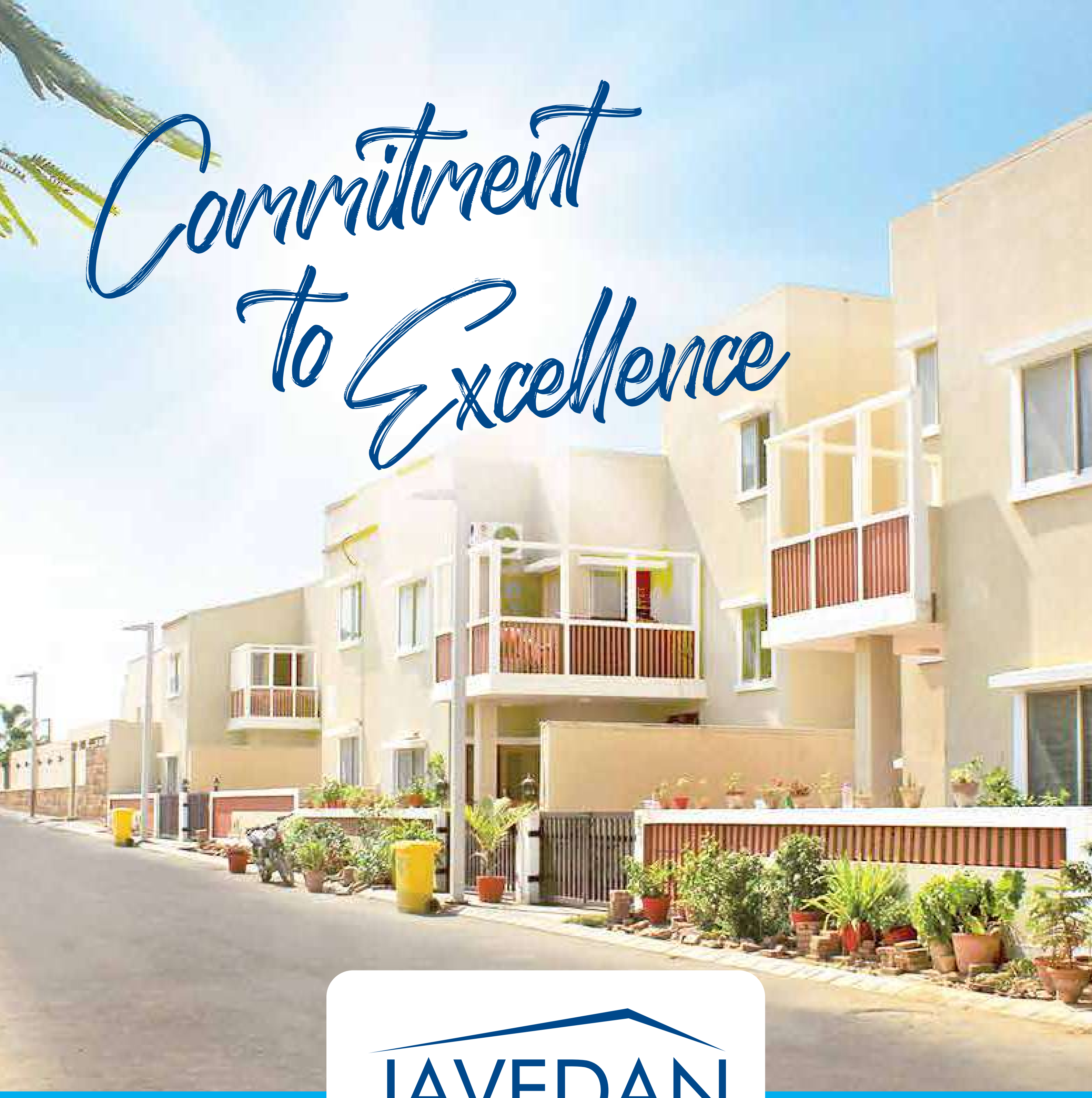


Commitment to Excellence

JAVEDAN CORPORATION LIMITED

ANNUAL REPORT 2020

MASJID | STADIUM | SECURITY | MEDICAL CENTER | SPORTS CLUB

"It is only with united effort and faith in our destiny that we shall be able to translate the Pakistan of our dreams into reality."

Jinnah

TABLE OF CONTENT

COMPANY INFORMATION

Board of Directors

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

Chief Financial Officer & Company Secretary

Muneer Gader

Audit Committee

Abdul Qadir Sultan	Chairman
Alamgir A. Sheikh	Member
Muhammad Ejaz	Member
Owais Ahmed	Secretary

HR & Remuneration Committee

Saeed Ahmad	Chairman
Arif Habib	Member
Muhammad Ejaz	Member
Samad A. Habib	Member

Auditors

Reanda Haroon Zakaria & Co.,
Chartered Accountants
EY Ford Rhodes
Chartered Accountants

Bankers

Allied Bank Limited
Al-Baraka Pakistan Limited
Askari Bank Limited
Bank Al-Falah Limited
BankIslami Pakistan Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
Sindh Bank Limited
Summit Bank Limited
United Bank Limited
The Bank of Punjab
Meezan Bank Limited
Dubai Isamic Bank Pakistan Limited

Registered Office

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

Site Office:

Naya Nazimabad, Manghopir
Road, Karachi -75890
Tel : 92-21- 36770141-42,
UAN: 111-511-611
Website: 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 and 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 prices 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 to 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 this is extremely important to 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 clients 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 to 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 the extent practical, JCL will be involved in community, education and donations programs.

Compliance with Applicable laws and Regulation

The company ensure compliance of 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 parties 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 Chairman of Pakarab Fertilizers Limited, Fatima Fertilizer Company Limited, Fatimafert Limited, Aisha Steel Mills Limited and Sachal Energy Development (Pvt.) Limited.

Mr. Arif Habib remained the elected President/Chairman of Pakistan 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. Over the years he has been nominated on the Board of Directors of a number of companies by the Government of Pakistan. He is currently a member of the Think-Tank constituted by the Prime Minister on COVID-19 related economic downturn.

Mr. Habib participates significantly in welfare activities. He is one of the trustees of Fatimid Foundation and Memon Health & Education Foundation as well as a director of Pakistan Centre for Philanthropy, Karachi Education Initiative, Pakistan Business Council and Karachi Sports Foundation.

CORPORATE RESPONSIBILITIES

- Arif Habib Corporation Limited (Chief Executive)

AS CHAIRMAN

- Aisha Steel Mills Limited
- Fatima Fertilizer Company Limited
- Javedan Corporation Limited
- Arif Habib Consultancy (pvt) Limited
- Arif Habib Foundation
- Black Gold Power Limited
- Karachi Sports Foundation
- Pakarab Fertilizers Limited
- Sachal Energy Development (Private) Limited

AS DIRECTOR

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

AS HONORARY TRUSTEE / DIRECTOR

- Fatimid Foundation
- Karachi Education Initiative
- Memon Health & Education Foundation
- 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 DIRECTOR
- Dolmen City REIT/Arif Habib Dolmen REIT Management Limited
- Arif Habib Corporation Limited
- 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.

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. 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
- Dolmen City REIT/Arif Habib Dolmen REIT Management Limited (Chief Executive)

AS DIRECTOR
- Aisha Steel Mills Limited
- Arif Habib Corporation Limited
- 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.

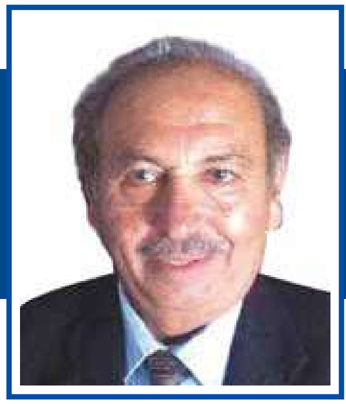
Mr. Saeed Ahmad has also worked in the corporate sector at senior executive positions such as Vice President Finance & Chief Financial Officer at the biggest Saudi multinational group in Jeddah. Earlier, he was also heading a group of companies in England.

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 Siddiq Khokar
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 SIDDQUE 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.

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 completed his article ship from A.F.Ferguson & Co.one of the finest accountancy firms in Pakistan. He has a working experience of over 12 years in various diversified capacities. His last assignment was as the Head of Internal Audit at AKD Investment Management Limited (The Asset Management Company of the AKD Group managing a portfolio of over Rs. 5 billion). 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. He is also a member of the PAIB Committee of ICAP and the Rotary Club of Karachi.

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 Co 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.Faisal Anees Bilwany
Director

Mr. Faisal Anees Bilwany is architect at Faisal Bilwany Associates. He has practical knowledge of dealing with Construction and real estate Business. He is a member of Pakistan Council of Architects and Town Planners (PCATP) and Licensed architect of Sindh Building Control Authority (SBCA) and Defence Housing Authority (DHA). He has done Local and international projects and has a vast experience of residential and commercial projects.

NOTICE OF 58TH ANNUAL GENERAL MEETING

Notice is hereby given that that Fifty Eight Annual General Meeting of the shareholders of Javedan Corporation Limited (the Company) will be held on Tuesday, October 27, 2020 at 04:45 p.m. at PSX Auditorium, Stock Exchange Building, and Stock Exchange Road, Karachi to transact the following business

ORDINARY BUSINESS

1. To confirm minutes of the 57th Annual General Meeting held on October 26, 2019.

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, 2020 together with the Audited Consolidated Financial Statement of the Company and the Auditors' Report thereon for the year ended June 30, 2020.

3. To appoint Auditors and fix their remuneration for the year ending June 30, 2021. 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.

SPECIAL BUSINESS

4. 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, 2021 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, 2021.

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).

ANY OTHER BUSINESS

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

By Order of the Board
Muneer Gader
Company Secretary

Karachi
Dated: October 06, 2020

NOTES:

1. In the wake of prevailing situation due to pandemic SECP has instructed listed companies to modify their usual planning for General Meetings for the safety and well-being of shareholders and the public at large.

   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 with subject of "Registration for JCL AGM 2020" 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 20, 2020 to October 27, 2020 (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 19, 2020, 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:

   i. 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

   ii. 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

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, 2020 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, 2020 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

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.

STATEMENT U/S 134(3) OF THE COMPANIES ACT, 2017

This statement set out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 27, 2020.

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

Item Number 4 of the notice – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2021

The Company shall be conducting transactions with its related parties during the year ending June 30, 2021 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, 2021, 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.

Review Report by the Chairman on the overall Performance of the Board

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 2020 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: 01 October 2020

Directors' Report

Dear Shareholders

On behalf of the Board of Directors of the Company, We are presenting a brief review of the financial and operational performance of your company for the financial year ended June 30, 2020 together with auditors' report thereon.

2019-2020 at a Glance

The financial year ended 30 June 2020 had been quiet challenging one. The first half of the financial year saw some recovery from economic slowdown of earlier financial periods, which had resulted from tough stabilizing measures by the government. However, second half of the financial year was disrupted due to global pandemic - COVID 19, which is still ongoing. As a result the momentum or gains made in the first half of the financial year were dissipated.

On an overall basis, Pakistan managed the COVID 19 and related lockdown situation smartly and businesses were reopened earlier than in most other countries. Despite the challenges the number of new sale from remaining inventory of already launched blocks, before and after lockdown, were quiet satisfactory. Launch of the apartment project, however, got deferred.

Financial Review

During the financial year (on an unconsolidated basis) the Company recorded sale of PKR 1,643 million as compared to PKR 1,899 million in the corresponding period last year. The Cost of sales for the period was recorded at PKR 708 million as compared to PKR 772 million in the corresponding period. The gross profit for the year declined by 17% amounting to PKR 191 million. The administrative expenses for the period remained at PKR 386 million increasing by 6% over the corresponding period. The finance cost for the year remained at PKR 207 million as compared to PKR 117 million. The finance cost has increased due to higher average mark-up rate over the corresponding period. The profit before tax and profit after tax for the period remained at PKR 409 million and 237 million respectively and declined by 41% and 59% respectively. This translated into earning per share of Rs 0.75 as compared to Rs. 1.83 over the corresponding period. The profitability over the period has declined mainly on account of deficit of PKR 238 million recognised on development cost incurred and development cost recovered from allottees of Phase 1 and increase in finance cost.

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

Particulars	30 June 2020	30 June 2019
	(Rupees in thousands)	
Net Sales	1,643,274	1,899,014
Cost of sales	(708,637)	(772,949)
Gross Profit	934,638	1,126,065
Profit before taxation	409,330	696,465
Profit after taxation	236,700	579,880
EPS - Basic (in rupees)	0.75	1.83
EPS - Diluted (in rupees)	0.75	1.83

JCL has set up a wholly owned subsidiary Company - NN Maintenance Company (Private) Limited, which commenced its operations from 01 January 2020. On a consolidated basis revenues of JCL for the period are PKR 1,677 million and the profit after tax for the period is PKR 209 million, which translates into EPS of Rs. 0.66.

Development Performance

Infrastructure development work of Block A, B, C & D is complete and the development work in Block M and on other projects is ongoing. Installation of individual KE meter in the first phase commenced in Block B. Further, approval of gas connection has also been received from SSGC. For ICT an agreement has been reached with Optix (Private) Limited for the provision of triple play services to the residents. The infrastructure work for the same has already begun and the provision of this service will definitely facilitate the residents. Education, Health, Sports, leisure and other amenities are fast developing and gradually becoming operational. Around 600 families have settled in Naya Nazimabad and a good hundreds of houses are under construction. Naya Nazimabad will continue to grow as a cohesive community.

Other Projects in Naya Nazimabad

Naya Nazimabad Gymkhana (Club House)

Naya Nazimabad Gymkhana (NNG) which includes a state of the art and one of its kind club house facility and eight floor services suites is under construction. Civil work has been completed and the finishing work has commenced, which will be completed in sub-phases. The management intends to inaugurate the first phase of Club House in second half of current financial year. The club house will include state of the art indoor and outdoor sports facilities, restaurants and other facilities for its members.

Medical Centre & School

Medical Centre is complete and will be formally launched in October 2020 whereas, School has already been completed and had begun operations before the COVID lockdown. Medical Centre will include 24/7 emergency services, pharmacy, Radiology services, consultant clinics lab and other facilities for the facilitation of resident of Naya Nazimabad.

Jama Mosque

The work on Jama Masjid is progressing however, due to lockdown there has been some delays in procurement/delivery of material. Further, subsequent to the year end the Bab-e-Muhammad of Jama Masjid was inaugurated on 16 August 2020 by Dr. Abdul Hafeez Shaikh

With respect to recent monsoon rainfall and the events following it, the board and the management would reiterate that the internal drainage system within Naya Nazimabad does exist and it is effective and is sufficient to cater the storm water from within the project which was evidenced from earlier heavy spell during this monsoon season. However, towards the end of August 2020 unfortunately due to very heavy rainfall and in the absence of any drainage system being available in adjacent goths or outside the project the water had accumulated to life threatening level in adjacent Kachi Abadi/Goth, which was diverted towards Naya Nazimabad. This external quantum exceeded its capacity and also due to blockade in external sewerage line of LDA the disposal of storm water took relatively longer period in disposal.

During this period the management stood by with effected residents, which were provided with alternative places, food and other basic facilities. Every possible step was taken for the facilitation of residents during this period as well as post drainage of storm water in order for the resettlement of people in their homes.

Corporate Social Responsibility (CSR)

The Company realizes its social responsibility towards the national economy apart from its customers, employees and shareholders. As a responsible corporate citizen, the Company has contributed to different social segments of the economy in various ways for improving quality of life in the country. In this regard, the company has been working with many reputable organizations and NGOs in Pakistan. Some of social community initiatives are as follows:

Environment, Health and Safety

The company has designed its project with 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

Partnership with HANDS: With an emphasis on empowering education in the country, JCL continues its support for Government Schools in Karachi in collaboration with Hands to transform them into model educational campuses for the country by not only providing assistance to improve the quality of education in early primary classes for selected government schools but also training parents, communities, local government and educational institutions.

We have also donated funds to TTRC. 21 private schools with more than 8000 students benefit from this donation.

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 places to play its parts in development of sports in the City. The Company also runs football and cricket academies at its ground for the youth of Karachi to engage in healthy activities.

Credit Rating

The Company has been assigned entity ratings of 'AA-/A-1' (Double A Minus/A-One) by VIS Credit Rating Company Ltd. The outlook on the assigned ratings is 'Stable'. This certification underscores the Management vision for continuous growth and is expected to provide further confidence to the market.

Memberships

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

Market Overview

The FY 19-20 has been severely affected due to COVID 19 and resultant lockdown. The slight recovery achieved or momentum built-up in the first half of the financial year was overturned. New projects were to be launched and Company also intended to launch its Phase 2 Naya Nazimabad Apartments but then due to lockdown and slowdown in business/economic activity the launch had to be rescheduled.

The timely action of federal government and SBP facilitated (which included significant reduction in bench mark rate, deferment of principal repayments, salary refinance scheme and other measures) and provided much needed financial support to businesses and industries to survive the challenge posed by COVID 19.

Moreover the number of new sale in Naya Nazimabad post lockdown had been quiet impressive. It reiterated the confidence and trust of people in the brand name of Naya Nazimabad.

Future Outlook

COVID 19 still poses a big challenge for the world economy as some countries are observing second wave of the COVID 19 as numbers of infectees are on the rise. Pakistan is in tight spot and need to derive a balance wherein the economic activity is not jeopardize and simultaneously COVID 19 remain in check otherwise second wave can be catastrophic.

For Real Estate Sector the announced construction package by the Federal Government should provide some stimulus to the sector to restore normalcy earlier than, otherwise, expected. It is important to note that the construction package by the Federal Government has been backed up by necessary changes required at Provincial level in terms of provincial level taxes and duties however the facilitation in approval process is still to be witnessed.

Naya Nazimabad is now poised to launch new phase of its projects. The new phase would bring thoughtfully designed apartments and commercial arcade to the market. Planning for the launch is almost complete. However, the timing of launch will need to be tactfully assessed due to prevailing overall economic environment as well as in order to generate optimal value from the launch of the project. This is keeping in view the overall positive dynamics at Naya Nazimabad such as increased habitation and resultant value appreciation that is expected from completion of ongoing value enhancing projects.

Corporate and Financial Reporting Framework

JCL is listed at the Pakistan Stock Exchange. The Board of the Company are 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, 2020, the directors, executives and their spouses and minor children have not traded in the shares of the Company. The threshold set by the Directors, for disclosure of the term "executive", in annual report constitutes employee whose annual basic salary exceeds Rs. 1.2 million in a year.

Directors' Attendance at Board and its Committee Meeting

During the year ended 30 June 2020, four (04) Board Meetings. Four (04) Audit Committee Meetings and one (01) 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	1
Mr Samad A. Habib	4	2 (By invitation)	1
Mr Muhammad Ejaz	4	4	1
Mr Abdul Qadir Sultan	4	4	N/A
Mr Faisal Bilwany	2	N/A	N/A
Mr. Alamgir Shiekh	4	4	N/A
Mr. Siddique Khokar	4	N/A	N/A
Ms. Darakshan Zohaib	3	N/A	N/A
Mr. Saeed Ahmad	4	N/A	N/A

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 Ahmad	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, 2020 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 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 ending 30 June 2021, as recommended by the Audit Committee, subject to approval of the members in the forthcoming 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, 2020 is annexed to this report.

Information to Stakeholders

Key Operating and financial data of previous years has been summarized and presented at Page No. 36-40

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. 6.13 million

Acknowledgements

On behalf of the Board of Directors, We thank our customers and shareholders for their support in defining this year as an extraordinary year for Javedan Corporation Limited. Your unwavering confidence inspires and enables us to fulfil our core purpose of creating long-term value for all our stakeholders, and in underlining JCL as an organization that earns trust and goodwill and establishing a brand name. I would like to thank our banks and financial institutions who over the years have been critical in enabling the Company to deliver this project. I would also like to thank Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange, Sindh Board of Revenue, Lyari Development Authority, Sindh Building Control Authority, Environmental Protection Agency and above all Government of Sindh for their support to the project. I also appreciate all the employees of the Company for the hard work put in by them. May Allah bless us in our efforts. Ameen.

Abdus Samad Habib
Chief Executive

Arif Habib
Chairman

Dated: 01 October 2020

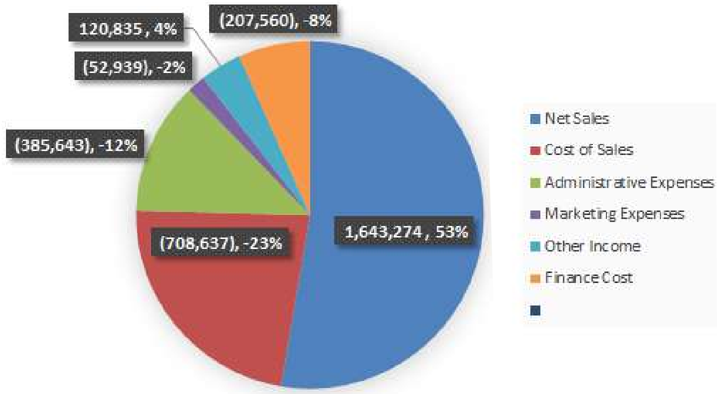
FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

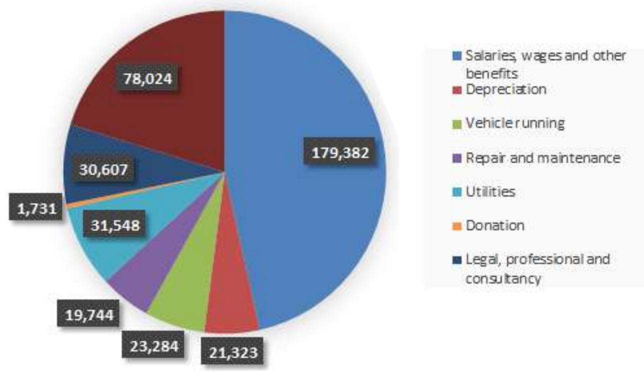
		2020	2019	2018	2017	2016	2015
Investment measure							
Ordinary Share Capital	Rs./Mn	**3,173**	2,885	2,671	1,571	1,294	1,166
Reserves	Rs./Mn	**5,804**	5,723	5,361	2,059	373	(78)
Surplus on revaluation of lands	Rs./Mn	**8,544**	8,675	5,803	6,149	6,355	6,536
Ordinary Share holder's Equity	Rs./Mn	**17,523**	17,284	13,835	9,778	8,022	7,624
Dividend on Ordinary Shares	Rs./Mn	-	-	187	445	-	-
Dividend per Ordinary Shares	Rs.	-	-	0.7	2.5	-	-
Profit before Taxation	Rs./Mn	**409**	696	1,101	1,388	600	1,005
Profit after Taxation	Rs./Mn	**236**	579	704	990	695	800
Earning per share (Basic)	Rs.	**0.75**	1.83	3.35	7.43	4.57	7.1
Measure of financial Status							
Current Ratio	X:1	**3.94**	4.51	3.10	3.59	2.57	2.70
Debt Equity Ratio	X:1	**0.29**	0.31	0.26	0.19	0.29	0.55
Total Debt Ratio	X:1	**0.20**	0.21	0.34	0.32	0.40	0.38
Sales	Rs./Mn	**1,643**	1,899	2,479	2,468	1,227	1,260
Cost of Goods Sold as % of Sales	%	**43.12%**	40.70%	44.34%	24.14%	23.86%	33.65%
Profit before Taxation as % of Sales	%	**24.91%**	40.53%	44.39%	56.24%	48.90%	78.98%
Profit after Taxation as % of Sales	%	**14.40%**	33.24%	28.39%	40.10%	56.64%	63.49%

JCL A BIRD'S EYE VIEW

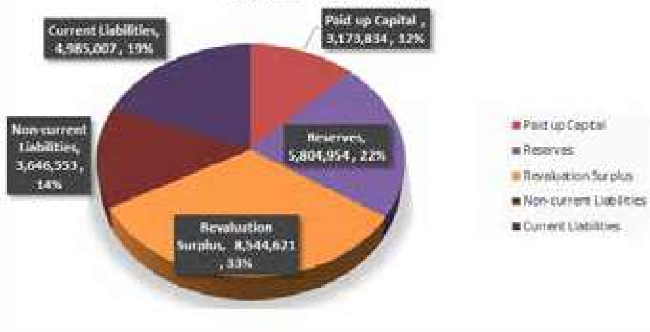
Operating Revenue & Expenses



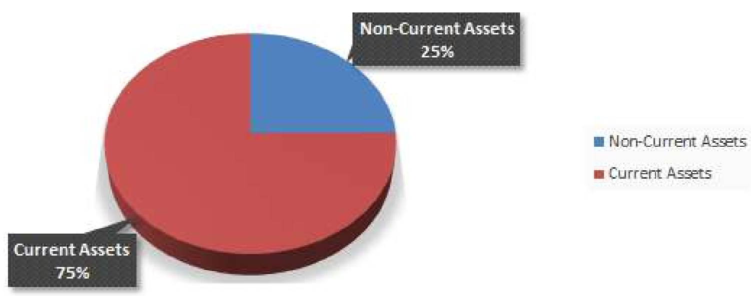
Administrative Expense



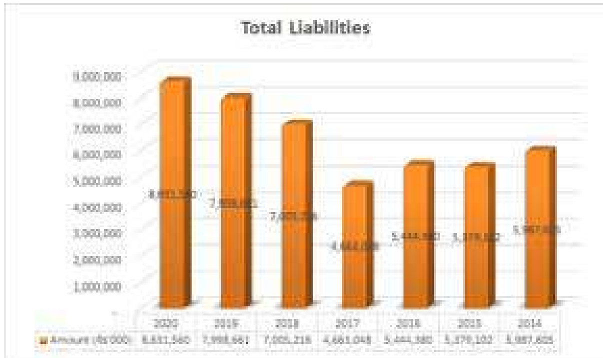
Equity & Liabilities

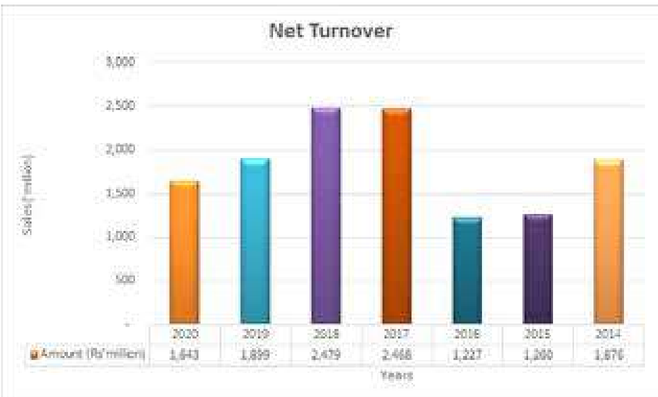


Current & Non-Current Liabilities



GRAPHICAL REPRESENTATION





GRAPHICAL REPRESENTATION

STATEMENT OF COMPLIANCE WITH CCG AND REVIEW REPORT THEREON

EY Ford Rhodes
Chartered Accountants
Progressive Plaza
Beaumont Road
Karachi

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

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 2020 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 2020.

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
20	The position of Chief Financial Officer and the Company Secretary is being held by the same person.
12 & 20	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

EY Ford Rhodes
Chartered Accountants

Reanda Haroon Zakaria & Co.

Reanda Haroon Zakaria & Co.
Chartered Accountants

Karachi
Date: 06 October 2020

Statement of Compliance with Listed Companies (Code Of Corporate Governance) Regulations, 2019

For the year ended June 30, 2020

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 nine (09) as per the following:

a) Male	8
b) Female	1

2. The composition of the Board is as follows:

Category	Names
Independent Director	Mr. Abdul Qadir Sultan Mr. Alamgir Sheikh Mr. Siddiq Khokar
Executive Director Non-Executive Directors	Mr. Samad A. Habib Mr. Arif Habib – Chairman Mr. Saeed Ahmad Mr. Faisal Bilwany 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 their 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 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 and Company Secretary, including his 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 Execution Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

Category	Names
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. 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 Committee was as follows:

Name of Committee	Frequency of Meeting
Audit Committee	4 meetings were held during the year. The meetings of the Audit Committee are held on a quarterly basis
HR and Remuneration Committee	1 meeting was held during the year. The meeting of the HR and Remuneration Committee is held on a yearly basis.

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is 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 the 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 other requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

19. We have complied with all the requirements of repealed Listed Companies (Code of Corporate Governance) Regulations, 2017 until the date of its applicability.

20. 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 that 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.
Regulations 28(2)	The Chairman of the Human Resource and Remuneration Committee (HRRC) shall be an independent director. The current Chairman of HRRC, Mr. Saeed Ahmad at the time of appointment, as the Chairman of the Committee was an independent director. However, later during the year, he was appointed a Chief Executive of a subsidiary company, hence, he does not meet the criteria of independent director 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 (see point 12 above).

For and behalf of the board.

Arif Habib
Chairman
Dated: October 01, 2020

INDEPENDENT AUDITORS' REPORT AND UNCONSOLIDATED FINANCIAL STATEMENTS

EY Ford Rhodes
Chartered Accountants
Progressive Plaza
Beaumont Road
Karachi

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

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 2020, 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 2020 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.

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

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
1. Contingencies	
(Refer notes 29.1.1 (a) and 29.1.1 (b) to the accompanying financial statements) The Company has contingent liabilities in respect of legal and income tax matters, which are pending adjudication at various levels with the taxation authorities, courts and other legal forums. Contingencies require management to make judgements and estimates in relation to the interpretation of tax and other 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. 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 legal and income tax a key audit matter.	Our audit procedures in respect of legal and tax contingencies included, amongst others, we obtained and checked details of the pending legal and tax related matters and discussed the same with the Company's management. We checked the correspondence of the Company with the relevant authorities, legal / 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. We obtained and checked confirmations from the Company's external legal / tax advisors for their views on the probable outcome of the legal matters, open tax assessments and other legal / tax related contingencies. 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. We also evaluated the adequacy of disclosures made in respect of legal and tax contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.
Å2. Valuation of development properties	
Refer note 12 to the accompanying financial statements) 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 2020, DP amounted to Rs. 18,360 million and constitutes 70% of the total assets of the Company and is measured at the lower of cost or net realizable value (NRV). Due to its materiality and significance in terms of judgements and estimates involved in capitalization of cost incurred as a part of Project and valuation of underlying DP, we have considered this a key audit matter.	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. 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 Board level to identify any indicators of adjustments.

EY Ford Rhodes
Chartered Accountants
Progressive Plaza
Beaumont Road
Karachi

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

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
	We assessed the reasonableness of NRV of DP by involving specialists and compared the same with the cost on sample basis to ascertain the recording of DP at lower of cost or NRV. We also reviewed the related disclosures in accordance with the applicable financial reporting standards.

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 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.

EY Ford Rhodes
Chartered Accountants
Progressive Plaza
Beaumont Road
Karachi

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

- 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Reanda Haroon Zakaria & Co.
Reanda Haroon Zakaria & Co.
Chartered Accountants

Karachi

Date: 06 October 2020

Javedan Corporation Limited
Statement of Financial Position
AS AT JUNE 30, 2020

	Note	2020	2019
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	5,937,790	5,464,329
Intangible assets	7	5,463	-
Investment properties	8	567,664	55,000
Long-term deposits	9	9,905	8,268
Long-term investment	10	10,000	-
Deferred tax assets - net	11	-	17,991
		6,530,822	5,545,588
CURRENT ASSETS			
Development properties	12	18,359,932	17,915,327
Trade debts	13	494,188	789,495
Loans and advances	14	599,518	954,336
Short-term investment	15	37,750	-
Trade deposits, prepayments and other receivables	16	72,851	21,577
Cash and bank balances	17	59,908	56,751
		19,624,147	19,737,486
TOTAL ASSETS		26,154,969	25,283,074
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
390,000,000 (2019: 390,000,000) ordinary shares of Rs.10/- each		3,900,000	3,900,000
Issued, subscribed and paid-up capital	18	3,173,834	2,885,304
Capital reserves	19	3,393,056	3,393,056
Revenue reserves	19	2,411,899	2,330,440
Other component of equity - revaluation surplus on lands	20	8,544,621	8,675,613
		17,523,410	17,284,413
NON-CURRENT LIABILITIES			
Long-term financing	21	3,589,433	3,563,112
Deferred grant	22	1,289	-
Deferred tax liability - Net	11	19,566	-
Deferred liability - gratuity	23	36,265	33,804
		3,646,553	3,596,916
CURRENT LIABILITIES			
Trade and other payables	24	325,923	521,337
Preference shares	25	510	510
Accrued mark-up	26	177,110	171,565
Contract liabilities	27	2,976,549	1,840,634
Short-term borrowings	28	899,406	1,485,603
Current maturity of non-current liabilities	21&22	479,568	345,417
Taxation - net		121,377	32,564
Unpaid preference dividend		122	60
Unclaimed dividend		4,441	4,055
		4,985,006	4,401,745
CONTINGENCIES AND COMMITMENTS	29		
TOTAL EQUITY AND LIABILITIES		26,154,969	25,283,074

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

Chief Executive　　　Chief Financial Officer　　　Director

Javedan Corporation Limited
Statement of Profit or Loss
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		(Rupees in thousand)	
Revenue from contracts with customers - net	30	1,643,274	1,899,014
Cost of sales	31	(708,637)	(772,949)
Gross profit		934,637	1,126,065
Marketing and selling expenses	32	(52,939)	(56,176)
Administrative expenses	33	(385,643)	(363,881)
Finance costs	34	(207,560)	(117,818)
Other income	35	120,835	108,274
Profit before taxation		409,330	696,464
Taxation	36	(172,630)	(116,584)
Profit for the year		236,700	579,880

	Note	2020	2019
		(Rupees)	
Earnings per share			(Restated)
Basic	37	0.75	1.83
Diluted	37	0.75	1.83

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

Chief Executive

Chief Financial Officer

Director

Javedan Corporation Limited

Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		(Rupees in thousand)	
Profit for the year		**236,700**	579,880
Other comprehensive income, net of tax			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):			
Actuarial gain / (loss) on remeasurement of defined benefit obligation	23.5	3,848	(1,837)
Related tax effect		(1,116)	533
		2,732	(1,304)
Revaluation surplus on lands	20	-	3,057,091
Other comprehensive income, net of tax		**2,732**	3,055,787
Total comprehensive income for the year, net of tax		**239,432**	3,635,667

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

Chief Executive

Chief Financial Officer

Director

Javedan Corporation Limited

Statement of Changes In Equity

FOR THE YEAR ENDED JUNE 30, 2020

	Issued, Subscribed and Paid-up Capital	CAPITAL RESERVES		REVENUE RESERVES		Revaluation surplus on lands	Total Equity
		Share premium	Tax holiday reserve	General	Unappropri-ated profit		
	(Rupees in thousand)						
Balance as at June 30, 2018	2,671,254	3,380,604	11,966	63,500	1,905,300	5,802,648	13,835,272
Issuance of 8% ordinary bonus shares for the year ended June 30, 2018	213,726	-	-	-	(213,726)	-	-
Cost on issuance of shares	-	-	-	-	(326)	-	(326)
Final dividend @ 7% percent on ordinary shares for the year ended June 30, 2018	-	-	-	-	(187,010)	-	(187,010)
Profit for the year	-	-	-	-	579,880	-	579,880
Other comprehensive income/(loss), net of tax	-	-	-	-	(1,304)	3,057,091	3,055,787
Total comprehensive income, net of tax	-	-	-	-	578,576	3,057,091	3,635,667
Revaluation surplus on lands realised on account of sale of development properties	-	-	-	-	184,126	(184,126)	-
Conversion of preference shares into ordinary shares	324	486	-	-	-	-	810
Balance as at June 30, 2019	**2,885,304**	**3,381,090**	**11,966**	**63,500**	**2,266,940**	**8,675,613**	**17,284,413**
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)**	**-**
Balance as at June 30, 2020	**3,173,834**	**3,381,090**	**11,966**	**63,500**	**2,348,399**	**8,544,621**	**17,523,410**

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

Chief Executive | Chief Financial Officer | Director

Javedan Corporation Limited
Statement of Cashflows
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		409,330	696,464
Adjustments for non-cash items:			
Depreciation	6.1	21,323	13,467
Amortization	7.1	288	-
Provision for gratuity	23.8	14,615	10,364
Remeasurement gain on investment properties	8.2	(47,587)	(14,709)
Finance costs	34	207,560	117,818
Mark-up on saving accounts	35	(9,853)	(1,807)
Loss on disposal of property, plant and equipment	35	77	(743)
Operating profit before working capital changes		595,752	820,854
(Increase) / decrease in current assets			
Development properties		23,423	(859,698)
Trade debts		295,307	680,418
Loans and advances		354,818	(285,953)
Trade deposits, prepayments and other receivables		(53,550)	(3,620)
		619,998	(468,853)
Increase / (decrease) in current liabilities			
Trade and other payables		(195,414)	(1,588,642)
Contract liabilities		1,135,915	670,022
		940,501	(918,620)
Cash flows generated from / (used in) operations		2,156,252	(566,619)
Payments for:			
Income taxes		(47,376)	(83,403)
Finance costs		(669,980)	(595,589)
Gratuity	23.6	(6,030)	(2,588)
Long-term deposits		(1,637)	(693)
		(725,023)	(682,273)
Net cash flows generated from / (used in) operating activities		1,431,229	(1,248,892)
CASH FLOWS FROM INVESTING ACTIVITIES *			
Additions to property, plant and equipment	6.1 & 6.2	(494,951)	(397,119)
Additions to intangible assets	7	(5,751)	-
Sale proceeds from disposal of property, plant and equipment		90	1,928
Additions to investment properties	8.2	(465,077)	-
Investment in subsidiary		(10,000)	-
Short-term investment		(37,750)	-
Mark-up on saving accounts received		9,852	1,807
Net cash flows used in investing activities		(1,003,587)	(393,384)
CASH FLOWS FROM FINANCING ACTIVITIES *			
Cost on issuance of bonus shares		(435)	(326)
Dividend paid		386	(187,114)
Long-term financing – net		161,761	2,661,237
Lease liabilities - net		-	(945)
Short-term borrowings – net		(586,197)	(880,253)
Net cash flows (used in) / generated from financing activities		(424,485)	1,592,599
Net increase / (decrease) in cash and cash equivalents		3,157	(49,677)
Cash and cash equivalents at beginning of the year	17	56,751	106,428
Cash and cash equivalents at end of the year	17	59,908	56,751

* 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 | Chief Financial Officer | Director

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 During the year, the Company has issued 28.85 million ordinary bonus shares having face value of Rs.10 each amounting to Rs. 288.53 million.

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

1.5 Impact of COVID-19 pandemic

The outbreak of Novel Coronavirus (COVID-19) pandemic followed by a lockdown imposed by the Government, disrupted the commercial and economic acitivities in the Country. 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. Accordingly, the COVID-19 pandemic has no material impact on the financial position and performance of the Company. However, in order to make payment to employees without disruption, the Company has availed facility under Refinance Scheme for payment of wages and salaries.

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

Location	Address
Registered office	Arif Habib Centre, 23, M.T Khan Road, Karachi
Naya Nazimabad Project	Deh, Manghopir road, Gadap town, Scheme #43, Karachi
Gulshan-e-Iqbal Sales Center	Showroom No. 3, Data Center, Block 13-B, Gulshan-e-Iqbal, Main University Road, Karachi.
Naya Nazimabad Sales Centre	Naya Nazimabad, Deh, Manghopir, Gadap town, Scheme #43, Karachi.

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 Instiitute 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 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; and
- investment properties at fair value.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Standards, amendments, interpretations and improvements adopted during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

New / amended standards, interpretations and improvements

The Company has adopted the new / amended standards, interpretations and improvements to IFRSs which became effective for the current year:

IFRS 9	Prepayment Features with Negative Compensation (Amendments)
IFRS 14	Regulatory Deferral Accounts
IFRS 16	Leases
IFRS 16	COVID 19 Related Rent Concessions (Amendments)
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments)
IFRIC 23	Uncertainty over Income Tax Treatments

Improvements to Accounting Standards Issued by the IASB (2015-2017 cycle)

IFRS 3	Business Combinations - Previously held Interests in a joint operation
IFRS 11	Joint Arrangements - Previously held Interests in a joint operation
IAS 12	Income Taxes: Income tax consequences of payments on financial instruments classified as equity
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on these financial statements in the period of initial application.

4.2 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 realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

(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.

4.3 Property, plant and equipment

4.3.1 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.

4.3.2 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.

4.3.3 Revaluation surplus on free-hold and lease-hold

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.

4.4 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 6 to these financial statements.

4.5 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.

4.6 Right-of-use assets and leases liailities

4.6.1 Company as a lessee

The Company 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 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 insubstance 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.

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.

4.6.2 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.

4.7 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.

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.

4.8 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.

4.8.1 Financial assets

4.8.1.1 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.

4.8.1.2 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:

- 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.

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.

4.8.1.3 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.

4.8.1.4 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.

4.8.2 Financial liabilities

4.8.2.1 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.

4.8.2.2 Subsequent measurement

The measurement of financial liablities depends on their classificaiton, 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.

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.

4.8.2.3 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.

4.8.2.4 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.

4.9 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.

4.10 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.

4.11 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.

4.12 Employees retirement benefits

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.

Compensated absences

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

4.13 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 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.

4.14 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.

4.15 Revenue recognition

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.

4.15.2 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.

iii) Gain on sale of property, plant and equipment 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.

4.16 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.

4.17 Ijarah agreements

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

4.18 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.

4.19 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.

4.20 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.

4.21 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 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.

4.22 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.

4.23 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (annual periods begining on or after)
IFRS 3	Definition of a Business (Amendments)	January 01, 2020
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9/IAS 39/ IFRS 7	Prepayment Features with Negative Compensation (Amendments)	January 01, 2020

Standard or Interpretation		
IFRS 10/ IAS 28	Sale or Contribution of Assets between an Investor and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture(Amendment)	Not yet finalized
IAS 1/ IAS 8	Definition of Material (Amendments)	January 01, 2020
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2022
IAS 16	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
IAS 41	Agriculture - Taxation in fair value measurements	January 01, 2022

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

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standard have been issued by IASB which is yet to be notified by the SECP for the purpose of applicability in Pakistan. The management of the Company expects that below new standard will not have any material impact on the Company's financial statements in the period of initial application.

Standards		Effective date (annual periods begining on or after)
IFRS 17	Insurance Contracts	January 01, 2023

5. DETAILS OF RELATED PARTIES

Name of related parties	%age holding (by the company)	Basis of relationship
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
AH Aviation (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 (Pvt.) Limited	-	Common directorship
MCB-Arif Habib Savings & Investments Limited	-	Common directorship
Nooriabad Spinning Mills (Pvt.) Limited	-	Common directorship
Parkview Company Limited	-	Common directorship
Rotocast Engineering Company (Pvt.) Limited	-	Common directorship
Sukh Chayn Gardens (Pvt.) Ltd	-	Common directorship
Sweetwater Dairies Pakistan (Pvt.) Limited	-	Common directorship
Safemix Concrete Limited	-	Common directorship
AHA Trading House (pvt) Ltd	-	Common directorship
Arif Habib Foundation	-	Common directorship
Essa Textile and Commodities (Pvt.) Limited	-	Common directorship
Fatimafert Limited	-	Common directorship
Fatima Cement Limited	-	Common directorship
Memon Health and Education Foundation	-	Common directorship
Pakarab Fertilizers Limited	-	Common directorship
REMMCO Builders & Developers Limited	-	Common directorship
Reliance Sacks Limited	-	Common directorship
Siddiqsons Energy Limited	-	Common directorship
Arif Habib Dolmen REIT Management Limited	-	Common directorship
Arif Habib Real Estate Services (Pvt.) Limited	-	Common directorship
Power Cement Limited	-	Common directorship
Golden Arrow Funds Limited	-	Common directorship
Arif Habib Limited	-	Common directorship
NN Maintenance Company (pvt) Limited	99.98	Subsidiary Company
Go Real Estate	-	Associated person, major shareholder
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 - Director	-	Key management personnel
Mr. Muneer Gadar - CFO & Company Secretary	-	Key management personnel
JCL Gratuity Fund Trust	-	Employees' Gratuity Fund

6. PROPERTY, PLANT AND EQUIPMENT

	Note	2020	2019
		(Rupees in thousand)	
Operating fixed assets	6.1	**4,772,373**	4,773,088
Capital work-in-progess	6.2	**1,165,417**	691,241
		5,937,790	5,464,329

6.1 Operating fixed assets

Particulars	COST / REVALUATION AMOUNT: As at July 01, 2019	Additions	Transfers	Disposals	As at June 30, 2020	ACCUMULATED DEPRECIATION: As at July 01, 2019	Charge for the year	Disposals	Transfers	As at June 30, 2020	Written down value as at June 30, 2020	Rate
	(Rupees in thousand)											%
Owned												
Free-hold land (Note 6.1.1 & 6.1.2)	541,599	-	-	-	541,599	-	-	-	-	-	541,599	-
Lease-hold land (Note 6.1.1 & 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
2020	4,855,654	20,775	-	252	4,876,177	82,566	21,323	85	-	103,804	4,772,373	

Particulars	COST / REVALUATION AMOUNT: As at July 01, 2018	Additions / Revaluation*	Transfers	Disposals	As at June 30, 2019	ACCUMULATED DEPRECIATION: As at July 01, 2018	Charge for the year	Disposals	Transfers	As at June 30, 2019	Written down value as at June 30, 2019	Rate
	(Rupees in thousand)											%
Owned												
Free-hold land (note 6.1.1 & 6.1.2)	91,889	432,083	17,627*	-	541,599	-	-	-	-	-	541,599	-
Lease-hold land (note 6.1.1 & 6.1.2)	1,425,547	2,625,008	-	-	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	-	-	-	34,438	18,679	1,586	-	-	20,265	14,173	10
Buildings on other land	-	62,036	-	-	62,036	-	517	-	-	517	61,519	10
Furniture and fixtures	12,757	1,303	-	-	14,060	5,556	1,147	-	-	6,703	7,357	20
Office equipment	31,553	5,345	-	143	36,755	14,265	3,501	27	-	17,739	19,016	10 to 33
Computer equipment	17,318	3,934	-	72	21,180	13,325	1,874	52	-	15,147	6,033	33
Vehicles	40,523	4,298	2,631 **	3,339	44,113	18,999	4,842	2,290	644**	22,195	21,918	20
	1,654,025	3,134,007	71,176	3,554	4,855,654	70,824	13,467	2,369	644	82,566	4,773,088	
Leased												
Vehicles	2,631	-	(2,631)**	-	-	644	-	-	(644)**	-	-	20
2019	1,656,656	3,134,007	68,545*	3,554	4,855,654	71,468	13,467	2,369	-	82,566	4,773,088	

* Represents land transferred (i.e. football stadium) from development properties to property, plant and equipment (note 12).
** Represents transferred from leased assets to owned assets.

6.1.1 The last revaluation exercise of lands (free-hold and leasehold) was carried out by the Company through an indepdendent valuer as of June 30, 2019. During the year, the Company has again carried out said exercise through an independent valuer, as a result of which no change in fair value was reported as of June 30, 2020. Had there been no revaluation, the carrying amount of free-hold and leasehold land and revaluation surplus on free-hold and leashold land 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 2 of fair value hierarchy (i.e. significant observable 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.

6.1.3 The immovable assets (i.e. free-hold and leasehold land) of the Company as at June 30, 2020 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/pledeged with various financial institutions against financing facilities obtained (note 21).

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.

6.2 Capital work-in-progess

	Note	2020	2019
		(Rupees in thousand)	
Opening		691,241	250,319
Additions during the year		474,176	440,922
Closing	6.2.1	1,165,417	691,241

6.2.1 The details of capital work-in-progress are as under:

	Note	2020	2019
Gymkhana (club house)	6.2.2	887,083	516,006
Jama masjid		174,573	95,441
Cricket ground		61,702	60,802
Football stadium		42,059	18,992
		1,165,417	691,241

6.2.2 This is pledged against syndicated loan facility as disclosed in note 21 to these financial statements.

7. INTANGIBLE ASSETS

	COST				ACCUMULATED AMORTIZATION			NET BOOK VALUE
	As at July 1, 2019	Addition during the year	As at June 30, 2020		As at July 1, 2019	During the year	As at June 30, 2020	As at June 30, 2020
	Rupees in '000			%	Rupees in '000			
Software	-	5,751	5,751	20	-	288	288	5,463
2020	-	5,751	5,751		-	288	288	5,463

8. INVESTMENT PROPERTIES

	Note	2020	2019
		(Rupees in thousand)	
Investment properties - completed	8.1	567,664	55,000

8.1 Investment properties comprises of various properties having aggregated area of 495,564 square yards situated at Deh Mangopir and other locations in Karachi.

8.2 The movement in investment properties during the year is as follows:

	Note	2020	2019
		(Rupees in thousand)	
As at July 01		55,000	-
Transferred from development properties		-	40,291
Additions during the year		465,077	-
Remeasurement gain	8.3	47,587	14,709
As at June 30		567,664	55,000

8.3 An independent valuation was carried out by the management through an independent professional valuer on June 30, 2020 and the fair value of Rs. 567.664 million (2019: Rs.55 million) was determined with reference to market based evidence, active market prices and relevant information. Accordingly, the fair value adjustment for the year of Rs. 47.587 million (2019: Rs. 14.71 million) is recognised in profit or loss. The fair value of investment property falls under level 2 of fair value hierarchy (i.e. significant observable inputs).

8.4 The aggregated forced sale value of investment properties as per the latest valuation reports are Rs. 430.90 million (2019: Rs. 46.40 million).

9. LONG-TERM DEPOSITS

	2020	2019
	(Rupees in thousand)	
Utilities	4,701	4,701
Rent	1,190	1,565
Lease deposits	3,399	1,387
Others	615	615
	9,905	8,268

10. LONG-TERM INVESTMENTS

Represents investment of 1 million ordinary shares having fair value of Rs. 10 each made by the Company in a wholly owned subsidiary namely NN Maintenance Company (Private) Limited during the year. The principal activities of the subsidiary is to carry out maintenance, other related business and work of development at Naya Nazimabad project of the Company. The subsidiary company is in startup phase and commenced its operational activities effective from January 2020.

11. DEFERRED TAX LIABILITIES / (ASSETS) - net

	Note	2020	2019
		(Rupees in thousand)	
Deferred tax on deductible temporary differences			
- provisions		(10,517)	(25,269)
Deferred tax on taxable temporary differences			
- accelerated depreciation on property, plant and equipment		8,227	7,278
- investment properties		18,066	-
- deferred grant		3,790	-
		30,083	7,278
		19,566	(17,991)

12. DEVELOPMENT PROPERTIES

	Note	2020	2019
Land			
Opening balance		14,962,418	14,653,144
Add: Additions during the year		18,000	309,274
	12.1	14,980,418	14,962,418
Development expenditure incurred			
Opening balance		8,658,619	6,621,621
Add: Incurred during the year		1,256,743	2,036,998
		9,915,362	8,658,619
Borrowing costs related to development properties			
Opening balance		1,848,597	1,387,153
Add: Additions during the year	34	468,028	524,728
Less: Transferred to proprety, plant and equipment		-	(63,284)
		2,316,625	1,848,597
		27,212,405	25,469,634
Transferred to:			
- property, plant and equipment	6.1	(68,545)	(68,545)
- investment properties	8.2	(40,291)	(40,291)
- cost of sales to date	31	(5,566,323)	(4,857,686)
- development charges incurred and apportioned to date	31	(3,177,314)	(2,587,785)
		18,359,932	17,915,327

12.1 The land under development properties having an area of 342.91 acre has been mortgaged / pledeged with various financial institutions against financing facilities obtained (note 21 & 28).

13. TRADE DEBTS

	Note	2020	2019
		(Rupees in thousand)	
Secured, considered good			
Receivable against sales of plots and bungalows		301,842	543,482
Receivable against development charges incurred:			
- billed	13.1	94,900	138,002
- un-billed	13.2	97,446	108,011
		192,346	246,013
	13.3	494,188	789,495

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, 2020 and 2019, the ageing analysis of unimpaired trade debts are as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
		(Rupees in thousand)			
Receivable against sales of plots and bungalows:					
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
Receivable against development charges incurred:					
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	-	-	-
- Nida Ahsan	295	295	-	-	-
- Arif Habib Limited	94	94	-	-	-
- Nooriabad Spinning Mills (Pvt) Ltd	100	100	-	-	-
	39,296	39,296	-	-	-
Other than related parties - billed and unbilled	153,050	153,050	-	-	-
	192,346	192,346	-	-	-
2020	494,188	214,566	18,185	20,578	240,859

	Total	Neither past due nor impaired	Past due but not impaired		
			> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
		(Rupees in thousand)			
Receivable against sales of plots and bungalows:					
Related parties					
- Abdul Qadir	2,233	2,233	-	-	-
- Arif Habib Limited	495	-	-	-	495
	2,728	2,233	-	-	495
Other than related parties	540,754	-	157,887	229,743	153,124
	543,482	2,233	157,887	229,743	153,619
Receivable against development charges incurred:					
Related parties					
Billed					
- Nida Ahsan	129	129	-	-	-
- Arif Habib Limited	833	833	-	-	-
- Haji Abdul Ghani	7,935	7,935	-	-	-
- Nooriabad Spinning Mills (Pvt) Ltd	349	349	-	-	-
Unbilled					
- Arif Habib	13,185	13,185	-	-	-
- Haji Abdul Ghani	2,173	2,173	-	-	-
	24,604	24,604	-	-	-
Other than related parties - billed and unbilled	221,409	83,407	138,002	-	
	246,013	108,011	138,002	-	-
2019	789,495	110,244	295,889	229,743	153,619

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

	Note	2020	2019
		(Rupees in thousand)	
Haji Abdul Ghani		8,247	10,108
Nida Ahsan		295	129
Arif Habib		29,798	13,185
Arif Habib Limited		812	833
Go Real Estate		44	-
Nooriabad Spinning Mills (Pvt.) Ltd		100	349

14. LOANS AND ADVANCES - Considered good

	Note	2020	2019
Loans - Secured			
Executives	14.2	5,048	6,548
Employees		3,530	4,866
	14.1	8,578	11,414
Advances - Unsecured			
Suppliers		112,448	76,022
Contractors		48,946	100,626
Employees for expenses		2,944	6,274
Purchase of properties	14.3	426,602	760,000
		590,940	942,922
		599,518	954,336

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:

	2020	2019
	(Rupees in thousand)	
Balance as of 01 July	6,548	2,716
Loans obtained during the year	14,531	12,481
Adjusted during the year	(16,031)	(8,649)
Balances as of 30 June	5,048	6,548

14.3 Represents advances (as partial payments) given for purchase of various properties under the terms of agreement agreed between the parties.

15. SHORT-TERM INVESTMENT - amortised cost

	Note	2020	2019
		(Rupees in thousand)	
Term deposit receipt	15.1	37,750	-

15.1 This carries mark-up at 11.75% having maturity upto one year.

16. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2020	2019
		(Rupees in thousand)	
Trade deposits - Unsecured			
Considered good			
- Security deposit with Sindh Building Control Authority		3,345	3,345
- Others	16.1	12,406	12,390
		15,751	15,735
Considered doubtful			
- Guarantee margin		225	225
- Contractors		2,680	2,679
		2,905	2,904
Allowances for expected credit losses		(2,905)	(2,904)
		15,751	15,735
Prepayments			
- Rent		1,156	1,655
- Insurance		110	294
- Others		1,892	2,593
		3,158	4,542
Other receivables - Unsecured			
- Sales tax refundable - considered doubtful		4,703	4,703
- Excise duty refundable - considered good		574	574
- Others - considered good	16.2 & 16.3 & 16.4	53,368	726
		58,645	6,003
Allowances for expected credit losses		(4,703)	(4,703)
		53,942	1,300
		72,851	21,577

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

16.2 Included herein receivables from the following related parties :

	2020	2019
	(Rupees in thousand)	
- NN Maintenance Company (Pvt) Limited	52,660	-
- International Builders and Developers (Private) Limited	-	34
	52,660	34

16.3 These are neither past due nor impaired and are outstanding for less than 30 days. Amount receivable from NN Maintenance Company (Pvt) Limited of Rs. 52.66 million (2019: International Builders and Developers (Private) Limited of Rs. 0.034 million) was past due but not impaired.

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

	2020	2019
	(Rupees in thousand)	
- NN Maintenance Company (Pvt) Limited	52,660	-
- International Builders and Developers (Private) Limited	-	34
	52,660	34

17. CASH AND BANK BALANCES

	Note	2020	2019
Cash in hand		3,255	6,929
Cheques in hand		14,195	19,198
Cash at banks in:			
- current accounts		4,518	3,945
- deposit accounts	17.1	37,940	26,679
		42,458	30,624
		59,908	56,751

17.1 These carry markup at the rate ranging between 6 percent to 10 percent per annum (2019: 7 percent to 10 percent per annum).

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2020	2019		2020	2019
(Number of Shares)			(Rupees in thousand)	
		Ordinary shares of Rs.10 each		
8,600,000	8,600,000	Issued for cash	86,000	86,000
47,200,000	47,200,000	Issued under the financial restructuring arrangement	472,000	472,000
		Bonus shares issued:		
21,572,605	200,000	- Opening	215,726	2,000
28,853,036	21,372,605	- Issued during the year	288,530	213,726
50,425,641	21,572,605	- Closing	504,256	215,726
(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
		Right shares issued:		
176,432,216	176,432,216	- Opening	1,764,322	1,764,322
-	-	- Issued during the year	-	-
176,432,216	176,432,216	- Closing	1,764,322	1,764,322
61,661,453	61,661,453	Shares issued on conversion from preference shares	616,615	616,615
317,383,396	288,530,360		3,173,834	2,885,304

18.1 The holding of related parties / major shareholders of the Group holding ordinary shares as at June 30, 2020 and June 30, 2019 are as follows:

	2020	2019	2020	2019
	% holding		(Rupees in thousand)	
Haji Abdul Ghani	15%	14%	471,009	415,736
Arif Habib Corporation Limited	7%	7%	236,366	202,694
Arif Habib Equity (Private) Limited	29%	29%	910,360	827,600
			1,617,735	1,446,030

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 Company. 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:

	2020	2019
	(Number of Shares)	
Opening	61,661,453	61,629,104
Shares issued on conversion of preference shares during the year	-	32,349
Closing	61,661,453	61,661,453

19. RESERVES

	Note	2020	2019
		(Rupees in thousand)	
Capital reserves			
Tax holiday reserve	19.1	11,966	11,966
Share premium	19.2	3,381,090	3,381,090
		3,393,056	3,393,056
Revenue reserve			
General reserves	19.3	63,500	63,500
Un-appropriated profit		2,348,399	2,266,940
		2,411,899	2,330,440
		5,804,955	5,723,496

19.1 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.

19.2 This reserve can only be utilised by the Company 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.

20. REVALUATION SURPLUS ON LANDS

	Note	2020	2019
		(Rupees in thousand)	
Balance as at July 01			
Development properties		4,470,037	4,734,306
Property, plant and equipment		4,205,576	1,068,342
		8,675,613	5,802,648
Surplus arising on revaluation of lands during the year		-	3,057,091
Transfer to unappropriated profit on sale of development properties during the year		(130,992)	(184,126)
Balance as at June 30		8,544,621	8,675,613
Represented by:			
Development properties		4,339,045	4,470,037
Property, plant and equipment	6.1.1	4,205,576	4,205,576
		8,544,621	8,675,613

21. LONG TERM FINANCING - Secured

	Note	2020	2019
Conventional			
Debt asset swap arrangement	21.1	-	64,167
Term finance certificates	21.2	258,750	345,000
Syndicated loan facility	21.3	795,000	496,250
		1,053,750	905,417
Shariah Compliant			
SBP-Refinance Scheme	21.4	33,074	-
Sukuk certificates	21.5	2,979,932	2,978,112
Diminishing musharakah	21.6	-	25,000
		4,066,756	3,908,529
Current maturity of long-term financing		(477,323)	(345,417)
		3,589,433	3,563,112

21.1 The Company was in negotiation with the Bank to settle the outstanding liability at Rs.106 million, and waive additional mark up of Rs.94 million on the overdue mark up, as it is not in accordance with prevailing banking regulations. The Company had reached a settlement with the bank at an amount of Rs. 195 million which has been duly paid and charge created thereon has been released.

21.2 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 project. 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 Cirular 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.

21.3 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 Cirular 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. 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.

21.4 During the year, the Company has obtained long-term financing from a Islamic bank of Rs. 36.63 million under Refinance Scheme for payment of Salaries & Wages by State Bank of Pakistan. 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 interest of 10.6 percent per annum. The differential mark-up has been recognised as government grant (see note 22 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. 23.37 million for the Company remains unutilized.

21.5 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 and repayment of financing obtained for said purpose during the year ended June 30, 2018. These carry markup at the rate of 6 months KIBOR plus 1.75 percent per annum and are redeemable in 12 equal installments starting from 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.

21.6 During the year, the Company had repaid the outstanding balance of Rs. 25 million diminishing musharakah facility carrying mark-up at the rate of 3 months KIBOR plus 3% per annum. The facility was secured against exclusive charge / mortgage over land bearing survey # 34, 36-45, 55, 59, 62-69, 72-77, 79-83, 85, 87-103, 127, 197-263, Deh Manghopir, Gadap Town, Scheme 43, Karachi having total market value of Rs. 334.95 million and forced sale value of Rs. 267.96 million as per valuation report dated June 10, 2016, however, no objection certificate for release of charge against facility is yet to be issued.

22. DEFERRED GRANT

	Note	2020	2019
		(Rupees in thousand)	
Recognised during the year		3,681	-
Released to profit or loss		147	-
As at June 30, 2020	21.4	3,534	-
Current portion		2,245	-
Non-current portion shown under current liabilities		1,289	-
	21.4	3,534	-

23. DEFERRED LIABILITY - GRATUITY

23.1 General description

As stated in note 4.12 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, 2020.

Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, 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, 2020 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

	Note	2020	2019
Discount rate %		8.50%	14.25%
Expected rate of increase in salary levels %		8.50%	14.25%
Expected rate of return on plan assets %		14.25%	9.00%
Average retirement age of the employee		60 years	60 years

23.3 Reconciliation of amount payable to defined benefit plan

	Note	2020	2019
		(Rupees in thousand)	
Present value of defined benefit obligation	23.4	42,398	38,367
Less: Fair value of plan assets	23.6	(6,133)	(4,563)
	23.5	36,265	33,804

23.4 Movement in present value of defined benefit obligation

	2020	2019
Present value of obligation as at July 1	38,367	29,519
Current service cost	10,267	8,315
Interest cost	4,999	2,529
Benefits paid	(6,030)	(2,588)
Liability transferred to other group company	(2,276)	-
Benefits due but not paid	(548)	(258)
Actuarial loss on re-measurement of obligation	(2,381)	850
Present value of obligation as at June 30	42,398	38,367

23.5 Movement in payable to defined benefit plan

	Note	2020	2019
Opening liability		33,804	24,191
Charge for year to profit or loss	23.8	14,615	10,364
Other comprehensive loss		(3,848)	1,837
Liability transferred to other group company		(2,276)	-
Contributions to the fund		(6,030)	(2,588)
Closing liability		36,265	33,804

23.6 Movement in fair value of plan assets

	2020	2019
Fair value of plan assets as at July 1	4,563	5,328
Contributions	6,030	2,588
Interest Income on plan assets	651	480
Benefits paid	(6,030)	(2,588)
Benefits due but not paid	(547)	(258)
Return on plan assets excluding interest income	1,467	(987)
Fair value of plan assets as at June 30	6,133	4,563

23.7 The plan assets comprise of bank balances only

23.8 Expense recognised in profit or loss

	2020	2019
Current service cost	10,267	8,315
Interest cost on defined benefit obligation	4,999	2,529
Interest income on plan assets	(651)	(480)
	14,615	10,364

23.9 Actuarial gain / (loss) on re-measurement of plan assets / obligation comprise of:

	2020	2019	2020	2019
	Actuarial gain / (loss) on re-measurement of			
	Plan assets		Obligation	
	(Rupees in thousand)			
Experience adjustment	2,381	(987)	1,467	(850)

23.10 The plan exposes the Company to the following risks:

Longevity risk: The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

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
Sensitivity analysis	%	(Rupees in thousand)	
Discount rate	1	39,467	(45,749)
Salary growth rate	1	45,716	(39,442)

23.12 The expected gratuity expense for the year ending June 30, 2021 works out to Rs. 11.501 million.

23.13 The weighted average duration of the defined benefit obligation at June 30, 2020 is 7 years (2019: 7 years).

24. TRADE AND OTHER PAYABLES

	Note	2020	2019
		(Rupees in thousand)	
Creditors	24.1	**65,606**	88,873
Accrued liabilities		**117,519**	66,654
Retention money		**127,248**	100,097
Withholding tax payable		**9,154**	8,047
Other payables:			
- on cancellation of plots		**6,396**	7,881
- on repurchase of land	24.2	**-**	249,785
		325,923	521,337

24.1 Included herein amount payable to the following related parties:

	2020	2019
Safe Mix Concrete Limited	**589**	3,274
Power Cement Limited	**3,847**	8,288
Faisal Bilwany	**2,933**	1,114
Arif Habib Dolmen REIT Management Limited	**2,977**	2,977
Rotocast Engineering Company (Pvt.) Limited	**101**	61
Arif Habib Limited	**1,631**	1,091
	12,078	16,805

24.2 Included herein Rs. Nil (2019: Rs. 249.78 million) against the repurchase of commercial land payable to Arif Habib Equity (Private) Limited (a related party).

25. PREFERENCE SHARES

25.1 Issued, subscribed and paid-up preference shares

2020	2019		2020	2019
(Number of Shares)			(Rupees in thousand)	
45,150,200	45,150,200	Preference shares of Rs.10 each	**451,502**	451,502
(45,099,200)	(45,099,200)	Shares cancelled on conversion into ordinary shares	**(450,992)**	(450,992)
51,000	51,000		**510**	510

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 no preference shares (2019: 81,000 preference shares) were converted into ordinary shares (2019: 32,349 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.

26. ACCRUED MARK-UP

	Note	2020	2019
		(Rupees in thousand)	
Accrued markup on :			
- long-term financing		**149,844**	109,807
- short-term borrowings	26.1	**27,266**	61,758
		177,110	171,565

26.1 This includes markup payable to Haji Abdul Ghani - related party of Rs. 0.76 million (2019: Rs. 38.79 million).

27. CONTRACT LIABILITIES

	Note	2020	2019
		(Rupees in thousand)	
Advance from customers	27.1	**2,400,358**	1,256,407
Liability against performance obligation	27.2	**576,191**	584,227
		2,976,549	1,840,634

27.1 Advance from customers

	Note	2020	2019
Advance against:			
- plots and bungalows		**639,014**	488,187
- flats and commercial sites		**1,761,344**	768,220
	27.1.1	**2,400,358**	1,256,407

27.1.1 Represents advance received in respect of booking of plots, bungalows and appartments, 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:

	2020	2019
	(Rupees in thousand)	
Arif Habib Equity (Pvt) Limited	925,095	360,100
Haji Abdul Ghani	429,892	199,892
Arif Habib	183,117	-
Nida Ahsan	75,000	-
Go Real Estate	165,163	94,414
	1,778,267	654,406

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.

28. SHORT-TERM BORROWINGS

	Note	2020	2019
		(Rupees in thousand)	
From related parties - unsecured			
Arif Habib Corporation Limited	28.1	-	10,067
Other than related parties			
Musharakah arrangement	28.2	300,000	300,000
Running finance under mark-up arrangements	28.3	599,406	1,175,536
		899,406	1,475,536
		899,406	1,485,603

28.1 Represents financing facility availed from a related party having limit of Rs. 2,231.55 million to finance the working capital and project requirement. The loan is repayable on demand and carries markup at the rate of 3 month's KIBOR plus 2.25 percent per annum. As of reporting date, the facility remained fully unutilised.

28.2 Represents running musharakah facility from a Islamic 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 remained fully utilised.

28.3 Represents running finance facility availed from a commercial bank of Rs. 600 million (2019: 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 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. 0.594 million (2019: Rs. 124.844 million).

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. 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 during the year 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 during the year 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) "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 has reversed provision previously created of Rs. 131.273 million relating to prior year. 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 Group 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 has adjusted its brought forward losses against taxable income and accordingly, current and last year provision are based on higher of Corporate Tax or ACT.

In year 2019, the Company has 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 has challenged the applicability of Alternative Corporate Tax vide C.P D-2982 of 2019 before SHC. In this regard, an interim order has been granted by SHC that no coercieve action is to be taken against the Company till the pendency of the matter before SHC."

v) 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 stayorder 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 2020 has been accounted for in these financial statements having an aggregate impact of Rs.113.549 million.

vi) 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.

b) Legal contingencies

The Company has 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 has 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 27 January 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 till the next date of hearing.

The Company's believes that title of land is absolutely lawful, clean and clear since the Company had obtained all necessary approvals strictly in accordance with the prevailing laws which had been further proven through several investigations by different agencies and courts in Pakistan. In this regard, the Company has also sought a legal opinion based on which the Company is confident that the said notice and letter will be declared void and the matter shall be decided in the favor of the Company, as they have a probable chance of winning the petition filed before SHC and currently have no exposure related to it.

c) **Other contingencies**

As at June 30, 2020, 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.

29.1.2 Former business

As at June 30, 2020, there are several cases aggregating to Rs. 580.55 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.

29.1.3 Guarantees issued by the commercial banks on behalf of the Company of Rs. 212.960 million (2019: Rs. 212.960 million).

29.2 Commitments

	Note	2020	2019
		(Rupees in thousand)	
Capital commitments		1,269,775	1,391,673
Ijarah rentals	29.2.1	12,678	7,647

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. 1.07 million. Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

	Note	2020	2019
		(Rupees in thousand)	
Not later than one year		3,660	2,615
Later than one year but not later than five years		9,018	5,032
		12,678	7,647

30. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	Note	2020	2019
Plots		1,552,558	1,965,878
Bungalows		202,287	700,719
		1,754,845	2,666,597
Less: Cancellation and forfeiture		(112,674)	(760,817)
Trade discount		1,103	(6,766)
		(111,571)	(767,583)
		1,643,274	1,899,014

31. COST OF SALES & SERVICES

	Note	2020	2019
Cost of development properties sold:			
- plots		414,661	170,697
- bungalows		55,276	602,252
	12	469,937	772,949
Development charges:			
- incurred but not apportioned (borne by the Company)		238,700	-
- incurred and apportioned to customers		589,529	713,625
- reimbursable from customers		(589,529)	(713,625)
		-	-
	12	238,700	-
		708,637	772,949

32. MARKETING AND SELLING EXPENSES

	Note	2020	2019
		(Rupees in thousand)	
Sales promotions		48,332	23,013
Exhibitions and events		4,507	24,660
Commission		100	8,503
		52,939	56,176

33. ADMINISTRATIVE EXPENSES

	Note	2020	2019
Salaries, wages and other benefits	33.1	179,382	180,957
Fees and subscriptions		12,959	17,430
Depreciation	6.1	21,323	13,467
Amortization		288	-
Vehicle running		23,284	15,458
Legal, professional and consultancy		30,607	8,512
Repair and maintenance		19,744	16,746
Software license and maintenance		11,766	5,059
Rent, rates and taxes		6,156	6,698
Utilities		31,548	29,080
Donation	33.2 & 33.3	1,731	20,014
Communication		4,996	3,410
Travelling and conveyance		933	1,388
Ijarah rentals		4,378	1,599
Insurance		6,491	6,183
Printing and stationery		7,295	3,655
Auditors' remuneration	33.4	2,783	1,799
Entertainment		2,836	5,446
Meetings and conventions		597	445
Security		8,664	23,512
Others		7,882	3,023
		385,643	363,881

33.1 Included herein Rs.14.614 million (2019: Rs.10.36 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 years except as follows:

	2020	2019
	(Rupees in thousand)	
Diamer Bhasha and Mohmand Dams Fund	-	10,000
HANDS	-	4,280
	-	14,280

33.4 Auditors' Remuneration

	2020	2019
EY Ford Rhodes		
Annual audit of financial statements		
- standalone	577	577
- consolidation	300	-
Review of half yearly financial statements	200	200
Code of Corporate Governance and other services	564	587
Out of pocket expenses	109	86
	1,750	1,450
Reanda Haroon Zakaria & Company		
Annual audit of financial statements		
- standalone	577	577
- consolidation	150	-
Review of half yearly financial statements	200	200
Tax, Code of Corporate Governance and other services	53	53
Out of pocket expenses	53	53
	1,033	883
	2,783	2,333

34. FINANCE COSTS

	Note	2020	2019
		(Rupees in thousand)	
Dividend on preference shares	4.11	61	(35)
Mark-up on:			
- long-term financing	34.1	567,379	488,507
- short-term borrowings	34.1	202,920	207,027
- lease liabilities		-	44
Bank and other charges		3,532	4,439
		773,892	699,982
Less: Borrowing cost capitalized in the cost of qualifying asset	34.2	(566,332)	(582,164)
		207,560	117,818
Average rate of capitalisation		9.76%	11.89%

34.1 Mark-up on financing

	2020	2019
Interest bearing	298,865	408,627
Shariah compliant	471,434	286,907
	770,299	695,534

34.2 Breakup of Borrowing cost capitalized

	Note	2020	2019
Property, plant & equipment (capital work in progress)	6.2	98,304	57,436
Development properties	12	468,028	524,728
		566,332	582,164

35. OTHER INCOME - net

Income from financial assets

	2020	2019
Mark-up on saving accounts	9,853	1,807

Income from non-financial assets

	2020	2019
Income from cancellation of bookings	233	2,571
(Loss) / gain on disposal of property, plant and equipment	(77)	743
Transfer fees from plots and bungalows	40,800	64,961
Rental income from cricket ground	2,894	7,115
Rental income from investment properties	5,211	3,680
Remeasurement gain on investment properties	47,587	14,709
Amortisation of deferred grant	147	-
Others	14,187	12,688
	110,982	106,467
	120,835	108,274

36. TAXATION

	2020	2019
Current	93,006	113,589
Prior	43,183	(11,251)
Deferred	36,441	14,246
	172,630	116,584

36.1 Contingencies related to tax matters are disclosed in note 29.1.1 (a) to these financial statements.

36.2 Tax reconciliation with accounting profit is as follows:

	2020	2019
	(Rupees in thousand)	
Profit before taxation	409,330	696,464
Tax at the rate of 29% (2019: 29%)	118,706	201,975
Tax effect of change in tax rate	-	1,057
Prior year tax	43,183	(11,251)
Effect of minimum tax	-	(75,058)
Others	10,741	(139)
	172,630	116,584
Average rate of tax	42%	17%

37. EARNINGS PER SHARE

	2020	2019
Basic		
Profit after tax (Rupees in '000)	236,700	579,880
		(Restated)
Weighted average number of ordinary shares (In numbers)	317,383,396	317,383,396
Earnings per share (In Rupees)	0.75	1.83
Diluted		
Profit attributable to ordinary shareholders (Rupees in '000)	236,761	579,845
		(Restated)
Weighted average number of ordinary shares in issue (In numbers)	317,383,396	317,383,396
Adjustment for conversion of convertible preference share (In numbers)	33,803	22,603
Weighted average number of ordinary shares for diluted earning per share (In numbers)	317,417,199	317,405,999
Earnings per share - (In Rupees)	0.75	1.83

37.1 The Company has issued 10% bonus shares (i.e. one ordinary share for every ten ordinary shares held), which has resulted in restatement of basic and diluted earnings per share for the year ended June 30, 2019.

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements are as follows:

	Chief Executive		Directors		Executives	
	2020	2019	2020	2019	2020	2019
	(Rupees in thousand)					
Managerial remuneration	10,735	10,287	-	-	40,271	40,550
Medical expenses	1,073	1,029	-	-	4,015	4,055
Allowances	519	760	-	-	9,522	8,505
Bonus	984	745	-	-	3,541	2,683
Retirement benefits	984	984	-	-	2,934	3,532
	14,295	13,805	-	-	60,283	59,325
Number of Persons	1	1	-	-	16	19

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. 0.56 million (2019: Rs. 0.42 million) to a non-executive Director on account of board meeting fees.

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 and 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, 2020. The policies for managing each of these risks are summarised below:

39.1 Financial assets and liabilities by category and their respective maturities are as follows:

	Interest bearing			Non-Interest bearing			
	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	Total
	(Rupees in thousand)						
Financial assets							
(at amortised cost)							
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
Short-term investment	37,750	-	37,750	-	-	-	37,750
Trade deposits and other receivables	-	-	-	64,416	-	64,416	64,416
Cash and bank balances	-	-	-	59,908	-	59,908	59,908
2020	**37,750**	**-**	**37,750**	**627,090**	**19,905**	**646,995**	**684,745**
Financial liabilities							
(at amortised cost)							
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
2020	**1,376,729**	**3,589,433**	**4,966,162**	**498,443**	**-**	**498,443**	**5,464,605**

	Interest bearing			Non-Interest bearing			
	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	Total
	(Rupees in thousand)						
Financial assets							
(at amortised cost)							
Long-term deposits	-	-	-	-	8,268	8,268	8,268
Long-term investment	-	-	-	-	-	-	-
Trade debts	-	-	-	789,495	-	789,495	789,495
Short-term investment	-	-	-	-	-	-	-
Loans	-	-	-	11,414	-	11,414	11,414
Trade deposits and other receivables	-	-	-	11,758	-	11,758	11,758
Cash and bank balances	-	-	-	56,751	-	56,751	56,751
2019	-	-	-	869,418	8,268	877,686	877,686
Financial liabilities							
(at amortised cost)							
Financial assets							
(at amortised cost)							
Long-term financings	345,417	3,563,112	3,908,529	-	-	-	3,908,529
Trade and other payables	-	-	-	513,289	-	513,289	513,289
Accrued mark-up	-	-	-	171,565	-	171,565	171,565
Short-term borrowings	1,485,603	-	1,485,603	-	-	-	1,485,603
Unpaid preference dividend	-	-	-	60	-	60	60
Unclaimed dividend	-	-	-	4,055	-	4,055	4,055
2019	1,831,020	3,563,112	5,394,132	688,969	-	684,854	6,083,101

The carrying values of all financial assets and liabilities reflected in these financial statements approximate 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, 2020.

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.

	(Increase) / decrease in basis points	Effect on profit before tax
		(Rupees in thousand)
2020	+100	(49,684)
	-100	49,684
2019	+100	(53,941)
	-100	53,941

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.

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 trade debts, deposits, trade and other receivables, loans and cash and bank balances. Out of the total financial assets of Rs.689.448 million (2019: Rs.882.389 million), the financial assets which are subject to credit risk amounted to Rs.662.572 million (2019: Rs.851.559 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 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 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:

	Note	2020	2019
		(Rupees in thousand)	
Long-term deposits	9	**9,905**	8,268
Trade debts	13	**494,188**	789,495
Loan to employees	14	**8,578**	11,414
Short-term investment	15	**37,750**	-
Trade deposits and other receivables	16	**69,693**	11,758
Bank balances	17	**42,458**	30,624
		662,572	851,559

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	2020	2019
		(Rupees in thousand)	
A-1	PACRA	**1,780**	1,289
A-1	JCR-VIS	**13,675**	954
A1+	PACRA	**11,063**	24,785
A-1+	JCR-VIS	**12,273**	1,417
A-3	JCR-VIS	**3,668**	2,179
		42,458	30,624

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 summarises the maturity profile of the Company's financial liabilities at June 30, 2020 and 2019 based on contractual undiscounted payment dates and present market interest rates:"

	2020					
	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
	(Rupees in thousand)					
Financial liabilities						
Long-term financing	4,066,756	4,066,756	-	477,323	1,210,556	2,378,877
Trade and other payables	316,769	316,769	316,769	-	-	-
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	-	-	
2020	5,464,604	5,464,604	1,397,848	477,323	1,210,556	2,378,877

	2019					
	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
Financial liabilities	(Rupees in thousand)					
Long-term financing	3,908,529	3,908,529	176,667	168,750	830,300	2,732,812
Trade and other payables	513,290	513,290	513,290	-	-	-
Short term borrowings	1,485,603	1,485,603	1,485,603	-	-	-
Accrued mark-up	171,565	171,565	171,565	-	-	-
Unpaid preference dividend	60	60	60	-	-	-
Unclaimed dividend	4,055	4,055	4,055	-	-	
2019	6,083,102	6,083,102	2,351,240	168,750	830,300	2,732,812

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 techiques 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 lands under property, plant and equipment and investment properties are disclosed in notes 6.1.1 and 8.3 respectively to these financial statements.

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 maximise shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2020.

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, 2020 and 2019 are as follows:

	Note	2020	2019
		(Rupees in thousand)	
Long-term financing	21	4,066,756	3,908,529
Preference shares	25	510	510
Accrued mark-up	26	177,110	171,565
Short-term borrowings	28	899,406	1,485,603
Total debts		5,143,782	5,566,207
Less: Cash and bank balances	17	(59,908)	(56,751)
Net debts		5,083,874	5,509,456
Issued, subscribed and paid-up capital	18	3,173,834	2,885,304
Capital reserves	19	3,393,056	3,393,056
Revenue reserves	19	2,411,899	2,330,440
Other component of equity - revaluation surplus on lands	20	8,544,621	8,675,613
Total equity		17,523,410	17,284,413
Total capital		22,607,284	22,793,869
Gearing ratio		22.49%	24.17%

40. TRANSACTIONS WITH RELATED PARTIES

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

	2020	2019
	(Rupees in thousand)	
Subsidiary Company		
NN Maintenance Company (Private) Ltd (NNMC)		
Investment made during the year	10,000	-
Expenses incurred on behalf of NNMC by the Company	69,623	-
Expenses incurred on behalf of the Company	16,963	-
Associates		
Arif Habib Corporation Limited		
Short-term borrowing obtained during the year	173,000	1,082,000
Short-term borrowing repaid during the year	183,067	2,539,933
Mark-up expense on short-term borrowing	2,544	106,036
Mark-up paid during the year	41,340	96,207
Dividend paid	-	15,021
Arif Habib Equity (Private) Limited		
Repurchase of commercial land	-	249,785
Paid against the repurchase of commercial land	249,785	1,556,161
Mark-up expense on short term-borrowing	27,613	-
Mark-up paid during the year	27,613	-
Advance received against future purchase of commercial apartments	564,995	360,100
Dividend paid	-	45,595
Arif Habib Limited		
Sale of plots	598	-
Services received during the year	541	1,091
Receipt against sale of plots	598	-
Sale of residential / commercial plots	-	105,886
Receipt against sale of residential / commercial plots	-	105,886
Power Cement Limited		
Purchase of construction material	62,795	44,357
Paid against the purchase of construction material	67,235	63,877
Safe Mix Concrete Limited		
Purchase of construction material	48,753	58,666
Paid against the purchase of construction material	51,438	58,135
Haji Abdul Ghani - Associated person		
Repurchase of commercial land	-	26,896
Advance received against future purchase of commercial apartments	110,000	11,000
Adjustment of amount payable as an advance for future purchase of commercial apartments	-	188,892
Sale of plots	33,971	-
Receipt against sale of plots	33,971	-
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	-
Cancellation of sales during the year	-	503,773
Services rendered during the year	120	-
Dividend paid	-	21,912

	Note	2020	2019
		(Rupees in thousand)	
Rotocast Engineering Co. (Pvt.) Ltd.			
Services received during the year		41	61
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	549
Mark-up expense on short term-borrowing		28,230	-
Mark-up paid during the year		28,230	-
Go Real Estate			
Sale of plots		263,080	-
Receipt against sale of plots		257,240	-
Advance received against plots		70,749	94,414
Key management personnel			
Arif Habib - Director			
Sale of plots and bungalows		576	12,156
Receipt against sale of plots		576	-
Advance received against future purchase of commercial apartments		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	-
Dividend paid		-	9,152
Abdul Qadir - Director			
Sale of plots		-	3,400
Receipt against sale of plots		-	1,400
Faisal Anees - Director			
Consultancy services rendered during the year		11,472	13,200
Paid against consultancy services rendered		9,653	11,447
Close family member			
Kashif Habib			
Dividend paid		-	2,443
Nida Ahsan			
Sale of plots and bungalows		-	54,514
Advance received against plots		75,000	-
Cancellation of sales during the year		-	200,000
Post employment benefit plan			
Gratuity fund trust - contribution paid during the year	23	6,030	2,588

40.1 All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The outstanding receivable and payable balances as of June 30, 2020 and 2019 are disclosed in their respective notes to these financial statements.

41. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Company are organised 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, organisational 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 bunglows.

42. SUBSEQUENT EVENTS

Subsequent to the reporting date, the situation of urban flooding occurrred by moonsoon rains. However, the management does not expect any financial exposure to the Company since the Company has no constructive obligation in this regard.

43. GENERAL

43.1 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.

43.2 Number of employees as at June 30, 2020 was 171 (2019: 498) and average number of employees during the year was 342 (2019: 507).

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on October 01, 2020 by the Board of Directors of the Company.

Chief Executive | Chief Financial Officer | Director

INDEPENDENT AUDITORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

EY Ford Rhodes
Chartered Accountants
Progressive Plaza
Beaumont Road
Karachi

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

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 2020, and the consolidated statement of profit or loss and other 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 2020, 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.

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

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
1. Contingencies	
(Refer notes 29.1.1 (a) and 29.1.1 (b) to the accompanying consolidated financial statements) The Group has contingent liabilities in respect of legal and income tax matters, which are pending adjudication at various levels with the taxation authorities, courts and other legal forums. Contingencies require management to make judgements and estimates in relation to the interpretation of tax and other 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. 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 legal and income tax a key audit matter.	Our audit procedures in respect of legal and tax contingencies included, amongst others, we obtained and checked details of the pending legal and tax related matters and discussed the same with the Group's management. We checked the correspondence of the Group with the relevant authorities, legal / 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. We obtained and checked confirmations from the Group's external legal / tax advisors for their views on the probable outcome of the legal matters, open tax assessments and other legal / tax related contingencies. 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. We also evaluated the adequacy of disclosures made in respect of legal and tax contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.
2. Valuation of development properties	
(Refer note 12 to the accompanying consolidated financial statements) 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 2020, DP amounted to Rs. 18,360 million and constitutes 70% of the total assets of the Group and is measured at the lower of cost or net realizable value (NRV). Due to its materiality and significance in terms of judgements and estimates involved in capitalization of cost incurred as a part of Project and valuation of underlying DP, we have considered this a key audit matter.	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. 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 Board level to identify any indicators of adjustments.

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

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
	We assessed the reasonableness of NRV of DP by involving specialists and compared the same with the cost on sample basis to ascertain the recording of DP at lower of cost or NRV. We also reviewed the related disclosures in accordance with the applicable financial reporting standards.

Information Other than the Consolidated 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 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.

EY Ford Rhodes
Chartered Accountants
Progressive Plaza
Beaumont Road
Karachi

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

- 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
Chartered Accountants

Reanda Haroon Zakaria & Co.
Chartered Accountants

Karachi

Date: 06 October 2020

Javedan Corporation Limited

Consolidated Statement of Financial Position

AS AT JUNE 30, 2020

	Note	2020	2019
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	5,939,097	5,464,329
Intangible assets	8	5,463	-
Investment properties	9	567,664	55,000
Long-term deposits	10	9,905	8,268
Deferred tax assets - net	11	-	17,991
		6,522,129	5,545,588
CURRENT ASSETS			
Development properties	12	18,359,932	17,915,327
Trade debts	13	520,231	789,495
Loans and advances	14	600,356	954,336
Short-term investment	15	37,750	-
Trade deposits, prepayments and other receivables	16	30,816	21,577
Cash and bank balances	17	60,421	56,751
		19,609,506	19,737,486
TOTAL ASSETS		26,131,635	25,283,074
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
390,000,000 (2019: 390,000,000) ordinary shares of Rs.10/- each		3,900,000	3,900,000
Issued, subscribed and paid-up capital	18	3,173,834	2,885,304
Capital reserves	19	3,393,056	3,393,056
Revenue reserves	19	2,384,355	2,330,440
Other component of equity - revaluation surplus on lands	20	8,544,621	8,675,613
		17,495,866	17,284,413
NON-CURRENT LIABILITIES			
Long-term financing	21	3,589,433	3,563,112
Deferred grant	22	1,289	-
Deferred tax liability Net	11	7,722	-
Deferred liability - gratuity	23	39,082	33,804
		3,637,526	3,596,916
CURRENT LIABILITIES			
Trade and other payables	24	338,545	521,337
Preference shares	25	510	510
Accrued mark-up	26	177,110	171,565
Contract liabilities	27	2,976,603	1,840,634
Short-term borrowings	28	899,406	1,485,603
Current maturity of non-current liabilities	21 & 22	479,568	345,417
Taxation - net		121,938	32,564
Unpaid preference dividend		122	60
Unclaimed dividend		4,441	4,055
		4,998,244	4,401,745
CONTINGENCIES AND COMMITMENTS	29		
TOTAL EQUITY AND LIABILITIES		26,131,635	25,283,074

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

Chief Executive | Chief Financial Officer | Director

Javedan Corporation Limited
Consolidated Statement of Profit or Loss
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		(Rupees in thousand)	
Revenue from contracts with customers - net	30	1,677,890	1,899,014
Cost of sales	31	(766,052)	(772,949)
Gross profit		911,838	1,126,065
Marketing and selling expenses	32	(52,939)	(56,176)
Administrative expenses	33	(402,069)	(363,881)
Finance costs	34	(207,567)	(117,818)
Other income	35	121,274	108,274
Profit before taxation		370,537	696,464
Taxation	36	(161,381)	(116,584)
Profit for the year		209,156	579,880

	Note	2020	2019
		(Rupees)	
Earnings per share			(Restated)
Basic	37	0.66	1.83
Diluted	37	0.66	1.83

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

Chief Executive

Chief Financial Officer

Director

Javedan Corporation Limited

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		(Rupees in thousand)	
Profit for the year		**209,156**	579,880
Other comprehensive income, net of tax			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):			
Actuarial gain / (loss) on remeasurement of defined benefit obligation	23.5	**3,848**	(1,837)
Related tax effect		**(1,116)**	533
		2,732	(1,304)
Revaluation surplus on lands	20	**-**	3,057,091
Other comprehensive income, net of tax		**2,732**	3,055,787
Total comprehensive income for the year, net of tax		**211,888**	3,635,667

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

Chief Executive

Chief Financial Officer

Director

Javedan Corporation Limited
Consolidated Statement of Changes In Equity
FOR THE YEAR ENDED JUNE 30, 2020

	Issued, Subscribed and Paid-up Capital	CAPITAL RESERVES		REVENUE RESERVES		Revaluation surplus on lands	Total Equity
		Share premium	Tax holiday reserve	General	Unappropri-ated profit		
	(Rupees in thousand)						
Balance as at June 30, 2018	2,671,254	3,380,604	11,966	63,500	1,905,300	5,802,648	13,835,272
Issuance of 8% ordinary bonus shares for the year ended June 30, 2018	213,726	-	-	-	(213,726)	-	-
Cost on issuance of shares	-	-	-	-	(326)	-	(326)
Final dividend @ 7% percent on ordinary shares for the year ended June 30, 2018	-	-	-	-	(187,010)	-	(187,010)
Profit for the year	-	-	-	-	579,880	-	579,880
Other comprehensive income/(loss), net of tax	-	-	-	-	(1,304)	3,057,091	3,055,787
Total comprehensive income, net of tax	-	-	-	-	578,576	3,057,091	3,635,667
Revaluation surplus on lands realised on account of sale of development properties	-	-	-	-	184,126	(184,126)	-
Conversion of preference shares into ordinary shares	324	486	-	-	-	-	810
Balance as at June 30, 2019	**2,885,304**	**3,381,090**	**11,966**	**63,500**	**2,266,940**	**8,675,613**	**17,284,413**
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)**	**-**
Balance as at June 30, 2020	**3,173,834**	**3,381,090**	**11,966**	**63,500**	**2,320,855**	**8,544,621**	**17,495,866**

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

Chief Executive

Chief Financial Officer

Director

Javedan Corporation Limited

Consolidated Statement of Cashflows

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		370,537	696,464
Adjustments for non-cash items:			
Depreciation	7.1	21,516	13,467
Amortization	8	288	-
Provision for gratuity	23.8	15,987	10,364
Remeasurement gain on investment properties	9.2	(47,587)	(14,709)
Finance costs	34	207,567	117,818
Mark-up on saving accounts	35	(10,166)	(1,807)
Loss on disposal of property, plant and equipment	35	77	(743)
Operating profit before working capital changes		558,219	820,854
(Increase) / decrease in current assets			
Development properties		23,423	(859,698)
Trade debts		269,264	680,418
Loans and advances		353,980	(285,953)
Trade deposits, prepayments and other receivables		(11,515)	(3,620)
		635,152	(468,853)
Increase / (decrease) in current liabilities			
Trade and other payables		(182,792)	(1,588,642)
Contract liabilities		1,135,969	670,022
		953,177	(918,620)
Cash flows generated from / (used in) operations		2,146,548	(566,619)
Payments for:			
Income taxes		(47,408)	(83,403)
Finance costs		(669,990)	(595,589)
Gratuity	23.6	(4,585)	(2,588)
Long-term deposits		(1,637)	(693)
		(723,620)	(682,273)
Net cash flows generated from / (used in) operating activities		1,422,928	(1,248,892)
CASH FLOWS FROM INVESTING ACTIVITIES *			
Additions to property, plant and equipment	7.1 & 7.2	(496,451)	(397,119)
Additions to intangible assets	8	(5,751)	-
Sale proceeds from disposal of property, plant and equipment		90	1,928
Additions to investment properties	9.2	(465,077)	-
Short-term investment		(37,750)	-
Mark-up on saving accounts received		10,166	1,807
Net cash flows used in investing activities		(994,773)	(393,384)
CASH FLOWS FROM FINANCING ACTIVITIES *			
Cost on issuance of bonus shares		(435)	(326)
Dividend paid		386	(187,114)
Long-term financing – net		161,761	2,661,237
Lease liabilities - net		-	(945)
Short-term borrowings – net		(586,197)	(880,253)
Net cash flows (used in) / generated from financing activities		(424,485)	1,592,599
Net increase / (decrease) in cash and cash equivalents		3,670	(49,677)
Cash and cash equivalents at beginning of the year	17	56,751	106,428
Cash and cash equivalents at end of the year	17	60,421	56,751

* 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 | Chief Financial Officer | Director

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED JUNE 30, 2020

1. STATUS AND NATURE OF BUSINESS

1.1 The group companies comprises of Javedan Corporation Limited (JCL) and its subsidiary company 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 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 # 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 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 Subsidary 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 mainteance management and related services to residents of Naya Nazimabad. The Subsidiary Company commenced its operations from January 01, 2020.

1.5 During the year, the Holding Company has issued 28.85 million ordinary bonus shares having face value of Rs.10 each amounting to Rs. 288.53 million.

1.6 Impact of COVID-19 pandemic

The outbreak of Novel Coronavirus (COVID-19) pandemic followed by a lockdown imposed by the Government, disrupted the commercial and economic acitivities in the Country. 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. Accordingly, the COVID-19 pandemic has no material impact on the financial position and performance of the Group. However, in order to make payment to employees without disruption, the Group has availed facility under Refinance Scheme for payment of wages and salaries.

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

Location	Address
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 Project	Deh, Manghopir road, Gadap town, Scheme #43, Karachi
Gulshan-e-Iqbal Sales Center	Showroom No. 3, Data Center, Block 13-B, Gulshan-e-Iqbal, Main University Road, Karachi.

Naya Nazimabad Sales Centre	Naya Nazimabad, Deh, Manghopir, 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 Institiute 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; and
- investment properties at fair value.

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 as at June 30, 2020, here-in-after referred to as 'the Group'.

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 off 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.

The subsidiary has same reporting period as that of the Holding Company, however, the accounting policies of subsidiary have been changed to confirm 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 losses 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Standards, amendments, interpretations and improvements adopted 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 as described below:

New / amended standards, interpretations and improvements

The Group has adopted the new / amended standards, interpretations and improvements to IFRSs which became effective for the current year:

IFRS 9	Prepayment Features with Negative Compensation (Amendments)
IFRS 14	Regulatory Deferral Accounts
IFRS 16	Leases
IFRS 16	COVID 19 Related Rent Concessions (Amendments)
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments)
IFRIC 23	Uncertainty over Income Tax Treatments

Improvements to Accounting Standards Issued by the IASB (2015-2017 cycle)

IFRS 3	Business Combinations - Previously held Interests in a joint operation
IFRS 11	Joint Arrangements - Previously held Interests in a joint operation
IAS 12	Income Taxes: Income tax consequences of payments on financial instruments classified as equity
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on these consolidated financial statements in the period of initial application.

5.2 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 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 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 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 realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

(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.

5.3 Property, plant and equipment

5.3.1 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 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.

5.3.2 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.

5.3.3 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.

5.4 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 financial statements.

5.5 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.

5.6 Right-of-use assets and leases liailities

5.6.1 Company 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 insubstance 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.

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.

5.6.2 Company 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.

5.7 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.

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.

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.

5.8 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.

5.8.1 Financial assets

5.8.1.1 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.

5.8.1.2 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.

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.

5.8.1.3 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.

5.8.1.4 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.

5.8.2 Financial liabilities

5.8.2.1 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.

5.8.2.2 Subsequent measurement

The measurement of financial liablities depends on their classificaiton, 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.

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.

5.8.2.3 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.

5.8.2.4 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 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 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 statement of 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 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.

vi) Service income is recognised by reference to percentage of completion method when the transaction involving rendering of services can be estimated reliably.

5.15.2 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.

iii) Gain on sale of property, plant and equipment 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

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.

5.23 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (annual periods begining on or after)
IFRS 3	Definition of a Business (Amendments)	January 01, 2020
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9/IAS 39/ IFRS 7	Prepayment Features with Negative Compensation (Amendments)	January 01, 2020

Standard or Interpretation		
IFRS 10/ IAS 28	Sale or Contribution of Assets between an Investor and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture(Amendment)	
IAS 1/ IAS 8	Definition of Material (Amendments)	January 01, 2020
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2022
IAS 16	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
IAS 43	Agriculture - Taxation in fair value measurements	January 01, 2022

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

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standard have been issued by IASB which is yet to be notified by the SECP for the purpose of applicability in Pakistan. The management of the Group expects that below new standard will not have any material impact on the Group's financial statements in the period of initial application.

Standards		Effective date (annual periods begining on or after)
IFRS 17	Insurance Contracts	January 01, 2023

6. DETAILS OF RELATED PARTIES

Name of related parties	%age holding (by the Group)	Basis of relationship
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
AH Aviation (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 (Pvt.) Limited	-	Common directorship
MCB-Arif Habib Savings & Investments Limited	-	Common directorship
Nooriabad Spinning Mills (Pvt.) Limited	-	Common directorship
Parkview Company Limited	-	Common directorship
Rotocast Engineering Company (Pvt.) Limited	-	Common directorship
Sukh Chayn Gardens (Pvt.) Ltd	-	Common directorship
Sweetwater Dairies Pakistan (Pvt.) Limited	-	Common directorship
Safemix Concrete Limited	-	Common directorship
AHA Trading House (pvt) Ltd	-	Common directorship
Arif Habib Foundation	-	Common directorship
Essa Textile and Commodities (Pvt.) Limited	-	Common directorship
Fatimafert Limited	-	Common directorship
Fatima Cement Limited	-	Common directorship
Memon Health and Education Foundation	-	Common directorship
Pakarab Fertilizers Limited	-	Common directorship
REMMCO Builders & Developers Limited	-	Common directorship
Reliance Sacks Limited	-	Common directorship
Siddiqsons Energy Limited	-	Common directorship
Arif Habib Dolmen REIT Management Limited	-	Common directorship
Arif Habib Real Estate Services (Pvt.) Limited	-	Common directorship
Power Cement Limited	-	Common directorship
Golden Arrow Funds Limited	-	Common directorship
Arif Habib Limited	-	Common directorship
Go Real Estate	-	Associated person, major shareholder
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. Syed Muhammad Talha - Director	-	Key management personnel
Mr. Muhammad Ejaz - Director	-	Key management personnel
Mr. Saeed Ahmad - 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 - Director	-	Key management personnel
Mr. Muneer Gadar - CFO & Company Secretary	-	Key management personnel
JCL Gratuity Fund Trust	-	Employees' Gratuity Fund

7. PROPERTY, PLANT AND EQUIPMENT

	Note	2020	2019
		(Rupees in thousand)	
Operating fixed assets	7.1	4,773,680	4,773,088
Capital work-in-progress	7.2	1,165,417	691,241
		5,939,097	5,464,329

7.1 Operating fixed assets

	COST / REVALUATION AMOUNT					ACCUMULATED DEPRECIATION					Written down value as at June 30, 2020	Rate
	As at July 01, 2019	Additions	Transfers	Disposals	As at June 30, 2020	As at July 01, 2019	Charge for the year	Disposals	Transfers	As at June 30, 2020		
	(Rupees in thousand)											%
Owned												
Free-hold land (Note 7.1.1 & 7.1.2)	541,599	-	-	-	541,599	-	-	-	-	-	541,599	-
Lease-hold land (Note 7.1.1 & 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	1,427	-	-	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	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	4,855,654	22,274	-	252	4,877,676	82,566	21,516	85	-	103,996	4,773,680	

	COST / REVALUATION AMOUNT					ACCUMULATED DEPRECIATION					Written down value as at June 30, 2019	Rate
	As at July 01, 2019	Additions / Revaluation*	Transfers	Disposals	As at June 30, 2019	As at July 01, 2018	Charge for the year	Disposals	Transfers	As at June 30, 2019		
	(Rupees in thousand)											%
Owned												
Free-hold land (note 7.1.1 & 7.1.2)	91,889	432,083	17,627*	-	541,599	-	-	-	-	-	541,599	-
Lease-hold land (note 7.1.1 & 7.1.2)	1,425,547	2,625,008	-	-	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		-	-	34,438	18,679	1,586	-	-	20,265	14,173	10
Buildings on other land	-	62,036	-	-	62,036	-	517	-	-	517	61,519	10
Furniture and fixtures	12,757	1,303	-	-	14,060	5,556	1,147	-	-	6,703	7,357	20
Office equipment	31,553	5,345	-	143	36,755	14,265	3,501	27	-	17,739	19,016	10 to 33
Computer equipment	17,318	3,934	-	72	21,180	13,325	1,874	52	-	15,147	6,033	33
Vehicles	40,523	4,298	2,631**	3,339	44,113	18,999	4,842	2,290	644**	22,195	21,918	20
	1,654,025	3,134,007	71,176	3,554	4,855,654	70,824	13,467	2,369	644	82,566	4,773,088	
Leased												
Vehicles	2,631	-	-	(2,631)**	-	-	644	-	(644)**	-	-	20
												2019
2019	1,656,656	3,134,007	68,545*	3,554	4,855,654	71,468	13,467	2,369	-	82,566	4,773,088	

* Represents land transferred (i.e. football stadium) from development properties to property, plant and equipment (note 12).

** Represents transferred from leased assets to owned assets.

7.1.1 The last revaluation exercise of lands (free-hold and leasehold) was carried out by the Group through an indepdendent valuer as of June 30, 2019. During the year, the Holding Company has again carried out said exercise through an independent valuer, as a result of which no change in fair value was reported as of June 30, 2020. Had there been no revaluation, the carrying amount of free-hold and leasehold land and revaluation surplus on free-hold and leasehold land 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 2 of fair value hierarchy (i.e. significant observable 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.

7.1.3 The immovable assets (i.e. free-hold and leasehold land) of the Holding Company as at June 30, 2020 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 Holding Company for business purposes. Out of the total 62 acres land, 9.05 acres lease-hold land has been mortgaged/pledaged 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.

7.2 Capital work-in-progress

	Note	2020	2019
		(Rupees in thousand)	
Opening		691,241	250,319
Additions during the year		474,176	440,922
Closing	7.2.1	1,165,417	691,241

7.2.1 The details of capital work-in-progress are as under:

	Note	2020	2019
Gymkhana (club house)	7.2.2	887,083	516,006
Jama masjid		174,573	95,441
Cricket ground		61,702	60,802
Football stadium		42,059	18,992
		1,165,417	691,241

7.2.2 This is pledged against syndicated loan facility as disclosed in note 21 to these consolidated financial statements.

8. INTANGIBLE ASSETS

	COST			ACCUMULATED AMORTIZATION				NET BOOK VALUE
	As at July 1, 2019	Addition during the year	As at June 30, 2020		As at July 1, 2019	Addition during the year	As at June 30, 2020	As at June 30, 2020
	Rupees in '000			%	Rupees in '000			
Software	-	5,751	5,751	20	-	288	288	5,463
2020	-	5,751	5,751		-	288	288	5,463

9. INVESTMENT PROPERTIES

	Note	2020	2019
		(Rupees in thousand)	
Investment properties - completed	9.1	567,664	55,000

9.1 Investment properties comprises of various properties having aggregated area of 495,564 square yards situated at Deh Mangopir and other locations in Karachi.

9.2 The movement in investment properties during the year is as follows:

	Note	2020	2019
		(Rupees in thousand)	
As at July 01		55,000	-
Transferred from development properties		-	40,291
Additions during the year		465,077	-
Remeasurement gain	9.3	47,587	14,709
As at June 30		567,664	55,000

9.3 An independent valuation was carried out by the management through an independent professional valuer on June 30, 2020 and the fair value of Rs. 567.664 million (2019: Rs.55 million) was determined with reference to market based evidence, active market prices and relevant information. Accordingly, the fair value adjustment for the year of Rs. 47.587 million (2019: Rs. 14.71 million) is recognised in profit or loss. The fair value of investment property falls under level 2 of fair value hierarchy (i.e. significant observable inputs).

9.4 The aggregated forced sale value of investment properties as per the latest valuation reports are Rs. 430.90 million (2019: Rs. 46.40 million).

10. LONG-TERM DEPOSITS

	Note	2020	2019
		(Rupees in thousand)	
Utilities		4,701	4,701
Rent		1,190	1,565
Lease deposits		3,399	1,387
Others		615	615
		9,905	8,268

11. DEFERRED TAX (LIABILITIES) / ASSETS - net

		2020	2019
Deferred tax on deductible temporary differences			
- provisions		(10,517)	(25,269)
- tax losses		(11,262)	-
- minimum tax		(595)	-
		(22,374)	(25,269)
Deferred tax on taxable temporary differences			
- accelerated depreciation on property, plant and equipment		8,240	7,278
- investment properties		18,066	-
- deferred grant		3,790	-
		30,096	7,278
		7,722	(17,991)

12. DEVELOPMENT PROPERTIES

	Note	2020	2019
Land			
Opening balance		14,962,418	14,653,144
Add: Additions during the year		18,000	309,274
	12.1	14,980,418	14,962,418
Development expenditure incurred			
Opening balance		8,658,619	6,621,621
Add: Incurred during the year		1,256,743	2,036,998
		9,915,362	8,658,619
Borrowing costs related to development properties			
Opening balance		1,848,597	1,387,153
Add: Additions during the year	34	468,028	524,728
Less: Transferred to proprety, plant and equipment		-	(63,284)
		2,316,625	1,848,597
		27,212,405	25,469,634
Transferred to:			
- property, plant and equipment	7.1	(68,545)	(68,545)
- investment properties	9.2	(40,291)	(40,291)
- cost of sales to date	31	(5,566,323)	(4,857,686)
- development charges incurred and apportioned to date	31	(3,177,314)	(2,587,785)
		18,359,932	17,915,327

12.1 The land under development properties having an area of 342.91 acre has been mortgaged / pledged with various financial institutions against financing facilities obtained (note 21 & 28).

13. TRADE DEBTS

	Note	2020	2019
		(Rupees in thousand)	
Secured, considered good			
Receivable against sales of plots and bungalows		301,842	543,482
Receivable against development charges incurred:			
- billed	13.1	94,900	138,002
- un-billed	13.2	97,446	108,011
		192,346	246,013
Receivable against maintenance services			
		26,043	-
	13.3	520,231	789,495

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, 2020 and 2019, the ageing analysis of unimpaired trade debts are as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
	(Rupees in thousand)				
Receivable against sales of plots and bungalows:					
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
Receivable against development charges incurred:					
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	-	-	-
- Nida Ahsan	295	295	-	-	-
- Arif Habib Limited	94	94	-	-	-
- Nooriabad Spinning Mills (Pvt) Ltd	100	100	-	-	-
	39,296	39,296	-	-	-
Other than related parties - billed and unbilled	153,050	153,050	-	-	-
	192,346	192,346	-	-	-
Receivable from residents					
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	-	-
2020	520,231	215,225	43,569	20,578	240,859

	Total	Neither past due nor impaired	Past due but not impaired		
			> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
	(Rupees in thousand)				
Receivable against sales of plots and bungalows:					
Related parties					
- Abdul Qadir	2,233	2,233	-	-	-
- Arif Habib Limited	495	-	-	-	495
	2,728	2,233	-	-	495
Other than related parties	540,754	-	157,887	229,743	153,124
	543,482	2,233	157,887	229,743	153,619
Receivable against development charges incurred:					
Related parties					
Billed					
- Nida Ahsan	129	129	-	-	-
- Arif Habib Limited	833	833	-	-	-
- Haji Abdul Ghani	7,935	7,935	-	-	-
- Nooriabad Spinning Mills (Pvt) Ltd	349	349	-	-	-
Unbilled					
- Arif Habib	13,185	13,185	-	-	-
- Haji Abdul Ghani	2,173	2,173	-	-	-
	24,604	24,604	-	-	-
Other than related parties - billed and unbilled	221,409	83,407	138,002	-	-
	246,013	108,011	138,002	-	-
2019	789,495	110,244	295,889	229,743	153,619

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

	Note	2020	2019
		(Rupees in thousand)	
Haji Abdul Ghani		8,367	10,108
Nida Ahsan		340	129
Arif Habib		30,316	13,185
Arif Habib Limited		812	833
Go Real Estate		44	-
Alamgir A. Sheikh		12	-
Faisal Anees Bilwany		6	-
Syed Muhammad Talha		24	-
Nooriabad Spinning Mills (Pvt.) Ltd		100	349

14. LOANS AND ADVANCES - Considered good

	Note	2020	2019
Loans - Secured			
Executives	14.2	5,048	6,548
Employees		3,530	4,866
	14.1	8,578	11,414
Advances - Unsecured			
Suppliers		112,448	76,022
Contractors		48,946	100,626
Employees for expenses		3,782	6,274
Purchase of properties	14.3	426,602	760,000
		591,778	942,922
		600,356	954,336

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:

	2020	2019
	(Rupees in thousand)	
Balance as of 01 July	6,548	2,716
Loans obtained during the year	14,531	12,481
Adjusted during the year	(16,031)	(8,649)
Balances as of 30 June	5,048	6,548

14.3 Represents advances (as partial payments) given for purchase of various properties under the terms of agreement agreed between the parties.

15. SHORT-TERM INVESTMENT - amortised cost

	Note	2020	2019
		(Rupees in thousand)	
Term deposit receipt	15.1	37,750	-

15.1 This carries mark-up at 11.75% having maturity upto one year.

16. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2020	2019
		(Rupees in thousand)	
Trade deposits - Unsecured			
Considered good			
- Security deposit with Sindh Building Control Authority		3,345	3,345
- Others	16.1	12,406	12,390
		15,751	15,735
Considered doubtful			
- Guarantee margin		225	225
- Contractors		2,680	2,679
		2,905	2,904
Allowances for expected credit losses		(2,905)	(2,904)
		15,751	15,735
Prepayments			
- Rent		1,156	1,655
- Insurance		1,542	294
- Others		1,892	2,593
		4,590	4,542
Other receivables - Unsecured			
- Sales tax refundable - considered doubtful		4,703	4,703
- Excise duty refundable - considered good		574	574
- Others - considered good	16.2 & 16.3 & 16.4	9,901	726
		15,178	6,003
Allowances for expected credit losses		(4,703)	(4,703)
		10,475	1,300
		30,816	21,577

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

16.2 Included herein receivables from the following related parties :

	2020	2019
	(Rupees in thousand)	
- International Builders and Developers (Private) Limited	-	34

16.3 These are neither past due nor impaired and are outstanding for less than 30 days.

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

	2020	2019
	(Rupees in thousand)	
- International Builders and Developers (Private) Limited	-	34

17. CASH AND BANK BALANCES

	Note	2020	2019
		(Rupees in thousand)	
Cash in hand		3,704	6,929
Cheques in hand		14,195	19,198
Cash at banks in:			
- current accounts		4,518	3,945
- deposit accounts	17.1	38,004	26,679
		42,522	30,624
		60,421	56,751

17.1 These carry markup at the rate ranging between 6 percent to 10 percent per annum (2019: 7 percent to 10 percent per annum).

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2020	2019		2020	2019
(Number of Shares)			(Rupees in thousand)	
		Ordinary shares of Rs.10 each		
8,600,000	8,600,000	Issued for cash	86,000	86,000
47,200,000	47,200,000	Issued under the financial restructuring arrangement	472,000	472,000
		Bonus shares issued:		
21,572,605	200,000	Opening	215,726	2,000
28,853,036	21,372,605	Issued during the year	288,530	213,726
50,425,641	21,572,605	Closing	504,256	215,726
(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
		Right shares issued:		
176,432,216	176,432,216	Opening	1,764,322	1,764,322
-	-	Issued during the year	-	-
176,432,216	176,432,216	Closing	1,764,322	1,764,322
61,661,453	61,661,453	Shares issued on conversion from preference shares	616,615	616,615
317,383,396	288,530,360		3,173,834	2,885,304

18.1 The holding of related parties / major shareholders of the Group holding ordinary shares as at June 30, 2020 and June 30, 2019 are as follows:

	2020	2019	2020	2019
	% holding		(Rupees in thousand)	
Haji Abdul Ghani	15%	14%	471,009	415,736
Arif Habib Corporation Limited	7%	7%	236,366	202,694
Arif Habib Equity (Private) Limited	29%	29%	910,360	827,600
			1,617,735	1,446,030

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:

	2020	2019
	(Number of Shares)	
Opening	61,661,453	61,629,104
Shares issued on conversion of preference shares during the year	-	32,349
Closing	61,661,453	61,661,453

19. RESERVES

	Note	2020	2019
		(Rupees in thousand)	
Capital reserves			
- Tax holiday reserve	19.1	11,966	11,966
- Share premium	19.2	3,381,090	3,381,090
		3,393,056	3,393,056
Revenue reserve			
- General reserves	19.3	63,500	63,500
- Un-appropriated profit		2,320,854	2,266,940
		2,384,354	2,330,440
		5,777,410	5,723,496

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.

20. REVALUATION SURPLUS ON LANDS

	Note	2020	2019
		(Rupees in thousand)	
Balance as at July 01			
Development properties		4,470,037	4,734,306
Property, plant and equipment		4,205,576	1,068,342
		8,675,613	5,802,648
Surplus arising on revaluation of lands during the year		-	3,057,091
Transfer to unappropriated profit on sale of development properties during the year		(130,992)	(184,126)
Balance as at June 30		8,544,621	8,675,613
Represented by:			
Development properties		4,339,045	4,470,037
Property, plant and equipment	7.1.1	4,205,576	4,205,576
		8,544,621	8,675,613

21. LONG TERM FINANCING - Secured

	Note	2020	2019
Conventional			
Debt asset swap arrangement	21.1	-	64,167
Term finance certificates	21.2	258,750	345,000
Syndicated loan facility	21.3	795,000	496,250
		1,053,750	905,417
Shariah Compliant			
SBP-Refinance Scheme	21.4	33,074	-
Sukuk certificates	21.5	2,979,932	2,978,112
Diminishing musharakah	21.6	-	25,000
		4,066,756	3,908,529
Current maturity of long-term financing		(477,323)	(345,417)
		3,589,433	3,563,112

21.1 The Holding Company was in negotiation with the Bank to settle the outstanding liability at Rs.106 million, and waive additional mark up of Rs.94 million on the overdue mark up, as it is not in accordance with prevailing banking regulations. The Holding Company had reached a settlement with the bank at an amount of Rs. 195 million which has been duly paid and charge created thereon has been released.

21.2 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 project. 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 Cirular 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.

21.3 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 Cirular 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. 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.

21.4 During the year, the Holding Company has obtained long-term financing from a Islamic bank of Rs. 36.63 million under Refinance Scheme for payment of Salaries & Wages by State Bank of Pakistan. 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 interest of 10.6 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. 23.37 million for the Holding Company remains unutilized.

21.5 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 and repayment of financing obtained for said purpose during the year ended June 30, 2018. These carry markup at the rate of 6 months KIBOR plus 1.75 percent per annum and are redeemable in 12 equal installments starting from 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.

21.6 During the year, the Holding Company had repaid the outstanding balance of Rs. 25 million diminishing musharakah facility carrying mark-up at the rate of 3 months KIBOR plus 3% per annum. The facility was secured against exclusive charge / mortgage over land bearing survey # 34, 36-45, 55, 59, 62-69, 72-77, 79-83, 85, 87-103, 127, 197-263, Deh Manghopir, Gadap Town, Scheme 43, Karachi having total market value of Rs. 334.95 million and forced sale value of Rs. 267.96 million as per valuation report dated June 10, 2016, however, no objection certificate for release of charge against facility is yet to be issued.

22. DEFERRED GRANT

	Note	2020	2019
		(Rupees in thousand)	
Recognised during the year		3,681	-
Released to profit or loss		147	-
As at June 30, 2020	21.4	3,534	-
Current portion		2,245	-
Non-current portion shown under current liabilities		1,289	-
	21.4	3,534	-

23. DEFERRED LIABILITY - GRATUITY

23.1 General description

As stated in note 4.12 to these consolidated financial statements, the Holding Company operates a retirement benefit plan (the Plan) namely approved funded gratuity scheme and the Subsidiary Company operates a retirement benefit plan (the Plan) for unfunded gratuity scheme, respectively, 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, 2020.

Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, 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, 2020 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

	Note	2020	2019
		(Rupees in thousand)	
Discount rate %		8.50%	14.25%
Expected rate of increase in salary levels %		8.50%	14.25%
Expected rate of return on plan assets %		14.25%	9.00%
Average retirement age of the employee		60 years	60 years

23.3 Reconciliation of amount payable to defined benefit plan

	Note	2020	2019
		(Rupees in thousand)	
Present value of defined benefit obligation	23.4	45,215	38,367
Less: Fair value of plan assets	23.6	(6,133)	(4,563)
	23.5	39,082	33,804

23.4 Movement in present value of defined benefit obligation

	2020	2019
Present value of obligation as at July 1	38,367	29,519
Current service cost	10,953	8,315
Interest cost	4,999	2,529
Benefits paid	(6,175)	(2,588)
Benefits due but not paid	(548)	(258)
Actuarial loss on re-measurement of obligation	(2,381)	850
Present value of obligation as at June 30	45,215	38,367

23.5 Movement in payable to defined benefit plan

	Note	2020	2019
Opening liability		33,804	24,191
Charge for year to profit or loss	23.8	15,301	10,364
Other comprehensive loss		(3,848)	1,837
Contributions to the fund		(6,175)	(2,588)
Closing liability		39,082	33,804

23.6 Movement in fair value of plan assets

	2020	2019
Fair value of plan assets as at July 1	4,563	5,328
Contributions	6,030	2,588
Interest Income on plan assets	651	480
Benefits paid	(6,030)	(2,588)
Benefits due but not paid	(547)	(258)
Return on plan assets excluding interest income	1,467	(987)
Fair value of plan assets as at June 30	6,133	4,563

23.7 The plan assets comprise of bank balances only.

23.8 Expense recognised in profit or loss

	2020	2019
Current service cost	10,953	8,315
Interest cost on defined benefit obligation	4,999	2,529
Interest income on plan assets	(651)	(480)
	15,302	10,364

23.9 Actuarial gain / (loss) on re-measurement of plan assets / obligation comprise of:

	2020	2019	2020	2019
	Actuarial gain/ (loss) on re-measurement of			
	Plan assets		Obligation	
	(Rupees in thousand)			
Experience adjustment	2,381	(987)	1,467	(850)

23.10 The plan exposes the Group to the following risks:

Longevity risk: The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

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
Sensitivity analysis	%	(Rupees in thousand)	
Discount rate	1	39,467	(45,749)
Salary growth rate	1	45,716	(39,442)

23.12 The expected gratuity expense for the year ending June 30, 2021 works out to Rs. 12.845 million.

23.13 The weighted average duration of the defined benefit obligation at June 30, 2020 is 7 years (2019: 7 years).

24. TRADE AND OTHER PAYABLES

	Note	2020	2019
		(Rupees in thousand)	
Creditors	24.1	65,606	88,873
Accrued liabilities		128,778	66,654
Retention money		127,248	100,097
Withholding tax payable		10,516	8,047
Other payables:			
- on cancellation of plots		6,397	7,881
- on repurchase of land	24.2	-	249,785
		338,545	521,337

24.1 Included herein amount payable to the following related parties:

	2020	2019
Safe Mix Concrete Limited	589	3,274
Power Cement Limited	3,847	8,288
Faisal Bilwany	2,933	1,114
Arif Habib Dolmen REIT Management Limited	2,977	2,977
Rotocast Engineering Company (Pvt.) Limited	101	61
Arif Habib Limited	1,631	1,091
	12,078	16,805

24.2 Included herein Rs. Nil (2019: Rs. 249.78 million) against the repurchase of commercial land payable to Arif Habib Equity (Private) Limited (a related party).

25. PREFERENCE SHARES

25.1 Issued, subscribed and paid-up preference shares

2020	2019		2020	2019
(Number of Shares)			(Rupees in thousand)	
45,150,200	45,150,200	Preference shares of Rs.10 each	**451,502**	451,502
(45,099,200)	(45,099,200)	Shares cancelled on conversion into ordinary shares	**(450,992)**	(450,992)
51,000	51,000		**510**	510

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 Holding 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 Holding Company and the issue of the shares were duly approved by the shareholders of the Holding 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 no preference shares (2019: 81,000 preference shares) were converted into ordinary shares (2019: 32,349 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.

26. ACCRUED MARK-UP

	Note	2020	2019
		(Rupees in thousand)	
Accrued markup on :			
- long-term financing		**149,844**	109,807
- short-term borrowings	26.1	**27,266**	61,758
		177,110	171,565

26.1 This includes markup payable to Haji Abdul Ghani - related party of Rs. 0.76 million (2019: Rs. 38.79 million).

27. CONTRACT LIABILITIES

	Note	2020	2019
		(Rupees in thousand)	
Advance from customers	27.1	**2,400,412**	1,256,407
Liability against performance obligation	27.2	**576,191**	584,227
		2,976,603	1,840,634

27.1 Advance from customers

	Note	2020	2019
Advance against:			
- plots and bungalows		**639,068**	488,187
- flats and commercial sites		**1,761,344**	768,220
	27.1.1	**2,400,412**	1,256,407

27.1.1 Represents advance received in respect of booking of plots, bungalows and appartments, 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:

	2020	2019
	(Rupees in thousand)	
Arif Habib Equity (Pvt) Limited	925,095	360,100
Haji Abdul Ghani	429,892	199,892
Arif Habib	183,117	-
Nida Ahsan	75,000	-
Go Real Estate	165,163	94,414
	1,778,267	654,406

27.2 **Liability against performance obligation**

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

28. SHORT-TERM BORROWINGS

	Note	2020	2019
		(Rupees in thousand)	
From related parties - unsecured			
Arif Habib Corporation Limited	28.1	-	10,067
Other than related parties			
Musharakah arrangement	28.2	300,000	300,000
Running finance under mark-up arrangements	28.3	599,406	1,175,536
		899,406	1,475,536
		899,406	1,485,603

28.1 Represents financing facility availed from a related party having limit of Rs. 2,231.55 million to finance the working capital and project requirement. The loan is repayable on demand and carries markup at the rate of 3 month's KIBOR plus 2.25 percent per annum. As of reporting date, the facility remained fully unutilised.

28.2 Represents running musharakah facility from a Islamic 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 remained fully utilised.

28.3 Represents running finance facility availed from a commercial bank of Rs. 600 million (2019: 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. 0.594 million (2019: Rs. 124.844 million).

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 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. 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 during the year 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 during the year 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) "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 has reversed provision previously created of Rs. 131.273 million relating to prior year. 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 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 has adjusted its brought forward losses against taxable income and accordingly, current and last year provision are based on higher of Corporate Tax or ACT.

In year 2019, the Holding Company has 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 has challenged the applicability of Alternative Corporate Tax vide C.P D-2982 of 2019 before SHC. In this regard, an interim order has been granted by SHC that no coercieve action is to be taken against the Holding Company till the pendency of the matter before SHC."

v) 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 stayorder 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 2020 has been accounted for in these financial statements having an aggregate impact of Rs.113.549 million.

vi) 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.

b) Legal contingencies

The Holding Company has 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 has 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 27 January 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 till the next date of hearing.

The Holding Company's believes that title of land is absolutely lawful, clean and clear since the Holding Company had obtained all necessary approvals strictly in accordance with the prevailing laws which had been further proven through several investigations by different agencies and courts in Pakistan. In this regard, the Holding Company has also sought a legal opinion based on which the Group is confident that the said notice and letter will be declared void and the matter shall be decided in the favor of the Holding Company, as they have a probable chance of winning the petition filed before SHC and currently have no exposure related to it.

c) Other contingencies

As at June 30, 2020, several cases were filed against the Holding 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 Holding Company, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these Consolidated financial statements.

29.1.2 Former business of the Holding Company

As at June 30, 2020, there are several cases aggregating to Rs. 580.55 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 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.

29.1.3 Guarantees issued by the commercial banks on behalf of the Group of Rs. 212.960 million (2019: Rs. 212.960 million).

29.2 Commitments

	Note	2020	2019
		(Rupees in thousand)	
Capital commitments		1,269,775	1,391,673
Ijarah rentals	29.2.1	12,678	7,647

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 Group (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. 1.07 million. Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

	Note	2020	2019
		(Rupees in thousand)	
Not later than one year		3,660	2,615
Later than one year but not later than five years		9,018	5,032
		12,678	7,647

30. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	Note	2020	2019
Plots		1,552,558	1,965,878
Bungalows		202,287	700,719
		1,754,845	2,666,597
Less: Cancellation and forfeiture		(112,674)	(760,817)
Trade discount		1,104	(6,766)
		(111,570)	(767,583)
Service income - net		34,615	-
		1,677,890	1,899,014

31. COST OF SALES & SERVICES

	Note	2020	2019
Cost of development properties sold:			
- plots		414,661	170,697
- bungalows		55,276	602,252
	12	469,937	772,949
Development charges:			
- incurred but not apportioned (borne by the Company)		238,700	-
- incurred and apportioned to customers		589,529	713,625
- reimbursable from customers		(589,529)	(713,625)
		-	-
	12	238,700	-
Cost of services		57,415	-
		766,052	772,949

32. MARKETING AND SELLING EXPENSES

	Note	2020	2019
		(Rupees in thousand)	
Sales promotions		48,332	23,013
Exhibitions and events		4,506	24,660
Commission		100	8,503
		52,939	56,176

33. ADMINISTRATIVE EXPENSES

	Note	2020	2019
Salaries, wages and other benefits	33.1	195,875	180,957
Fees and subscriptions		13,085	16,896
Depreciation	7.1	21,516	13,467
Amortization		288	-
Vehicle running		23,284	15,458
Legal, professional and consultancy		30,607	8,512
Repair and maintenance		21,718	16,746
Software license and maintenance		11,766	5,059
Rent, rates and taxes		6,478	6,698
Utilities		31,548	29,080
Donation	33.2 & 33.3	1,731	20,014
Communication		5,090	3,410
Travelling and conveyance		933	1,388
Ijarah rentals		4,599	1,599
Insurance		6,574	6,183
Printing and stationery		7,295	3,655
Auditors' remuneration	33.4	2,893	2,333
Entertainment		4,516	5,446
Meetings and conventions		597	445
Security		8,664	23,512
Others		3,012	3,023
		402,069	363,881

33.1 Included herein Rs.15.301 million (2019: Rs.10.36 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:

	2020	2019
	(Rupees in thousand)	
Diamer Bhasha and Mohmand Dams Fund	-	10,000
HANDS	-	4,280
	-	14,280

33.4 Auditors' Remuneration

	2020	2019
EY Ford Rhodes		
Annual audit of financial statements		
- standalone	577	577
- consolidation	300	-
Review of half yearly financial statements	200	200
Code of Corporate Governance and other services	564	587
Out of pocket expenses	109	86
	1,750	1,450
Reanda Haroon Zakaria & Company		
Annual audit of financial statements		
- standalone	677	577
- consolidation	150	-
Review of half yearly financial statements	200	200
Tax, Code of Corporate Governance and other services	53	53
Out of pocket expenses	63	53
	1,143	883
	2,893	2,333

34. FINANCE COSTS

	Note	2020	2019
		(Rupees in thousand)	
Dividend on preference shares	5.11	61	(35)
Mark-up on:			
- long-term financing	34.1	567,379	488,507
- short-term borrowings	34.1	202,920	207,027
- lease liabilities		-	44
Bank and other charges		3,539	4,439
		773,899	699,982
Less: Borrowing cost capitalized in the cost of qualifying asset	34.2	(566,332)	(582,164)
		207,567	117,818
Average rate of capitalisation		9.76%	11.89%

34.1 Mark-up on financing

		2020	2019
Interest bearing		298,865	408,627
Shariah compliant		471,434	286,907
		770,299	695,534

34.2 Breakup of Borrowing cost capitalized

		2020	2019
Property, plant & equipment (capital work in progress)	7.2	98,304	57,436
Development properties	12	468,028	524,728
		566,332	582,164

35. OTHER INCOME - net

	2020	2019
Income from financial assets		
Mark-up on saving accounts	10,166	1,807
Income from non-financial assets		
Income from cancellation of bookings	233	2,571
(Loss) / gain on disposal of property, plant and equipment	(77)	743
Transfer fees from plots and bungalows	40,800	64,961
Rental income from cricket ground	2,894	7,115
Rental income from investment properties	5,211	3,680
Remeasurement gain on investment properties	47,587	14,709
Amortisation of deferred grant	147	-
Others	14,313	12,688
	111,108	106,467
	121,274	108,274

36. TAXATION

	2020	2019
Current	93,601	113,589
Prior	43,183	(11,251)
Deferred	24,597	14,246
	161,381	116,584

36.1 Contingencies related to tax matters are disclosed in note 29.1.1 (a) to these financial statements.

36.2 Tax reconciliation with accounting profit is as follows:

	2020	2019
	(Rupees in thousand)	
Profit before taxation	370,537	696,464
Tax at the rate of 29% (2019: 29%)	107,456	201,975
Tax effect of change in tax rate	-	1,057
Prior year tax	43,183	(11,251)
Effect of minimum tax	595	(75,058)
Others	10,147	(139)
	161,381	116,584
Average rate of tax	44%	17%

37. EARNINGS PER SHARE

	2020	2019
	(Rupees in thousand)	
Basic		
Profit after tax (Rupees in '000)	209,156	579,880
		(Restated)
Weighted average number of ordinary shares (In numbers)	317,383,396	317,383,396
Earnings per share (In Rupees)	0.66	1.83
Diluted		
Profit attributable to ordinary shareholders (Rupees in '000)	209,217	579,845
		(Restated)
Weighted average number of ordinary shares in issue (In numbers)	317,383,396	317,383,396
Adjustment for conversion of convertible preference share (In numbers)	33,803	22,603
Weighted average number of ordinary shares for diluted earning per share (In numbers)	317,417,199	317,405,999
Earnings per share - (In Rupees)	0.66	1.83

37.1 The Group has issued 10% bonus shares (i.e. one ordinary share for every ten ordinary shares held), which has resulted in restatement of basic and diluted earnings per share for the year ended June 30, 2019.

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the consolidated financial statements are as follows:

	Chief Executive		Directors		Executives	
	2020	2019	2020	2019	2020	2019
	(Rupees in thousand)					
Managerial remuneration	10,735	10,287	-	-	40,271	40,550
Medical expenses	1,073	1,029	-	-	4,015	4,055
Allowances	519	760	-	-	9,522	8,505
Bonus	984	745	-	-	3,541	2,683
Retirement benefits	984	984	-	-	2,934	3,532
	14,295	13,805	-	-	60,283	59,325
Number of Persons	1	1	-	-	16	19

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. 0.56 million (2019: Rs. 0.42 million) to a non-executive Director on account of board meeting fees.

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, 2020. The policies for managing each of these risks are summarised below:

39.1 Financial assets and liabilities by category 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 thousand)						
Financial assets (at amortised cost)							
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 investment	37,750	-	37,750	-	-	-	37,750
Trade deposits and other receivables	-	-	-	20,949	-	20,949	20,949
Cash and bank balances	-	-	-	60,421	-	60,421	60,421
2020	**37,750**	**-**	**37,750**	**610,179**	**9,905**	**620,084**	**657,834**
Financial liabilities (at amortised cost)							
Long-term financing	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	122
Unclaimed dividend	-	-	-	4,441	-	4,441	4,441
2020	**1,376,729**	**3,589,433**	**4,966,162**	**509,702**	**-**	**509,702**	**5,475,864**

	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 thousand)						
Financial assets (at amortised cost)							
Long-term deposits	-	-	-	-	8,268	8,268	8,268
Trade debts	-	-	-	789,495	-	789,495	789,495
Loans	-	-	-	11,414	-	11,414	11,414
Trade deposits and other receivables	-	-	-	11,758	-	11,758	11,758
Cash and bank balances	-	-	-	56,751	-	56,751	56,751
2019	-	-	-	869,418	8,268	877,686	877,686
Financial liabilities (at amortised cost)							
Long-term financing	345,417	3,563,112	3,908,529	-	-	-	3,908,529
Trade and other payables	-	-	-	513,290	-	513,290	513,290
Accrued mark-up	-	-	-	171,565	-	171,565	171,565
Short-term borrowings	1,485,603	-	1,485,603	-	-	-	1,485,603
Unpaid preference dividend	-	-	-	60	-	60	60
Unclaimed dividend	-	-	-	4,055	-	4,055	4,055
2019	1,831,020	3,563,112	5,394,132	688,970	-	688,970	6,083,102

The carrying values of all financial assets and liabilities reflected in these financial statements approximate 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, 2020.

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, 2020.

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.

	(Increase) / decrease in basis points	Effect on profit before tax
		(Rupees in thousand)
2020	+100	(49,684)
	-100	49,684
2019	+100	(53,941)
	-100	53,941

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.

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 trade debts, deposits, trade and other receivables, loans and cash and bank balances. Out of the total financial assets of Rs.662.537 million (2019: Rs.882.390 million), the financial assets which are subject to credit risk amounted to Rs.645.212 million (2019: Rs.858.454 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:

	Note	2020	2019
		(Rupees in thousand)	
Long-term deposits	10	**9,905**	8,268
Trade debts	13	**520,231**	789,495
Loan to employees	14	**8,578**	11,414
Short-term investment	15	**37,750**	-
Trade deposits and other receivables	16	**26,226**	11,758
Bank balances	17	**42,522**	30,624
		645,212	851,559

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	2020	2019
		(Rupees in thousand)	
A-1	PACRA	**1,780**	1,289
A-1	JCR-VIS	**13,675**	954
A1+	PACRA	**11,063**	24,785
A-1+	JCR-VIS	**12,273**	1,417
A-3	JCR-VIS	**3,732**	2,179
		42,522	30,624

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 June 30, 2020 and 2019 based on contractual undiscounted payment dates and present market interest rates:"

	2020					
	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
	(Rupees in thousand)					
Financial liabilities						
Long-term financing	4,066,756	4,066,756	-	477,323	1,210,556	2,378,877
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	-	-	
2020	**5,475,864**	**5,475,864**	**1,409,108**	**477,323**	**1,210,556**	**2,378,877**

	2019					
	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
Financial liabilities	(Rupees in thousand)					
Long-term financing	3,908,529	3,908,529	176,667	168,750	830,300	2,732,812
Trade and other payables	513,290	513,290	513,290	-	-	-
Short term borrowings	1,485,603	1,485,603	1,485,603	-	-	-
Accrued mark-up	171,565	171,565	171,565	-	-	-
Unpaid preference dividend	60	60	60	-	-	-
Unclaimed dividend	4,055	4,055	4,055	-	-	
2019	6,083,102	6,083,102	2,351,240	168,750	830,300	2,732,812

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 techiques 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 lands under property, plant and equipment and investment properties are disclosed in notes 7.1.1 and 9.3 respectively to these financial statements.

39.6 Capital management

The primary objective of the Group'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 maximise shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2020.

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, 2020 and 2019 are as follows:

	Note	2020	2019
		(Rupees in thousand)	
Long-term financing	21	4,066,756	3,908,529
Preference shares	25	510	510
Accrued mark-up	26	177,110	171,565
Short-term borrowings	28	899,406	1,485,603
Total debts		5,143,782	5,566,207
Less: Cash and bank balances	17	(60,421)	(56,751)
Net debts		5,083,361	5,509,456
Issued, subscribed and paid-up capital	18	3,173,834	2,885,304
Capital reserves	19	3,393,056	3,393,056
Revenue reserves	19	2,384,354	2,330,440
Other component of equity - revaluation surplus on lands	20	8,544,621	8,675,613
Total equity		17,495,865	17,284,413
Total capital		22,579,226	22,793,869
Gearing ratio		22.51%	24.17%

40. TRANSACTIONS WITH RELATED PARTIES

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

	2020	2019
	(Rupees in thousand)	
Associates		
Arif Habib Corporation Limited		
Short-term borrowing obtained during the year	173,000	1,082,000
Short-term borrowing repaid during the year	183,067	2,539,933
Mark-up expense on short-term borrowing	2,544	106,036
Mark-up paid during the year	41,340	96,207
Dividend paid	-	15,021
Arif Habib Equity (Private) Limited		
Repurchase of commercial land	-	249,785
Paid against the repurchase of commercial land	249,785	1,556,161
Mark-up expense on short term-borrowing	27,613	-
Mark-up paid during the year	27,613	-
Advance received against future purchase of commercial apartments	564,995	360,100
Dividend paid	-	45,595
Arif Habib Limited		
Sale of plots	598	-
Services received during the year	541	1,091
Receipt against sale of plots	598	-
Sale of residential / commercial plots	-	105,886
Receipt against sale of residential / commercial plots	-	105,886
Power Cement Limited		
Purchase of construction material	62,795	44,357
Paid against the purchase of construction material	67,235	63,877
Safe Mix Concrete Limited		
Purchase of construction material	48,753	58,666
Paid against the purchase of construction material	51,438	58,135
Haji Abdul Ghani - Associated person		
Repurchase of commercial land	-	26,896
Advance received against future purchase of commercial apartments	110,000	11,000
Adjustment of amount payable as an advance for future purchase of commercial apartments	-	188,892
Sale of plots	33,971	-
Receipt against sale of plots	33,971	-
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	-
Cancellation of sales during the year	-	503,773
Services rendered during the year	120	-
Dividend paid	-	21,912
Rotocast Engineering Co. (Pvt.) Ltd.		
Services received during the year	41	61
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	549
Mark-up expense on short term-borrowing	28,230	-
Mark-up paid during the year	28,230	-

	Note	2020	2019
		(Rupees in thousand)	
Go Real Estate			
Sale of plots		263,080	-
Receipt against sale of plots		257,240	-
Advance received against plots		70,749	94,414
Key management personnel			
Arif Habib - Director			
Sale of plots and bungalows		576	12,156
Receipt against sale of plots		576	-
Advance received against future purchase of commercial apartments		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 during the year		1,038	-
Receipt against services rendered		521	-
Dividend paid		-	9,152
Abdul Qadir - Director			
Sale of plots		-	3,400
Receipt against sale of plots		-	1,400
Syed Muhammad Talha - Director			
Services rendered during the year		30	-
Receipts against services rendered		6	-
Faisal Anees - Director			
Consultancy services rendered during the year		11,472	13,200
Paid against consultancy services rendered		9,653	11,447
Services rendered during the year		12	-
Receipts against services rendered		6	-
Alamgir A.Sheikh - Director			
Services rendered during the year		12	-
Close family member			
Kashif Habib			
Dividend paid		-	2,443
Nida Ahsan			
Sale of plots and bungalows		-	54,514
Advance received against plots		75,000	-
Services rendered during the year		323	-
Receipts against services rendered		278	-
Cancellation of sales during the year		-	200,000
Post employment benefit plan			
Gratuity fund trust - contribution paid during the year	23	6,030	2,588

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, 2020 and 2019 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 bunglows.

42. SUBSEQUENT EVENTS

Subsequent to the reporting date, the situation of urban flooding occurrred by moonsoon rains. However, the management of the Holding Company does not expect any financial exposure to the Group since the Group has no constructive obligation in this regard.

43. GENERAL

43.1 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.

43.2 Number of employees as at June 30, 2020 was 514 (2019: 498) and average number of employees during the year was 685 (2019: 507).

43.3 These are the first consolidated financial statements of the Group, accordingly, corresponding figures are not comparable.

44. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorised for issue on October 01, 2020 by the Board of Directors of the Group.

Chief Executive | Chief Financial Officer | Director

PATTERN OF SHAREHOLDING

Category wise list of shareholders

As at June 30, 2020

Categories of Shareholders	Shareholder's	Shares Held	Percentage
Directors and their spouse(s) and minor children			
DARAKSHAN	1	495,299	0.16
MUHAMMAD SIDDIQ KHOKHAR	1	78	0.00
ABDUS SAMAD	1	62,181	0.02
MOHAMMAD KASHIF	1	4,878,613	1.54
ARIF HABIB	1	18,272,403	5.76
ABDUL QADIR	1	178	0.00
Associated Companies, undertakings and related parties			
ARIF HABIB EQUITY (PVT) LIMITED	2	91,036,050	28.68
ARIF HABIB CORPORATION LIMITED	1	23,636,598	7.45
Sponsors	6	72320762	22.79
Executives	1	15084	0.00
Public Sector Companies and Corporations	2	16220	0.01
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	7	23236791	7.32
Mutual Funds			
CDC - TRUSTEE AKD OPPORTUNITY FUND	1	8,289,822	2.61
MCBFSL - TRUSTEE AKD ISLAMIC STOCK FUND	1	961,190	0.30
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	1	4,869,832	1.53
General Public			
a. Local	3001	49940133	15.73
Foreign Investors	2	169900	0.05
Others	39	19182262	6.04
Totals	3070	317,383,396	100.00

Share holders holding 5% or more	Shares Held	Percentage
ARIF HABIB EQUITY (PVT) LTD	91,036,050	28.68
ABDUL GHANI	47,100,924	14.84
ARIF HABIB CORPORATION åLIMITED	23,636,598	7.45
SUMMIT BANK LIMITED	19,222,162	6.06
SHUNAID QURESHI	18,645,288	5.87
ARIF HABIB	18,272,403	5.76

Pattern of Shareholding

As of June 30, 2020

# Of Shareholders	Shareholdings'Slab			Total Shares Held
1722	1	to	100	43,617
609	101	to	500	126,770
277	501	to	1000	196,481
271	1001	to	5000	549,011
58	5001	to	10000	395,266
27	10001	to	15000	331,998
19	15001	to	20000	330,117
5	20001	to	25000	113,262
4	25001	to	30000	110,792
4	30001	to	35000	127,289
4	35001	to	40000	145,852
4	40001	to	45000	169,435
1	45001	to	50000	50,000
4	50001	to	55000	212,950
1	60001	to	65000	62,181
2	65001	to	70000	138,344
1	70001	to	75000	71,500
1	80001	to	85000	81,466
1	85001	to	90000	89,100
5	95001	to	100000	494,238
1	120001	to	125000	122,958
2	140001	to	145000	286,902
1	155001	to	160000	155,212
1	165001	to	170000	168,900
1	170001	to	175000	174,500
1	180001	to	185000	183,734
2	205001	to	210000	412,943
1	210001	to	215000	210,069
1	225001	to	230000	228,418
1	235001	to	240000	237,600
1	240001	to	245000	241,164
1	265001	to	270000	269,500
1	300001	to	305000	302,075
1	330001	to	335000	333,000
3	355001	to	360000	1,069,200
1	385001	to	390000	386,100
1	495001	to	500000	495,299
1	535001	to	540000	537,900
1	620001	to	625000	624,668
1	720001	to	725000	723,426
1	815001	to	820000	818,500
1	920001	to	925000	921,888
1	960001	to	965000	961,190
1	990001	to	995000	993,168
1	1530001	to	1535000	1,534,122
1	2480001	to	2485000	2,484,944
1	2490001	to	2495000	2,494,800
1	3045001	to	3050000	3,048,188
1	3770001	to	3775000	3,770,712
1	4285001	to	4290000	4,286,304
1	4865001	to	4870000	4,869,832
1	4875001	to	4880000	4,878,613
1	5210001	to	5215000	5,212,232
1	6570001	to	6575000	6,574,550
1	8285001	to	8290000	8,289,822
1	8295001	to	8300000	8,297,484
1	11880001	to	11885000	11,882,844
1	11980001	to	11985000	11,984,066
1	14355001	to	14360000	14,358,984
1	14660001	to	14665000	14,662,012
1	15805001	to	15810000	15,808,766
1	18270001	to	18275000	18,272,403
1	19220001	to	19225000	19,222,162
1	23635001	to	23640000	23,636,598
1	26075001	to	26080000	26,079,926
1	91035001	to	91040000	91,036,049
3070				317,383,396

اظہارتشکر

اس سال کو جاویداں کارپوریشن لمیٹڈ کے لئے غیر معمولی سال بنانے میں ملنے والی اعانت اوراعتماد پر بورڈ آف ڈائریکٹرز کی جانب سے ہم اپنے گاہکوں اورشیئر ہولڈروں کا تہہ دل سے شکر یہ ادا کرتے ہیں۔آپ کا غیر متزلزل اعتماداور بھروسہ ہمیں مہمیز دینے کے ساتھ ساتھ اس قابل بھی بناتا ہے کہ اپنے تمام اسٹیک ہولڈرز کے لئے طویل مدتی قدر تخلیق کرنے کے مرکزی مقصد کی تکمیل کرسکیں اور JCL کوایک ایسی آرگنائزیشن بناسکیں جوبھروسہ جیتتی ہے اورایک برانڈ نام قائم کرتی ہے۔میں اپنے بینکوں اور مالیاتی اداروں کا بھی شکریہ ادا کرنا چاہوں گا جو کمپنی کو یہ پروجیکٹ پیش کرنے میں برس ہابرس سے اہم کردارادا کرتے چلے آرہے ہیں۔پروجیکٹ کی اعانت پر میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج،سندھ بورڈ آف ریونیو،لیاری ڈویلپمنٹ اتھارٹی،سندھ بلڈنگ کنٹرول اتھارٹی،انوائرنمنٹل پروٹیکشن ایجنسی اورسب سے بڑھ کرحکومت سندھ کاشکریہ ادا کرنا چاہوں گا۔میں کمپنی کے تمام ملازمین کی ان تھک محنت کی قدر کرتا ہوں اورانہیں تہنیت پیش کرتاہوں۔اللہ تعالیٰ ہماری کاوشوں کو کامیاب فرمائے۔آمین!

عارف حبیب

چیئرمین

عبدالصمد حبیب

چیف ایگزیکٹو

Dated: October 01, 2020

بورڈ کی کمیٹیاں:

آڈٹ کمیٹی

جناب عبدالقادر سلطان	چیئرمین
جناب محمد اعجاز	ممبر
جناب عالمگیر شیخ	ممبر

ہیومن ریسورس اینڈ ریومنریشن کمیٹی

جناب سعید احمد	چیئرمین
جناب عارف حبیب	ممبر
جناب صمداے حبیب	ممبر
جناب محمد اعجاز	ممبر

اندرونی انضباط

اپنے اثاثہ جات کے تحفظ اور اپنے ریکارڈز کی درستگی اور اعتبار کی غرض سے کمپنی نے ایک مئوثر 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 مکینزم 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 میں شامل پانچ ڈائریکٹرز، ڈائریکٹروں کے تربیتی پروگرام کی جانب سے تصدیق ناموں کے حامل ہیں اور ایک ڈائرکٹر، ریگولیشنز میں دیئے گئے تجربے کے بورڈ کے معیار پر پورا اترتے ہیں۔ تمام ڈائریکٹرز کارپوریٹ اداروں کے ڈائریکٹرز کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے بخوبی آگاہ ہیں۔

بیرونی آڈیٹرز

30 جون 2020 کو اختتام پذیر ہونے والے سال کے مالیاتی گوشوارے M/S Reanda Haroon Zakaria & Co چارٹرڈ اکاؤنٹینٹس اور M/S EY Ford Rhodes چارٹرڈ اکاؤنٹینٹس 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 اکاؤنٹینٹس اور M/S EY Ford Rhodes چارٹرڈ اکاؤنٹینٹس کی 30 جون 2021 کو اختتام پذیر ہونے والی مدت کے لئے دوبارہ تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا نمونہ

کمپنیز ایکٹ 2017 کی دفعہ 227 (2)(f) کی مطابقت میں 30 جون 2020 تک کمپنی کی شیئر ہولڈنگ کا نمونہ رپورٹ ہذا کے ساتھ منسلک ہے۔

اسٹیک ہولڈرز کے لئے معلومات:

گزشتہ برسوں کا اہم عملیاتی اور مالیاتی ڈیٹا کا خلاصہ صفحہ نمبر 40-36 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۔

ریٹائرمنٹ 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 گریجویٹی اسکیم چلاتی ہے۔ گریجویٹی فنڈ کی سرمایہ کاری کا حجم 6.13 ملین روپے ہے۔

بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں ڈائریکٹرز کی حاضری

30 جون 2020 کو مختتمہ سال کے دوران بورڈ کے چار (04)، آڈٹ کمیٹی کے چار (04) اور ہیومن ریسورس اینڈ ریومنیریشن کمیٹی کا ایک (01) 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	1
جناب صمدا ے حبیب	4	2	1
جناب محمد اعجاز	4	4	کوئی نہیں
جناب عبدالقادر سلطان	4	4	کوئی نہیں
جناب فیصل بلوانی	2	کوئی نہیں	کوئی نہیں
جناب فیصل بلوانی	2	کوئی نہیں	کوئی نہیں
جناب عالمگیر شیخ	4	4	کوئی نہیں
جناب صدیق کھوکھر	4	کوئی نہیں	کوئی نہیں
مسماۃ درخشاں زوہیب	3	کوئی نہیں	کوئی نہیں
جناب سعید احمد	4	کوئی نہیں	کوئی نہیں

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 سونپے گئے کردار اور ذمہ داریوں کے عوض کیا معاوضہ ادا کیا جائے۔

بورڈ کی ترکیب

بورڈ کی حالیہ ترکیب درج ذیل ہے:۔

ڈائریکٹرز کی کل تعداد:

(الف)	مرد	8
(ب)	خاتون	1

ترکیب:

(الف)	انڈیپنڈنٹ ڈائریکٹر	3
(ب)	نان ایگزیکٹو ڈائریکٹر	5
(ج)	ایگزیکٹو ڈائریکٹر	1

مزید برآں ''نیا ناظم آباد'' میں لاک ڈاؤن کے بعد ہونے والی نئی فروختیں کافی متاثر کن رہی ہیں۔ جو برانڈ نام ''نیا ناظم آباد'' پر لوگوں کے اعتماد اور بھروسے کا کما حقہ اظہار ہے۔

COVID-19 عالمی معیشت کے لئے بدستور ایک بہت بڑا چیلنج ہے اور دنیا کے کئی ممالک اس وباء کی دوسری لہر کا سامنا کر رہے ہیں اور دنیا بھر میں اس وائرس سے متاثرہ افراد کی تعداد بڑھ رہی ہے۔ پاکستان بھی اس مشکل کا سامنا کر رہا ہے اور ضرورت اس بات کی ہے کہ ایسا توازن پیدا کیا جائے کہ معاشی سرگرمیاں بھی نہ رکیں اور ساتھ ہی COVID-19 پر بھی کڑی نگاہ رکھی جائے تاکہ اس کی دوسری لہر خطرناک ثابت نہ ہو سکے۔

رئیل اسٹیٹ سیکٹر کے لئے وفاقی حکومت کی جانب سے اعلان کردہ تعمیراتی پیکیج ایسا ہونا چاہیئے جو اس سیکٹر کو تحریک دے تاکہ صورت حال توقع سے جلدی معمول پر آجائیں۔ یہاں اس بات کا ذکر اہم ہے کہ وفاقی حکومت کی جانب سے اعلان کردہ کنسٹرکشن پیکیج میں صوبائی ٹیکسوں اور ڈیوٹیوں کے حوالے سے صوبائی سطح پر درکار تبدیلیاں شامل کی گئی ہیں۔ تاہم اس کی منظوری کا ابھی انتظار ہے۔

''نیا ناظم آباد'' اپنے پروجیکٹ کے نئے فیز پیش کرنے کے لئے پراعتماد ہے۔ یہ نیا فیز عرق ریزی سے ڈیزائن کردہ اپارٹمنٹس اور کمرشل آرکیڈ مارکیٹ پیش کرے گا۔ نئے فیز کی پیشکش کی منصوبہ بندی مکمل کی جا چکی ہے۔ تاہم موجودہ مجموعی معاشی ماحول میں اور ہماری مصنوعات کی قدر بڑھانے کی غرض سے پروجیکٹ کی پیشکش کئے جانے کا وقت احتیاط اور چابک دستی سے مقرر کیا جانا چاہیئے۔ ایسا ''نیا ناظم آباد'' کی مجموعی مثبت حرکیات جیسے یہاں کی آبادی میں اضافے اور قدر میں اضافے کے لئے جاری پروجیکٹس کی تکمیل کے نتیجے میں کیا جانے والا اس کی قدر کا اعتراف، کو مدنظر رکھتے ہوئے کیا جائے گا۔

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 آپریشنز اور کارکردگی کی نگرانی اور مالیاتی اور غیر مالیاتی معلومات کی درستگی بڑھانے، تکمیلیت اور شفافیت کی اپنی ذمہ داری سے بہ خوبی آگاہ 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 چوکسی 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 مئوثر 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، ڈیوٹیوں، 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 چالو کاروباری ادارے کے طور پر JCL کی اہلیت وصلاحیت پر کوئی شک وشبہ 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 2020 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۔

کارپوریٹ سماجی ذمہ داری (Corporate Social Responsibility)

کمپنی کو ادراک ہے کہ اپنے گاہکوں، ملازمین اور شیئر ہولڈروں کے ساتھ ساتھ قومی معیشت میں حصہ ڈالنا بھی اس کی ذمہ داری ہے۔ ایک ذمہ دار کارپوریٹ شہری ہونے کی حیثیت سے آپ کی 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 آپ کی 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:۔

کمپنی نے اپنے پروجیکٹ کا ڈیزائن توانائی کی بچت کو مدنظر رکھتے ہوئے تیار کیا ہے جس میں مکانات وغیرہ کو گرم اور ٹھنڈا رکھنے کے لئے کم سے کم توانائی خرچ کرنا پڑے اور سورج کی دھوپ اور قدرتی ہوا کام میں لئے جاسکیں۔ پروجیکٹ کے وسیع رقبے پر سبزہ اگایا جاچکا 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 فروگذاشت نہیں رکھتے۔ ہمارا سیفٹی 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۔

قدرکی شمولیت

HANDS کے ساتھ شراکت......ملک میں تعلیم کو بہتر بنانے کی خاطر JCL نے کراچی مین سرکاری اسکولوں کی اعانت جاری رکھی ہوئی ہے۔ اس کام میں ہم نے HANDS کے ساتھ شراکت کی ہے اور مقصد ہے کہ نہ صرف چنیدہ سرکاری اسکولوں کی ابتدائی پرائمری جماعتوں کا معیار تعلیم بہتر بنا کر بلکہ والدین، برادریوں، مقامی حکومتوں اور تعلیمی اداروں کو تربیت فراہم کر کے ان اسکولوں کو ماڈل تعلیمی کیمپس میں تبدیل کیا جائے۔

کھیلوں کی سرگرمیوں کو اسپانسر کرنا......آپ کی کمپنی کھیلوں کی سہولیات پر خصوصی توجہ دیتی ہے اور اس مقصد کی خاطر ہم نے عالمی معیار کے کرکٹ، فٹ بال اسٹیڈیم اور باسکٹ بال کورٹ تیار کیا ہے۔ زیر جائزہ سال کے دوران کمپنی نے "نیا ناظم آباد" کے علاوہ دیگر مقامات پر بھی مختلف ٹورنامنٹس کو اسپانسر کر کے شہر میں کھیلوں کی صحت مند سرگرمیوں کی ترویج میں اپنا کردار ادا کیا ہے۔ کراچی کے نوجوانوں کو صحت مند سرگرمیوں میں مصروف رکھنے کی خاطر آپ کی کمپنی اپنے گراؤنڈ پر فٹ بال اور کرکٹ اکیڈمیاں بھی چلا رہی ہے۔

کریڈٹ ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے آپ کی کمپنی کو AA- / A-1 (ڈبل اے مائنس/ اے ون) کی اینٹائٹی ریٹنگز دی گئی ہیں۔ ان عطاء کردہ ریٹنگز کا مطلب ہے "مستحکم"۔ یہ تصدیق نامہ کمپنی کی انتظامیہ کے مسلسل بڑھوتی کے ویژن کو اجاگر کرتا ہے اور توقع ہے کہ اس تصدیق نامے کے ذریعے مارکیٹ میں ہم پر اعتماد میں مزید اضافہ ہوگا۔

ممبرشپ

آپ کی کمپنی کراچی چیمبر آف کامرس اینڈ انڈسٹری (KCCI) اور ایسوسی ایشن آف بلڈرز اینڈ ڈویلپرز (ABAD) کی رکنیت کی حامل ہے۔

مستقبل کا منظرنامہ

مارکیٹ کا جائزہ

COVID-19 اور اس کے نتیجے میں لگائے جانے والے لاک ڈاؤن کے باعث مالی سال 2019-2020 بری طرح متاثر ہوا ہے۔ مالی سال مختتمہ کے پہلے نصف حصے میں حاصل ہونے والی وصولیابیوں یا رفتار کا کوئی خاص فائدہ نہ ہوسکا۔ نئے پروجیکٹس پیش کئے جانے تھے اور کمپنی فیز 2 نیا ناظم آباد اپارٹمنٹس بھی مارکیٹ میں پیش کرنا چاہتی تھی لیکن لاک ڈاؤن کے باعث کاروباری/ معاشی سرگرمیوں میں ہونے والی سست رفتاری نے ہمیں نئے پروجیکٹس پیش کرنے سے روکے رکھا۔

وفاقی حکومت کی جانب سے بروقت اقدام اٹھائے جانے اور اسٹیٹ بینک آف پاکستان نے COVID-19 کے وباء سے متاثر کاروباروں اور صنعتوں کو سہولیات (جن میں بینچ مارک شرح میں قابل ذکر کمی، اصل رقوم کی ادائیگیوں میں تعطل، تنخواہوں کی ادائیگی کے لئے ری فنانس اسکیم اور دیگر اقدامات شامل تھے) اور انتہائی ضروری مالی اعانت فراہم کی۔

ترقیاتی کارکردگی

بلاک 'اے'، 'بی'، 'سی' اور 'ڈی' کے انفرااسٹرکچر کی ترقی کا کام تکمیل تک پہنچ چکا ہے اور بلاک 'ایم' اور دیگر پروجیکٹس میں ترقیاتی کام جاری ہے۔ پہلے فیز میں ''کے الیکٹرک'' کے بجلی کے انفرادی میٹروں کی بلاک 'بی' مین تنصیب کا آغاز ہو چکا ہے۔ مزید یہ کہ گیس کنکشنوں کی فراہمی کی منظوری بھی مل چکی ہے۔ ICT کے لئے Optix (پرائیویٹ) لمیٹڈ کے ساتھ ایک معاہدہ ہو چکا ہے جس کے تحت ''نیا ناظم آباد'' کے باسیوں کو ٹرپل پلے خدمات مہیا کی جاسکیں گی۔ اس کے لئے انفرااسٹرکچر کی تعمیر کا کام شروع کر دیا گیا ہے اور اس سہولت کی فراہمی ''نیا ناظم آباد'' کے رہائشیوں کے لئے یقینی طور سے قابل قدر ثابت ہوگی۔ تعلیم، صحت، اسپورٹس، تفریح اور دیگر سہولیات تیزی سے تیار کی جارہی ہیں اور مرحلہ وار انہیں قابل عمل بھی بنایا جارہا ہے۔ لگ بھگ 600 خاندان ''نیا ناظم آباد'' میں رہائش اختیار کر چکے ہیں اور کئی صد مکانات زیر تعمیر بھی ہیں۔ امید ہے کہ ''نیا ناظم آباد'' ایک ایسی کمیونٹی بن جائے گا جہاں لوگ ایک دوسرے سے وابستگی محسوس کریں گے۔

''نیا ناظم آباد'' میں دیگر پروجیکٹس

نیا ناظم آباد جیم خانہ (کلب ہاؤس)

فن کا نادر نمونہ اور آٹھ منزلوں پر مشتمل سروس سوئٹ والا ''نیا ناظم آباد جیم خانہ'' ابھی تعمیر کے مراحل سے گزر رہا ہے۔ اس پروجیکٹ کا سول ورک مکمل کیا جاچکا ہے اور فنشنگ کے کام کی شروعات کی جاچکی ہے جس کی تکمیل ذیلی مراحل میں کی جائے گی۔ انتظامیہ کی خواہش ہے کہ اس کلب ہاؤس کے پہلے مرحلے کا افتتاح مالی سال جاریہ کے وسط تک کر دیا جائے۔ یہ کلب ہاؤس 'اِن ڈور' اور 'آؤٹ ڈور' اسپورٹس، ریستورانوں اور دیگر سہولیات کے اسٹیٹ آف دی آرٹ مجموعے پر مشتمل ہوگا۔

میڈیکل سینٹر اور اسکول

میڈیکل سینٹر کی تعمیر مکمل ہوچکی ہے جس کا افتتاح آئندہ ماہ کر دیا جائیگا جب کہ اسکول کی تعمیر پہلے ہی مکمل کی جاچکی تھی اور اس کا افتتاح لاک ڈاؤن سے پہلے ہی کر دیا گیا تھا۔ میڈیکل سینٹر میں 24/7 بنیادوں پر ایمرجنسی سروس، فارمیسی، ریڈیالوجی سروسز، کنسلٹنٹ کلینک، لیبارٹری اور دیگر سہولیات شامل ہوں گی جن سے ''نیا ناظم آباد'' کے رہائشی مستفید ہوسکیں گے۔

جامع مسجد

جامع مسجد کی تعمیر کا کام جاری ہے تاہم لاک ڈاؤن کے باعث مٹیریل کے حصول/فراہمی میں تعطل پیدا ہوا تھا۔ مزید یہ کہ اختتام سال کے بعد جامع مسجد کے باب محمد کا افتتاح مورخہ 16 اگست 2020 کو ڈاکٹر عبدالحفیظ شیخ کے ہاتھوں کر دیا گیا ہے۔

جہاں تک حالیہ مون سون کی بارشوں اور اس سے پیدا ہونے والی صورت حال کا تعلق ہے تو بورڈ اور انتظامیہ نے ہمیشہ اس بات کا اعادہ کیا ہے کہ ''نیا ناظم آباد'' کا نکاسی آب کا اندرونی سسٹم موجود بھی ہو اور اتنا مئوثر ہو کہ پروجیکٹ کے اندر سے برسات کا پانی بلا کسی رکاوٹ نکلتا رہے۔ یہ واقعہ قبل ازیں ہونے والی برسات میں ظاہر تھا جب برسات کے پانی کی نکاسی میں کوئی رکاوٹ دیکھنے میں نہیں آئی تھی۔ تاہم اگست 2020 کے آخر میں بدقسمتی سے شدید بارشیں برسیں اور پروجیکٹ سے باہر واقع گوٹھوں میں نکاسی آب کا سسٹم نہ ہونے کے باعث ان گوٹھوں کے اندر پانی انتہائی خطرناک سطح تک کھڑا ہوگیا تھا جس سے جانی اور مالی نقصان کا خدشہ پیدا ہوگیا تھا۔ لہٰذا انسانی ہمدردی کی بنیادوں پر پروجیکٹ کے باہر اکھٹا ہو جانے والے پانی کو پروجیکٹ کے اندر آنے دیا گیا جس سے ''نیا ناظم آباد'' کے اندر پانی، گنجائش سے زیادہ بھر گیا اور LDA کی جانب سے برساتی اور گندے پانی کے نظام کی عدم فراہمی کے باعث ''نیا ناظم آباد'' سے پانی باہر نکلنے میں معمول سے کچھ زیادہ ہی وقت لگ گیا۔

اس مشکل وقت میں انتظامیہ ''نیا ناظم آباد'' کے مکینوں کے ساتھ کھڑی رہی تھی اور انہیں متبادل رہائش، خوراک اور دیگر بنیادی سہولیات احسن طریقے سے فراہم کی گئی تھیں۔ اس مدت کے دوران متاثرہ خاندانوں کی اشک شوئی کے لئے ہر ممکن اقدام اٹھایا گیا اور برساتی پانی کی پروجیکٹ کے اندر سے مکمل طور سے نکاسی کے بعد انہیں اپنے اپنے گھروں میں واپس جانے میں بھی ہر ممکن مدد فراہم کی گئی۔

معزز شیئر ہولڈروں اور دیگر اسٹیک ہولڈروں کی توجہ اس نکتے کی جانب مبذول کروائی جاتی ہے کہ پروجیکٹ کے باہر (سڑکوں، نکاسی آب اور ڈرینیج سسٹم سمیت) بنیادی انفرااسٹرکچر کی تعمیر و ترقی کی ذمہ داری سرکاری محکموں یا مقامی/صوبائی حکومت کی ہوتی ہے۔ اور اس مقصد کے لئے کمپنی بیرونی ترقیاتی چارجز کی ادائیگی کرتی ہے۔ لیکن نامعلوم وجوہات کی بناء پر کمپنی کی جانب سے ادا کردہ بیرونی ترقیاتی چارجز (ODC) کو استعمال نہیں کیا گیا۔ آپ کی کمپنی اس معاملے میں LDA، مقامی اور صوبائی حکومتوں سے رابطہ کر کے انہیں پروجیکٹ سے باہر ان کی ذمہ داری کے تحت آنے والی بنیادی سہولیات/ انفرااسٹرکچر کی فراہمی پر مجبور کرنے کی کوشش کرنے کا ارادہ رکھتی ہے۔ انتظامیہ یقین دلاتی ہے کہ اس مقصد کی خاطر وہ مالیاتی طور پر یا دیگر طریقوں سے اپنا کردار بھرپور انداز میں ادا کرے گی۔

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ہم آپ کی کمپنی 30 جون 2020 کو اختتام پذیر ہونے والے مالی سال کی مالیاتی اور فعلیاتی کارکردگی کا مختصر جائزہ ہمراہ آڈیٹرز کی رپورٹ آپ کی خدمت میں پیش کررہے ہیں۔

سال 2019-2020 کا اجمالی جائزہ

30 جون 20 کو اختتام پذیر ہونے والا مالی سال چیلنجوں سے بھرپور رہا۔ اس مالی سال کے پہلے نصف حصے میں ماضی قریب میں معیشت کے استحکام کے لئے حکومت کی جانب سے اٹھائے جانے والے سخت اقدامات کے نتیجے میں معیشت میں آنے والی سست روی سے کچھ بحالی دیکھنے میں آئی۔ تاہم اس مالی سال کا دوسرا نصف حصہ COVID-19 کی عالمی وباء کے باعث شدید متاثر ہوا۔ یہ وباء ابھی ختم نہیں ہوئی جس کے نتیجے میں مالی سال کے پہلے نصف حصے میں حاصل ہونے والا نفع، مفید ثابت نہ ہوسکا۔

مجموعی طور پر پاکستان COVID-19 اور اس کے نتیجے میں پیدا ہونے والی لاک ڈاؤن کی صورت حال سے چابک دستی سے نمٹا ہے اور پاکستان میں کاروباروں کو دیگر بیشتر ممالک کے مقابلے میں جلدی دوبارہ کھولنے کی اجازت دے دی گئی۔ چیلنجوں کے باوجد لاک ڈاؤن سے پہلے اور بعد میں پہلے سے متعارف کردہ بلاکوں کی باقی ماندہ انوینٹری میں سے نئی فروختوں کی تعداد کافی تسلی بخش رہی۔ تاہم اپارٹمنٹ پروجیکٹ پیش کئے جانے کا عمل ملتوی کرنا پڑا۔

مالیاتی جائزہ

زیر جائزہ مالی سال کے دوران (غیر مستحکم بنیادوں پر) آپ کی کمپنی نے 1,643 ملین روپے کی فروخت ریکارڈ کی جو گزشتہ برس کی اسی مدت کے دوران 1,899 ملین روپے رہی تھی۔ زیر جائزہ مدت کے دوران لاگت فروخت 708 ملین روپے رہی جو گزشتہ برس کی اسی مدت کے دوران 772 ملین روپے رہی تھی۔ اختتام پذیر ہونے والے سال کے دوران خام منافع میں 17 فی صد کی کمی آئی جو 191 ملین روپے رہا۔ اس مدت کے دوران انتظامی اخراجات 387 ملین روپے رہے جو گزشتہ برس اسی مدت کے مقابلے میں 6 فیصد زیادہ تھے۔ زیر جائزہ سال کے دوران مالیاتی لاگت 207 ملین روپے رہی جو گزشتہ برس اسی مدت کے دوران 117 ملین روپے رہی تھی۔ مالیاتی لاگت میں اضافے کی وجہ اسی مدت کے دوران مارک اپ کی اوسط شرح میں اضافہ ہوجانا تھا۔ زیر جائزہ مدت کے اختتام پر قبل از ٹیکس اور بعد از ٹیکس منافع بالترتیب 409 ملین روپے اور 236 ملین روپے رہا جس میں بالترتیب 41 فی صد اور 59 فی صد کمی آئی۔ یہ صورت حال 0.75 روپے فی شیئر کمائی کی آئینہ دار ہے جب کہ فی شیئر کمائی گزشتہ برس کی اسی مدت کے دوران 1.83 روپے رہی تھی۔ زیر جائزہ مدت کے دوران منافع میں ہونے والی کمی کی بڑی وجہ 238 ملین روپے کا فرق ہے جس کی وجہ اٹھنے والی ترقیاتی لاگت اور فیرون کے الاٹیوں سے وصول کی جانے والی ترقیاتی لاگت کے ساتھ مالیاتی لاگت میں اضافہ بھی ہے۔

ذیل میں (غیر مستحکم) مالیاتی نتائج کا تقابلی خلاصہ پیش کیا جارہا ہے:۔

تفصیلات	30 جون 2020	30 جون 2019
	(ہزار روپے)	
خالص فروخت	1,643,274	1,899,014
لاگت فروخت	(708,636)	(772,949)
خام منافع	934,638	1,126,065
منافع قبل از ٹیکس	409,330	696,463
منافع بعد از ٹیکس	236,700	579 879
فی شیئر کمائی (EPS) ڈیلوٹڈ (روپے)	0.75	1.83

جاویداں کارپوریشن لمیٹڈ نے ایک مکمل ملکیتی کمپنی......این این منٹی نینس کمپنی (پرائیویٹ) لمیٹڈ قائم کردی ہے جس نے مورخہ 01 جنوری 2020 سے کام کا آغاز کردیا ہے۔ مستحکم بنیادوں پر زیر جائزہ مدت کے دوران آمدنی 1,677 ملین روپے رہی اور بعد از ٹیکس منافع 209 ملین روپے رہا جو فی شیئر 0.66 روپے کمائی پر منتج ہوا۔

Form of Proxy

58th 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 Eight Annual General Meeting of the Company to be held on October 27, 2020 and/or any adjournment thereof.

Signed this __________ day of __________ 2020.

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

58th سالانہ جنرل اجلاس

میں مسمّی / مسمّاۃ ــــــــــــــــــــــ ساکن ـــــــــــــــــــــــــــــــــــ ضلع ـــــــــــــــــــــــــ

مسمّی / مسمّاۃ ـــ

ساکن ـــــــــــــــــــــــــــــــــــــ کو بطورِ مختار (پراکسی) مقرر کرتا ہوں تا کہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاسِ عام جو بتاریخ 27 اکتوبر، 2020 بوقت دن 04:45 بجے منعقد ہو رہا ہے اس میں یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

دستخط: ــــــــــــــــــ بروز/ بتاریخ ـــــــــــــــــــــــ 2020

گواہان:

1	2
نام: ـــــــــــــــ	نام: ـــــــــــــــ
پتہ: ـــــــــــــــ	پتہ: ـــــــــــــــ
شناختی کارڈ نمبر: ـــــــــــــــ	شناختی کارڈ نمبر: ـــــــــــــــ
دستخط: ـــــــــــــــ	دستخط: ـــــــــــــــ

دستخط ۵ روپے ریوینیو اسٹیمپ

نوٹ:

- وہ رُکن جسے یہ اجلاس یا اجلاس میں ووٹ کا حق حاصل ہے وہ کسی ناگزیر صورتحال میں اپنی جگہ کسی دوسرے (مخصوص) رُکن کو یہ حق دے سکتا ہے کہ وہ رُکن اُس کی پراکسی استعمال کرتے ہوئے، اُس کے بجائے اجلاس میں شریک ہوسکتا ہے، خطاب کرسکتا ہے یا ووٹ کا اندراج کرسکتا ہے۔
- پراکسی ثابت کرنے کے لئے اُسے اپنا اصل پاسپورٹ اور فولیو نمبر سے دکھانا لازمی ہے تا کہ اجلاس میں شرکت کی اجازت سے قبل اُس کی شناخت کی جاسکے۔
- مئوثر 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، شاہراہِ فیصل، کراچی، پاکستان، میں اجلاس سے کم از کم 48 گھنٹے قبل وصول ہونا لازمی ہے۔ فارم میں تمام مطلوبہ معلومات، رُکن کے دستخط اور مہر، نیز دو گواہان کی بنیادی معلومات یعنی نام پتے، دستخط اور شناختی کارڈ نمبر کا اندراج ضروری ہے۔
- انفرادی رُکن کی صورت میں اصل اونر اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول منسلک کرنا لازمی ہے۔
- پراکسی کے کارپوریٹ ہونے کی صورت میں بورڈ آف ڈائیریکٹر کی قرارداد، پاور آف اٹارنی، شناختی کارڈ اور پاسپورٹ کی تصدیق شدہ نقول، پراکسی فارم کے ساتھ منسلک کرنا ضروری ہے۔

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