894	3,100	-	117,034
	159,028	38,894	3,100	-	117,034
<b>Utilities infrastructure charges</b>					
Other than related parties	10,145	-	-	-	10,145
	10,145	-	-	-	10,145
<b>Development charges incurred:</b>					
Related parties					
Billed					
- Arif Habib	1,200	-	-	-	1,200
- Alamgir A. Sheikh	119	-	-	-	119
- Arif Habib Limited	800	-	-	-	800
- Nida Ahsan	120	-	-	-	120
- Haji Abdul Ghani	4,680	-	-	-	4,680
Unbilled					
- Arif Habib Limited	356	356	-	-	-
- Haji Abdul Ghani	654	654	-	-	-
	7,929	1,010	-	-	6,919
Other than related parties - billed and unbilled	90,761	23,431	-	-	67,330
	98,690	24,441	-	-	74,249
<b>2021</b>	<b>267,863</b>	<b>63,335</b>	<b>3,100</b>	<b>-</b>	<b>201,428</b>

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Past due but not impaired				
	Total	Neither past due nor impaired	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
<b>Sales of plots and bungalows:</b>					
Related parties					
- Haji Abdul Ghani	22,335	-	-	-	22,335
- Go Real Estate	5,841	-	1,889	1,588	2,364
	<u>28,176</u>	<u>-</u>	<u>1,889</u>	<u>1,588</u>	<u>24,699</u>
Other than related parties	273,666	22,220	16,296	18,990	216,160
	<u>301,842</u>	<u>22,220</u>	<u>18,185</u>	<u>20,578</u>	<u>240,859</u>
<b>Development charges incurred:</b>					
Related parties					
Billed					
- Arif Habib	1,095	1,095	-	-	-
- Arif Habib Limited	718	718	-	-	-
- Haji Abdul Ghani	8,247	8,247	-	-	-
- Go Real Estate	44	44	-	-	-
Unbilled					
- Arif Habib	28,703	28,703	-	-	-
- Alamgir A. Sheikh	787	787	-	-	-
- Nida Ahsan	295	295	-	-	-
- Arif Habib Limited	94	94	-	-	-
- Nooriabad Spinning Mills (Private) Limited	100	100	-	-	-
	<u>40,083</u>	<u>40,083</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other than related parties - billed and unbilled	152,263	152,263	-	-	-
	<u>192,346</u>	<u>192,346</u>	<u>-</u>	<u>-</u>	<u>-</u>
2020	<u>494,188</u>	<u>214,566</u>	<u>18,185</u>	<u>20,578</u>	<u>240,859</u>

**12.4** The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:

	2021	2020
	----- (Rupees in '000) -----	
Haji Abdul Ghani	<b>5,334</b>	30,582
Alamgir A. Sheikh	<b>787</b>	787
Nida Ahsan	<b>2,142</b>	295
Arif Habib	<b>29,903</b>	29,798
Arif Habib Limited	<b>1,661</b>	812
Go Real Estate	<b>-</b>	5,885
Nooriabad Spinning Mills (Private) Limited	<b>100</b>	100

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>13. LOANS AND ADVANCES - Considered good</b>			
<b>Loans - Secured</b>			
Executives	13.2	3,953	5,048
Employees		4,090	3,530
	13.1	8,043	8,578
<b>Advances - Unsecured</b>			
Suppliers		151,829	112,448
Contractors		117,023	48,946
Employees for expenses		2,344	2,944
Purchase of properties	13.3	14,150	426,602
		285,346	590,940
		293,389	599,518

**13.1** Represents interest free loans given to employees for the purchase of vehicles in accordance with the terms of the employment. These loans are repayable within twelve months and are secured against staff gratuity fund.

	2021	2020
----- (Rupees in '000) -----		
<b>13.2 The movement in loans to executives are as follows:</b>		
Balance as of 01 July	5,048	6,548
Loans obtained during the year	10,454	14,531
Adjusted during the year	(11,549)	(16,031)
Balances as of 30 June	3,953	5,048

**13.3** Represents advances (as partial payments) given for purchase of various properties under the terms of agreement agreed between the Company and third parties.

	Note	2021	2020
----- (Rupees in '000) -----			
<b>14. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
<b>Trade deposits - Unsecured</b>			
Considered good			
- Security deposit with Sindh Building Control Authority		3,345	3,345
- Others	14.1	12,409	12,406
		15,754	15,751
Considered doubtful			
- Guarantee margin		225	225
- Contractors		2,680	2,680
		2,905	2,905
Allowances for expected credit losses		(2,905)	(2,905)
		15,754	15,751

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
<b>Prepayments</b>		
Rent	-	1,156
Insurance	665	110
Others	3,678	1,892
	<b>4,343</b>	3,158
<b>Other receivables - Unsecured</b>		
Sales tax refundable - considered doubtful	4,703	4,703
Excise duty refundable - considered good	574	574
Others - considered good	177,320	53,368
	<b>182,597</b>	58,645
Allowances for expected credit losses	<b>(4,703)</b>	(4,703)
	<b>177,894</b>	53,942
	<b>197,991</b>	72,851

**14.1** Included herein Rs. 12.3 million deposited with Honorable High Court of Sindh in respect of labor case pending adjudication.

	Note	2021	2020
		----- (Rupees in '000) -----	
<b>14.2 Included herein receivables from related parties, as follows:</b>			
- NN Maintenance Company (Private) Limited - subsidiary company	14.2.1	172,866	52,660
- International Builders and Developers (Private) Limited - associate		104	-
- Arif Habib Limited - associate	14.3	1,377	-
		<b>174,347</b>	52,660

**14.2.1** These are net of Rs 11.194 million payable to the subsidiary company on account of group relief availed by the Company in tax year 2020, in accordance with the provisions of the Income Tax Ordinance, 2001.

**14.3** These are past due but not impaired.

**14.4** The maximum amount outstanding from related parties at any time during the year calculated by reference to month end balances are as follows:

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
- NN Maintenance Company (Private) Limited		172,866	52,660
- subsidiary company		104	-
- International Builders and Developers (Private) Limited - associate		1,377	-
- Arif Habib Limited - associate		174,347	52,660
<b>15. SHORT-TERM INVESTMENTS</b>			
<b>At amortized cost</b>			
Term deposit receipts (TDRs)	15.1 & 15.2	67,750	37,750
<b>Designated at fair value through profit or loss</b>			
Equity instruments	15.3 & 15.4	1,229,052	-
		1,296,802	37,750

**15.1** This carries mark-up at 7.5% (2020: 11.75%) having maturity upto one year i.e. latest by May 17, 2022.

**15.2** Included herein, TDRs amounting to Rs. 30 million held as security with a commercial bank on account of guarantee issued on behalf of the Company to Ravi Urban Development Authority (note 24.2).

**15.3** As of June 30, 2021, the details of equity instruments designated at FVTPL held by the Company are as follows:

Company name	Number of shares		Fair value	
	2021	2020	2021	2020
----- (Rupees in '000) -----				
Oil and Gas Development Company Limited	5,500,000	-	522,665	-
Pakistan State Oil Company Limited	3,150,000	-	706,387	-
	8,650,000	-	1,229,052	-

	Note	2021	2020
----- (Rupees in '000) -----			
<b>15.4 The movement of equity instruments is as follows:</b>			
Balance as at July 01		-	-
Cost of investments made		1,225,301	-
Unrealized gain for the year - net	35	3,751	-
Balance as at June 30		1,229,052	-

**15.5** The fair value of equity instruments designated at FVTPL falls under level 1 of the fair value hierarchy (i.e. quoted market prices).

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
		----- (Rupees in '000) -----	
<b>16. CASH AND BANK BALANCES</b>			
Cash in hand		8,721	3,255
Cheques in hand		4,667	14,195
Cash at banks in:			
- current accounts		6,531	4,518
- deposit accounts	16.1 & 16.2	132,777	37,940
		139,308	42,458
		<b>152,696</b>	<b>59,908</b>

**16.1** These carry markup at the rate ranging between 5.5 percent to 10 percent per annum (2020: 5.5 percent to 10 percent per annum).

**16.2** Included herein Rs. 100 million restricted funds as of reporting date, however, the same becomes available to the Company subsequent to the year end.

### 17. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2021	2020		Note	2021	2020
----- (Rupees in '000) -----				----- (Rupees in '000) -----	
8,600,000	8,600,000	Ordinary shares of Rs.10 each Issued for cash		86,000	86,000
47,200,000	47,200,000	Issued under the financial restructuring arrangement		472,000	472,000
50,425,641	21,572,605	Bonus shares issued:		504,256	215,726
-	28,853,036	Opening		-	288,530
50,425,641	50,425,641	Issued during the year		504,256	504,256
		Closing			
(54,268,643)	(54,268,643)	Shares cancelled due to merger		(542,686)	(542,686)
27,332,729	27,332,729	Shares issued in lieu of merger		273,327	273,327
176,432,216	176,432,216	Right shares issued		1,764,322	1,764,322
61,661,763	61,661,453	Shares issued on conversion from preference shares	17.3	616,618	616,615
<b>317,383,706</b>	<b>317,383,396</b>			<b>3,173,837</b>	<b>3,173,834</b>

**17.1** The major shareholders of the Company as at June 30, 2021 and June 30, 2020 are as follows:

	2021	2020	2021	2020
	----- % holding -----		----- (Rupees in '000) -----	
Haji Abdul Ghani	12%	15%	376,644	471,009
Arif Habib Corporation Limited	10%	7%	313,261	236,366
Arif Habib Equity (Private) Limited	29%	29%	910,360	910,360
			<b>1,600,265</b>	<b>1,617,735</b>

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**17.2** The ordinary share holders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares, as and when declared by the Company. All shares carry one vote per share without restriction.

**17.3** Movement in ordinary shares issued on conversion of preference share capital is as below:

	2021	2020	2021	2020
	----- Number of Shares -----		----- (Rupees in '000) -----	
Opening	<b>61,661,453</b>	61,661,453	<b>616,615</b>	616,615
Shares issued on conversion of preference shares during the year	<b>310</b>	-	<b>3</b>	-
Closing	<b>61,661,763</b>	61,661,453	<b>616,618</b>	616,615

	Note	2021	2020
		----- (Rupees in '000) -----	
<b>18. RESERVES</b>			
Capital reserves			
Tax holiday reserve	18.1	<b>11,966</b>	11,966
Share premium	18.2	<b>3,381,094</b>	3,381,090
		<b>3,393,060</b>	3,393,056
Revenue reserve			
General reserves	18.3	<b>63,500</b>	63,500
Un-appropriated profits		<b>2,760,090</b>	2,348,399
		<b>2,823,590</b>	2,411,899
		<b>6,216,650</b>	5,804,955

**18.1** This reserve was created under Section 15BB of the repealed Income Tax Act, 1922. Under the aforesaid section, the Company was required to set aside a fixed percentage of the tax exempted, due to tax holidays, as a reserve not distributable to the shareholders.

**18.2** This reserve can only be utilised by the Company for the purpose specified in Section 81 of the Companies Act, 2017.

**18.3** Represents reserve created out of profit up to the period 1994-1995 for future contingencies and dividends.

### 19. REVALUATION SURPLUS ON LANDS

	2021	2020
	----- (Rupees in '000) -----	
Balance as at July 01:		
Development properties	<b>4,339,045</b>	4,470,037
Property, plant and equipment	<b>4,205,576</b>	4,205,576
	<b>8,544,621</b>	8,675,613
Transfer to unappropriated profit on sale of development properties during the year	<b>(82,842)</b>	(130,992)
Balance as at June 30	<b>8,461,779</b>	8,544,621

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
Represented by:			
Development properties		4,256,203	4,339,045
Property, plant and equipment	6.1.1	4,205,576	4,205,576
		<b>8,461,779</b>	<b>8,544,621</b>
<b>20. LONG-TERM FINANCINGS - Secured</b>			
Term finance certificates	20.1	172,500	258,750
Term finance loan I	20.2	995,002	-
Term finance loan II	20.3	541,329	-
Syndicated loan facility	20.4	662,501	795,000
SBP-Refinance Scheme	20.5	39,270	33,074
Sukuk certificates	20.6	2,734,408	2,979,932
Diminishing musharakah	20.7	750,000	-
		<b>5,895,010</b>	<b>4,066,756</b>
Current maturity of long-term financings		<b>(990,348)</b>	<b>(477,323)</b>
		<b>4,904,662</b>	<b>3,589,433</b>

**20.1** Represents privately placed Term Finance Certificates (TFCs) aggregating to Rs. 920.35 million issued by the Company for a period of 7 years for the development of housing scheme. These carry markup at the rate of 6 months KIBOR plus 2.5 percent per annum and is redeemable in four equal semi-annual installments of Rs.14.5 million and ten equal semi-annual installments of Rs. 86.25 million each. The facility is secured by way of equitable mortgage charge over land comprising of residential plots to maintain 25% margin over forced sale value (FSV) or 47% margin over market value of the security, whichever is higher. In accordance with the Circular No.13 of 2020 issued by State Bank of Pakistan, dated March 26, 2020, the Company had availed one year deferment of principal repayment.

**20.2** During the year, the Company obtained term finance facility amounting to Rs. 1,000 million from a commercial bank, for a period of 5 years to finance the construction of one of the Naya Nazimabad Residential Apartments projects. It carries mark-up at the rate of 3 month KIBOR plus 1.25 percent per annum and is redeemable after twelve months grace period, in 16 equal quarterly installment latest by June 30, 2026. The facility is secured by equitable mortgage charge over land of Rs. 1,334 million at project site with at least 25% margin and personal guarantee of related parties. The Company has incurred transaction cost of Rs. 5 million to obtain said financing.

**20.3** During the year, the Company obtained term finance facility amounting to Rs. 550 million from a commercial bank, for a period of 5 years to finance the ongoing infrastructure development of Naya Nazimabad Housing scheme. It carries mark-up at the rate of 3 month KIBOR plus 2 percent per annum and is redeemable after twelve months grace period, in 16 equal quarterly installment latest by February 01, 2026. The facility is secured by equitable mortgage charge over land of Rs. 785.714 million bearing survey no. 205 to 229 at Deh Manghopir, Gadap Town, Naya Nazimabad with at least 30% margin and personal guarantee of related parties. The Company has incurred transaction cost of Rs. 9.323 million to obtain said financing.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- 20.4** The Company has obtained syndicated loan facility for a period of six years from various commercial banks amounting to Rs. 800 million for the purpose of financing the construction of properties at the Naya Nazimabad Housing Scheme. This carries mark-up at the base rate of 3 months KIBOR plus 2.35 percent per annum with no floor or cap and to be paid in twenty quarterly repayments, whereas, the first installment became due after the end of the fifteenth month i.e. December 31, 2017. Further in accordance with the Circular No.13 of 2020 issued by State Bank of Pakistan, dated March 26, 2020, the Company has been granted one year deferment of principal repayment from 1 April 2020 to 1 April 2021. The facility is secured against an exclusive first mortgage / charge over the mortgaged property of 121 plots bearing survey # 43, 97 and 251 in Blocks F & G and one plot bearing survey # 199 situated at Naya Nazimabad, Deh, Manghopir, Gadap Town, Scheme 43, Karachi amounting to Rs. 1,066.66 million and is also secured by the personal guarantees of all sponsoring directors of the Company.
- 20.5** The Company has obtained long-term financing from a commercial bank having a limit of Rs 60 million under Refinance Scheme for payment of Salaries & Wages by State Bank of Pakistan, out of which the Company has utilized Rs. 54.97 million (2020: Rs. 36.63 million). It carries a flat mark-up at the rate of 3 percent per annum with no floor or cap and is repayable in 8 quarterly installments commencing from January 2021 discounted at effective rate of interests ranging from 9.41 to 11.15 percent per annum. The differential mark-up has been recognised as government grant (see note 21 to these financial statements) which will be amortised to interest income over the period of the facility. The facility is secured by enhancing mortgage over specified piece of land with 50% margin. As of the reporting date, Rs. 5.03 million (2020: Rs. 23.37 million) remains unutilized.
- 20.6** 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 8 years (inclusive of 2 years grace period) to make payment of commercial land purchased 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 April 04, 2021 till October 04, 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. 47.776 million to issue said certificates.
- 20.7** During the year, the Company obtained diminishing musharaka facility of Rs. 750 million from a commercial bank to finance the ongoing infrastructure development of Naya Nazimabad Housing scheme for a period of 5 years with eighteen months grace period. It carries mark-up at the rate of 3 month KIBOR plus 1 percent per annum. The musharaka units are to be purchased by December 2025. The facility is secured by equitable mortgage charge and registered mortgage over land at project site, pledge of shares with at least 30% margin and personal guarantee of related parties.

	Note	2021	2020
----- (Rupees in '000) -----			
<b>21. DEFERRED GRANT</b>			
As at July 1, 2020		<b>3,534</b>	-
Recognised during the year		<b>1,542</b>	3,681
Released to profit or loss		<b>3,293</b>	147
As at June 30, 2021	20.5	<b>1,783</b>	3,534

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
Current portion shown under current liabilities	<b>1,615</b>	2,245
Non-current portion	<b>168</b>	1,289
	<b>1,783</b>	3,534
<b>22. DEFERRED TAX LIABILITIES</b>		
<b>Deferred tax on deductible temporary differences:</b>		
- provisions	<b>(2,247)</b>	-
- deferred liabilities	<b>(14,560)</b>	(10,517)
	<b>(16,807)</b>	(10,517)
<b>Deferred tax on taxable temporary differences:</b>		
- accelerated depreciation on property, plant and equipment	<b>7,753</b>	8,227
- investment properties	<b>2,504</b>	18,066
- investment in equity instruments	<b>563</b>	-
- long-term financings	<b>6,691</b>	3,790
	<b>17,511</b>	30,083
	<b>704</b>	19,566

## 23. DEFERRED LIABILITY - GRATUITY

### 23.1 General description

As stated in note 4.13 to these financial statements, the Company operates a retirement benefit plan (the Plan) namely approved funded gratuity scheme for all its permanent employees to provide post retirement benefits to all full-time management staff employees. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2021.

Plan assets held in trust are governed by local regulations which mainly includes repealed Trust Act 1882 (now Sindh Trusts Act, 2020), Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment and funding decisions and contribution schedules lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

### 23.2 Principal actuarial assumptions

The latest actuarial valuation for defined benefit plan scheme was carried out as at June 30, 2021 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

	2021	2020
Discount rate %	<b>10%</b>	8.50%
Expected rate of increase in salary levels %	<b>10%</b>	8.50%
Expected rate of return on plan assets %	<b>7.29%</b>	14.25%
Average retirement age of the employee	<b>60 years</b>	60 years

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>23.3 Reconciliation of amount payable to defined benefit plan</b>			
Present value of defined benefit obligation	23.4	<b>53,919</b>	42,398
Less: Fair value of plan assets	23.6	<b>(3,712)</b>	(6,133)
	23.5	<b>50,207</b>	36,265
<b>23.4 Movement in present value of defined benefit obligation</b>			
Present value of obligation as at July 1		<b>42,398</b>	38,367
Current service cost		<b>8,675</b>	10,267
Interest cost		<b>3,472</b>	4,999
Benefits paid		<b>(2,960)</b>	(6,030)
Liability transferred from other group company		<b>311</b>	-
Liability transferred to other group company		<b>(232)</b>	(2,276)
Benefits due but not paid		<b>(130)</b>	(548)
Actuarial loss on re-measurement of obligation		<b>2,385</b>	(2,381)
Present value of obligation as at June 30		<b>53,919</b>	42,398
<b>23.5 Movement in payable to defined benefit plan</b>			
Opening liability		<b>36,265</b>	33,804
Charge for year to profit or loss	23.8	<b>11,701</b>	14,615
Other comprehensive loss / (gain)	23.9	<b>3,368</b>	(3,848)
Net liability transferred from / (to) other group company		<b>80</b>	(2,276)
Contributions to the fund		<b>(1,207)</b>	(6,030)
Closing liability		<b>50,207</b>	36,265
<b>23.6 Movement in fair value of plan assets</b>			
Fair value of plan assets as at July 1		<b>6,133</b>	4,563
Contributions		<b>1,207</b>	6,030
Interest Income on plan assets		<b>447</b>	650
Benefits paid		<b>(2,962)</b>	(6,030)
Benefits due but not paid		<b>(130)</b>	(547)
Return on plan assets excluding interest income		<b>(983)</b>	1,467
Fair value of plan assets as at June 30		<b>3,712</b>	6,133
<b>23.7</b> The plan assets comprise of bank balances only.			
<b>23.8 Expense recognised in profit or loss</b>			
Current service cost		<b>8,676</b>	10,267
Interest cost on defined benefit obligation		<b>3,472</b>	4,999
Interest income on plan assets		<b>(447)</b>	(651)
		<b>11,701</b>	14,615

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
<b>23.9 Actuarial loss / (gain) on re-measurement of plan assets / obligation comprise of:</b>		
Actuarial losses / (gains) from changes in demographic assumptions	-	-
Actuarial losses / (gains) from changes in financial assumptions	-	-
Experience adjustments	<b>2,385</b>	(2,381)
	<b>2,385</b>	(2,381)
Return on plan assets excluding interest income	<b>983</b>	(1,467)
Total remeasurements chargeable in other comprehensive income	<b>3,368</b>	(3,848)

### 23.10 The plan exposes the company to the following risks:

**Mortality risk:** Mortality rates are based on State Life Corporation (SLIC 2001-2005) ultimate mortality rates with 1 year setback as per recommendation of Pakistan Society of Actuaries "PSOA".

**Investment risk:** The risk of the investment underperforming and not being sufficient to meet the liability. This is managed by formulating an investment policy and guidelines based on which investments are made after obtaining approval from trustees of fund.

**Salary increase risk:** The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

**Withdrawal risk:** The risk that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries service/age distribution and benefit.

**23.11** Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected rate of salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	%	----- (Rupees in '000) -----	
<b>Sensitivity analysis</b>			
Discount rate	1	<b>50,165</b>	(58,201)
Salary growth rate	1	<b>58,160</b>	(50,132)

**23.12** The expected gratuity expense for the year ending June 30, 2022 works out to Rs. 15.346 million.

**23.13** The weighted average duration of the defined benefit obligation at June 30, 2021 is 7 years (2020: 7 years).

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

24. TRADE AND OTHER PAYABLES	Note	2021	2020
		----- (Rupees in '000) -----	
Creditors	24.1	<b>28,595</b>	65,606
Accrued liabilities		<b>53,207</b>	111,851
Retention money		<b>121,877</b>	127,248
Withholding tax payable		<b>8,170</b>	9,154
<b>Other payables:</b>			
- on cancellation of plots		<b>18,035</b>	6,396
- against other projects	24.2	<b>13,846</b>	-
- book overdraft	24.3	<b>676,466</b>	-
- security deposits	24.4	<b>42,278</b>	11,176
		<b>962,474</b>	331,431
<b>24.1 Included herein amount payable to the following related parties:</b>			
Safe Mix Concrete Limited		<b>486</b>	589
Power Cement Limited		<b>2,605</b>	3,847
Faisal Bilwani		-	2,933
Arif Habib Dolmen REIT Management Limited		<b>2,977</b>	2,977
Rotocast Engineering Company (Private) Limited		<b>101</b>	101
Arif Habib Limited		-	1,631
		<b>6,169</b>	12,078

**24.2** During the year, the Company participated for the bidding process of Ravi Urban Development Authority (RUDA) and won the bid. Represents amount payable to consortium members of the RUDA project (note 15.2).

**24.3** Represents cheques issued in excess of the available funds that remained unrepresented at the reporting date.

**24.4** Represents security deposits received from customers and others of Rs. 39.063 million and Rs. 3.215 million, respectively. The same has not been kept in a separate bank account and utilized by the Company for its business purpose.

## 25. PREFERENCE SHARES

### 25.1 Issued, subscribed and paid-up preference shares

2021	2020		2021	2020
----- (Rupees in '000) -----			----- (Rupees in '000) -----	
<b>45,150,200</b>	45,150,200	Preference shares of Rs.10 each	<b>451,502</b>	451,502
<b>(45,099,700)</b>	(45,099,200)	Shares cancelled on conversion into ordinary shares	<b>(450,997)</b>	(450,992)
<b>50,500</b>	51,000		<b>505</b>	510

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**25.2** The preference shares are convertible into ordinary shares at conversion price of 80% of the weighted average of closing price of the ordinary share (adjusted for any bonus or right shares announced by the Company subsequent to the issue) quoted in the daily quotation of Pakistan Stock Exchange Limited during the three months immediately prior to the relevant conversion date in a ratio to be determined by dividing the aggregate face value of the preference shares plus any accumulated dividends and/or accrued dividend by the conversion price.

- The shares were issued under the provision of Section 86 of the repealed Companies Ordinance, 1984 (the repealed Ordinance) read with Section 90 of the repealed Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The financial capital of the Company and the issue of the shares were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on May 07, 2011 and return of allotment of shares was filed under Section 73(1) of the repealed Ordinance.
- Dividend on the shares is appropriation of profit both under the repealed ordinance (now Act) and the tax laws.
- The preference shareholders have the right to convert these shares into ordinary shares.

**25.3** During the year, 500 preference shares were converted into ordinary shares. The conversion mechanism is 80% of the weighted average closing price of the ordinary shares quoted in the daily quotation of Pakistan Stock Exchange Limited during the three months immediately prior to the relevant conversion date in a ratio of aggregate face value of the preference shares plus accumulated dividends thereon to conversion price.

<b>26. ACCRUED MARK-UP</b>	Note	2021	2020
		----- (Rupees in '000) -----	
Accrued markup on :			
- long-term financings		<b>70,850</b>	149,844
- short-term borrowings	26.1	<b>21,164</b>	27,266
		<b>92,014</b>	177,110

**26.1** This includes markup payable to Arif Habib Corporation Limited and Haji Abdul Ghani - related parties of Rs. 2.722 million and Rs. 0.76 million (2020: Rs. Nil and Rs.0.76 million).

<b>27. CONTRACT LIABILITIES</b>	Note	2021	2020
		----- (Rupees in '000) -----	
Advance from customers	27.1	<b>1,777,152</b>	2,311,799
Liability against performance obligation	27.2	<b>314,819</b>	576,191
	27.1.1	<b>2,091,971</b>	2,887,990

### **27.1 Advance from customers**

Advance against:			
- plots and bungalows		<b>15,808</b>	550,455
- flats and commercial sites		<b>1,761,344</b>	1,761,344
		<b>1,777,152</b>	2,311,799

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**27.1.1** Represents advance received in respect of booking of plots, bungalows, flats and development charges, as per respective payment plans on which sales have not been recognized, since such transactions do not meet the recognition criteria. Included herein advance received from the following related parties:

	Note	2021	2020
----- (Rupees in '000) -----			
Arif Habib Equity (Private) Limited		<b>708,212</b>	925,095
Arif Habib Limited		<b>5,306</b>	43,508
Haji Abdul Ghani		<b>318,611</b>	435,460
Arif Habib		-	183,117
Nida Ahsan		<b>5,306</b>	77,586
Go Real Estate		<b>29,885</b>	188,717
		<b>1,067,320</b>	1,853,483

### 27.2 Liability against performance obligation

Represents portion of development charges received from customers against which the Company is obliged to incur development charges in future.

	Note	2021	2020
----- (Rupees in '000) -----			
<b>28. SHORT-TERM BORROWINGS - Secured</b>			
Musharakah arrangement	28.1	<b>264,193</b>	300,000
Running finance under mark-up arrangements	28.2	<b>640,766</b>	599,406
		<b>904,959</b>	899,406

**28.1** Represents running musharakah facility from a commercial bank of Rs. 300 million for financing needs of the project. This carries markup rate of KIBOR plus 2.15 percent per annum and renewal of the facility is under process and the extension period has been granted by the commercial bank. The facility is secured by token mortgage of Rs. 0.1 million and remaining through equitable mortgage charge over specified piece of land with 30% margin and personal guarantees of the directors. As of reporting date, the facility amounting to Rs. 35.807 million (2020: Rs. Nil) remains unutilized.

**28.2** Represents running finance facility availed from a commercial bank of Rs. 600 million (2020: Rs. 600 million). This carries markup rate at 3 month's KIBOR plus 3.5 percent payable quarterly and is secured by token mortgage of Rs. 0.1 million and remaining as equitable mortgage charge of land of the Company and is also secured by personal guarantees of all sponsoring directors of the Company. As of reporting date, the facility is unutilised to the extent of Rs. 22.625 million (2020: Rs. 0.594 million).

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 29. CONTINGENCIES AND COMMITMENTS

#### 29.1 Contingencies

##### 29.1.1 Existing business

###### a) Tax related contingencies

- i) Returns of income for tax years 2008 to 2010, 2012 and 2014 were filed under Section 114 of the Income Tax Ordinance, 2001 (the Ordinance) which were deemed to be assessment orders issued by the Commissioner Inland Revenue under Section 120 of the Ordinance. The deemed assessment orders were amended by the taxation authorities under Section 122 of the Ordinance by creating a demand of Rs. 39.791 million, Rs. 80.257 million, Rs. 194.035 million, Rs. 1,003.447 million and Rs. 533.742 million respectively, on account of various matters including disallowances for certain expenses. Being aggrieved, the Company had filed appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] and was allowed partial relief for tax years 2008 to 2010, 2012 and 2014 aggregating to Rs.1,368.895 million. The Company later filed appeal before Appellate Tribunal Inland Revenue (ATIR) which are pending adjudication. However, in year 2019, an appeal effect order was issued for the tax year 2012 whereby, a demand of Rs. 6.64 million has been created and paid by the Company under protest. The Company, based on the opinion of its tax advisor, is confident that there will be no unfavourable outcome in above appeals. Accordingly, no provisions were made in these financial statements.
- ii) In year 2017, taxation authorities issued an assessment order in respect of tax year 2011 and made certain disallowances and additions resulting in a reduction in loss for the year from Rs. 1,497.06 million to Rs. 147.48 million. Being aggrieved, the Company filed appeals against these order before CIR(A), however, the CIR(A) upheld the assessment order. The Company later filed appeal before ATIR which is pending adjudication. The Company, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Company. Accordingly, no provisions were made in these financial statements.
- iii) In year 2018, the deemed assessment orders for the tax years 2013 and 2017 were amended by the taxation authorities creating a demand of Rs. 220.22 million and Rs. 486.162 million, respectively. The Company later filed appeal before CIR(A), which was disposed off in year 2020 and the demand was enhanced from Rs. 220.22 million to Rs. 324.58 million for tax year 2013. Being aggrieved, the Company filed appeal before ATIR, which were adjudicated in favor of the Company in year 2020 except for immaterial assessments. The Company, based on the opinion of its tax advisor, is confident of the favourable outcome. Accordingly, no provision has been made in these financial statements.
- iv) During the year, the taxation authorities issued an assessment order in respect of tax year 2015 and made certain disallowances and additions resulting in a tax demand of Rs. 527.15 million. Being aggrieved, the Company filed appeals against this order before CIR(A). The Company, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Company. Accordingly, no provisions were made in these financial statements.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- v) In year 2019, the taxation authorities issued an assessment order in respect of tax year 2018 and made certain disallowances and additions resulting in the tax demand of Rs. 658.81 million. Being aggrieved, the Company filed appeals against these order before CIR(A). During the year, CIR(A) remanded back the appeal to the relevant Commissioner. Later the Company filed appeal before ATIR which is pending adjudication. The Company, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Company. Accordingly, no provisions were made in these financial statements.
- vi) Alternate Corporate Tax (ACT) was applicable on the Company at rate of 17% of accounting income after certain adjustments as mentioned in Section 113(c) of the Income Tax Ordinance, 2001 through Finance Act 2014. Accordingly, the Company had made a provision for ACT for the year ended June 30, 2014 but obtained stay order from the Honourable High Court of Sindh (SHC) against applicability of ACT since tax year 2015 based on the grounds of brought forward losses. Later, the Company had reversed provision previously created of Rs. 131.273 million relating to prior years. Accordingly, the tax provision based on ACT having an aggregated impact of Rs.761.07 million has not been accounted for in these financial statements, instead the Company continues to record the tax provision based on minimum tax under Section 113 of the Income Tax Ordinance, 2001 upto tax year 2018. In year 2019, the Company had adjusted its brought forward losses against taxable income and accordingly, provision for the tax year 2019 and onwards are based on higher of Corporate Tax or ACT.

In year 2019, the Company had received demand notice from Deputy Commissioner Inland Revenue (DCIR) of Rs. 187.098 million in respect of a non-payment of Alternate Corporate Tax (ACT) for the tax year 2018 .The Company had challenged the applicability of Alternative Corporate Tax vide C.P D-2982 of 2019 before SHC. In this regard, an interim order had been granted by SHC that no coercive action is to be taken against the Company till the pendency of the matter before SHC."

- vii) The Company has filed constitutional petition before the Honorable High Court of Sindh (SHC) vide Constitutional Petition No. 2564 of 2014 dated May 15, 2014 challenging vires of Workers Welfare Ordinance, 1971. SHC has admitted constitutional petition for regular hearing and issued interim stay order from recovery of Workers' Welfare Fund (WWF) impugned demand by Federal Board of Revenue for the tax year 2013. The management, based on the opinion of the tax advisor, is expecting favourable outcome on the said matter. Accordingly, no liability for WWF since 2014 to 2021 has been accounted for in these financial statements having an aggregate impact of Rs.123.571 million (2020: Rs. 118.1 million).
- viii) The Company has filed a constitutional petition D-4971 of 2017 dated July 28, 2017 in Honorable High Court of Sindh (SHC) against imposition of tax on undistributed profits under Section 5A of Income Tax Ordinance, 2001. The management is confident of the favourable outcome of this petition, as stay has been granted on similar petitions filed by other companies. Although, the Company has complied with the requirements related to distribution of profits for the years but the petition in this regarding is still pending before SHC.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### b) Other contingencies

- i) The Company had filed a constitutional petition No D-953 of 2020 before Honorable High Court of Sindh (SHC) in respect of notice issued by Office of the Assistant Commissioner (AC) Manghopir, District West Karachi under Section 22 of Sindh Land Revenue Act, 1967 dated December 18, 2019 whereby AC had called the Company to appear before Collector / Deputy Commissioner (DC) West Karachi along with title documents, survey, layout plan, etc. Thereafter, another letter No. DC(W)/341/2020 dated January 27, 2020 addressed to Director General Sindh Building Control Authority (DG-SBCA) was issued by the office of DC West Karachi, wherein DG SBCA was directed to suspend all layout plans approved earlier until further instructions. Later, SHC in its order dated February 11, 2020 had suspended the aforementioned notice and the letter, and has restrained the respondents from any coercive and adverse action against the Company. During the year, the Assistant Commissioner (AC) Manghopir, District West has withdrawn the subject letters issued from office of District West Karachi and subsequent to year end, the Company has also withdrawn CP. No D-953 of 2020 hence the case stands closed by all parties.
- ii) As at June 30, 2021, several cases were filed against the Company before various court of laws relating to title / possession / encroachment of land, claims, settlements of dues, etc, the amount of which cannot be determined. The management, based on the opinion of the legal counsel expects that the outcome of all these cases will be in favour of the Company, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these financial statements.
- iii) Guarantees issued by the commercial banks on behalf of the Company of Rs. 242.959 million (2020: Rs. 212.960 million).

### 29.1.2 Former business

As at June 30, 2021, there are several cases aggregating to Rs. 15.73 million (2020: Rs. 15.73 million) which were filed on former Javedan Cement Limited (now Javedan Corporation Limited) relating to their former business (i.e. cement business operation) before various court of laws, which majorly pertains to the gross annual rental value, trade license fee, excise duty, title / possession / encroachment of leasehold land for mining purpose allotted to the Company, etc., which are still pending for decision at various forum. The management, based on the opinion of the legal counsels, expects that the outcome of all these cases will be in favour of the Company, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these financial statements.

### 29.2 Commitments

	Note	2021	2020
----- (Rupees in '000) -----			
Capital commitments		1,658,909	1,269,775
Ijarah rentals	29.2.1	7,634	12,678

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**29.2.1** The Company has various ijarah agreements with a financial institution in respect of purchase of vehicles for a period upto four years and are payable in monthly installments latest by July 2024 and December 2024. Taxes and repairs are to be borne by the Company (lessee), however, major repairs and insurance costs are to be borne by the lessors. These payments are secured against promissory notes in favor of the lessors for the entire amount of the ijarah rentals and security deposits of Rs. 3.399 million (2020: Rs. 3.399 million). Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

	2021	2020
	----- (Rupees in '000) -----	
Not later than one year	2,653	3,660
Later than one year but not later than five years	4,981	9,018
	<b>7,634</b>	12,678

### 30. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Plots	1,028,891	1,552,558
Bungalows	100,448	202,287
	<b>1,129,339</b>	1,754,845
Less:		
Cancellation and forfeiture	(81,776)	(112,674)
Trade discount	(277)	1,103
	<b>(82,053)</b>	(111,571)
	<b>1,047,286</b>	1,643,274

**30.1** Revenue recognised during the year that was included in the contract liability balance at the beginning of year is Rs. 26.651 million (2020: Rs. 8.484 million).

### 31. COST OF SALES

	Note	2021	2020
		----- (Rupees in '000) -----	
Cost of development properties sold:			
- plots		208,616	414,661
- bungalows		26,005	55,276
	11	<b>234,621</b>	469,937
Development charges:			
- incurred but not apportioned (borne by the Company)		30,289	238,700
- incurred and apportioned to customers	11	674,745	589,529
- reimbursable from customers		(674,745)	(589,529)
		-	-
		<b>30,289</b>	238,700
		<b>264,909</b>	708,637

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>32. MARKETING AND SELLING EXPENSES</b>			
Sales promotions		26,313	48,332
Exhibitions and events		3,312	4,507
Commission		5,743	100
		<b>35,368</b>	<b>52,939</b>
<b>33. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits	33.1	183,854	179,382
Fees and subscriptions		22,060	12,959
Depreciation	6.1	21,883	21,323
Amortization		1,150	288
Vehicle running		11,318	23,284
Legal, professional and consultancy		10,884	30,607
Repair and maintenance		47,637	19,744
Software license and maintenance		10,795	11,766
Rent, rates and taxes		2,842	6,156
Utilities		47,060	31,548
Donation	33.2 & 33.3	9,114	1,731
Communication		4,584	4,996
Travelling and conveyance		1,103	933
Ijarah rentals		3,823	4,378
Insurance		6,332	6,491
Printing and stationery		4,324	7,295
Auditors' remuneration	33.4	3,339	2,783
Entertainment		6,572	2,836
Meetings and conventions		600	597
Security		636	8,664
Caretaking charges		13,296	5,030
Others		7,193	2,852
		<b>420,399</b>	<b>385,643</b>

**33.1** Included herein Rs. 11.701 million (2020: Rs.14.614 million) in respect of employees retirement benefits.

**33.2** No director(s) or their spouse had any interest in any donees to which donations were made.

**33.3** The Company has not made any donations higher of Rs.1 million or 10% of the donations during the current and prior year except as follows:

	2021	2020
----- (Rupees in '000) -----		
Javed Jilani (in lieu of government relief fund)	5,000	-

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 33.4 Auditors' Remuneration

Note	2021	2020
------	------	------

#### EY Ford Rhodes

Annual audit of financial statements		
- standalone	750	577
- consolidation	300	300
Review of half yearly financial statements	200	200
Code of Corporate Governance and other assurance services	625	564
Out of pocket expense	109	109
	<b>1,984</b>	1,750

#### Reanda Haroon Zakaria & Company

Annual audit of financial statements		
- standalone	750	577
- consolidation	230	150
Review of half yearly financial statements	200	200
Code of Corporate Governance	125	53
Out of pocket expense	50	53
	<b>1,355</b>	1,033
	<b>3,339</b>	2,783

### 34. FINANCE COSTS

Dividend on preference shares	4.12	61	61
Mark-up on:			
- long-term financings		454,060	567,379
- short-term borrowings		79,047	202,920
		<b>533,107</b>	770,299
Bank and other charges		15,971	3,532
		<b>549,139</b>	773,892
Less: Borrowing cost capitalized in the cost of qualifying asset		(441,919)	(566,332)
		<b>107,220</b>	207,560
Average rate of capitalisation		<b>7.99%</b>	9.76%

### 35. OTHER INCOME - Net

#### Income from financial assets

Mark-up on saving accounts		14,366	9,853
Remeasurement gain on investment designated at FVTPL	15.4	3,751	-
		<b>18,117</b>	9,853

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>Income from non-financial assets</b>			
Income from cancellation of bookings		898	233
Gain / (loss) on disposal of property, plant and equipment		132	(77)
Transfer fees from plots and bungalows		67,040	40,800
Rental income from sport facilities		6,225	2,894
Loss on disposal of investment properties		(114)	-
Rental income from investment properties		8,343	5,211
Remeasurement gain on investment properties	8.2	37,861	47,587
Amortisation of deferred grant	21	3,293	147
Others		8,986	14,187
		<b>132,664</b>	110,982
		<b>150,781</b>	120,835
<b>36. TAXATION</b>			
Current		74,295	93,006
Prior		(17,479)	43,183
Deferred		(17,885)	36,441
		<b>38,931</b>	172,630

**36.1** The assessments of the Company for and upto tax year 2020 have been completed or deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001 except for contingencies related to tax matters are disclosed in note 29.1.1 to these financial statements.

	2021	2020
----- (Rupees in '000) -----		
<b>36.2 Tax reconciliation with accounting profit is as follows:</b>		
Profit before taxation	370,171	409,330
Tax at the rate of 29% (2020: 29%)	107,349	118,706
Effect of income subject to tax at lower tax rate	(27,425)	-
Prior year tax	(17,479)	43,183
Others	(23,514)	10,741
	<b>38,931</b>	172,630

### 37. EARNINGS PER SHARE

#### Basic

	2021	2020
Profit after tax (Rupees in '000)	331,240	236,700
Weighted average number of ordinary shares (In numbers)	317,383,576	317,383,396
Earnings per share (In Rupees)	1.04	0.75

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
<b>Diluted</b>		
Profit attributable to ordinary shareholders (Rupees in '000)	<b>331,301</b>	236,761
Weighted average number of ordinary shares in issue (In numbers)	<b>317,383,576</b>	317,383,396
Adjustment for conversion of convertible preference share (In numbers)	<b>21,711</b>	33,803
Weighted average number of ordinary shares for diluted earning per share (In numbers)	<b>317,405,287</b>	317,417,199
Earnings per share - (In Rupees)	<b>1.04</b>	0.75

### 38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements are as follows:

	Chief Executive		Executives	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Managerial remuneration	<b>11,271</b>	10,735	<b>41,463</b>	40,271
Medical	<b>1,127</b>	1,073	<b>4,146</b>	4,015
Fuel allowance	<b>509</b>	519	<b>3,127</b>	3,087
Mobile allowance	-	-	<b>472</b>	466
Lease rentals	-	-	<b>4,197</b>	4,143
House rent	-	-	<b>851</b>	840
Special allowance	-	-	<b>723</b>	714
Drivers allowance	-	-	<b>275</b>	271
Bonus	<b>984</b>	984	<b>3,340</b>	3,541
Retirement benefits	<b>1,181</b>	984	<b>3,844</b>	2,934
	<b>15,072</b>	14,295	<b>62,438</b>	60,282
Number of Persons	<b>1</b>	1	<b>15</b>	16

**38.1** No remuneration is paid / payable to the directors of the Company for current and prior years, other than those disclosed in note 38.3 to these financial statements.

**38.2** In addition, the Chief Executive and certain executives of the Company have also been provided with Company's owned and maintained cars in accordance with their entitlements as per rules of the Company.

**38.3** During the year, the Company has paid Rs. 0.6 million (2020: Rs. 0.56 million) to a non-executive Director on account of board meeting fees.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risks. Taken as a whole, the Company is exposed to market risk, credit risk, and liquidity risk. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2021. The policies for managing each of these risks are summarised below:

**39.1** Financial assets and liabilities are carried at amortised cost except for short-term investments of Rs. 1,229.052 million (2020: Nil) carried at fair value through profit or loss and their respective maturities are as follows:

	Interest bearing			Non-Interest bearing			Total
	Maturity upto one year	Maturity after one year but less than five years	Total	Maturity upto one year	Maturity after one year but less than five years	Total	
----- (Rupees in '000) -----							
<b>Financial assets</b>							
Long-term deposits	-	-	-	-	9,316	9,316	9,316
Long-term investment	-	-	-	-	10,000	10,000	10,000
Trade debts	-	-	-	267,863	-	267,863	267,863
Loans	-	-	-	8,043	-	8,043	8,043
Trade deposits and other receivables	-	-	-	193,074	-	193,074	193,074
Short-term investments	67,750	-	67,750	1,229,052	-	1,229,052	1,296,802
Cash and bank balances	-	-	-	152,696	-	152,696	152,696
<b>2021</b>	<b>67,750</b>	<b>-</b>	<b>67,750</b>	<b>1,850,728</b>	<b>19,316</b>	<b>1,870,044</b>	<b>1,937,794</b>
<b>Financial liabilities</b>							
Long-term financings	990,348	4,904,662	5,895,010	-	-	-	5,895,010
Trade and other payables	-	-	-	954,304	-	954,304	954,304
Accrued mark-up	-	-	-	92,014	-	92,014	92,014
Short-term borrowings	904,959	-	904,959	-	-	-	904,959
Unpaid preference dividend	-	-	-	182	-	182	182
Unclaimed dividend	-	-	-	4,259	-	4,259	4,259
<b>2021</b>	<b>1,895,307</b>	<b>4,904,662</b>	<b>6,799,969</b>	<b>1,050,759</b>	<b>-</b>	<b>1,050,759</b>	<b>7,850,728</b>

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Interest bearing			Non-Interest bearing			Total
	Maturity upto one year	Maturity after one year but less than five years	Total	Maturity upto one year	Maturity after one year but less than five years	Total	
----- (Rupees in '000) -----							
<b>Financial assets</b>							
Long-term deposits	-	-	-	-	9,905	9,905	9,905
Long-term investment	-	-	-	-	10,000	10,000	10,000
Trade debts	-	-	-	494,188	-	494,188	494,188
Loans	-	-	-	8,578	-	8,578	8,578
Trade deposits and other receivables	-	-	-	69,119	-	69,119	69,119
Short-term investments	37,750	-	37,750	-	-	-	37,750
Cash and bank balances	-	-	-	59,908	-	59,908	59,908
<b>2020</b>	<u>37,750</u>	<u>-</u>	<u>37,750</u>	<u>631,793</u>	<u>19,905</u>	<u>651,698</u>	<u>689,448</u>
<b>Financial liabilities</b>							
Long-term financings	477,323	3,589,433	4,066,756	-	-	-	4,066,756
Trade and other payables	-	-	-	316,769	-	316,769	316,769
Accrued mark-up	-	-	-	177,110	-	177,110	177,110
Short-term borrowings	899,406	-	899,406	-	-	-	899,406
Unpaid preference dividend	-	-	-	122	-	122	122
Unclaimed dividend	-	-	-	4,441	-	4,441	4,441
<b>2020</b>	<u>1,376,729</u>	<u>3,589,433</u>	<u>4,966,162</u>	<u>498,442</u>	<u>-</u>	<u>498,442</u>	<u>5,464,604</u>

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values.

### 39.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. The sensitivity analyses in the following sections relate to the position as at June 30, 2021.

#### 39.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term financing arrangements at floating interest rates to meet its business operations and working capital requirements.

#### 39.2.2 Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's profit before tax (through impact on floating rate borrowings). There is no direct impact on Company's equity. This analysis excludes the impact of movement in market variables on the carrying values of provisions and on non-financial assets and liabilities of the Company. Further, interest rate sensitivity does not have an asymmetric impact on the Company's result.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	(Increase) / decrease in basis points	Effect on profit before tax
		(Rupees in '000)
2021	+100	(65,979)
	-100	65,979
2020	+100	(49,684)
	-100	49,684

### 39.2.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of reporting date, the Company is not exposed to currency risk, since the Company do not have any assets and liabilities in foreign currency.

### 39.2.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. As at reporting date, the Company is not exposed to equity price risk other than it's investment in equity instruments designated at FVTPL (note 15).

### 39.3 Credit risk

**39.3.1** Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. The financial assets excludes statutory receivables / assets and includes investments, trade debts, deposits, other receivables, loans and cash and bank balances at amortized cost other than investment in equity instruments designated at FVTPL. Out of the total financial assets of Rs.1,937.794 million (2020: Rs.689.448 million), the financial assets which are subject to credit risk amounted to Rs. 1,924.406 million (2020: Rs.671.998 million). The Company's credit risk is primarily attributable to its trade debts and bank balances. The Company has large number of customers, including corporate and individuals, due to large number and diversity of its customer base, concentration of credit risk with respect to trade debtors is limited.

The credit quality of financial assets that are past due but not impaired is disclosed in note 12.3 to these financial statements. As at reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

**39.3.2** The Company monitors the credit policy of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
Long-term deposits	9	9,316	9,905
Long-term investment	10	10,000	10,000
Trade debts	12	63,335	214,566
Loan to employees	13	8,043	8,578
Trade deposits and other receivables	14	193,074	69,119
Short-term investments	15	1,296,802	37,750
Bank balances	16	139,308	42,458
		<b>1,719,878</b>	<b>392,376</b>

**39.3.3** The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank Balances by short-term rating category	Rating Agency	2021	2020
----- (Rupees in '000) -----			
A-1	PACRA	804	1,780
A-1	VIS	296	13,675
A-1+	PACRA	131,438	11,063
A-1+	VIS	1,292	12,273
A-3	VIS	5,478	3,668
		<b>139,308</b>	<b>42,458</b>

### 39.4 Liquidity risk

Liquidity risk represents the risk that a Company will encounter difficulties in meeting obligations with the financial liabilities. The financial liabilities excludes statutory liabilities and provisions and includes long-term and short-term financing, trade and other payables, unpaid / unclaimed dividends and accrued markup. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of various financing facilities.

The table below summarizes the maturity profile of the Company's financial liabilities at amortized cost at June 30, 2021 and 2020 based on contractual undiscounted payment dates and present market interest rates:

	2021					
	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
----- (Rupees in '000) -----						
<b>Financial liabilities</b>						
Long-term financings	5,895,010	5,895,010	-	990,348	1,421,177	3,483,485
Trade and other payables	954,304	954,304	954,304	-	-	-
Accrued mark-up	92,014	92,014	92,014	-	-	-
Short term borrowings	904,959	904,959	904,959	-	-	-
Unpaid preference dividend	182	182	182	-	-	-
Unclaimed dividend	4,259	4,259	4,259	-	-	-
	<b>7,850,728</b>	<b>7,850,728</b>	<b>1,955,718</b>	<b>990,348</b>	<b>1,421,177</b>	<b>3,483,485</b>

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2020					
	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
	----- (Rupees in '000) -----					
<b>Financial liabilities</b>						
Long-term financings	4,066,756	4,066,756	-	477,323	1,210,555	2,378,878
Trade and other payables	316,769	316,769	316,769	-	-	-
Accrued mark-up	177,110	177,110	177,110	-	-	-
Short term borrowings	899,406	899,406	899,406	-	-	-
Unpaid preference dividend	122	122	122	-	-	-
Unclaimed dividend	4,441	4,441	4,441	-	-	-
	<u>5,464,604</u>	<u>5,464,604</u>	<u>1,397,848</u>	<u>477,323</u>	<u>1,210,556</u>	<u>2,378,878</u>

### 39.5 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measure using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants at in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted market price.

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non - market observables)

The fair value hierarchy of assets are disclosed in these financial statements as follows:

	<b>Note</b>
- Lands under property, plant and equipment	6.11
- Lands under investment properties	8.3
- Equity instruments designated at FVTPL	15.4

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 39.6 Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2021.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and revenue reserves. The gearing ratio as at June 30, 2021 and 2020 are as follows:

	Note	2021	2020
----- (Rupees in '000) -----			
Long-term financings	20	5,895,010	4,066,756
Preference shares	25	505	510
Accrued mark-up	26	92,014	177,110
Short-term borrowings	28	904,959	899,406
<b>Total debts</b>		<b>6,892,488</b>	5,143,782
Less: Cash and bank balances	16	(152,696)	(59,908)
<b>Net debts</b>		<b>6,739,792</b>	5,083,874
Issued, subscribed and paid-up capital	17	3,173,837	3,173,834
Capital reserves	18	3,393,060	3,393,056
Revenue reserves	18	2,823,590	2,411,899
Other component of equity - revaluation surplus on lands	19	8,461,779	8,544,621
<b>Total equity</b>		<b>17,852,266</b>	17,523,410
<b>Total capital</b>		<b>24,592,058</b>	22,607,284
<b>Gearing ratio</b>		<b>27.41%</b>	22.49%

### 40. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary, associates, directors 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 year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2021	2020
----- (Rupees in '000) -----		
<b>Subsidiary Company</b>		
<b>NN Maintenance Company (Private) Limited (NNMC)</b>		
Investment made during the year	-	10,000
Expenses incurred on behalf of NNMC by the Company	179,013	69,623
Amount paid by NNMC to the Company	35,000	7,000
Expenses incurred by NNMC on behalf of the Company	30,807	9,963
Amount paid to NNMC by the Company	7,000	-

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### Associates

#### Arif Habib Corporation Limited

	2021	2020
Short-term borrowing obtained during the year	450,000	173,000
Short-term borrowing repaid during the year	450,000	183,067
Mark-up expense on short-term borrowing	3,969	2,544
Mark-up paid during the year	1,246	41,340

#### Arif Habib Equity (Private) Limited

Paid against the repurchase of commercial land	-	249,785
Mark-up expense on short term-borrowing	-	27,613
Mark-up paid during the year	-	27,613
Refund / Advance received against future purchase of commercial apartments	216,883	564,995

#### Arif Habib Limited

Sale of plots	127,502	598
Expenses incurred by the Company on behalf of Arif Habib Limited	4,681	541
Amount paid by Arif Habib Limited to the Company	1,673	-
Development charges billed	27,000	420
Development charges received	26,151	300
Receipt against sale of plots	127,502	598

#### Power Cement Limited

Purchase of construction material	13,987	62,795
Paid against the purchase of construction material	15,229	67,235

#### Safe Mix Concrete Limited

Purchase of construction material	16,786	48,753
Paid against the purchase of construction material	16,890	51,438

#### Haji Abdul Ghani - Associated person

Advance received against future purchase of commercial apartments	-	110,000
Sale of plots	97,665	33,971
Receipt against sale of plots	-	33,971
Development charges billed	5,400	6,742
Development charges received	7,042	6,742
Short-term loans received during the year	-	150,000
Mark-up expense on short term-borrowing	-	756
Adjustment of short-term borrowing against the advance against plots	-	150,000
Advance received against plots	-	120,000

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
<b>Rotocast Engineering Co. (Private) Limited</b>		
Services received during the year	1,567	41
Paid against services received	1,566	-
Short-term loans received during the year	-	525,000
Short-term loans paid during the year	-	525,000
Rent prepaid during the year	1,098	1,098
Rent expense charged during the year	1,098	1,098
Mark-up expense on short term-borrowing	-	28,230
Mark-up paid during the year	-	28,230
<b>International Builders and Developers (Private) Limited</b>		
Expenses incurred by the Company on behalf of International Builders and Developers (Private) Limited	104	34
Amount paid by International Builders and Developers (Private) Limited to the Company	104	34
<b>Associates</b>		
<b>Go Real Estate</b>		
Sale of plots	225,982	263,080
Receipt against sale of plots	66,661	257,240
Development charges billed	43,740	8,820
Development charges received	43,784	8,820
Advance received against plots	-	70,749
<b>Key management personnel</b>		
<b>Arif Habib - Director</b>		
Sale of plots and bungalows	-	576
Receipt against sale of plots	-	576
Development charges received	24,820	420
Refund / advance received against future purchase of commercial sites	183,117	183,117
Short-term loans received during the year	-	425,000
Short-term loans paid during the year	-	425,000
Mark-up expense on short term-borrowing	-	9,747
Mark-up paid during the year	-	9,747
<b>Faisal Anees Bilwany - Ex Director</b>		
Sale of plot	755	-
Amount paid by the Company	2,933	-
Development charges billed	420	-
Development charges received	420	-
Refund against plot	770	-

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>Close family member</b>			
<b>Nida Ahsan</b>			
Sale of plots and bungalows		124,181	-
Receipt against sale of plots		49,181	-
Development charges billed		27,000	-
Development charges received		25,152	-
Advance received against plots		-	75,000
<b>Post employment benefit plan</b>			
Gratuity fund trust - contribution paid during the year	23	1,207	6,030

**40.1** The outstanding receivable and payable balances as of June 30, 2021 and 2020 are disclosed in their respective notes to these financial statements.

#### 41. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Company are organized into one operating segment i.e. development of real estate. The Company operates in the said reportable operating segment based on the nature of products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements are related to the Company's only reportable segment.

Gross turnover of the Company is generated from customers located in Pakistan only.

Non-current assets of the Company are confined within Pakistan and consist of property, plant and equipment, long-term deposits and investment properties.

Revenue from any single customer does not comprises more than 10 percent of the Company's overall revenue related to sale of land and bungalows.

#### 42. GENERAL

**42.1** Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. However, there are no material reclassifications to report.

**42.2** Number of employees as at June 30, 2021 was 207 (2020: 171) and average number of employees during the year was 208 (2020: 342).

#### 43. SUBSEQUENT EVENTS

The Board of Directors of the Company in their meeting held on September 22, 2021 has recommended bonus issue of 20 shares for every 100 shares held amounting to Rs. 634.767 million on the existing paid up value of the Ordinary share capital for the approval of shareholders in the annual general meeting to be held on October 26, 2021.

# Javedan Corporation Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

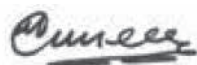
#### 44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 22<sup>nd</sup> September 2021 by the Board of Directors of the Company.




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Chief Executive Officer



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Chief Financial Officer



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Director

# **INDEPENDENT AUDITORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

# INDEPENDENT AUDITORS' REPORT

**To the members of Javedan Corporation Limited**

**Report on the audit of the Consolidated Financial Statements**

## **Opinion**

We have audited the annexed consolidated financial statements of Javedan Corporation Limited and its subsidiary company (the Group), which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

## **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
<p><b>1. Contingencies</b></p> <p>(Refer notes 29.1.1 (a) to the accompanying consolidated financial statements)</p> <p>The Group has contingent liabilities in respect of income tax matters, which are pending adjudication at various levels with the taxation authorities, courts and other legal forums.</p> <p>Contingencies require management to make judgements and estimates in relation to the interpretation of tax laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Group for disclosure and recognition and measurement of any provisions that may be required against such contingencies.</p> <p>Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgements and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income tax a key audit matter.</p>	<p>Our audit procedures in respect of tax contingencies included, amongst others, we obtained and checked details of the pending tax related matters and discussed the same with the Group's management.</p> <p>We checked the correspondence of the Group with the relevant authorities, tax advisors, including judgements or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved.</p> <p>We obtained and checked confirmations from the Group's external tax advisors for their views on the probable outcome of the legal matters, open tax assessments and other tax related contingencies.</p> <p>We involved internal specialists to assess management's conclusions on contingent matters and to evaluate the consistency of such conclusions with the views of the external legal / tax advisors engaged by the Group.</p> <p>We also evaluated the adequacy of disclosures made in respect of tax contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.</p>
<p><b>2. Valuation of development properties</b></p> <p>(Refer note 12 to the accompanying consolidated financial statements)</p> <p>The Group's development properties ('DP') acquired or being constructed for sale in ordinary course of business constitutes the 'Naya Nazimabad' Project which is located in Karachi, principally comprising open plots, bungalows, etc. As of 30 June 2021, DP amounted to Rs. 18,911 million and constitutes 68% of the total assets of the Group and is measured at the lower of cost or net realizable value (NRV).</p> <p>Due to its materiality and significance in terms of judgements and estimates involved in</p>	<p>Our audit procedures amongst others included, review of controls around the valuation of DP by testing the underlying cost calculation; physical inspection of the Project site to ascertain the condition and existence of development properties, assessing the basis and appropriateness for cost capitalised in accordance with the applicable financial reporting standards.</p> <p>We also tested the development expenditure incurred and capitalised during the year from agreements, invoices and related documents supporting various components of the Project costs and checked related approvals. We also reviewed the minutes of the meetings at the</p>

Key audit matter	How the matter was addressed in our audit
<p>capitalization of cost incurred as a part of Project and valuation of underlying DP, we have considered this a key audit matter.</p>	<p>Board level to identify any indicators of adjustments.</p> <p>We assessed the reasonableness of the selling price used in the assessment of NRV of DP and compared the cost on sample basis to ascertain the recording of DP at lower of cost or NRV.</p> <p>We also reviewed the related disclosures in accordance with the applicable financial reporting standards.</p>

### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is

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Chartered Accountants  
Progressive Plaza  
Beaumont Road  
Karachi

Reanda Haroon Zakaria & Co.  
Chartered Accountants  
M1-M4, Progressive Plaza  
Beaumont Road  
Karachi

not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are **Arif Nazeer** and **Muhammad Haroon**.

*EY Ford Rhodes*

EY Ford Rhodes  
Chartered Accountants

Karachi

Date: 04 October 2021

*Reanda Haroon Zakaria*

Reanda Haroon Zakaria & Co.  
Chartered Accountants

# Javedan Corporation Limited

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

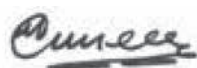
### AS AT JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	6,225,591	5,939,097
Intangible assets	8	4,313	5,463
Investment properties	9	631,366	567,664
Long-term deposits	10	9,316	9,905
Deferred tax assets - net	11	27,035	-
		<b>6,897,621</b>	6,522,129
<b>CURRENT ASSETS</b>			
Development properties	12	18,910,598	18,359,932
Trade debts	13	329,375	520,231
Loans and advances	14	297,354	600,356
Trade deposits, prepayments and other receivables	15	42,101	30,816
Short-term investments	16	1,296,802	37,750
Cash and bank balances	17	153,562	60,421
		<b>21,029,792</b>	19,609,506
<b>TOTAL ASSETS</b>		<b>27,927,413</b>	26,131,635
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
<b>Authorised</b>			
390,000,000 (2020: 390,000,000) ordinary shares of Rs.10/- each		<b>3,900,000</b>	3,900,000
Issued, subscribed and paid-up capital	18	<b>3,173,837</b>	3,173,834
Capital reserves	19	<b>3,393,060</b>	3,393,056
Revenue reserves	19	<b>2,727,104</b>	2,384,354
Other component of equity - revaluation surplus on lands	20	<b>8,461,779</b>	8,544,621
		<b>17,755,780</b>	17,495,865
<b>NON-CURRENT LIABILITIES</b>			
Long-term financings	21	<b>4,904,662</b>	3,589,433
Deferred grant	22	<b>168</b>	1,289
Deferred tax liability - net	11	<b>-</b>	7,722
Deferred liability - gratuity	23	<b>53,091</b>	39,082
		<b>4,957,921</b>	3,637,526
<b>CURRENT LIABILITIES</b>			
Trade and other payables	24	<b>979,934</b>	344,107
Preference shares	25	<b>505</b>	510
Accrued mark-up	26	<b>92,014</b>	177,110
Contract liabilities	27	<b>2,091,971</b>	2,887,990
Advance against sale of investment properties		<b>48,346</b>	83,051
Short-term borrowings	28	<b>904,959</b>	899,406
Current maturity of non-current liabilities	21 & 22	<b>991,963</b>	479,568
Taxation - net		<b>99,579</b>	121,939
Unpaid preference dividend		<b>182</b>	122
Unclaimed dividend		<b>4,259</b>	4,441
		<b>5,213,712</b>	4,998,244
<b>CONTINGENCIES AND COMMITMENTS</b>	29		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,927,413</b>	26,131,635

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# Javedan Corporation Limited

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

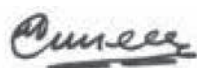
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
Revenue from contracts with customers - net	30	1,117,529	1,677,890
Cost of sales	31	(382,787)	(766,052)
<b>Gross profit</b>		<b>734,742</b>	911,838
Marketing and selling expenses	32	(35,367)	(52,938)
Administrative expenses	33	(464,390)	(402,069)
Finance costs	34	(107,231)	(207,567)
Other income	35	151,607	121,274
<b>Profit before taxation</b>		<b>279,361</b>	370,538
Taxation	36	(17,195)	(161,381)
<b>Profit for the year</b>		<b>262,166</b>	209,157
<b>Earnings per share</b>			
----- (Rupees in '000) -----			
Basic	37	0.83	0.66
Diluted	37	0.83	0.66

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# Javedan Corporation Limited

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

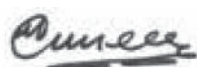
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>Profit for the year</b>		<b>262,166</b>	209,156
<b>Other comprehensive income, net of tax</b>			
<b>Other comprehensive (loss) / income not to be reclassified to profit or loss in subsequent periods (net of tax):</b>			
Actuarial (loss) / gain on remeasurement of defined benefit obligation	23.5	<b>(3,182)</b>	3,848
Related tax effect		<b>923</b>	(1,116)
		<b>(2,259)</b>	2,732
<b>Total comprehensive income for the year, net of tax</b>		<b>259,907</b>	211,888

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# Javedan Corporation Limited

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Other component of equity	Total Equity
		Share premium	Tax holiday reserve	General	Unappropriated profits	Revaluation surplus on lands	
----- (Rupees in '000) -----							
<b>Balance as at June 30, 2019</b>	2,885,304	3,381,090	11,966	63,500	2,266,940	8,675,613	17,284,413
Issuance of 10% ordinary bonus shares for the year ended June 30, 2019	288,530	-	-	-	(288,530)	-	-
Cost on issuance of shares	-	-	-	-	(435)	-	(435)
Profit for the year	-	-	-	-	209,156	-	209,156
Other comprehensive income, net of tax	-	-	-	-	2,732	-	2,732
Total comprehensive income, net of tax	-	-	-	-	211,888	-	211,888
Revaluation surplus on lands realised on account of sale of development properties	-	-	-	-	130,992	(130,992)	-
<b>Balance as at June 30, 2020</b>	<b>3,173,834</b>	<b>3,381,090</b>	<b>11,966</b>	<b>63,500</b>	<b>2,320,855</b>	<b>8,544,621</b>	<b>17,495,866</b>
Profit for the year	-	-	-	-	262,166	-	262,166
Other comprehensive (loss), net of tax	-	-	-	-	(2,259)	-	(2,259)
Total comprehensive income, net of tax	-	-	-	-	259,907	-	259,907
Revaluation surplus on lands realised on account of sale of development properties	-	-	-	-	82,842	(82,842)	-
Conversion of preference shares into ordinary shares (notes 17 & 25)	3	4	-	-	-	-	7
<b>Balance as at June 30, 2021</b>	<b>3,173,837</b>	<b>3,381,094</b>	<b>11,966</b>	<b>63,500</b>	<b>2,663,604</b>	<b>8,461,779</b>	<b>17,755,780</b>

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# Javedan Corporation Limited

## CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		279,361	370,538
<i>Adjustments for non-cash items:</i>			
Depreciation	7.1	22,337	21,516
Amortization	8	1,150	288
Remeasurement gain on investment properties	9.2	(37,861)	(47,587)
Amortisation of deferred grant	22	(3,293)	(147)
Provision for gratuity	23.8	13,356	15,302
Development charges borne by the Group	31	30,289	-
Finance costs		91,249	204,028
Loss on disposal of investment properties	35	114	-
Remeasurement gain on investment designated at FVTPL	35	(3,751)	-
Mark-up on saving accounts	35	(14,701)	(10,166)
(Gain) / loss on disposal of property, plant and equipment	35	(132)	77
<b>Operating profit before working capital changes</b>		<b>378,118</b>	<b>553,849</b>
<b>(Increase) / decrease in current assets</b>			
Development properties		(550,666)	23,423
Trade debts		85,837	269,264
Loans and advances		303,002	353,980
Trade deposits and other receivables		(11,285)	(11,515)
		(173,112)	635,152
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		635,824	(182,792)
Contract liabilities		(721,288)	1,052,918
Advance against sale of investment properties		(34,705)	83,051
		(120,169)	953,177
<b>Cash flows generated from operations</b>		<b>84,837</b>	<b>2,142,178</b>
<b>(Payments) / receipt for:</b>			
Income taxes		(73,389)	(47,408)
Finance costs		(176,285)	(666,448)
Gratuity	23.6	(2,529)	(6,030)
Long-term deposits		589	(1,637)
		(251,614)	(721,523)
<b>Net cash flows (used in) / generated from operating activities</b>		<b>(166,777)</b>	<b>1,420,655</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES *</b>			
Additions to property, plant and equipment	7.1 & 7.2	(309,292)	(496,451)
Additions to intangible assets	8	-	(5,751)
Sale proceeds from disposal of property, plant and equipment		596	90
Additions to investment properties	9.2	(136,869)	(465,077)
Sale proceeds from disposal of investment properties	9.5	110,914	-
Short-term investments - net		(1,255,301)	(37,750)
Mark-up on saving accounts received	35	14,701	10,166
<b>Net cash flows used in investing activities</b>		<b>(1,575,251)</b>	<b>(994,773)</b>

# Javedan Corporation Limited

## CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED JUNE 30, 2021

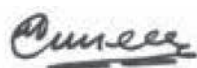
	Note	2021	2020
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM FINANCING ACTIVITIES *</b>			
Cost on issuance of bonus shares		-	(435)
Dividend paid		(182)	386
Long-term financings - net		1,829,798	161,761
Short-term borrowings - net		5,553	(583,923)
<b>Net cash flows generated from / (used in) financing activities</b>		<b>1,835,169</b>	<b>(422,211)</b>
<b>Net increase in cash and cash equivalents</b>		<b>93,141</b>	<b>3,670</b>
Cash and cash equivalents at beginning of the year	17	60,421	56,751
<b>Cash and cash equivalents at end of the year</b>	17	<b>153,562</b>	<b>60,421</b>

\* No non-cash item is included in investing and financing activities

The annexed notes from 1 to 44 form an integral part of these consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 1. STATUS AND NATURE OF BUSINESS

1.1 The Group companies comprise of Javedan Corporation Limited (JCL) and its subsidiary company i.e. NN Maintenance Company (Private) Limited (NNMC) that have been consolidated in these consolidated financial statements.

#### 1.2 Holding Company

##### Javedan Corporation Limited (the Holding Company)

Javedan Corporation Limited (the Holding 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 Holding Company has ceased its cement business since July 01, 2010 and the management has developed business diversification strategy for utilizing the Holding Company's land for developing a housing scheme, "Naya Nazimabad", that includes bungalows, open plots, flat sites and commercial sites. The Holding 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 # SBICA/D.D(D-II)/985/ADV-503/2011 on November 12, 2011 and revised NOC # SBICA/DD(D-II)/985 & 991/ADV-584/2013. The Holding Company is also the member of Association of Builders and Developers of Pakistan (ABAD).

#### 1.4 Subsidiary Company

##### NN Maintenance Company (Private) Limited (the Subsidiary Company)

The Subsidiary Company was incorporated on November 29, 2019 as a private limited company under the Companies Act, 2017. The Subsidiary Company's principle line of business is to provide maintenance management and related services to residents of Naya Nazimabad. The Subsidiary Company is in start-up phase and commenced its operations effective from January 01, 2020.

#### 1.5 Impact of COVID-19 pandemic

In March 2020, the World Health Organization made an assessment that the outbreak of a coronavirus (COVID-19) can be characterized as a global pandemic. Thereafter, COVID-19 emerged to have impacts for Pakistan's economy as the Government decided for a Country wide lockdown.

Due to the nature of business operations, the Group is immune to the effects of the pandemic but it has witnessed a slow down in sales and certain planned initiatives, the impact of which remained marginal for the year ended June 30, 2021 and in ensuing periods. However, the Group in general has considered the business risks emanating from COVID-19 and has assessed the possible financial implications on the carrying amounts of assets and going concern assumption used for the preparation of these financial statements. According to the management's assessment, the Group expects that the carrying amount of these assets will be recovered and there is no significant accounting impact of the effects of COVID-19 on these financial statements. However, in order to make payment to employees without disruption, the Group has availed facility under Refinance Scheme for payment of wages and salaries.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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In addition, the management of the Group is closely monitoring the situation, and in response to the developments, taking all possible precaution and measures to safeguard health and safety of employees and other stakeholders.

**1.6** The geographical location and addresses of business units are as under:

<u>Location</u>	<u>Address</u>
Registered office - Holding Company	Arif Habib Centre, 23, M.T Khan Road, Karachi.
Registered office - Subsidiary Company	Plot No. 103, Admin block, Naya Nazimabad, Mangopir Road, Karachi.
Naya Nazimabad Sales center	Naya Nazimabad, Deh, Manghopir road, Gadap town, Scheme #43, Karachi.

## **2. STATEMENT OF COMPLIANCE**

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs), issued by International Accounting Standard Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

## **3. BASIS OF PREPARATION**

### **3.1 Basis of measurement**

These consolidated financial statements have been prepared under the historical cost convention except for:

- recognition of certain employees' retirement benefits at present value;
- lands (i.e. freehold and leasehold) classified under property, plant and equipment at revalued amount;
- investment properties at fair value; and
- equity instruments designated at fair value through profit or loss.

### **3.2 Functional and presentation currency**

These consolidated financial statements are presented in Pakistani Rupees which is the Group's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest thousand rupees.

## **4 BASIS OF CONSOLIDATION**

These consolidated financial statements comprises the financial statements of the Holding Company and its subsidiary company as at June 30, 2021, here-in-after referred to as 'the Group'.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### Subsidiary

Subsidiary is the entity over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in profit or loss and is not reversed in future periods.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The subsidiary has same reporting period as that of the Holding Company, however, the accounting policies of subsidiary have been changed to conform with accounting policies of the Group, wherever needed.

When the ownership of a subsidiary is less than 100 percent and, therefore, a non-controlling interest (NCI) exists, the NCI is allocated on its share of the total comprehensive income of the period, even if that results in a deficit balance.

A change in the ownership interest of subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in equity, and recognises fair value of consideration received, any investment retained, surplus or deficit in the profit or loss, and reclassifies the Holding Company share of component previously recognised in other comprehensive income to profit or loss, or retained earnings, as appropriate.

### **5. STANDARDS, AMENDMENTS, INTERPRETATIONS AND IMPROVEMENTS**

#### **5.1 New standards, amendments, interpretations and improvements to approved accounting standards and the framework for financial reporting that became effective during the year**

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except for the following amendments to International Financial Reporting Standards (IFRSs) and the framework for financial reporting, that the Group has adopted, which became effective for the current year:

IFRS 3 - Business Combinations - Definition of a Business (Amendments)  
IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)  
IAS 1 / IAS 8 - Definition of Material (Amendments)  
Conceptual Framework for Financial Reporting

The adoption of above amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Group's consolidated financial statements.

#### **5.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective**

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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<b>Amendment</b>		<b>Effective date (annual periods beginning on or after)</b>
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)	January 01, 2021
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	April 01, 2021
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 01, 2022
IAS 37	Onerous Contracts - Costs of Fulfilling a Contract (Amendments)	January 01, 2022

### **Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)**

IFRS 9	Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
IFRS 16	Leases: Lease incentives	January 01, 2022
IAS 41	Agriculture - Taxation in fair value measurements	January 01, 2022

The above amendments and improvements are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

Further, the following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan and are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

<b>Standard</b>		<b>IASB effective date (annual periods beginning on or after)</b>
IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 5.3 Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Group's accounting policies. Judgments, estimates and assumptions are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions which are significant to these consolidated financial statements:

#### (i) Free-hold and leasehold lands under property, plant and equipment

The Group's freehold land and leasehold land are carried at revalued amount, with changes in fair value being recognised in the other comprehensive income or loss. An independent valuation specialist is engaged by the Group to assess fair value of lands based on values with reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

#### (ii) Revenue recognition

The Group assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances, the Group recognises revenue over time, whereas, if this is not the case revenue is recognised at a point in time. In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer. The Group determines the transaction price in respect of each of its contracts with customers and in making such judgment the Group assess the impact of any variable consideration in the contract (if any), due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

#### (iii) Development properties

The Group reviews the net realisable value of development properties to assess any diminution in the respective carrying values. Net realizable value (NRV) for completed development property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for property in the same geographical market serving the same real estate segment. NRV in respect of development property under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

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### (iv) Recognition of tax and deferred tax

The provision for taxation is accounted for by the Group after taking into account the relevant laws and decisions taken by appellate authorities. Instances, where the Group's view differs from the view taken by the tax authorities at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities / assets.

Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The management consider tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## 5.4 Property, plant and equipment

### 5.4.1 Owned

Property, plant and equipment (except for free-hold, leasehold land and other land) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Free-hold and leasehold land are stated at revalued amount, which is the fair value at the date of revaluation. Subsequently, these are stated at revalued amounts less subsequent impairment losses, if any. Other land are stated at cost less accumulated impairment losses, if any. Depreciation is charged to profit or loss applying the reducing balance method. Depreciation on additions during the year is charged from the month of addition when the asset is available for use, whereas, no depreciation is charged in the month of disposal.

Rates of depreciation which are disclosed in note 7.1 to these consolidated financial statements are designed to write-off the cost over the estimated useful lives of the assets.

Major renewals and improvements for assets are capitalised and the assets so replaced, if any, are retired. Maintenance and normal repairs are charged to profit or loss, as and when incurred.

Assets residual values, useful lives and method of depreciation are reviewed and adjusted, if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the reporting date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is charged to profit or loss.

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### 5.4.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred in respect of operating fixed assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating fixed assets when they are available for use.

### 5.4.3 Revaluation surplus on lands

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

### 5.5 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation on additions is charged from the month in which an asset is available for use, while no amortisation is charged for the month in which the asset is disposed off. Amortisation is charged based on straight line method at the rates specified in note 8 to these consolidated financial statements.

### 5.6 Investment properties

Investment properties comprise of completed properties that are held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business.

Investment properties are measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred, if the recognition criteria is met. Subsequent to initial recognition, investment properties are stated at fair value which reflects market condition at reporting date. Gains or losses arising from changes in the fair values are included in the profit or loss in the period in which they arise, including the corresponding tax effect, if any. Fair values are determined based on an annual valuation performed by an accredited valuer.

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Investment properties are derecognised when these have been disposed of or permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on disposal of an investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the profit or loss.

### 5.7 Right-of-use assets and leases liabilities

#### 5.7.1 Group as a lessee

The Group assess at contract inception whether a contract is, or contain a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Group recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets. As of reporting date, The Group has no contractual arrangement in place as a lessee.

##### i) Right-of-use assets

The Group recognises right-of-use assets (ROU assets) at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, if any, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

##### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under its lease arrangements to lease the assets for additional terms under the contracts. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Any change is accounted for change in estimate and applied prospectively with corresponding change in ROU assets and lease liabilities.

### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 5.7.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 5.8 Development properties

Property acquired, constructed or in the course of construction for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is classified as development properties and is measured at lower of cost and net realisable value. The Group will sell plots and bungalows and will not provide any construction services as a contractor engaged by the buyer. In addition, the buyer of constructed units does not have an ability to specify the major structural elements of the design or major structural changes before construction and / or construction is in progress. All project costs incurred or to be incurred are capitalised as a cost of development properties and mainly includes: costs / rights for free-hold and leasehold land; construction cost of bungalows; borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs necessary to bring the premises in saleable condition; and development charges.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Net realizable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date less estimated costs of completion and the estimated costs necessarily to be incurred to make the sale.

When a development property is sold, the carrying amount of the development property is recognized as an expense in the period in which the related revenue is recognized.

The cost of sales recognised in profit or loss is determined with reference to the costs incurred on the plots / bungalows sold and an allocation of any non-specific costs based on the total area of land sold for plots / bungalows, in relation to total area of land. The development charges are recognised in profit or loss on the basis of reimbursable development costs recoverable to date from customers on plots / bungalows sold apportioned to total area of land sold in relation to total area of land. Development charges not recoverable from customers are borne by the Group and charged to profit or loss in the year, in which these are incurred.

### 5.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

#### 5.9.1 Financial assets

##### 5.9.1.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade debts, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 5.9.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

#### a) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### b) Financial assets designated at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

#### c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as dividend income in the profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The Group elected to classify irrevocably its non-listed equity investments, if any, under this category.

### d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as dividend income in the profit or loss when the right of payment has been established.

### 5.9.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 5.9.1.4 Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group applies a simplified approach in calculating ECLs for its trade debts and other receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Trade debts are secured against good sold and have low credit risk. Similarly, the Group's deposits, accrued interest and bank balances that are held with reputational banks and other third parties, the Group applies low credit risk simplifications. At each reporting date, the Group evaluates whether these assets are considered to have low credit risk using all reasonable and supportable information that is available without un-due cost or effort including their credit ratings assessed by reputable agencies and therefore assessed to have immaterial impact of allowances for ECL. For other receivables, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the third parties and the economic environment.

The Group considers a financial asset in default when contractual payments are past due over the agreed terms. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 5.9.2 Financial liabilities

#### 5.9.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### 5.9.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

#### 5.9.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

#### 5.9.2.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 5.9.3 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

A previously recognised impairment loss is reversed only if there has been a change in the

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

### 5.10 Cash and cash equivalents

Cash and cash equivalents are stated at cost and are defined as cash in hand, cash at banks and short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of cash flow statement, cash and cash equivalents comprises cash in hand and bank balances.

### 5.11 Preference shares

The Group classify a financial instrument (or its components) on initial recognition as a financial liability or as equity considering the substance of a contractual arrangement rather than its legal form. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

### 5.12 Employees retirement benefits

#### Defined benefit plan - gratuity

The Holding Company operates an approved funded gratuity scheme and the Subsidiary Company operates an unfunded gratuity scheme for all its eligible employees who have completed their minimum qualifying period of service with the Group. Provisions are made in the financial statements to cover obligation on the basis of actuarial valuation carried out annually by an independent actuary, using the Projected Unit Credit Method. Actuarial gain or loss (remeasurements) are immediately recognised in statement of other comprehensive income, as they occur. The amount recognised in the statement of financial position represents the present value of defined benefit obligations as reduced by the fair value of the plan assets. Current service costs and any past service costs together with net interest cost are charged to profit or loss.

#### Compensated absences

The Group recognises the accrual for compensated absences in respect of employees' for which these are earned up to the reporting date.

### 5.13 Borrowing costs

All interest bearing financings and borrowings are initially recognised at fair value less directly attributable transaction costs. Subsequently, these are measured at amortised cost using effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are capitalised and added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred. Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalisation.

### 5.14 Taxation

#### Current

Provision for current taxation is computed on taxable income at the current rates of taxation, after taking into account tax credits and rebates available, if any, in accordance with the provision of the Income Tax Ordinance, 2001. It also includes any adjustment to tax payable in respect of prior years. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

#### Deferred

Deferred tax is recognised using the balance sheet method, on all temporary differences arising at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date. Deferred tax is charged or credited to the profit or loss.

Deferred tax relating to items recognised directly in the other comprehensive income is recognised in the other comprehensive income and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

### 5.15 Revenue recognition

### 5.15.1 Revenue from contracts with customers

Revenue from contracts with customers is recognised when the contract of goods and services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

- i) Revenue from the sale of plots and bungalows is recognised at a point in time at which the performance obligation is satisfied and one of the below conditions are not met:
- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
  - the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
  - the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance obligation completed to date.

For performance obligations where one of the above conditions are met, revenue is recognised over the time when the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. When the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

- ii) Revenue on plots and bungalows cancelled during the period is recognized to the extent of amount forfeited at the time when the cancellation request is approved.
- iii) Reimbursable development costs incurred are recognised as an expense and its reimbursement from customers as a corresponding income in profit or loss under cost of sales. Development charges which are invoiced to customers are recognised as development charges billed, whereas, unbilled development charges represent value of development work executed but billed subsequently.
- iv) Service income is recognised over the period of time by reference to percentage of completion method when the transaction involving rendering of services can be estimated reliably.
- iv) the Group maintains a provision of 2% of gross sales to account for expected sales returns, as the management believes that Company's pattern of sales can be forecasted with reasonable accuracy.

### 5.15.2 Other revenues

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Revenue from other sources is recognized on the following basis:

- i) Rental income arising from investment properties is recognised, net of discounts, in accordance with the terms of lease contracts over the lease term on straight-line basis until such time the lessee exercises its option to purchase.
- ii) Profit on deposits is recognized on a time proportionate basis, by reference to the principal outstanding and at the applicable effective interest rate.
- iii) Gain on sale of property, plant and equipment and investment properties is recorded when title is transferred in favour of transferee.
- iv) Income from sale of scrap is recorded when risks and rewards are transferred to the customers which coincides with the time of dispatch of items.
- v) Other income (i.e. transfer fee, income from cricket ground, etc.), if any, recognised on accrual basis.

### 5.16 Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and accordingly adjusted to reflect current best estimates.

### 5.17 Ijarah agreements

Payments made under ijarah arrangements / agreements are charged to the profit or loss on a straight line basis over the ijarah term.

### 5.18 Foreign currency translations

Transactions in foreign currencies are translated into Pakistani Rupee at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the reporting date. Exchange gains and losses are recognised in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### 5.19 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in these consolidated financial statements in the period, in which these are approved. However, if these are approved after the reporting period but before the consolidated financial statements are authorised for issue, they are disclosed in the notes to these consolidated financial statements.

### 5.20 Earnings per share

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Whereas, diluted EPS is determined by adjusting the profit or loss attributable to ordinary share holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 5.21 Government grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant related to an expense item, it is recognised in the consolidated statement of profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

### 5.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets. Segment results, assets and liabilities include items directly attributable to a segment as well as those allocated on a reasonable basis.

## 6. DETAILS OF RELATED PARTIES

Name of related parties	%age holding	Basis of relationship
NN Maintenance Company (Private) Limited	100	Subsidiary Company
Aisha Steel Mills Limited	-	Common directorship
Arif Habib Consultancy (Private) Limited	-	Common directorship
Black Gold Power Limited	-	Common directorship
Fatima Fertilizer Company Limited	-	Common directorship
Karachi Sports Foundation	-	Common directorship
Sachal Energy Development (Private) Limited	-	Common directorship
Arif Habib Corporation Limited	-	Common directorship
International Builders and Developers (Private) Limited	-	Common directorship
NCEL Building Management Limited	-	Common directorship
Pakarab Energy Limited	-	Common directorship
Pakistan Business Council	-	Common directorship
Pakistan Engineering Company Limited	-	Common directorship
Pakistan Opportunities Limited	-	Common directorship
Fatimid Foundation	-	Common directorship
Karachi Education Initiative	-	Common directorship
Pakistan Centre for Philanthropy	-	Common directorship
Arif Habib Equity (Private) Limited	-	Common directorship
Nooriabad Spinning Mills (Private) Limited	-	Common directorship

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Name of related parties	%age holding	Basis of relationship
Rotocast Engineering Company (Private) Limited	-	Common directorship
Sukh Chayn Gardens (Private) Limited	-	Common directorship
Safemix Concrete Limited	-	Common directorship
Arif Habib Foundation	-	Common directorship
Fatimafert Limited	-	Common directorship
Fatima Cement Limited	-	Common directorship
MMI	-	Common directorship
Pakarab Fertilizers Limited	-	Common directorship
REMMCO Builders & Developers Limited	-	Common directorship
Arif Habib Dolmen REIT Management Limited	-	Common directorship
Arif Habib Real Estate Services (Private) Limited	-	Common directorship
Power Cement Limited	-	Common directorship
Arif Habib Limited	-	Common Control
Go Real Estate	-	Associated person, major shareholder
National Resources (Private) Limited	-	Common directorship
Mr. Haji Abdul Ghani	-	Associated person, major shareholder
Miss. Nida Ahsan	-	Close family member
Mr. Samad A. Habib - Chief Executive	-	Key management personnel
Mr. Arif Habib - Director	-	Key management personnel
Mr. Muhammad Ejaz - Director	-	Key management personnel
Mr. Saeed Ahmed - Director	-	Key management personnel
Miss. Darakshan Zohaib - Director	-	Key management personnel
Mr. Abdul Qadir - Director	-	Key management personnel
Mr. Alamgir A.Sheikh - Director	-	Key management personnel
Mr. Siddiq Khokhar - Director	-	Key management personnel
Mr. Faisal Anees Bilwany - Ex Director	-	Key management personnel
Mr. Muneer Gadar - CFO & Company Secretary	-	Key management personnel
JCL Gratuity Fund Trust	-	Employees' Gratuity Fund

Note	2021	2020
	----- (Rupees in '000) -----	

### 7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	7.1	<b>4,771,989</b>	4,773,680
Capital work-in-progress	7.2	<b>1,453,602</b>	1,165,417
		<b>6,225,591</b>	5,939,097

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 7.1 Operating fixed assets - owned

Particulars	Cost / Revaluation Amount				Accumulated Depreciation				Revalued Amount / Written Down Value As At June 30, 2021	Rate
	As At July 01, 2020	Additions	Disposals	As At June 30, 2021	As At July 01, 2020	Charge For The Year	Disposals	As At June 30, 2021		
----- (Rupees in '000) -----										
Free-hold land (notes 7.1.1 and 7.1.2)	541,599	-	-	541,599	-	-	-	-	541,599	-
Lease-hold land (notes 7.1.1 and 7.1.2)	4,050,555	-	-	4,050,555	-	-	-	-	4,050,555	-
Other land (note 7.1.4)	50,918	-	-	50,918	-	-	-	-	50,918	-
Buildings on lease-hold land	36,564	4,055	-	40,619	21,692	1,766	-	23,458	17,161	10
Buildings on other land	63,383	-	-	63,383	6,703	5,668	-	12,371	51,012	10
Furniture and fixtures	15,214	544	-	15,758	7,920	1,076	-	8,996	6,762	20
Office equipment	49,283	6,598	119	55,762	22,993	6,588	30	29,551	26,211	10 to 33
Medical equipment	-	4,957	-	4,957	-	946	-	946	4,011	-
Computer equipment	25,917	1,806	-	27,723	18,089	2,734	-	20,823	6,900	33
Vehicles	44,243	3,147	1,100	46,290	26,599	3,559	728	29,430	16,860	20
2021	<u>4,877,676</u>	<u>21,107</u>	<u>1,219</u>	<u>4,897,564</u>	<u>103,996</u>	<u>22,337</u>	<u>758</u>	<u>125,575</u>	<u>4,771,989</u>	
Particulars	Cost / Revaluation Amount				Accumulated Depreciation				Revalued Amount / Written Down Value As At June 30, 2020	RATE
	As At July 01, 2019	Additions	Disposals	As At June 30, 2020	As At July 01, 2019	Charge For The Year	Disposals	As At June 30, 2020		
----- (Rupees in '000) -----										
Free-hold land (notes 7.1.1 and 7.1.2)	541,599	-	-	541,599	-	-	-	-	541,599	-
Lease-hold land (notes 7.1.1 and 7.1.2)	4,050,555	-	-	4,050,555	-	-	-	-	4,050,555	-
Other land (note 7.1.4)	50,918	-	-	50,918	-	-	-	-	50,918	-
Buildings on lease-hold land	34,438	2,126	-	36,564	20,265	1,428	-	21,692	14,872	10
Buildings on other land	62,036	1,347	-	63,383	517	6,186	-	6,703	56,680	10
Furniture and fixtures	14,060	1,154	-	15,214	6,703	1,217	-	7,920	7,294	20
Office equipment	36,755	12,581	53	49,283	17,739	5,279	25	22,993	26,290	10 to 33
Computer equipment	21,180	4,936	199	25,917	15,147	3,002	60	18,089	7,828	33
Vehicles	44,113	130	-	44,243	22,195	4,404	-	26,599	17,644	20
2020	<u>4,855,654</u>	<u>22,274</u>	<u>252</u>	<u>4,877,676</u>	<u>82,566</u>	<u>21,516</u>	<u>85</u>	<u>103,996</u>	<u>4,773,680</u>	

**7.1.1** The Group has carried out the last valuation exercise through an independent valuer in year 2020. Had there been no revaluation, the carrying amount of lands (free-hold and leasehold) and revaluation surplus on lands (free-hold and leasehold) would have been lower by Rs. 496.01 million and Rs. 3,709.57 million, respectively.

The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. The fair value of said lands falls under level 3 of fair value hierarchy (i.e. significant unobservable inputs)."

**7.1.2** The forced sale value of free-hold land and leasehold land are Rs. 433 million and Rs. 3,240 million based on the latest revaluation carried out by an independent valuer on June 30, 2020, respectively.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**7.1.3** The immovable assets (i.e. free-hold and leasehold land) of the Group as at June 30, 2021 have an area of 5.58 acres free-hold land and 56.42 acres leasehold land respectively, located at Naya Nazimabad, Deh, Manghopir, Gadap Town, Scheme 43, Karachi, and is used by the Group for business purposes. Out of the total 62 acres land, 9.05 acres lease-hold land has been mortgaged/pledged with various financial institutions against financing facilities obtained (note 21).

**7.1.4** Land classified as 'Other land' are amenity plots (i.e. land for construction of mosques).

**7.1.5** The depreciation charge for the year has been allocated to administrative expenses.

	Note	2021	2020
----- (Rupees in '000) -----			
<b>7.2 Capital work-in-progress</b>			
Opening		1,165,417	691,241
Additions (net of Rs. 20.346 million)		288,185	474,176
Closing	7.2.1	1,453,602	1,165,417
<b>7.2.1 The details of capital work-in-progress are as under:</b>			
Gymkhana (club house)		1,126,285	887,083
Jama masjid		222,459	174,573
Cricket ground		62,564	61,702
Football stadium		42,294	42,059
		1,453,602	1,165,417

## 8. INTANGIBLE ASSETS

	Cost			Rate	Accumulated Amortization			Net Book Value
	As At July 1, 2020	Addition During The Year	As At June 30, 2021		As At July 1, 2020	During The Year	As At June 30, 2021	As At June 30, 2021
----- (Rupees in '000) -----				%	----- (Rupees in '000) -----			
<b>Software - 2021</b>	5,751	-	5,751	20	288	1,150	1,438	4,313
Software - 2020	-	5,751	5,751	20	-	288	288	5,463

	Note	2021	2020
----- (Rupees in '000) -----			
<b>9. INVESTMENT PROPERTIES</b>			
Investment property - completed	8.1	631,366	567,664

**9.1** Investment properties comprise of various properties having aggregated area of 366,851 square yards (2020: 511,083 square yards) situated at Deh Mangopir and other locations in Karachi (note 9.7).

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

9.2 The movement in investment properties during the year is as follows:	Note	2021	2020
		----- (Rupees in '000) -----	
As at July 01		567,664	55,000
Additions during the year	9.3	136,869	465,077
Disposal during the year	9.5	(111,028)	-
Remeasurement gain	9.4	37,861	47,587
As at June 30		<b>631,366</b>	<b>567,664</b>

**9.3** Represents properties acquired by the Group having aggregate area of 02 acres situated at N.C. 182, Deh Khari Lakhi, Anwer Shamim Road, North Nazimabad, District Central, Karachi.

**9.4** An independent valuation was carried out by the Group through an independent professional valuer on June 30, 2021 and the fair value of Rs. 631 million (2020: Rs. 568 million) was determined with reference to market based evidence, active market prices and relevant information. Accordingly, the fair value adjustment of Rs. 37.86 million (2020: Rs. 47.587 million) is recognised in profit or loss. The fair value of investment property falls under level 3 of fair value hierarchy (i.e. significant unobservable inputs).

**9.5** During the year, the Group has disposed off properties bearing survey no. 57, 58, 59 and 61 having aggregate area of 31.8 acres, and carrying value of Rs. 111.028 million at a sale consideration of Rs. 110.914 million.

**9.6** The aggregated forced sale value of investment properties as per the latest valuation reports are Rs. 515 million (2020: Rs. 430.90 million).

**9.7** The details of investment properties as of June 30, 2021 are as follows:

### S.No Location of investment properties

### Land area

1. Survey No 85,86,87,88,89 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	40 acres and 92 ghuntas
2. Survey No 62 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	3 acres and 36 ghuntas
3. Survey no 79 & 80 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	13 acres and 35 ghuntas
4. Survey No 77, 78 & 81 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	10 acres and 21 ghuntas
5. Plots No 27-C to 36-C at N.C-1 Deh Orangi Town District West Karachi.	4,949 sq yds
6. Plots No 11-C to 16- C at N.C-1 Deh Orangi Town District West Karachi.	3,385 sq yds
7. Plots No 17-C to 26- C at N.C-1 Deh Orangi Town District West Karachi.	5,010 sq yds
8. Plot No D-24 Survey No 32 situated at Deh Manghopir District West Karachi.	2,123 sq yds
9. N.C. 182, Deh Khari Lakhi, Anwer Shamim Road, North Nazimabad, District Central, Karachi.	9,680 sq yds

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>10. LONG-TERM DEPOSITS</b>			
Utilities		4,701	4,701
Rent		500	1,190
Lease deposits		3,399	3,399
Others		716	615
		<b>9,316</b>	<b>9,905</b>
<b>11. DEFERRED TAX (ASSETS) / LIABILITIES - net</b>			
<b>Deferred tax on deductible temporary differences:</b>			
- provisions		(2,247)	-
- deferred liabilities		(14,560)	(10,517)
- tax losses		(25,906)	(11,262)
- minimum tax		(1,848)	(595)
		<b>(44,561)</b>	<b>(22,374)</b>
<b>Deferred tax on taxable temporary differences</b>			
- accelerated depreciation on property, plant and equipment		7,768	8,240
- investment properties		2,504	18,066
- investment in equity instruments		563	-
- long-term financings		6,691	3,790
		<b>17,526</b>	<b>30,096</b>
		<b>(27,035)</b>	<b>7,722</b>
<b>12. DEVELOPMENT PROPERTIES</b>			
<b>Land</b>			
Opening balance		14,980,418	14,962,418
Add: Additions during the year		51,500	18,000
	12.1	<b>15,031,918</b>	<b>14,980,418</b>
<b>Development expenditure incurred</b>			
Opening balance		9,915,362	8,658,619
Add: Incurred during the year		1,041,923	1,256,743
		<b>10,957,285</b>	<b>9,915,362</b>
<b>Borrowing costs related to development properties</b>			
Opening balance		2,316,625	1,848,597
Add: Additions during the year	34	366,610	468,028
		<b>2,683,235</b>	<b>2,316,625</b>
		<b>28,672,438</b>	<b>27,212,405</b>
<b>Transferred to:</b>			
- property, plant and equipment		(68,545)	(68,545)
- investment properties		(40,291)	(40,291)
- cost of sales to date	31	(5,562,244)	(5,327,623)
- development charges incurred and apportioned to date	31	(4,090,760)	(3,416,014)
		<b>18,910,598</b>	<b>18,359,932</b>

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- 12.1** The land under development properties having an area of 357.71 acre has been mortgaged / pledged with various financial institutions against financing facilities obtained (note 21).

	Note	2021	2020
----- (Rupees in '000) -----			
<b>13. TRADE DEBTS</b>			
<b>Secured, considered good</b>			
Receivable against:			
- sales of plots and bungalows		159,028	301,842
- utilities infrastructure charges		10,145	-
- maintenance services		61,512	26,043
- development charges incurred:			
- billed	13.1	74,249	94,900
- un-billed	13.2	24,441	97,446
		98,690	192,346
	13.3	329,375	520,231

- 13.1** Represents development cost billed to customers as per the terms of their sale agreement.

- 13.2** Represents development cost incurred but not billed to customers as of reporting date, however the same will be billed to the respective customers in accordance with the terms of the sale contract.

- 13.3** As of June 30, 2021 and 2020, the ageing analysis of unimpaired trade debts are as follows:

	Total	Past due but not impaired			
		Neither past due nor impaired	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
<b>Sales of plots and bungalows:</b>					
Other than related parties	159,028	38,894	3,100	-	117,034
	159,028	38,894	3,100	-	117,034
<b>Utilities infrastructure charges</b>					
Other than related parties	10,145	-	-	-	10,145
	10,145	-	-	-	10,145
<b>Maintenance services</b>					
Related parties					
- Nida Ahsan	992	496	496	-	-
- Arif Habib	864	432	432	-	-
- Haji Abdul Ghani	252	42	84	-	126
- Alamgir A. Sheikh	36	6	12	-	18
- Faisal Anees Bilwany	-	-	-	-	-
- Syed Muhammad Talha	66	12	24	-	30
	2,210	988	1,048	-	174
Other than related parties	59,302	59,302	-	-	-
	61,512	60,290	1,048	-	174

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Past due but not impaired				
	Total	Neither past due nor impaired	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
<b>Development charges incurred:</b>					
Related parties					
Billed					
- Arif Habib	1,200	-	-	-	1,200
- Alamgir A. Sheikh	119	-	-	-	119
- Arif Habib Limited	800	-	-	-	800
- Nida Ahsan	120	-	-	-	120
- Haji Abdul Ghani	4,680	-	-	-	4,680
Unbilled					
- Arif Habib Limited	356	356	-	-	-
- Haji Abdul Ghani	654	654	-	-	-
	7,929	1,010	-	-	6,919
Other than related parties - billed and unbilled	90,761	23,431	-	-	67,330
	98,690	24,441	-	-	74,249
<b>2021</b>	<b>329,375</b>	<b>123,625</b>	<b>4,148</b>	<b>-</b>	<b>201,602</b>

	Past due but not impaired				
	Total	Neither past due nor impaired	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
<b>Sales of plots and bungalows:</b>					
Related parties					
- Haji Abdul Ghani	22,335	-	-	-	22,335
- Go Real Estate	5,841	-	1,889	1,588	2,364
	28,176	-	1,889	1,588	24,699
Other than related parties	273,666	22,220	16,296	18,990	216,160
	301,842	22,220	18,185	20,578	240,859

<b>Maintenance services</b>					
Related parties					
- Nida Ahsan	45	45	-	-	-
- Arif Habib	518	452	66	-	-
- Haji Abdul Ghani	120	120	-	-	-
- Alamgir A. Sheikh	12	12	-	-	-
- Faisal Anees Bilwany	6	6	-	-	-
- Syed Muhammad Talha	24	24	-	-	-
	725	659	66	-	-
Other than related parties	25,318	-	25,318	-	-
	26,043	659	25,384	-	-

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Total	Past due but not impaired			
		Neither past due nor impaired	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
<b>Development charges incurred:</b>					
Related parties					
Billed					
- Arif Habib	1,095	1,095	-	-	-
- Arif Habib Limited	718	718	-	-	-
- Haji Abdul Ghani	8,247	8,247	-	-	-
- Go Real Estate	44	44	-	-	-
Unbilled					
- Arif Habib	28,703	28,703	-	-	-
- Alamgir A. Sheikh	787	787	-	-	-
- Nida Ahsan	295	295	-	-	-
- Arif Habib Limited	94	94	-	-	-
- Nooriabad Spinning Mills (Private) Limited	100	100	-	-	-
	40,083	40,083	-	-	-
Other than related parties - billed and unbilled	152,263	152,263	-	-	-
	192,346	192,346	-	-	-
2020	520,231	215,225	43,569	20,578	240,859

**13.4** The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:

	2021	2020
	----- (Rupees in '000) -----	
Haji Abdul Ghani	5,334	8,367
Nida Ahsan	2,142	340
Arif Habib	29,903	30,316
Arif Habib Limited	1,661	812
Go Real Estate	-	44
Alamgir A. Sheikh	787	787
Faisal Anees Bilwany	-	6
Syed Muhammad Talha	66	24
Nooriabad Spinning Mills (Private) Limited	100	100

Note	2021	2020
	----- (Rupees in '000) -----	

### 14. LOANS AND ADVANCES - Considered good

Loans - Secured			
Executives	14.2	3,953	5,048
Employees	14.1	5,977	3,530
		9,930	8,578
Advances - Unsecured			
Suppliers		153,106	112,448
Contractors		117,023	48,946
Employees for expenses		3,145	3,782
Purchase of properties	14.3	14,150	426,602
		287,424	591,778
		297,354	600,356

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**14.1** Represents interest free loans given to employees for the purchase of vehicles in accordance with the terms of the employment. These loans are repayable within twelve months and are secured against staff gratuity fund.

**14.2 The movement in loans to executives are as follows:**

	2021	2020
	----- (Rupees in '000) -----	
Balance as of 01 July	5,048	6,548
Loans obtained during the year	10,454	14,531
Adjusted during the year	(11,549)	(16,031)
Balances as of 30 June	3,953	5,048

**14.3** Represents advances (as partial payments) given for purchase of various properties under the terms of agreement agreed between the Group and third parties.

Note	2021	2020
	----- (Rupees in '000) -----	

**15. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

**Trade deposits - Unsecured**

Considered good		
- Security deposit with Sindh Building Control Authority	3,345	3,345
- Others	12,409	12,406
	15,754	15,751
Considered doubtful		
- Guarantee margin	225	225
- Contractors	2,680	2,680
	2,905	2,905
Allowances for expected credit losses	(2,905)	(2,905)
	15,754	15,751

**Prepayments**

Rent	-	1,156
Insurance	1,875	1,542
Others	3,678	1,892
	5,553	4,590

**Other receivables - Unsecured**

Sales tax refundable - considered doubtful	4,703	4,703
Excise duty refundable - considered good	574	574
Others - considered good	20,220	9,901
	25,497	15,178
Allowances for expected credit losses	(4,703)	(4,703)
	20,794	10,475
	42,101	30,816

**15.1** Included herein Rs. 12.3 million deposited with Honorable High Court of Sindh in respect of labor case pending adjudication.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
<b>15.2 Included herein receivables from the following related parties :</b>		
- Arif Habib Limited - associate	1,377	-
- International Builders and Developers (Private) Limited - associate	104	-
	<b>1,481</b>	-

**15.3** These are past due but not impaired.

**15.4** The maximum amount outstanding from related parties at any time during the year calculated by reference to month end balances are as follows:

	Note	2021	2020
		----- (Rupees in '000) -----	
- Arif Habib Limited - associate		1,377	-
- International Builders and Developers (Private) Limited		104	-
		<b>1,481</b>	-

### 16. SHORT-TERM INVESTMENTS

At amortized cost

Term deposit receipt (TDRs)

Note	2021	2020
16.1 & 16.2	<b>67,750</b>	37,750

Designated at fair value through profit or loss

Equity instruments

Note	2021	2020
16.3 & 16.4	<b>1,229,052</b>	-

	<b>1,296,802</b>	37,750
--	------------------	--------

**16.1** This carries mark-up at 7.5% (2020: 11.75%) having maturity upto one year i.e. latest by May 17, 2022.

**16.2** Included herein, TDRs amounting to Rs. 30 million held as security with a commercial bank on account of guarantee issued on behalf of the Group to Ravi Urban Development Authority (note 24.2).

**16.3** As of June 30, 2021, the details of equity instruments designated at FVTPL held by the Group are as follows:

Company name	Number of shares		Fair value	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Oil and Gas Development Company Limited	5,500,000	-	522,665	-
Pakistan State Oil Company Limited	3,150,000	-	706,387	-
	<b>8,650,000</b>	-	<b>1,229,052</b>	-

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
<b>16.4 The movement of equity instruments is as follows:</b>		
Balance as at July 01	-	-
Cost of investments made	1,225,301	-
Unrealized gain for the year - net	3,751	-
Balance as at June 30	<u>1,229,052</u>	<u>-</u>

**16.5** The fair value of equity instruments designated at FVTPL falls under level 1 of fair value hierarchy (i.e. quoted market prices).

	Note	2021	2020
		----- (Rupees in '000) -----	
<b>17. CASH AND BANK BALANCES</b>			
Cash in hand		9,587	3,704
Cheques in hand		4,667	14,195
Cash at banks in:			
- current accounts		6,531	4,518
- deposit accounts	17.1 & 17.2	132,777	38,004
		<u>139,308</u>	<u>42,522</u>
		<u>153,562</u>	<u>60,421</u>

**17.1** These carry markup at the rate ranging between 5.3 percent to 10 percent per annum (2020: 5.5 percent to 10 percent per annum).

**17.2** Included herein Rs. 100 million restricted funds as of reporting date, however, the same becomes available to the Group the subsequent to the year end.

### 18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2021	2020		Note	2021	2020
	----- (Rupees in '000) -----				----- (Rupees in '000) -----	
8,600,000	8,600,000		Ordinary shares of Rs.10 each Issued for cash		86,000	86,000
47,200,000	47,200,000		Issued under the financial restructuring arrangement		472,000	472,000
50,425,641	21,572,605		Bonus shares issued:		504,256	215,726
-	28,853,036		Opening		-	288,530
50,425,641	50,425,641		Issued during the year		504,256	504,256
(54,268,643)	(54,268,643)		Closing		(542,686)	(542,686)
27,332,729	27,332,729		Shares cancelled due to merger		273,327	273,327
176,432,216	176,432,216		Shares issued in lieu of merger		1,764,322	1,764,322
61,661,763	61,661,453		Right shares issued		616,618	616,615
			Shares issued on conversion from preference shares	18.3	3,173,837	3,173,834
<u>317,383,706</u>	<u>317,383,396</u>					

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**18.1** The major shareholders of the Holding Company as at June 30, 2021 and June 30, 2020 are as follows:

	2021	2020	2021	2020
	----- % holding -----		----- (Rupees in '000) -----	
Haji Abdul Ghani	12%	15%	376,644	471,009
Arif Habib Corporation Limited	10%	7%	313,261	236,366
Arif Habib Equity (Private) Limited	29%	29%	910,360	910,360
			<b>1,600,265</b>	<b>1,617,735</b>

**18.2** The ordinary share holders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares, as and when declared by the Group. All shares carry one vote per share without restriction.

**18.3** Movement in ordinary shares issued on conversion of preference share capital is as below:

	2021	2020	2021	2020
	----- Number of Shares -----		----- (Rupees in '000) -----	
Opening	61,661,453	61,661,453	616,615	616,615
Shares issued on conversion of preference shares during the year	310	-	3	-
Closing	<b>61,661,763</b>	61,661,453	<b>616,618</b>	616,615

## 19. RESERVES

### Capital reserves

	Note	2021	2020
		----- (Rupees in '000) -----	
Tax holiday reserve	19.1	11,966	11,966
Share premium	19.2	3,381,094	3,381,090
		<b>3,393,060</b>	<b>3,393,056</b>

### Revenue reserve

General reserves	19.3	63,500	63,500
Un-appropriated profits		2,663,604	2,320,854
		<b>2,727,104</b>	<b>2,384,354</b>
		<b>6,120,164</b>	<b>5,777,410</b>

**19.1** This reserve was created under Section 15BB of the repealed Income Tax Act, 1922. Under the aforesaid section, the Group was required to set aside a fixed percentage of the tax exempted, due to tax holidays, as a reserve not distributable to the shareholders.

**19.2** This reserve can only be utilised by the Group for the purpose specified in Section 81 of the Companies Act, 2017.

**19.3** Represents reserve created out of profit up to the period 1994-1995 for future contingencies and dividends.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>20. REVALUATION SURPLUS ON LANDS</b>			
Balance as at July 01:			
Development properties		<b>4,339,045</b>	4,470,037
Property, plant and equipment		<b>4,205,576</b>	4,205,576
		<b>8,544,621</b>	8,675,613
Transfer to unappropriated profit on sale of development properties during the year		<b>(82,842)</b>	(130,992)
Balance as at June 30		<b>8,461,779</b>	8,544,621
Represented by:			
Development properties		<b>4,256,203</b>	4,339,045
Property, plant and equipment	7.1.1	<b>4,205,576</b>	4,205,576
		<b>8,461,779</b>	8,544,621
<b>21. LONG-TERM FINANCINGS - Secured</b>			
Conventional			
Term finance certificates	21.1	<b>172,500</b>	258,750
Term finance loan I	21.2	<b>995,002</b>	-
Term finance loan II	21.3	<b>541,329</b>	-
Syndicated loan facility	21.4	<b>662,501</b>	795,000
SBP-Refinance Scheme	21.5	<b>39,270</b>	33,074
Sukuk certificates	21.6	<b>2,734,408</b>	2,979,932
Diminishing musharakah	21.7	<b>750,000</b>	-
		<b>5,895,010</b>	4,066,756
Current maturity of long-term financings		<b>(990,348)</b>	(477,323)
		<b>4,904,662</b>	3,589,433

**21.1** Represents privately placed Term Finance Certificates (TFCs) aggregating to Rs. 920.35 million issued by the Holding Company for a period of 7 years for the development of housing scheme. These carry markup at the rate of 6 months KIBOR plus 2.5 percent per annum and is redeemable in four equal semi-annual installments of Rs.14.5 million and ten equal semi-annual installments of Rs. 86.25 million each. The facility is secured by way of equitable mortgage charge over land comprising of residential plots to maintain 25% margin over forced sale value (FSV) or 47% margin over market value of the security, whichever is higher. In accordance with the Circular No.13 of 2020 issued by State Bank of Pakistan, dated March 26, 2020, the Holding Company had availed one year deferment of principal repayment.

**21.2** During the year, the Holding Company obtained term finance facility amounting to Rs. 1,000 million from a commercial bank, for a period of 5 years to finance the construction of one of the Naya Nazimabad Residential Apartments projects. It carries mark-up at the rate of 3 month KIBOR plus 1.25 percent per annum and is redeemable after twelve months grace period, in 16 equal quarterly installment latest by June 30, 2026. The facility is secured by equitable mortgage charge over land of Rs. 1,334 million at project site with at least 25% margin and personal guarantee of related parties. The Holding Company has incurred transaction cost of Rs. 5 million to obtain said financing.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- 21.3** During the year, the Holding Company obtained term finance facility amounting to Rs. 550 million from a commercial bank, for a period of 5 years to finance the ongoing infrastructure development of Naya Nazimabad Housing scheme. It carries mark-up at the rate of 3 month KIBOR plus 2 percent per annum and is redeemable after twelve months grace period, in 16 equal quarterly installment latest by February 01, 2026. The facility is secured by equitable mortgage charge over land of Rs. 785.714 million bearing survey nos. 205 to 229 at Deh Manghopir, Gadap Town, Naya Nazimabad with at least 30% margin and personal guarantee of related parties. The Holding Company has incurred transaction cost of Rs. 9.323 million to obtain said financing.
- 21.4** The Holding Company has obtained syndicated loan facility for a period of six years from various commercial banks amounting to Rs. 800 million for the purpose of financing the construction of properties at the Naya Nazimabad Housing Scheme. This carries mark-up at the base rate of 3 months KIBOR plus 2.35 percent per annum with no floor or cap and to be paid in twenty quarterly repayments, whereas, the first installment became due after the end of the fifteenth month i.e. December 31, 2017. Further in accordance with the Circular No.13 of 2020 issued by State Bank of Pakistan, dated March 26, 2020, the Holding Company has been granted one year deferment of principal repayment from 1 April 2020 to 1 April 2021. The facility is secured against an exclusive first mortgage / charge over the mortgaged property of 121 plots bearing survey # 43, 97 and 251 in Blocks F & G and one plot bearing survey # 199 situated at Naya Nazimabad, Deh, Manghopir, Gadap Town, Scheme 43, Karachi amounting to Rs. 1,066.66 million and is also secured by the personal guarantees of all sponsoring directors of the Holding Company.
- 21.5** The Holding Company has obtained long-term financing from a commercial bank having a limit of Rs 60 million under Refinance Scheme for payment of Salaries & Wages by State Bank of Pakistan, out of which the Holding Company has utilized Rs. 54.97 million (2020: Rs. 36.63 million). It carries a flat mark-up at the rate of 3 percent per annum with no floor or cap and is repayable in 8 quarterly installments commencing from January 2021 discounted at effective rate of interests ranging from 9.41 to 11.15 percent per annum. The differential mark-up has been recognised as government grant (see note 21 to these financial statements) which will be amortised to interest income over the period of the facility. The facility is secured by enhancing mortgage over specified piece of land with 50% margin. As of the reporting date, Rs.5.03 million (2020: Rs. 23.37 million) remains unutilized.
- 21.6** The Holding 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 8 years (inclusive of 2 years grace period) to make payment of commercial land purchased 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 April 04, 2021 till October 04, 2026. The Holding 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 Holding Company has incurred transaction cost of Rs. 47.776 million to issue said certificates.
- 21.7** During the year, the Holding Company obtained diminishing musharaka facility of Rs. 750 million from a commercial bank to finance the ongoing infrastructure development of Naya Nazimabad Housing scheme for a period of 5 years with eighteen months grace period. It carries mark-up at the rate of 3 month KIBOR plus 1 percent per annum. The musharaka units are to be purchased by December 2025. The facility is secured by equitable mortgage charge and registered mortgage over land at project site, pledge of shares with at least 30% margin and personal guarantee of related parties.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>22. DEFERRED GRANT</b>			
As at July 1, 2020		<b>3,534</b>	-
Recognised during the year		<b>1,542</b>	3,681
Released to profit or loss		<b>3,293</b>	147
As at June 30, 2021	21.5	<b>1,783</b>	3,534
Current portion shown under current liabilities		<b>1,615</b>	2,245
Non-current portion	21.5	<b>168</b>	1,289
		<b>1,783</b>	3,534

## 23. DEFERRED LIABILITY - GRATUITY

### 23.1 General description

As stated in note 5.12 to these consolidated financial statements, the Group operates a retirement benefit plan (the Plan) namely approved funded gratuity scheme for all its permanent employees to provide post retirement benefits to all full-time management staff employees. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2021.

Plan assets held in trust are governed by local regulations which mainly includes repealed Trust Act 1882 (now Sindh Trusts Act, 2020), Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment and funding decisions and contribution schedules lies with the Board of Trustees. The Group appoints the trustees and all trustees are employees of the Group.

### 23.2 Principal actuarial assumptions

The latest actuarial valuation for defined benefit plan scheme was carried out as at June 30, 2021 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

	2021	2020
Discount rate %	<b>10%</b>	8.50%
Expected rate of increase in salary levels %	<b>10%</b>	8.50%
Expected rate of return on plan assets %	<b>7.29%</b>	14.25%
Average retirement age of the employee	<b>60 years</b>	60 years

### 23.3 Reconciliation of amount payable to defined benefit plan

Present value of defined benefit obligation	23.4	<b>56,803</b>	45,215
Less: Fair value of plan assets	23.6	<b>(3,712)</b>	(6,133)
	23.5	<b>53,091</b>	39,082

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>23.4</b>			
<b>Movement in present value of defined benefit obligation</b>			
Present value of obligation as at July 1		45,215	38,367
Current service cost		10,148	10,953
Interest cost		3,655	4,999
Benefits paid		(4,285)	(6,175)
Benefits due but not paid		(130)	(548)
Actuarial loss on re-measurement of obligation		2,200	(2,381)
Present value of obligation as at June 30		56,803	45,215
<b>23.5</b>			
<b>Movement in payable to defined benefit plan</b>			
Opening liability		39,082	33,804
Charge for year to profit or loss	23.8	13,356	15,301
Other comprehensive loss	23.9	3,182	(3,848)
Contributions to the fund		(2,529)	(6,175)
Closing liability		53,091	39,082
<b>23.6</b>			
<b>Movement in fair value of plan assets</b>			
Fair value of plan assets as at July 1		6,133	4,563
Contributions		1,207	6,030
Interest Income on plan assets		447	650
Benefits paid		(2,962)	(6,030)
Benefits due but not paid		(130)	(547)
Return on plan assets excluding interest income		(983)	1,467
Fair value of plan assets as at June 30		3,712	6,133
<b>23.7</b>			
The plan assets comprise of bank balances only.			
<b>23.8</b>			
<b>Expense recognised in profit or loss</b>			
Current service cost		10,148	10,953
Interest cost on defined benefit obligation		3,655	4,999
Interest income on plan assets		(447)	(650)
		13,356	15,302

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
<b>23.9 Actuarial gain / (loss) on re-measurement of plan assets / obligation comprise of:</b>		
Actuarial gains / (losses) from changes in demographic assumptions	-	-
Actuarial gains / (losses) from changes in financial assumptions	9	-
Experience adjustments	2,190	(2,381)
	<b>2,199</b>	(2,381)
Return on plan assets excluding interest income	983	(1,467)
Total remeasurements chargeable in other comprehensive income	<b>3,182</b>	(3,848)

### 23.10 The plan exposes the Group to the following risks:

**Mortality risk:** Mortality rates are based on State Life Corporation (SLIC 2001-2005) ultimate mortality rates with 1 year setback as per recommendation of Pakistan Society of Actuaries "PSOA".

**Investment risk:** The risk of the investment underperforming and not being sufficient to meet the liability. This is managed by formulating an investment policy and guidelines based on which investments are made after obtaining approval from trustees of fund.

**Salary increase risk:** The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

**Withdrawal risk:** The risk that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries service/age distribution and benefit.

**23.11** Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected rate of salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	%	----- (Rupees in '000) -----	
<b>Sensitivity analysis</b>			
Discount rate	1	50,165	(58,201)
Salary growth rate	1	58,160	(50,132)

**23.12** The expected gratuity expense for the year ending June 30, 2022 works out to Rs. 15.346 million.

**23.13** The weighted average duration of the defined benefit obligation at June 30, 2021 is 7 years (2020: 7 years).

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>24. TRADE AND OTHER PAYABLES</b>			
Creditors	24.1	28,641	71,168
Accrued liabilities		68,846	128,778
Retention money		121,877	127,248
Withholding tax payable		8,412	10,516
Other payables:			
- on cancellation of plots		18,035	6,397
- against other projects	24.2	13,846	-
- book overdraft	24.3	677,999	-
- security deposits	24.4	42,278	-
		<b>979,934</b>	<b>344,107</b>
<b>24.1 Included herein amount payable to the following related parties:</b>			
Safe Mix Concrete Limited		486	589
Power Cement Limited		2,605	3,847
Faisal Bilwani		-	2,933
Arif Habib Dolmen REIT Management Limited		2,977	2,977
Rotocast Engineering Company (Private) Limited		101	101
Arif Habib Limited		-	1,631
		<b>6,169</b>	<b>12,078</b>

**24.2** During the year, the Holding Company participated for the bidding process of Ravi Urban Development Authority (RUDA) and won the bid. Represents amount payable to consortium members of the RUDA project (note 16.2).

**24.3** Represents cheques issued in excess of the available funds that remained unrepresented at the reporting date.

**24.4** Represents security deposits received from customers and others of Rs. 39.063 million and Rs. 3.215 million, respectively. The same has not been kept in a separate bank account and utilized by the Holding Company for its business purpose.

## 25. PREFERENCE SHARES

### 25.1 Issued, subscribed and paid-up preference shares

2021	2020		2021	2020
----- (Rupees in '000) -----			----- (Rupees in '000) -----	
45,150,200	45,150,200	Preference shares of Rs.10 each	451,502	451,502
(45,099,700)	(45,099,200)	Shares cancelled on conversion into ordinary shares	(450,997)	(450,992)
<b>50,500</b>	<b>51,000</b>		<b>505</b>	<b>510</b>

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**25.2** The preference shares are convertible into ordinary shares at conversion price of 80% of the weighted average of closing price of the ordinary share (adjusted for any bonus or right shares announced by the Group subsequent to the issue) quoted in the daily quotation of Pakistan Stock Exchange Limited during the three months immediately prior to the relevant conversion date in a ratio to be determined by dividing the aggregate face value of the preference shares plus any accumulated dividends and/or accrued dividend by the conversion price.

- The shares were issued under the provision of Section 86 of the repealed Companies Ordinance, 1984 (the repealed Ordinance) read with Section 90 of the repealed Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The financial capital of the Group and the issue of the shares were duly approved by the shareholders of the Group at the Extraordinary General Meeting held on May 07, 2011 and return of allotment of shares was filed under Section 73(1) of the repealed Ordinance.
- Dividend on the shares is appropriation of profit both under the repealed ordinance (now Act) and the tax laws.
- The preference shareholders have the right to convert these shares into ordinary shares.

**25.3** During the year, 500 preference shares were converted into ordinary shares. The conversion mechanism is 80% of the weighted average closing price of the ordinary shares quoted in the daily quotation of Pakistan Stock Exchange Limited during the three months immediately prior to the relevant conversion date in a ratio of aggregate face value of the preference shares plus accumulated dividends thereon to conversion price.

	Note	2021	2020
----- (Rupees in '000) -----			
<b>26. ACCRUED MARK-UP</b>			
Accrued markup on :			
- long-term financings		<b>70,850</b>	149,844
- short-term borrowings	26.1	<b>21,164</b>	27,266
		<b>92,014</b>	177,110

**26.1** This includes markup payable to Arif Habib Corporation Limited and Haji Abdul Ghani - related parties of Rs. 2.722 million and Rs. 0.76 million (2020: Rs. Nil and Rs.0.76 million).

	Note	2021	2020
----- (Rupees in '000) -----			
<b>27. CONTRACT LIABILITIES</b>			
Advance from customers	27.1	<b>1,777,152</b>	2,311,799
Liability against performance obligation	27.2	<b>314,819</b>	576,191
	27.1.1	<b>2,091,971</b>	2,887,990

### 27.1 Advance from customers

Advance against:

- plots and bungalows
- flats and commercial sites

<b>15,808</b>	550,455
<b>1,761,344</b>	1,761,344
<b>1,777,152</b>	2,311,799

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**27.1.1** Represents advance received in respect of booking of plots, bungalows, flats and development charges, as per respective payment plans on which sales have not been recognized, since such transactions do not meet the recognition criteria. Included herein advance received from the following related parties:

	2021	2020
	----- (Rupees in '000) -----	
Arif Habib Equity (Private) Limited	<b>708,212</b>	925,095
Arif Habib Limited	<b>5,306</b>	43,508
Haji Abdul Ghani	<b>318,611</b>	429,892
Arif Habib	<b>-</b>	183,117
Nida Ahsan	<b>5,306</b>	75,000
Go Real Estate	<b>29,885</b>	165,163
	<b><u>1,067,320</u></b>	<u>1,821,775</u>

### 27.2 Liability against performance obligation

Represents portion of development charges received from customers against which the Group is obliged to incur development charges in future.

	Note	2021	2020
		----- (Rupees in '000) -----	
<b>28. SHORT-TERM BORROWINGS - Secured</b>			
Musharakah arrangement	28.1	<b>264,193</b>	300,000
Running finance under mark-up arrangements	28.2	<b>640,766</b>	599,406
		<b><u>904,959</u></b>	<u>899,406</u>

**28.1** Represents running musharakah facility from a commercial bank of Rs. 300 million for financing needs of the project. This carries markup rate of KIBOR plus 2.15 percent per annum and renewal of the facility is under process and the extension period has been granted by the commercial bank. The facility is secured by token mortgage of Rs. 0.1 million and remaining through equitable mortgage over specified piece of land with 30% margin and personal guarantees of the directors. As of reporting date, the facility amounting to Rs. 35.807 million (2020: Rs. Nil) remains unutilized.

**28.2** Represents running finance facility availed from a commercial bank of Rs. 600 million (2020: Rs. 600 million). This carries markup rate at 3 month's KIBOR plus 3.5 percent payable quarterly and is secured by token mortgage of Rs. 0.1 million and remaining as equitable mortgage of land of the Holding Company and is also secured by personal guarantees of all sponsoring directors of the Holding Company. As of reporting date, the facility is unutilised to the extent of Rs. 22.625 million (2020: Rs. 0.594 million).

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 29. CONTINGENCIES AND COMMITMENTS

#### 29.1 Contingencies - Holding Company

##### 29.1.1 Existing business

###### a) Tax related contingencies

- i) Returns of income for tax years 2008 to 2010, 2012 and 2014 were filed under Section 114 of the Income Tax Ordinance, 2001 (the Ordinance) which were deemed to be assessment orders issued by the Commissioner Inland Revenue under Section 120 of the Ordinance. The deemed assessment orders were amended by the taxation authorities under Section 122 of the Ordinance by creating a demand of Rs. 39.791 million, Rs. 80.257 million, Rs. 194.035 million, Rs. 1,003.447 million and Rs. 533.742 million respectively, on account of various matters including disallowances for certain expenses. Being aggrieved, the Holding Company had filed appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] and was allowed partial relief for tax years 2008 to 2010, 2012 and 2014 aggregating to Rs.1,368.895 million. The Holding Company later filed appeal before Appellate Tribunal Inland Revenue (ATIR) which are pending adjudication. However, in year 2019, an appeal effect order was issued for the tax year 2012 whereby, a demand of Rs. 6.64 million has been created and paid by the Holding Company under protest. The Holding Company, based on the opinion of its tax advisor, is confident that there will be no unfavourable outcome in above appeals. Accordingly, no provisions were made in these consolidated financial statements.
- ii) In year 2017, taxation authorities issued an assessment order in respect of tax year 2011 and made certain disallowances and additions resulting in a reduction in loss for the year from Rs. 1,497.06 million to Rs. 147.48 million. Being aggrieved, the Holding Company filed appeals against these order before CIR(A), however, the CIR(A) upheld the assessment order. The Holding Company later filed appeal before ATIR which is pending adjudication. The Holding Company, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Holding Company. Accordingly, no provisions were made in these consolidated financial statements.
- iii) In year 2018, the deemed assessment orders for the tax years 2013 and 2017 were amended by the taxation authorities creating a demand of Rs. 220.22 million and Rs. 486.162 million, respectively. The Holding Company later filed appeal before CIR(A), which was disposed off in year 2020 and the demand was enhanced from Rs. 220.22 million to Rs. 324.58 million for tax year 2013. Being aggrieved, the Holding Company filed appeal before ATIR, which were adjudicated in favor of the Holding Company in year 2020 except for immaterial assessments. The Holding Company, based on the opinion of its tax advisor, is confident of the favourable outcome. Accordingly, no provision has been made in these consolidated financial statements.
- iv) During the year, the taxation authorities issued an assessment order in respect of tax year 2015 and made certain disallowances and additions resulting in a tax demand of Rs. 527.15 million. Being aggrieved, the Holding Company filed appeals against this order before CIR(A). The Holding Company, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Holding Company. Accordingly, no provisions were made in these consolidated financial statements.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- v) In year 2019, the taxation authorities issued an assessment order in respect of tax year 2018 and made certain disallowances and additions resulting in the tax demand of Rs. 658.81 million. Being aggrieved, the Holding Company filed appeals against these order before CIR(A). During the year, CIR(A) remanded back the appeal to the commissioner. Later the Holding Company filed appear before ATIR which is pending adjudication. The Holding Company, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Holding Company. Accordingly, no provisions were made in these consolidated financial statements.
- vi) Alternate Corporate Tax (ACT) was applicable on the Holding Company at rate of 17% of accounting income after certain adjustments as mentioned in Section 113(c) of the Income Tax Ordinance, 2001 through Finance Act 2014. Accordingly, the Holding Company had made a provision for ACT for the year ended June 30, 2014 but obtained stay order from the Honourable High Court of Sindh (SHC) against applicability of ACT since tax year 2015 based on the grounds of brought forward losses. Later, the Holding Company had reversed provision previously created of Rs. 131.273 million relating to prior years. Accordingly, the tax provision based on ACT having an aggregated impact of Rs.761.07 million has not been accounted for in these consolidated financial statements, instead the Holding Company continues to record the tax provision based on minimum tax under Section 113 of the Income Tax Ordinance, 2001 upto tax year 2018. In year 2019, the Holding Company had adjusted its brought forward losses against taxable income and accordingly, provision for the tax year 2019 and onwards are based on higher of Corporate Tax or ACT.
- In year 2019, the Holding Company had received demand notice from Deputy Commissioner Inland Revenue (DCIR) of Rs. 187.098 million in respect of a non-payment of Alternate Corporate Tax (ACT) for the tax year 2018 .The Holding Company had challenged the applicability of Alternative Corporate Tax vide C.P D-2982 of 2019 before SHC. In this regard, an interim order had been granted by SHC that no coercive action is to be taken against the Holding Company till the pendency of the matter before SHC."
- vii) The Holding Company has filed constitutional petition before the Honorable High Court of Sindh (SHC) vide Constitutional Petition No. 2564 of 2014 dated May 15, 2014 challenging vires of Workers Welfare Ordinance, 1971. SHC has admitted constitutional petition for regular hearing and issued interim stay order from recovery of Workers' Welfare Fund (WWF) impugned demand by Federal Board of Revenue for the tax year 2013. The management, based on the opinion of the tax advisor, is expecting favourable outcome on the said matter. Accordingly, no liability for WWF since 2014 to 2021 has been accounted for in these consolidated financial statements having an aggregate impact of Rs.123.571 million (2020: Rs. 118.1 million).
- viii) The Holding Company has filed a constitutional petition D-4971 of 2017 dated July 28, 2017 in Honorable High Court of Sindh (SHC) against imposition of tax on undistributed profits under Section 5A of Income Tax Ordinance, 2001. The management is confident of the favourable outcome of this petition, as stay has been granted on similar petitions filed by other companies. Although, the Holding Company has complied with the requirements related to distribution of profits for the years but the petition in this regarding is still pending before SHC.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### b) Other contingencies

- i) The Holding Company had filed a constitutional petition No D-953 of 2020 before Honorable High Court of Sindh (SHC) in respect of notice issued by Office of the Assistant Commissioner (AC) Manghopir, District West Karachi under Section 22 of Sindh Land Revenue Act, 1967 dated December 18, 2019 whereby AC had called the Holding Company to appear before Collector / Deputy Commissioner (DC) West Karachi along with title documents, survey, layout plan, etc. Thereafter, another letter No. DC(W)/341/2020 dated January 27, 2020 addressed to Director General Sindh Building Control Authority (DG-SBCA) was issued by the office of DC West Karachi, wherein DG SBCA was directed to suspend all layout plans approved earlier until further instructions. Later, SHC in its order dated February 11, 2020 had suspended the aforementioned notice and the letter, and has restrained the respondents from any coercive and adverse action against the Holding Company. During the year, the Assistant Commissioner (AC) Manghopir, District West has withdrawn the subject letters issued from office of District West Karachi and subsequent to year end, the Holding Company has also withdrawn CP. No D-953 of 2020 hence, the case stands closed by all parties.
- ii) As at June 30, 2021, several cases were filed against the Group before various court of laws relating to title / possession / encroachment of land, claims, settlements of dues, etc, the amount of which cannot be determined. The management, based on the opinion of the legal counsel expects that the outcome of all these cases will be in favour of the Group, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these consolidated financial statements.
- iii) Guarantees issued by the commercial banks on behalf of the Holding Company of Rs. 242.959 million (2020: Rs.212.960 million).

### 29.1.2 Former business of the Holding Company

As at June 30, 2021, there are several cases aggregating to Rs. 15.73 million (2020: Rs. 15.73 million) which were filed on former Javedan Cement Limited (now Javedan Corporation Limited [the Holding Company]) relating to their former business (i.e. cement business operation) before various court of laws, which majorly pertains to the gross annual rental value, trade license fee, excise duty, title / possession / encroachment of leasehold land for mining purpose allotted to the Holding Company, etc., which are still pending for decision at various forum. The management, based on the opinion of the legal counsels, expects that the outcome of all these cases will be in favour of the Holding Company, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these consolidated financial statements.

### 29.2 Commitments

	Note	2021	2020
----- (Rupees in '000) -----			
Capital commitments		1,658,909	1,269,775
Ijarah rentals	29.2.1	7,634	12,678

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**29.2.1** The Holding Company has various ijarah agreements with a financial institution in respect of purchase of vehicles for a period upto four years and are payable in monthly installments latest by July 2024 and December 2024. Taxes and repairs are to be borne by the Holding Company (lessee), however, major repairs and insurance costs are to be borne by the lessors. These payments are secured against promissory notes in favor of the lessors for the entire amount of the ijarah rentals and security deposits of Rs. 3.399 million (2020: Rs. 3.399 million). Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

	2021	2020
	----- (Rupees in '000) -----	
Not later than one year	2,653	3,660
Later than one year but not later than five years	4,981	9,018
	<b>7,634</b>	12,678

### 30. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Plots	1,028,891	1,552,558
Bungalows	100,448	202,287
	<b>1,129,339</b>	1,754,845
Less: Cancellation and forfeiture	(81,776)	(112,674)
Trade discount	(277)	1,104
	<b>(82,053)</b>	(111,570)
Service income	70,243	34,615
	<b>1,117,529</b>	1,677,890

**30.1** Revenue recognized during the year that was included in the contract liability balance at the beginning of year is Rs. 26.651 million (2020: Rs. 8.484 million).

**30.2** These are net of sales tax of Rs. 9.132 million (2020: Rs. 4.5 million) on account of service income.

### 31. COST OF SALES AND SERVICES

	Note	2021	2020
		----- (Rupees in '000) -----	
Cost of development properties sold:			
- plots		208,616	414,661
- bungalows		26,005	55,276
	12	<b>234,621</b>	469,937
Development charges:			
- incurred but not apportioned (borne by the Group)		30,289	238,700
- incurred and apportioned to customers	12	674,745	589,529
- reimbursable from customers		<b>(674,745)</b>	(589,529)
		-	-
Cost of sales		<b>264,910</b>	708,637
Cost of services rendered		117,877	57,415
		<b>382,787</b>	766,052

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>32. MARKETING AND SELLING EXPENSES</b>			
Sales promotions		26,313	48,332
Exhibitions and events		3,311	4,506
Commission		5,743	100
		<b>35,367</b>	<b>52,938</b>
<b>33. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits	33.1	228,688	195,875
Fees and subscriptions		22,132	13,085
Depreciation	7.1	22,337	21,516
Amortization	8	1,150	288
Vehicle running		11,318	23,284
Legal, professional and consultancy		10,975	30,607
Repair and maintenance		53,605	21,718
Software license and maintenance		10,795	11,766
Rent, rates and taxes		2,842	6,478
Utilities		47,060	31,548
Donation	33.2 & 33.3	9,114	1,731
Communication		4,933	5,090
Travelling and conveyance		1,103	933
Ijarah rentals		3,823	4,599
Insurance		8,109	6,574
Printing and stationery		4,324	7,295
Auditors' remuneration	33.4	3,479	2,893
Entertainment		10,017	4,516
Meetings and conventions		600	597
Security		636	8,664
Others		7,350	3,012
		<b>464,390</b>	<b>402,069</b>

**33.1** Included herein Rs. 13.357 million (2020: Rs.15.301 million) in respect of employees retirement benefits.

**33.2** No director(s) or their spouse had any interest in any donees to which donations were made.

**33.3** The Group has not made any donations higher of Rs.1 million or 10% of the donations during the current and prior years except as follows:

	2021	2020
----- (Rupees in '000) -----		
Javed Jilani (in lieu of government relief fund)	5,000	-

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>33.4 Auditors' Remuneration</b>			
<b>EY Ford Rhodes</b>			
Annual audit of financial statements			
- standalone - Holding Company		750	577
- consolidation		300	300
Review of half yearly financial statements		200	200
Code of Corporate Governance and other assurance services		625	564
Out of pocket expenses		109	109
		1,984	1,750
<b>Reanda Haroon Zakaria &amp; Company</b>			
Annual audit of financial statements			
- standalone - Holding Company		750	577
- standalone Company		125	100
- consolidation		230	150
Review of half yearly financial statements		200	200
Code of Corporate Governance		125	53
Out of pocket expenses		65	63
		1,495	1,143
		3,479	2,893
<b>34. FINANCE COSTS</b>			
Dividend on preference shares	5.11	61	61
Mark-up on:			
- long-term financings		454,060	567,379
- short-term borrowings		79,047	202,920
		533,107	770,299
Bank and other charges		15,982	3,539
		549,150	773,899
Less: Borrowing cost capitalized in the cost of qualifying asset	12	(441,919)	(566,332)
		107,231	207,567
Average rate of capitalization		7.99%	9.76%
<b>35. OTHER INCOME - net</b>			
<b>Income from financial assets</b>			
Mark-up on saving accounts		14,701	10,166
Remeasurement gain on investment designated at FVTPL	16.4	3,751	-
		18,452	10,166

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>Income from non-financial assets</b>			
Income from cancellation of bookings		898	233
Gain / (loss) on disposal of property, plant and equipment		132	(77)
Transfer fees from plots and bungalows		67,040	40,800
Rental income from sport facilities		6,225	2,894
Loss on disposal of investment properties		(114)	-
Rental income from investment properties		8,343	5,211
Remeasurement gain on investment properties	9.2	37,861	47,587
Amortization of deferred grant	22	3,293	147
Others		9,477	14,313
		<b>133,155</b>	111,108
		<b>151,607</b>	121,274
<b>36. TAXATION</b>			
Current		79,702	93,601
Prior	36.2	(17,479)	43,183
Deferred		(45,028)	24,597
		<b>17,195</b>	161,381
<b>36.1</b> The assessments of the Holding Company and the Subsidiary Company for and upto tax year 2020 have been completed or deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001 except for contingencies related to tax matters are disclosed in note 29.1.1 to these consolidated financial statements.			
<b>36.2</b> The Holding Company availed group relief option under the requirements of Income Tax Ordinance, 2001 and accordingly absorbed Rs. 11.194 million losses of a Subsidiary Company.			
<b>36.3 Tax reconciliation with accounting profit is as follows:</b>			
----- (Rupees in '000) -----			
Profit before taxation		279,361	370,537
Tax at the rate of 29% (2020: 29%)		81,015	107,456
Effect of income subject to tax at lower tax rate		(28,309)	-
Prior year tax		(17,479)	43,183
Effect of minimum tax		-	595
Others		(18,032)	10,147
		<b>17,195</b>	161,381
<b>37. EARNINGS PER SHARE</b>			
<b>Basic</b>			
Profit after tax (Rupees in '000)		262,166	209,156
Weighted average number of ordinary shares (In numbers)		317,383,576	317,383,396
Earnings per share (In Rupees)		0.83	0.66

# Javedan Corporation Limited

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	2021	2020
<b>Diluted</b>		
Profit attributable to ordinary shareholders (Rupees in '000)	<b>262,227</b>	209,217
Weighted average number of ordinary shares in issue (In numbers)	<b>317,383,576</b>	317,383,396
Adjustment for conversion of convertible preference share (In numbers)	<b>21,711</b>	33,803
Weighted average number of ordinary shares for diluted earning per share (In numbers)	<b>317,405,287</b>	317,417,199
Earnings per share - (In Rupees)	<b>0.83</b>	0.66

### 38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the consolidated financial statements are as follows:

	Directors		Executives	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Managerial remuneration	<b>11,271</b>	10,735	<b>41,463</b>	40,271
Medical	<b>1,127</b>	1,073	<b>4,146</b>	4,015
Fuel allowance	<b>509</b>	519	<b>3,127</b>	3,087
Mobile allowance	-	-	<b>472</b>	466
Lease rentals	-	-	<b>4,197</b>	4,143
House rent	-	-	<b>851</b>	840
Special allowance	-	-	<b>723</b>	714
Drivers allowance	-	-	<b>275</b>	271
Bonus	<b>984</b>	984	<b>3,340</b>	3,541
Retirement benefits	<b>1,181</b>	984	<b>3,844</b>	2,934
	<b>15,072</b>	14,295	<b>62,438</b>	60,282
Number of Persons	<b>1</b>	1	<b>15</b>	16

**38.1** No remuneration is paid / payable to the directors of the Group for current and prior years, other than those disclosed in note 38.3 to these consolidated financial statements.

**38.2** In addition, the Chief Executive and certain executives of the Group have also been provided with Group's owned and maintained cars in accordance with their entitlements as per rules of the Group.

**38.3** During the year, the Group has paid Rs. 0.6 million (2020: Rs. 0.56 million) to a non-executive Director on account of board meeting fees.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group finances its operations through equity, borrowings and management of working capital with a view of maintaining and appropriate mix between various sources of finance to minimize risks. Taken as a whole, the Group is exposed to market risk, credit risk, and liquidity risk. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2021. The policies for managing each of these risks are summarised below:

**39.1** Financial assets and liabilities are carried at amortised cost except for short-term investments of Rs. 1,229.052 million (2020: Nil) carried at fair value through profit or loss and their respective maturities are as follows:

	Capital reserves			Revenue reserves			Total
	Maturity upto one year	Maturity after one year but less than five years	Total	Maturity upto one year	Maturity after one year but less than five years	Total	
----- (Rupees in '000) -----							
<b>Financial assets</b>							
Long-term deposits	-	-	-	-	9,316	9,316	9,316
Trade debts	-	-	-	329,375	-	329,375	329,375
Loans	-	-	-	9,930	-	9,930	9,930
Short-term investments	67,750	-	67,750	1,229,052	-	1,229,052	1,296,802
Trade deposits and other receivables	-	-	-	35,974	-	35,974	35,974
Cash and bank balances	-	-	-	153,562	-	153,562	153,562
<b>2021</b>	<b>67,750</b>	<b>-</b>	<b>67,750</b>	<b>1,757,893</b>	<b>9,316</b>	<b>1,767,209</b>	<b>1,834,959</b>
<b>Financial liabilities</b>							
Long-term financings	990,348	4,904,662	5,895,010	-	-	-	5,895,010
Trade and other payables	-	-	-	971,522	-	971,522	971,522
Accrued mark-up	-	-	-	92,014	-	92,014	92,014
Short-term borrowings	904,959	-	904,959	-	-	-	904,959
Unpaid preference dividend	-	-	-	182	-	182	182
Unclaimed dividend	-	-	-	4,259	-	4,259	4,259
<b>2021</b>	<b>1,895,307</b>	<b>4,904,662</b>	<b>6,799,969</b>	<b>1,067,977</b>	<b>-</b>	<b>1,067,977</b>	<b>7,867,946</b>

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Capital reserves			Revenue reserves			Total
	Maturity upto one year	Maturity after one year but less than five years	Total	Maturity upto one year	Maturity after one year but less than five years	Total	
----- (Rupees in '000) -----							
<b>Financial assets</b>							
Long-term deposits	-	-	-	-	9,905	9,905	9,905
Trade debts	-	-	-	520,231	-	520,231	520,231
Loans	-	-	-	8,578	-	8,578	8,578
Short-term investments	37,750	-	37,750	-	-	-	37,750
Trade deposits and other receivables	-	-	-	25,652	-	25,652	25,652
Cash and bank balances	-	-	-	60,421	-	60,421	60,421
<b>2020</b>	<u>37,750</u>	<u>-</u>	<u>37,750</u>	<u>614,882</u>	<u>9,905</u>	<u>624,787</u>	<u>662,537</u>
<b>Financial liabilities</b>							
Long-term financings	477,323	3,589,433	4,066,756	-	-	-	4,066,756
Trade and other payables	-	-	-	328,029	-	328,029	328,029
Accrued mark-up	-	-	-	177,110	-	177,110	177,110
Short-term borrowings	899,406	-	899,406	-	-	-	899,406
Unpaid preference dividend	-	-	-	122	-	-	122
Unclaimed dividend	-	-	-	4,441	-	-	4,441
<b>2020</b>	<u>1,376,729</u>	<u>3,589,433</u>	<u>4,966,162</u>	<u>509,702</u>	<u>-</u>	<u>505,139</u>	<u>5,475,864</u>

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values.

### 39.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. The sensitivity analyses in the following sections relate to the position as at June 30, 2021.

#### 39.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term financing arrangements at floating interest rates to meet its business operations and working capital requirements.

#### 39.2.2 Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit before tax (through impact on floating rate borrowings). There is no direct impact on Group's equity. This analysis excludes the impact of movement in market variables on the carrying values of provisions and on non-financial assets and liabilities of the Group. Further, interest rate sensitivity does not have an asymmetric impact on the Group's result.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	(Increase) / decrease in basis points	Effect on profit before tax
		(Rupees in '000)
2021	+100	(67,982)
	-100	67,982
2020	+100	(49,684)
	-100	49,684

### 39.2.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of reporting date, the Group is not exposed to currency risk, since the Group do not have any assets and liabilities in foreign currency.

### 39.2.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. As at reporting date, the Group is not exposed to equity price risk other than it's investment in equity instruments designated at FVTPL (note 16).

### 39.3 Credit risk

**39.3.1** Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. The financial assets excludes statutory receivables / assets and includes investments, trade debts, deposits, other receivables, loans and cash and bank balances at amortized cost other than investment in equity instruments designated at FVTPL. Out of the total financial assets of Rs.1,834.959 million (2020: Rs. 622.537 million), the financial assets which are subject to credit risk amounted to Rs. 1,820.705 million (2020: Rs.654.212 million). The Group's credit risk is primarily attributable to its trade debts and bank balances. The Group has large number of customers, including corporate and individuals, due to large number and diversity of its customer base, concentration of credit risk with respect to trade debtors is limited.

The credit quality of financial assets that are past due but not impaired is disclosed in note 13.3 to these financial statements. As at reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

**39.3.2** The Group monitors the credit policy of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
Long-term deposits	10	9,316	9,905
Trade debts	13	123,625	215,225
Loan to employees	14	9,930	8,578
Trade deposits and other receivables	15	35,974	26,226
Short-term investments	16	1,296,802	37,750
Bank balances	17	139,308	42,522
		<b>1,614,955</b>	<b>340,206</b>

**39.3.3** The credit quality of Group's bank balances can be assessed with reference to external credit ratings as follows:

Bank Balances by short-term rating category	Rating Agency	2021	2020
----- (Rupees in '000) -----			
A-1	PACRA	804	1,780
A-1	VIS	296	13,675
A1+	PACRA	131,438	11,063
A-1+	VIS	1,292	12,273
A-3	VIS	5,478	3,732
		<b>139,308</b>	<b>42,522</b>

### 39.4 Liquidity risk

Liquidity risk represents the risk that a Group will encounter difficulties in meeting obligations with the financial liabilities. The financial liabilities excludes statutory liabilities and provisions and includes long-term and short-term financing, trade and other payables, unpaid / unclaimed dividends and accrued markup. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of various financing facilities.

The table below summarises the maturity profile of the Group's financial liabilities at amortized cost at June 30, 2021 and 2020 based on contractual undiscounted payment dates and present market interest rates:

	2021					
	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
----- (Rupees in '000) -----						
<b>Financial liabilities</b>						
Long-term financings	5,895,010	5,895,010	-	990,348	1,421,177	3,483,485
Trade and other payables	971,522	971,522	971,522	-	-	-
Short-term borrowings	904,959	904,959	904,959	-	-	-
Accrued mark-up	92,014	92,014	92,014	-	-	-
Unpaid preference dividend	182	182	182	-	-	-
Unclaimed dividend	4,259	4,259	4,259	-	-	-
	<b>7,867,946</b>	<b>7,867,946</b>	<b>1,972,936</b>	<b>990,348</b>	<b>1,421,177</b>	<b>3,483,485</b>

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2020					
	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
	----- (Rupees in '000) -----					
<b>Financial liabilities</b>						
Long-term financings	4,066,756	4,066,756	-	477,323	1,210,555	2,378,878
Trade and other payables	328,029	328,029	328,029	-	-	-
Short-term borrowings	899,406	899,406	899,406	-	-	-
Accrued mark-up	177,110	177,110	177,110	-	-	-
Unpaid preference dividend	122	122	122	-	-	-
Unclaimed dividend	4,441	4,441	4,441	-	-	-
	<u>5,475,864</u>	<u>5,475,864</u>	<u>1,409,108</u>	<u>477,323</u>	<u>1,210,555</u>	<u>2,378,878</u>

### 39.5 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measure using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants at in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted market price.

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non- market observables)

The fair value hierarchy of assets are disclosed in these consolidated financial statements as follows:

	<b>Note</b>
- Lands under property, plant and equipment	7.11
- Lands under investment properties	9.3
- Equity instruments designated at FVTPL	16.5

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 39.6 Capital management

The primary objective of the Groups capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximise shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2021.

The Group manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Group monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and revenue reserves. The gearing ratio as at June 30, 2021 and 2020 are as follows:

	Note	2021	2020
----- (Rupees in '000) -----			
Long-term financings	21	5,895,010	4,066,756
Preference shares	25	505	510
Accrued mark-up	26	92,014	177,110
Short-term borrowings	28	904,959	899,406
<b>Total debts</b>		<b>6,892,488</b>	5,143,782
Less: Cash and bank balances	17	(153,562)	(60,421)
<b>Net debts</b>		<b>6,738,926</b>	5,083,361
Issued, subscribed and paid-up capital	18	3,173,837	3,173,834
Capital reserves	19	3,393,060	3,393,056
Revenue reserves	19	2,727,104	2,384,354
Other component of equity - revaluation surplus on lands	20	8,461,779	8,544,621
<b>Total equity</b>		<b>17,755,780</b>	17,495,865
<b>Total capital</b>		<b>24,494,706</b>	22,579,226
<b>Gearing ratio</b>		<b>27.51%</b>	22.51%

### 40. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associates, directors 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:

	Note	2021	2020
----- (Rupees in '000) -----			
<b>Associates</b>			
<b>Arif Habib Corporation Limited</b>			
Short-term borrowings obtained during the year		450,000	173,000
Short-term borrowings repaid during the year		450,000	183,067
Mark-up expense on short-term borrowings		3,969	2,544
Mark-up paid during the year		1,246	41,340

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
<b>Arif Habib Equity (Private) Limited</b>		
Paid against the repurchase of commercial land	-	249,785
Mark-up expense on short term-borrowings	-	27,613
Mark-up paid during the year	-	27,613
Refund / Advance received against future purchase of commercial sites	<b>216,883</b>	564,995
<b>Arif Habib Limited</b>		
Sale of plots	<b>127,502</b>	598
Expenses incurred by the Group on behalf of Arif Habib Limited	<b>4,681</b>	541
Amount paid by Arif Habib Limited to the Group	<b>1,673</b>	-
Development charges billed	<b>27,000</b>	420
Development charges received	<b>26,151</b>	300
Receipt against sale of plots	<b>127,502</b>	598
<b>Power Cement Limited</b>		
Purchase of construction material	<b>13,987</b>	62,795
Paid against the purchase of construction material	<b>15,229</b>	67,235
<b>Safe Mix Concrete Limited</b>		
Purchase of construction material	<b>16,786</b>	48,753
Paid against the purchase of construction material	<b>16,890</b>	51,438
<b>Haji Abdul Ghani - Associated person</b>		
Advance received against future purchase of commercial apartments	-	110,000
Sale of plots	<b>97,665</b>	33,971
Receipt against sale of plots	-	33,971
Development charges billed	<b>5,400</b>	6,742
Development charges received	<b>7,042</b>	6,742
Short-term loans received during the year	-	150,000
Mark-up expense on short term-borrowings	-	756
Adjustment of short-term borrowing against the advance against plots	-	150,000
Advance received against plots	-	120,000
Services rendered during the year	<b>168</b>	120
Receipts against services rendered	<b>36</b>	-
<b>Rotocast Engineering Co. (Private) Limited</b>		
Services received during the year	<b>1,567</b>	41
Paid against services received	<b>1,546</b>	-
Short-term loans received during the year	-	525,000
Short-term loans paid during the year	-	525,000
Rent prepaid during the year	<b>1,098</b>	1,098
Rent expense charged during the year	<b>1,098</b>	1,098
Mark-up expense on short term-borrowings	-	28,230
Mark-up paid during the year	-	28,230

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- (Rupees in '000) -----	
<b>International Builders and Developers (Private) Limited</b>		
Expenses incurred by the Group on behalf of International Builders and Developers (Private) Limited	<b>104</b>	34
Amount paid by International Builders and Developers (Private) Limited to the Group	<b>104</b>	34
<b>Go Real Estate</b>		
Sale of plots	<b>225,982</b>	263,080
Receipt against sale of plots	<b>66,661</b>	257,240
Development charges billed	<b>43,740</b>	8,820
Development charges received	<b>43,784</b>	8,820
Advance received against plots	-	70,749
<b>Key management personnel</b>		
<b>Arif Habib - Director</b>		
Sale of plots and bungalows	-	576
Receipt against sale of plots	-	576
Development charges received	<b>24,820</b>	420
Refund / Advance received against future purchase of commercial sites	<b>183,117</b>	183,117
Short-term loans received during the year	-	425,000
Short-term loans paid during the year	-	425,000
Mark-up expense on short term-borrowing	-	9,747
Mark-up paid during the year	-	9,747
Services rendered	<b>1,728</b>	1,038
Receipts against services rendered	<b>1,382</b>	521
<b>Abdus Samad Habib - Director</b>		
Subscription money received against issue of shares	-	50
<b>Saeed Ahmad - Director</b>		
Subscription money received against issue of shares	-	50
<b>Syed Muhammad Talha - Director</b>		
Subscription money received against issue of shares	-	50
Services rendered	<b>48,000</b>	30,000
Receipt against services rendered	<b>6,000</b>	6,000
<b>Muneer Gader</b>		
Subscription money received against issue of shares	-	50
<b>Alamgir A.Sheikh - Director</b>		
Services rendered	<b>24</b>	12
Receipts against services rendered	-	-

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021	2020
----- (Rupees in '000) -----			
<b>Faisal Anees Bilwany - Ex Director</b>			
Sale of plot		755	-
Refund against plot		770	-
Amount paid by the Group		2,933	-
Development charges billed		420	-
Development charges received		420	-
Services rendered		-	6
Receipts against services rendered		6	-
<b>Close family member</b>			
<b>Nida Ahsan</b>			
Sale of plots and bungalows		124,181	-
Receipt against sale of plots		49,181	-
Development charges billed		27,000	-
Development charges received		25,152	-
Advance received against plots		-	75,000
Services rendered		1,986	323
Receipts against services rendered		1,039	278
<b>Post employment benefit plan</b>			
Gratuity fund trust - contribution paid during the year	23	1,207	6,030

**40.1** All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors. The outstanding receivable and payable balances as of June 30, 2021 and 2020 are disclosed in their respective notes to these consolidated financial statements.

#### **41. INFORMATION ABOUT OPERATING SEGMENTS**

For management purposes, the activities of the Group are organised into one operating segment i.e. development of real estate and providing related maintenance services. The Group operates in the said reportable operating segment based on the nature of products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these consolidated financial statements are related to the Group's only reportable segment.

Gross turnover of the Group is generated from customers located in Pakistan only.

Non-current assets of the Group are confined within Pakistan and consist of property, plant and equipment, long-term deposits and investment properties.

Revenue from any single customer does not comprises more than 10 percent of the Group's overall revenue related to sale of land and bungalows.

# Javedan Corporation Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 42. GENERAL

- 42.1** Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. However, there are no material reclassifications to report.
- 42.2** Number of employees as at June 30, 2021 was 558 (2020: 514) and average number of employees during the year was 521 (2020: 342).

### 43. SUBSEQUENT EVENTS

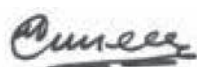
The Board of Directors of the Holding Company in their meeting held on September 22, 2021 has recommended bonus issue of 20 shares for every 100 shares held amounting to Rs. 634.767 million on the existing paid up value of the Ordinary share capital for the approval of shareholders in the annual general meeting to be held on October 26, 2021.

### 44. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorised for issue on 22<sup>nd</sup> September 2021 by the Board of Directors of the Group.



Chief Executive Officer



Chief Financial Officer



Director

# PATTERN OF SHAREHOLDING

# Category wise list of shareholders

As at June 30, 2021

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
DARAKSHAN	1	2,495,299	0.79
MUHAMMAD SIDDIQ KHOKHAR 3058	1	78	0.00
ABDUS SAMAD	1	50,181	0.02
MOHAMMAD KASHIF	1	4,878,613	1.54
ARIF HABIB	1	28,772,403	9.07
ABDUL QADIR	1	178	0.00
Associated Companies, undertakings and related parties	10	185,261,494	58.37
NIT & ICP	1	118	0.00
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	6	260,019	0.08
Modarabas and Mutual Funds	4	9,990,844	3.15
General Public			
a. Local	3,068	53,233,136	16.77
b. Foreign	9	129,000	0.04
Foreign Companies	-	-	-
Others	52	32,312,343	10.18
Totals	3,156	317,383,706	100.00

Share holders holding 10% or more	Shares Held	Percentage
ABDUL GHANI	37,664,424	11.87
ARIF HABIB EQUITY (PVT) LIMITED	91,036,050	28.68

# Pattern of Shareholding

As at June 30, 2021

Number of Shareholders	Shareholdings Slab	Total Shares Held	Number of Shareholders	Shareholdings Slab	Total Shares Held
1693	1 to 100	43,663	1	1530001 to 1535000	1,534,122
622	101 to 500	134,825	1	1715001 to 1720000	1,717,168
283	501 to 1000	210,818	1	2480001 to 2485000	2,484,944
309	1001 to 5000	737,557	1	2490001 to 2495000	2,494,800
68	5001 to 10000	539,050	1	2495001 to 2500000	2,495,299
39	10001 to 15000	485,452	1	2535001 to 2540000	2,539,084
23	15001 to 20000	409,337	1	3215001 to 3220000	3,220,000
15	20001 to 25000	353,712	1	3880001 to 3885000	3,882,000
11	25001 to 30000	317,540	1	4110001 to 4115000	4,114,332
5	30001 to 35000	167,185	1	4875001 to 4880000	4,878,613
4	35001 to 40000	153,650	1	5075001 to 5080000	5,077,484
5	40001 to 45000	216,235	1	5100001 to 5105000	5,100,322
8	45001 to 50000	394,050	1	6045001 to 6050000	6,048,188
4	50001 to 55000	211,081	1	6310001 to 6315000	6,314,292
2	60001 to 65000	127,500	1	6570001 to 6575000	6,574,550
2	65001 to 70000	139,220	1	11345001 to 11350000	11,348,844
1	70001 to 75000	71,000	1	13995001 to 14000000	14,000,000
1	75001 to 80000	75,234	1	14725001 to 14730000	14,729,512
1	80001 to 85000	81,500	1	14760001 to 14765000	14,763,288
2	85001 to 90000	179,500	1	17350001 to 17355000	17,350,132
5	95001 to 100000	496,228	1	19965001 to 19970000	19,968,222
1	105001 to 110000	110,000	1	28770001 to 28775000	28,772,403
1	120001 to 125000	122,958	1	31325001 to 31330000	31,326,098
1	130001 to 135000	130,069	1	91035001 to 91040000	91,036,049
2	140001 to 145000	289,342			
2	145001 to 150000	300,000			
1	170001 to 175000	174,500			
2	195001 to 200000	400,000			
2	205001 to 210000	412,943			
1	210001 to 215000	211,000			
1	235001 to 240000	237,600			
1	240001 to 245000	241,164			
1	295001 to 300000	300,000			
2	300001 to 305000	607,075			
1	345001 to 350000	349,500			
3	355001 to 360000	1,069,200			
2	385001 to 390000	776,100			
1	700001 to 705000	703,426			
1	760001 to 765000	761,190			
1	920001 to 925000	921,888			
1	955001 to 960000	958,500			
1	990001 to 995000	993,168			
			3156		317,383,706

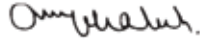
اسٹیک ہولڈرز کے لئے معلومات:  
گزشتہ برسوں کا اہم عملیاتی اور مالیاتی ڈیٹا کا خلاصہ صفحہ نمبر..... پر پیش کیا گیا ہے۔

منسلکہ پارٹی کے ساتھ لین دین:  
منسلکہ پارٹیوں کے ساتھ تمام تر لین دین قابل اطلاق ریگولیشنز کی عین مطابقت میں کیا گیا ہے اور مالیاتی گوشواروں کے متعلقہ نوٹس میں ظاہر کر دیا گیا ہے۔

ریٹرنز منٹ مراعات میں سرمایہ کاری:  
کمپنی کے ساتھ کم سے کم آزمائشی مدت پوری کر لینے والے تمام اہل ملازمین کے لئے کمپنی ایک منظور شدہ فنڈ ڈگریجویٹی اسکیم چلاتی ہے۔ گریجویٹی فنڈ کی سرمایہ کاری کا حجم 3.71 ملین روپے ہے۔

#### اظہار تشکر

ایک خواب کو تعبیر دینے کے عمل میں ہماری مستقل مدد و اعانت کرنے پر بورڈ آف ڈائریکٹرز کی جانب سے ہم اپنے گاہکوں اور شیئرز ہولڈروں کا تہہ دل سے شکریہ ادا کرتے ہیں۔ ہم اپنے میٹکوں اور مالیاتی اداروں کا بھی شکریہ ادا کرنا چاہیں گے جو کمپنی کو یہ پروجیکٹ پیش کرنے میں برس برس سے اہم کردار ادا کرتے چلے آ رہے ہیں۔ پروجیکٹ کی اعانت پر ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کا شکریہ بھی ادا کرنا چاہیں گے۔ ہم کمپنی کے تمام ملازمین کی ان تھک محنت کی قدر کرتے ہیں اور انہیں تہنیت پیش کرتے ہیں۔



عارف حبیب  
چیئر مین



عبدالصمد حبیب  
چیف ایگزیکٹو

مورخہ 22 ستمبر 2021ء

## بورڈ کی ترکیب

بورڈ کی حالیہ ترکیب درج ذیل ہے:-

### ڈائریکٹرز کی کل تعداد:

8	مرد	(الف)
1	خاتون	(ب)

### ترکیب:

3	انڈیپنڈنٹ ڈائریکٹر	(الف)
5	نان ایگزیکٹو ڈائریکٹر	(ب)
1	ایگزیکٹو ڈائریکٹر	(ج)

### بورڈ کی کمیٹیاں:

#### آڈٹ کمیٹی

جناب عبدالقادر سلطان..... چیئر مین  
جناب محمد اعجاز..... ممبر  
جناب عالمگیر شیخ..... ممبر

#### ہیومن ریسورس اینڈ ریوینویشن کمیٹی

جناب سعید احمد..... چیئر مین  
جناب عارف حبیب..... ممبر  
جناب صدائے حبیب..... ممبر  
جناب محمد اعجاز..... ممبر

#### اندرونی انضباط

اپنے اثاثہ جات کے تحفظ اور اپنے ریکارڈز کی درستگی اور اعتبار کے تیقن کی غرض سے کمپنی نے ایک ماسٹر اندرونی مالیاتی انضباط کا نظام نافذ کیا ہے۔ سینئر انتظامیہ تفصیلی ماہانہ مالیاتی رپورٹوں اور تجزیوں کے ذریعے کمپنی کی مالیاتی کارکردگی کا جائزہ لیتی ہے جب کہ بورڈ بھی ہر تین ماہ بعد اپنی سطح پر جائزہ لیتا ہے اور توقعات میں کمی بیشی کی چھان بین کرتا ہے۔ اندرونی آڈٹ مینیجر کے ذریعے تفصیلی جانچ پڑتال کا انعقاد کیا جاتا ہے جو اندرونی انضباطی طریق کار کے ساتھ ساتھ مقررہ پروسیجر پر عمل درآمد کا جائزہ لیتا ہے اور اپنی رپورٹ آڈٹ کمیٹی کو پیش کرتا ہے۔

#### ڈائریکٹروں کا تربیتی پروگرام

بورڈ نے ڈائریکٹروں کے تربیتی پروگرام کی شرط اور سٹینڈرڈز کارپوریٹ گورننس ریگولیشنز 2019 میں مقرر کردہ معیارات کی باقاعدہ تعمیل کی ہے۔

#### بیرونی آڈیٹرز

30 جون 2021 کو اختتام پذیر ہونے والے سال کے کمپنی کے مالیاتی گوشوارے M/S Reanda Haroon Zakaria & Co چارٹرڈ اکاؤنٹنٹس اور M/S EY Ford Rhodes چارٹرڈ اکاؤنٹنٹس نے آڈٹ کئے ہیں۔ یہ آڈیٹرز سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کے سبب انہوں نے دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی کی سفارش پر آئندہ سالانہ اجلاس عام میں ممبران کی منظوری کی شرط پر بورڈ نے M/S Reanda Haroon Zakaria & Co چارٹرڈ اکاؤنٹنٹس اور M/S EY Ford Rhodes چارٹرڈ اکاؤنٹنٹس کی 30 جون 2022 کو اختتام پذیر ہونے والی مدت کے لئے دوبارہ تقرری کی سفارش کی ہے۔

#### شیر ہولڈنگ کا نمونہ

کمپنیز ایکٹ 2017 کی دفعہ (f)(2) 227 کی مطابقت میں 30 جون 2021 تک کمپنی کی شیر ہولڈنگ کا نمونہ رپورٹ ہذا کے ساتھ منسلک ہے۔

بورڈ یہ بیان کرنا چاہے گا کہ JCL کے کھاتوں کی کتب موزوں طور سے مرتب کی گئی ہیں اور موزوں اکاؤنٹنگ پالیسیاں اختیار کی گئی ہیں اور مالیاتی گوشواروں کی تیاری میں انہیں مستقل طور سے اختیار کیا گیا ہے؛ اور مالیاتی تخمینہ جات معقول اور محتاط طرز سے کئے گئے فیصلوں پر مبنی ہیں۔ مالیاتی گوشواروں کی تیاری کرتے ہوئے پاکستان میں قابل اطلاق عالمی مالیاتی رپورٹنگ معیارات پر عمل درآمد کیا گیا ہے۔ اندرونی انضباط کا نظام اپنے ڈیزائن میں مضبوط ہے جسے موثر طور سے نافذ کیا گیا ہے اور جس کی نگرانی کی جاتی ہے۔ JCL کے مالیاتی گوشوارے اس کے معاملات، اس کے آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کے بیان کی غیر جانبدارانہ عکاسی کرتے ہیں۔ ٹیکسوں، ڈیویڈنڈوں، محصولات یا چارجز کے ضمن میں کوئی مادی ادائیگی غیر ادا شدہ نہیں رہی۔

کوڈ کی تعمیل کے ضمن میں بورڈ، ذریعہ ہذا تصدیق کرتا ہے کہ ایک جاری کاروباری ادارے کے طور پر JCL کی اہلیت و صلاحیت پر کوئی شک و شبہ نہیں اور یہ کہ کارپوریٹ گورننس کے بہترین معمولات سے کوئی مادی انحراف نہیں کیا گیا ہے ماسوائے ان کے جن کا ذکر Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations-2019 میں کیا گیا ہے۔

بہتر کارپوریٹ گورننس اور غیر جانبدار اور شفاف معمولات کے ذریعے سبقت لے جانے کی JCL ہمیشہ سے جدوجہد کرتی آئی ہے۔

### کمپنی کے شیئرز کی تجارت

30 جون 2021 کو اختتام پذیر ہونے والے سال کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغین نے کمپنی کے شیئرز کی تجارت نہیں کی ہے۔ ڈائریکٹرز کی جانب سے مقرر کردہ درجے کے مطابق سالانہ رپورٹ میں اصطلاح ”ایگزیکٹو“ سے مراد کمپنی کے وہ ملازمین ہیں جن کی سالانہ تنخواہ 1.2 ملین روپے سے زیادہ ہوتی ہے۔

### بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں ڈائریکٹرز کی حاضری

30 جون 2021 کو اختتام سال کے دوران بورڈ کے چار (04)، آڈٹ کمیٹی کے چھ (06) اور ہیومن ریسورس اینڈ رپورٹنگ کمیٹی کے دو (02) اجلاس منعقد ہوئے۔ ڈائریکٹرز کی حاضری کی صورت حال درج ذیل ہے:-

نام ڈائریکٹر	بورڈ اجلاس	آڈٹ کمیٹی اجلاس	ایچ اینڈ آر کمیٹی اجلاس
جناب عارف حبیب	4	کوئی نہیں	2
جناب صمد اے حبیب	4	4 (مدعو کیا گیا)	2
جناب محمد اعجاز	4	5	1
جناب عبدالقادر سلطان	4	6	کوئی نہیں
جناب فیصل بلوانی*	4	کوئی نہیں	کوئی نہیں
جناب عالمگیر شیخ	3	6	کوئی نہیں
جناب صدیق کھوکھر	4	کوئی نہیں	کوئی نہیں
مسماة درخشاں زوہیب	4	کوئی نہیں	کوئی نہیں
جناب سعید احمد	4	کوئی نہیں	2
جناب عبداللہ غفار*	کوئی نہیں	کوئی نہیں	کوئی نہیں

\* جناب فیصل بلوانی نے بورڈ آف ڈائریکٹرز کی نشست سے مورخہ 21 مئی 2021 کو استعفیٰ دے دیا تھا۔

\* جناب عبداللہ غفار مورخہ 22 مئی 2021 سے جناب فیصل بلوانی کی جگہ مقرر کئے گئے۔ چونکہ ان کا تقرر بورڈ آف ڈائریکٹرز کے گزشتہ سال کے آخری اجلاس کے بعد ہوا تھا لہذا وہ بورڈ کے کسی اجلاس میں شرکت نہیں کر سکے تھے۔

### ڈائریکٹرز کے معاوضے

نان ایگزیکٹو ڈائریکٹرز (بشمول انڈیپنڈنٹ ڈائریکٹرز) ماسوائے ان ڈائریکٹرز کے جو عارف حبیب گروپ آف کمپنیز میں کسی اور جگہ بھی بطور ایگزیکٹو ڈائریکٹرز خدمات انجام دے رہے ہیں، انہیں بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے عوض، جیسا کہ بورڈ کی جانب سے وقتاً فوقتاً منظور کیا جائے، کو معاوضہ ادا کیا جاتا ہے۔

مزید یہ کہ بورڈ کسی بھی نان ایگزیکٹو ڈائریکٹر کو، جب اور جیسے، کوئی بھی اضافی کردار اور ذمہ داریاں سونپنے کا فیصلہ کرتا ہے، تو بورڈ طے کرے گا کہ اس ڈائریکٹر کو اسے سونپنے کے کردار اور ذمہ داریوں کے عوض کیا معاوضہ ادا کیا جائے۔

صحت و صفائی کا شعور جاگرتا کرنے کی غرض سے ”نینا ناظم آباد“ وقتاً فوقتاً سیمینار اور ورک شاپس وغیرہ کا انعقاد کرتا رہتا ہے۔



پائیدار اور محفوظ ماحولیات کے سلسلے میں ”نینا ناظم آباد“ ہمیشہ شجر کاری کی سرگرمیوں اور تحریکوں میں حصہ لیتا آیا ہے۔



نیشنل فورم فار انوائرنمنٹ اینڈ ہیلتھ کے اشتراک سے ”نینا ناظم آباد“ اب تک مختلف مواقع پر لگ بھگ پانچ ہزار سے زائد درخت لگا چکا ہے۔

### اسپورٹس سرگرمیوں کو اپنا نرس کرنا

اسپورٹس کی سرگرمیوں پر کمپنی خصوصی توجہ دیتی ہے اور اس مقصد کی خاطر عالمی معیار کا کرکٹ، فٹبال اسٹیڈیم اور باسکٹ بال کورٹ تعمیر کیا ہے۔ دوران سال کمپنی نے ”نینا ناظم آباد“ اور دیگر جگہوں پر مختلف ٹورنامنٹس کو اپنا نرس کر کے شہر میں اسپورٹس سرگرمیوں کے فروغ میں اپنا کردار ادا کیا۔ کراچی کے نوجوانوں کو صحتمند سرگرمیوں میں مصروف رکھنے کی غرض سے کمپنی اپنے گراؤنڈ پر کرکٹ اور فٹبال اکیڈمیاں بھی چلاتی ہے۔

### کریڈٹ ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے آپ کی کمپنی کو A+ / A-1 (اے پلس / اے ون) کی ایٹائی ریٹنگ دی گئی ہے۔ ان عطاء کردہ ریٹنگوں کا مطلب ہے ”مستحکم“۔ یہ کریڈٹ ریٹنگ طویل مدت میں بلند تر کریڈٹ کوالٹی اور قلیل مدت میں یقینی بروقت ادائیگیوں کو ظاہر کرتی ہے۔ یہ تصدیق نامہ کمپنی کی انتظامیہ کے مسلسل بڑھتی ہوئی کارکردگی اور توقع ہے کہ اس تصدیق نامے کے ذریعے مارکیٹ میں ہم پر اعتماد میں مزید اضافہ ہوگا۔

### ممبر شپ

کمپنی ہذا کراچی چیمبر آف کامرس اینڈ انڈسٹری (KCCI) اور ایسوسی ایشن آف بلڈرز اینڈ ڈویلپرز (ABAD) کی رکنیت کی حامل ہے۔

### مستقبل کا منظر نامہ

بورڈ اور انتظامیہ نیا فیصلہ ہی پیش کرنے کا پلان بنا رہے ہیں اور ”نینا ناظم آباد“ پروجیکٹ کی بڑھتی ہوئی طلب ظاہر کرتی ہے کہ کمپنی اور یہ پروجیکٹ درست سمت میں جا رہے ہیں۔ چوں کہ ”نینا ناظم آباد“ خریداروں کو منافع بخش حق ملکیت پیش کرتا ہے لہذا بینکوں کے لئے بھی مورچہ فنانسنگ کے لئے پوری طرح اہل اور قابل قبول ہے۔

”میرا پاکستان..... میرا گھر اسکیم“ اور ”روشن اپنا گھر اسکیم“ جیسے حکومت پاکستان اور اسٹیٹ بینک آف پاکستان کی اسکیمیں اور مکانات خصوصاً زیر تعمیر بلند و بالا عمارتوں کے لئے ہاؤسنگ فنانس کے بارے میں وضع کردہ رہنما اصول تعمیراتی سیکر کی حرکیات کو مکمل طور سے بدل دیں گے۔ لہذا یہ اقدامات ہمارے پروجیکٹ کے ممکنہ گاہکوں کی تعداد میں بھی کمی گنا اضافہ کر دیں گے جس کے سبب قومی امکانات ہیں کہ ”نینا ناظم آباد“ میں پلاٹوں، مکانات، اور پارٹنمنٹس (جو جلد ہی پیش کئے جائیں گے) کی طلب میں مزید اضافہ ہوگا۔ مذکورہ بالا صورت حال کے پیش نظر آپ کی کمپنی کا مستقبل روشن ہے۔

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

JCL پاکستان اسٹاک ایکسچینج میں لسٹڈ ہے۔ کمپنی کا بورڈ کارپوریٹ گورننس کے کوڈ پر عمل درآمد کرنے کے عہد پر کاربند ہے اور اپنے آپریٹنگ اور کارکردگی کی نگرانی اور مالیاتی اور غیر مالیاتی معلومات کی درستگی بڑھانے، تکمیلیت اور شفافیت یقینی بنانے کی اپنی ذمہ داری سے بخوبی آگاہ ہے۔

کمپنی نے ایس بی پی ری فنانسنگ فیسلٹی اسکیم کے تحت حبیب بینک لمیٹڈ سے %0 مارک اپ پرایک ارب روپے کی مالیاتی سہولت بھی حاصل کر لی ہے۔

## جامع مسجد

جامع مسجد کی تعمیر کا کام جاری ہے تاہم لاک ڈاؤن کے باعث میٹریل کے حصول/ فراہمی میں تعطل پیدا ہوا تھا۔ تاہم مسجد کا ایک حصہ کھول دیا گیا ہے اور جامع مسجد کا باب محمد کا افتتاح ڈاکٹر عبدالحمید شیخ کے ہاتھوں سے 16 اگست 2020 کو کر دیا گیا تھا۔ تکمیل کے بعد جامع مسجد میں دس ہزار نمازی عبادت کر سکیں گے۔

مزید یہ کہ دوران سال کمپنی نے بلاک ”ڈی“ میں ایک اور مسجد کی تعمیر کا افتتاح کر دیا ہے جس میں ڈیڑھ ہزار نمازی نماز ادا کر سکیں گے۔ اس کی تعمیر کا کام پلان کے مطابق آگے بڑھ رہا ہے اور کمپنی کا ارادہ ہے کہ آئندہ رمضان المبارک سے پہلے ہی اس مسجد کا افتتاح کر دیا جائے۔

## کارپوریٹ سماجی ذمہ داری (Corporate Social Responsibility)

کمپنی کو ادارہ ہے کہ اپنے گاہکوں، ملازمین اور شیئرز ہولڈرز کے ساتھ ساتھ سماجی شعبے میں حصہ ڈالنا بھی اس کی ذمہ داری ہے۔ ایک ذمہ دار کارپوریٹ ادارے ہونے کی حیثیت سے کمپنی نے معیشت کے مختلف سماجی شعبوں میں مختلف طریقوں سے اپنا حصہ ڈالا ہے تاکہ ملک میں معیار زندگی میں بہتری لائی جاسکے۔ اس ضمن میں کمپنی پاکستان کی مختلف سماجی انجمنوں اور این جی اوز کے ساتھ مل کر کام کر رہی ہے۔ سماجی بہتری کے لئے اٹھائے جانے والے چند اقدامات کا احوال درج ذیل ہے:-

## ماحولیات، صحت اور تحفظ

کمپنی نے اپنے پروجیکٹ کا ڈیزائن توانائی کی بچت کو مد نظر رکھتے ہوئے تیار کیا ہے جس میں مکانات کو گرم اور ٹھنڈا رکھنے کے لئے کم سے کم توانائی خرچ کرنا پڑے اور سورج کی دھوپ اور قدرتی ہوا کام میں لائے جاسکیں۔ پروجیکٹ کے وسیع رقبے پر سبزہ اگایا جا چکا ہے۔ ذمہ دار کارپوریٹ شہری ہونے کی حیثیت سے ہم آگاہ ہیں کہ اپنے ساتھیوں کو محفوظ اور صحت بخش ماحول کی فراہمی ہماری ذمہ داری ہے۔ مقام کار سے خطرات ختم کرنے اور اپنے ملازمین کو محفوظ، صحت بخش اور آرام دہ حالات کار فراہم کرنے کے لئے ہم کوئی دقیقہ فرو گزاشت نہیں رکھتے۔ ہمارا سٹیفنی کلچر اس خیال پر قائم ہے کہ زخمی ہونے سے بچا جاسکتا ہے۔ چنانچہ ”صفر حادثات اور صفر زخمی“ کے کلیے کو ہم نے اپنا مقصد بنایا ہے۔ اس مقصد کے حصول کی خاطر ہم بہتری لانے کی مسلسل کوششیں کرتے رہتے ہیں اور تمام حادثات کی اطلاع دی جاتی ہے اور ان کی تحقیقات کر کے حادثے کی بنیادی وجہ بھی تلاش کی جاتی ہے۔ ہم یقین رکھتے ہیں کہ تحفظ اور صحت مسلسل بہتری اور ہمہ وقت چوکسی کا نام ہے۔ ہم اپنے تمام ساتھیوں کے تحفظ اور صحت کی بہتری کے لئے مسلسل اقدامات اٹھاتے رہیں گے۔

## قدر کی شمولیت

کارپوریٹ سماجی ذمہ داری کی بات آتی ہے تو ”نیاناظم آباد“ صف اول میں نظر آتا ہے 2020-2021 کا سال COVID کی وباء کے سبب ساری دنیا کے لئے انتہائی مشکل ثابت ہوا ہے۔

اپنی کمیونٹی اور قرب و جوار میں رہنے والوں کو بہترین طبی سہولیات کی فراہمی کے عہد کے ساتھ ”نیاناظم آباد“ نے علی حبیب میڈیکل سینٹر میں متعدد مفت میڈیکل کییمپوں کا انعقاد کیا ہے۔



اس کے ساتھ ساتھ ”نیاناظم آباد“ نے وزارت صحت، حکومت سندھ کے تعاون سے علی حبیب میڈیکل سینٹر میں ہی ایک ”کوویڈ ویکسی نیشن سینٹر“ بھی قائم کیا ہے۔



اسسٹنٹ کمشنر (اے سی) منگھوپیر، ضلع غربی، کراچی کے دفتر نے سندھ لینڈ ریویو ایکٹ 1967 کے تحت مورخہ 18 دسمبر 2019 کو اور مورخہ 27 جنوری 2020 کو ایک اور مراسلہ ڈائریکٹر جنرل (ڈی جی)، سندھ بلڈنگ کنٹرول اتھارٹی کے نام جاری کئے تھے جن میں جناب ڈائریکٹر جنرل کو ”نیاناظم آباد“ کے آلے آؤٹ پلان منسوخ کرنے کی ہدایات دی گئی تھیں۔

ان نوٹسوں کے اجراء پر خصوصی توجہ دیتے ہوئے کمپنی نے معزز عدالت عالیہ سندھ کے حضور ایک استدعا داخل کی تھی اور عدالت عالیہ سندھ نے مورخہ 11 فروری 2020 کو اپنے ایک حکم نامے کے ذریعے مذکورہ مراسلے/نوٹس کو معطل کر دیا تھا اور مدعا علیہ کو کمپنی کے خلاف جا برانہ اور مخالفانہ اقدامات اٹھانے سے روک دیا تھا جس کی ڈپٹی کمشنر کے دفتر نے تعمیل کی ہے۔

انتظامیہ پوری طرح پُر اعتماد تھی کہ اس نے ”نیاناظم آباد“ پروجیکٹ کے لئے ضروری تمام منظوریاں حاصل کی ہوئی ہیں اور اس بارے میں بھی پُر اعتماد تھی کہ کمپنی کا حق ملکیت قانونی اور واضح ہے اور کمپنی کے پاس محفوظ ہے۔ یہی وجہ تھی کہ کمپنی نے متعلقہ محکموں میں اس معاملے کی انتہائی سرگرمی سے بیرونی کی لہذا ڈپٹی کمشنر غربی کے دفتر نے قائل ہو کر میرٹ کے بغیر جاری کئے گئے مراسلے واپس لے لئے۔ ڈپٹی کمشنر غربی نے مورخہ 22 اپریل 2021 کے ایک مراسلے کے ذریعے کمپنی لہذا ڈائریکٹر جنرل سندھ بلڈنگ کنٹرول اتھارٹی کو پہلے جاری کردہ مراسلے/نوٹس واپس لے لئے۔

لہذا سال کے اختتام پر کمپنی نے بھی عدالت عالیہ سندھ میں داخل کردہ اپنی استدعا اس بنیاد پر واپس لے لی کہ چونکہ ڈپٹی کمشنر غربی نے حقائق کے منافی جاری کردہ اپنے نوٹس واپس لے لئے ہیں لہذا اس استدعا کا جواز نہیں۔ عدالت عالیہ سندھ نے مورخہ 08 ستمبر 2021 کو اسی مناسبت سے حکم جاری کر دیا ہے جس میں ڈپٹی کمشنر غربی کی جانب سے نوٹسوں کی واپسی کا ذکر بھی کیا گیا ہے جس سے یہ مقدمہ ختم ہو گیا ہے۔

انتظامیہ اپنے شیئر ہولڈروں اور دیگر اسٹیک ہولڈروں کی شکرگزار ہے کہ وہ اس کڑے وقت میں انتظامیہ اور کمپنی کے ساتھ کھڑے رہے۔ اور اللہ تعالیٰ کی رحمت اور شیئر ہولڈروں کی مدد سے کمپنی اور پروجیکٹ اس مشکل گھڑی سے کامیابی سے نکل آئے ہیں۔ انتظامیہ حکومت سندھ کی فہم و ادراک کے مظاہرے کی بھی شکرگزار ہے۔

## ترقیاتی کارکردگی

### انفراسٹرکچر کا ترقیاتی کام

سال کے دوران برسات سے پہلے خصوصی توجہ برساتی پانی کی نکاسی کے لئے بیرونی نالے کی تعمیر پر دی گئی۔ یہ بیرونی نالہ 4000 روڈ پر حاجی فضل ٹاؤن سے موجودہ نالے تک تعمیر کیا گیا ہے۔ اس نالے کی طوالت 7700 ft کلومیٹر ہے۔ بلاک بی، سی ڈی اور PSM کی جانب ہماری طرف کی زمین میں ایک بندھی تعمیر کیا گیا ہے تاکہ PSM سے ان بلاکوں کی جانب برساتی پانی کے بہاؤ کو روکا جاسکے۔ اس سلسلے میں ٹیکنیکل کنسلٹنٹ کی تجاویز پر دیگر اقدامات بھی اٹھائے گئے ہیں۔

بلاک ’ایم‘ میں انفراسٹرکچر کی تعمیر کا کام بھی پلان کے مطابق جاری ہے اور کمپنی کوشش کر رہی ہے کہ جلد ہی قبضے دے دیئے جائیں۔

فلائی اوور پروجیکٹ بھی اگلے مراحل میں ہے اور سندھ انوائزمنٹ پریوینشن ایکٹ 1980 سے NOG سمیت تمام سرکاری حکام سے ضروری NOCs حاصل کی جا چکی ہیں۔ پروجیکٹ کے کام کا ٹھیکہ دیا جا چکا ہے اور ٹھیکیدار کسی بھی دن کام شروع کر دے گا۔ اس پروجیکٹ کی تعمیر کی تکمیل کی متوقع مدت 15 سے 18 مہینے ہے۔ یہ فلائی اوور ناتھ ناظم آباد کو فلنڈریہ چوک، نصرت بھٹو کالونی اور انور شیم روڈ سے گزر کر ”نیاناظم آباد“ سے معصل کر دے گا۔ یہ پروجیکٹ ہمارے پورے پروجیکٹ کے لئے مستقبل میں کامیابی اور ترقی میں اہم کردار ادا کرے گا۔

### نیاناظم آباد جیم خانہ (کلب ہاؤس)

جدید طرز تعمیر کا نادر نمونہ اور آٹھ منزلوں پر مشتمل سروسز سونٹ والا ”نیاناظم آباد جیم خانہ“ ابھی تعمیر کے مراحل سے گزر رہا ہے۔ ”نیاناظم آباد جیم خانہ“ کی تعمیر کی رفتار بھی بڑھادی گئی ہے تاکہ یہ پروجیکٹ جون 2022 تک مکمل کیا جاسکے۔ اس پروجیکٹ کا سول ورک مکمل کیا جا چکا ہے اور اندرونی فینٹنگ اور اسپورٹس سہولیات کی تکمیل کا کام بھی جاری ہے۔ پروجیکٹ کی تکمیل ذیلی مراحل میں کی جائے گی اور کمپنی اس کلب کی ممبر شپ اور پہلے ذیلی مرحلے کی شروعات جاری تقویمی سال کے دوران ہی کرنے کا ارادہ رکھتی ہے۔

### علی حبیب میڈیکل سینٹر

علی حبیب میڈیکل سینٹر کے افتتاح کی صورت میں دوران سال ایک اور سنگ میل عبور کر لیا گیا ہے۔ یہ میڈیکل سینٹر ”نیاناظم آباد“ کے باسیوں کے ساتھ ساتھ پروجیکٹ کے قرب و جوار میں رہنے والے لوگوں کو بھی صحت کی تمام سہولیات فراہم کر رہا ہے۔

کمپنی 500 بستروں کی گنجائش والے تعمیراتی سطح کے ایک مکمل ہسپتال کے کام کی شروعات کی بھی منصوبہ بندی کر رہی ہے۔ اس کا ڈیزائن مکمل کر لیا گیا ہے جو سندھ بلڈنگ کنٹرول اتھارٹی سے منظوری کے مرحلے میں ہے۔ کام کا افتتاح مالی سال 2021-2022 کی دوسری سہ ماہی میں متوقع ہے۔

# ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2021 کو اختتام پذیر ہونے والے مالی سال کے آڈٹ شدہ غیر منظم اور منظم مالیاتی گوشوارے ہمراہ آڈیٹرز کی رپورٹ آپ کی خدمت میں پیش کرتے ہوئے دلی مسرت محسوس کر رہے ہیں۔

## سال 2021-2020 کا اجمالی جائزہ

ذیلی مارکیٹ کی طلب، اعتراف قدر، مکانات کی تعمیر میں اضافہ اور رہائش اختیار کرنے کے حوالے سے 30 جون 2021 کو اختتام پذیر ہونے والا مالیاتی سال مجموعی طور سے خوش گوار رہا ہے۔ یہ مثبت پیش رفت حوصلہ افزا ہے اور نہ صرف اس اعتماد اور بھروسے کے مظہر ہیں جو عوام ’نیا ناظم آباد‘ پر بطور ایک براؤنڈ نام کرتے ہیں بلکہ یہ حقیقتاً بھی ظاہر کرتے ہیں کہ ’نیا ناظم آباد‘ ایک ہاؤسنگ سوسائٹی سے اب ایک بستی یا گھر میں تبدیل ہو رہا ہے۔

گزشتہ برس اسی مدت کے برعکس رواں سال کے دوران مالیاتی کارکردگی میں کمی آئی ہے کیوں کہ زیر جائزہ مدت کے دوران نہ تو کوئی نیا بلاک پیش کیا گیا اور نہ ہی کوئی نیا پروجیکٹ۔ ہم توقع کرتے ہیں کہ اپارٹمنٹ کا پروجیکٹ پیش کئے جانے کے بعد عوام الناس کی جانب سے انتہائی گرم جوشی سے قبول کیا جائے گا اور آنے والی سہ ماہیوں اور برسوں میں اس کی فروخت اور مالیاتی اعداد و شمار میں اضافہ ہی ہوگا۔

## مالیاتی جائزہ

زیر جائزہ مالی سال کے دوران (غیر منظم بنیادوں پر) کمپنی نے، 1,047 ملین روپے کی فروخت ریکارڈ کی جو گزشتہ برس کی اسی مدت کے دوران 1,643 ملین روپے رہی تھی۔ زیر جائزہ مدت کے دوران لاگت فروخت 264 ملین روپے رہی جو گزشتہ برس کی اسی مدت کے دوران 708 ملین روپے رہی تھی۔ اختتام پذیر ہونے والے سال کے دوران خام منافع میں 16 فی صد کمی آئی جو 152 ملین روپے رہا اور اس کے برعکس خام منافع کی چھت میں 17 فی صد کا اضافہ ہوا۔ اس مدت کے دوران انتظامی اخراجات 420 ملین روپے رہے جو گزشتہ برس اسی مدت کے مقابلے میں 9 فی صد زیادہ تھے۔ زیر جائزہ سال کے دوران مالیاتی لاگت 107 ملین روپے رہی جو گزشتہ برس اسی مدت کے دوران 207 ملین روپے رہی تھی جو 48 فی صد کمی کو ظاہر کرتا ہے۔ مالیاتی لاگت میں کمی اسی مدت کے دوران زیر کار سرمائے کی بہتری کا مہیون منت ہے جو قلیل مدت میں کاروباری مالیات کے اخراجات میں کمی پر منتج ہوا۔ زیر جائزہ مدت کے اختتام پر قبل از ٹیکس اور بعد از ٹیکس منافع بالترتیب 370 ملین روپے اور 331 ملین روپے رہا۔ قبل از ٹیکس منافع میں 10 فی صد کمی آئی ہے جب کہ بعد از ٹیکس منافع میں 39 فی صد اضافہ ہوا جس کی وجہ بالترتیب قابل موازنہ مدت کے دوران ٹیکسوں کے اخراجات میں اچھی خاصی کمی ہونا ہے۔ اس کے نتیجے میں گزشتہ برس کی اسی مدت کے دوران 0.75 روپے کے مقابلے میں فی شیئر کمائی 1.04 روپے رہی۔

ذیل میں (غیر منظم) مالیاتی نتائج کا تقابلی خلاصہ پیش کیا جا رہا ہے:-

تفصیلات	30 جون 2021	30 جون 2020
(ہزار روپے)		
خالص فروخت	1,047,286	1,643,274
لاگت فروخت	(264,909)	(708,637)
خام منافع	782,377	934,637
منافع قبل از ٹیکس	370,171	409,330
منافع بعد از ٹیکس	331,240	236,700
فی شیئر کمائی (EPS) بنیادی (روپے)	1.04	0.75
فی شیئر کمائی (EPS) ڈیویڈنڈ (روپے)	1.04	0.75

معزز رہائشیوں کو بہترین اور خصوصی خدمات کی فراہمی کی غرض سے جاویداں کارپوریشن لمیٹڈ نے ایک مکمل ملکیتی کمپنی این این منی نیٹس کمپنی (پرائیویٹ) لمیٹڈ قائم کر دی ہے۔ اس ذیلی کمپنی نے مورخہ 01 جنوری 2020 سے کام کا آغاز کیا۔ منظم بنیادوں پر زیر جائزہ مدت کے دوران آمدنی 1,117 ملین روپے رہی اور بعد از ٹیکس منافع 262 ملین روپے رہا جو فی شیئر 0.83 روپے کمائی پر منتج ہوا۔



# Form of Proxy

## 59<sup>th</sup> Annual General Meeting

The Company Secretary  
Javedan Corporation Limited  
Arif Habib Centre  
23, M.T. Khan Road  
Karachi.

I/we \_\_\_\_\_ of \_\_\_\_\_ being a member(s)  
of Javedan Corporation Limited holding \_\_\_\_\_ ordinary shares as per  
CDC A/c. No. \_\_\_\_\_ hereby appoint Mr./Mrs./Miss \_\_\_\_\_  
\_\_\_\_\_ of (full address) \_\_\_\_\_  
\_\_\_\_\_ or failing him/her  
Mr./Mrs./Miss \_\_\_\_\_ of (full address)  
\_\_\_\_\_

(being member of the company) as my/our Proxy to attend, act vote for me/us and on my/our behalf at the Fifty Ninth Annual General Meeting of the Company to be held on October 26, 2021 and/or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Witnesses:

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
CNIC No. : \_\_\_\_\_  
Signature : \_\_\_\_\_

2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
CNIC No. : \_\_\_\_\_  
Signature : \_\_\_\_\_

Signature on  
Rs. 5/-  
Revenue Stamp

NOTES:

1. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
2. Proxy shall authenticate his/her identity by showing his/her original CNIC / passport and bring folio number at the time of attending the meeting.
3. In order to be effective, the proxy Form must be received at the office of our Registrar CDC Share Registrar Services Limited Share Registrar Department, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, not less than 48 hours before the meeting duly signed and stamped and witnessed by two persons with their signature, name, address and CNIC number given on the form.
4. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy Form.
5. In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted alongwith proxy Form.

# پراکسی فارم

59<sup>th</sup> سالانہ جنرل اجلاس

میں مسٹی / مسماة \_\_\_\_\_ ساکن \_\_\_\_\_ ضلع \_\_\_\_\_

مسٹی / مسماة \_\_\_\_\_

ساکن \_\_\_\_\_ کو بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے

سالانہ اجلاس عام جو بتاریخ 26 اکتوبر، 2021 بوقت دن 04:00 بجے منعقد ہو رہا ہے اس میں یا اس کے

کسی ملتوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

دستخط: \_\_\_\_\_ بروز/بتاریخ \_\_\_\_\_ 2021

گواہان:

1

2

نام: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

پتہ: \_\_\_\_\_

شناختی کارڈ نمبر: \_\_\_\_\_

شناختی کارڈ نمبر: \_\_\_\_\_

دستخط: \_\_\_\_\_

دستخط: \_\_\_\_\_

دستخط ۵ روپے  
ریونیو اسٹیٹیمپ

نوٹ:

- وہ رکن جسے یہ اجلاس یا اجلاس میں ووٹ کا حق حاصل ہے وہ کسی ناگزیر صورت حال میں اپنی جگہ کسی دوسرے (مخصوص) رکن کو یہ حق دے سکتا ہے کہ وہ رکن اُس کی پراکسی استعمال کرتے ہوئے، اُس کے بجائے اجلاس میں شریک ہو سکتا ہے، خطاب کر سکتا ہے یا ووٹ کا اندراج کر سکتا ہے۔
- پراکسی ثابت کرنے کے لئے اُسے اپنا اصل پاسپورٹ اور فوٹو نمبر سے دکھانا لازمی ہے تاکہ اجلاس میں شرکت کی اجازت سے قبل اُس کی شناخت کی جاسکے۔
- منوثر بنانے کے لئے، پراکسی فارم ہمارے رجسٹرار کے دفتر (ایم/ایس) سینٹرل ڈیپوزیٹری کمپنی آف پاکستان، شیئر رجسٹرار ڈیپارٹمنٹ، سی ڈی سی ہاؤس، B-99، ایس، ایم، سی، ایچ، ایس، شاہراہ فیصل، کراچی، پاکستان، میں اجلاس سے کم از کم 48 گھنٹے قبل وصول ہونا لازمی ہے۔ فارم میں تمام مطلوبہ معلومات، رکن کے دستخط اور مہر، نیز دو گواہان کی بنیادی معلومات یعنی نام پتے، دستخط اور شناختی کارڈ نمبر کا اندراج ضروری ہے۔
- انفرادی رکن کی صورت میں اصل اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول منسلک کرنا لازمی ہے۔
- پراکسی کے کارپوریٹ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد، پاور آف اٹارنی، شناختی کارڈ اور پاسپورٹ کی تصدیق شدہ نقول، پراکسی فارم کے ساتھ منسلک کرنا ضروری ہے۔

**REGISTERED OFFICE**

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

**SITE OFFICE:**

Naya Nazimabad Manghopir Road,  
Karachi - 75890



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**Email Us:**

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Website: [www.jcl.com.pk](http://www.jcl.com.pk)