



JAVEDAN

CORPORATION LIMITED



Annual Report
2018



Annual Report
2018



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Company Information

Board of Directors

| | |
|-------------------------|-----------------|
| Arif Habib | Chairman |
| Samad A. Habib | Chief Executive |
| Abdul Qadir | Director |
| Alamgir A. Sheikh | Director |
| Hassan Ayub Adhi | Director |
| Muhammad Kashif Habib | Director |
| Muhammad Ejaz | Director |
| Muhammed Siddiq Khokhar | Director |
| Faisal Anees Bilwani | Director |

Chief Financial Officer & Company Secretary

Syed Muhammad Talha

Audit Committee

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

HR & Remuneration Committee

| | |
|----------------|----------|
| Arif Habib | Chairman |
| Samad A. Habib | Member |
| Muhammad Ejaz | Member |



Auditors

Reanda Haroon Zakaria & Co.
Chartered Accountants

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Bankers

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

Registered Office

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

Share Registrar

Central Depository Company of
Pakistan Limited, CDC House, 99-B,
Block 'B' S.M.C.H.S Shahrah-e-Faisal,
Karachi.

Site Office:

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



Vision

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



Mission

To become a profitable organization and exceed the expectations of our customers and stakeholders by developing and marketing high quality products 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.

Notice of Annual General Meeting

Notice is hereby given that 56th Annual General Meeting of Javedan Corporation Limited will be held at Pakistan Stock Exchange on Friday, October 26, 2018 at 07:00 p.m. to transact the following business:

Ordinary Business

1. To confirm the minutes of 55th Annual General Meeting of the shareholders held on November 27, 2017.
2. To receive, consider and adopt annual audited financial statements for the year ended June 30, 2018 together with the Reports of the Auditors and Director thereon.
3. To appoint Auditors for the year ending June 30, 2019 and to fix their remuneration.
4. To consider and approve final cash dividend for the year ended June 30, 2018 @ 7% i.e., at PKR 0.7 per ordinary share and fully paid Bonus Shares in the proportion of 8 shares for every 100 shares held by the members i.e 8% as recommended by the Board of Directors.
5. To elect 9 (nine) Directors, as fixed by the Board in accordance with the provision of Section 159 of the Companies Act, 2017, for a term of 3 (three) years commencing from the date of holding AGM i.e. October 26, 2018. The names of retiring directors of the Company, also eligible to offer themselves for re-election, are as follows:
 - 1) Mr. Arif Habib (Chairman)
 - 2) Mr. Samad Habib (CEO)
 - 3) Mr. Abdul Qadir
 - 4) Mr. Kashif A Habib
 - 5) Mr. Hassan Ayub Adhi
 - 6) Mr. Muhammad Ejaz
 - 7) Mr. Muhammed Siddiq Khokhar
 - 8) Mr. Alamgir A Shiekh
 - 9) Mr. Faisal Anees Bilwary

Special Business

6. To consider and, if thought fit, to pass with or without modification(s), the resolutions appearing below as ordinary resolutions for the capitalization of free reserves to issue bonus shares as recommended by the Directors.

Resolved that the Board hereby recommends issue of 8% fully paid bonus shares i.e in proportion of eight (8) ordinary share for every hundred (100) ordinary shares held by the members whose names appear in the members register at the close of business on October 19, 2018 by capitalization of a sum of Rs. 213,700,320 out of the free reserves of the company for the issue of 21,370,032 ordinary shares of Rs. 10 each, as bonus shares, subject to approval of the shareholders in the Annual General meeting.

Further resolved that the bonus shares shall rank pari passu in every respect with existing ordinary shares of the company except that proposed bonus shares shall not be entitled for final cash dividend for the year ended June 30, 2018.

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

Further resolved that the Chief Executive Officer, Chief Financial Officer and Company Secretary be and are hereby jointly and/or severally authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required for issue, allotment and distribution of bonus shares.

7. To consider and, if thought fit to pass the following resolutions as Special Resolutions pursuant to the Memorandum of Association (in clause-5) of the Company with or without any amendments:

Resolved that Authorized Share Capital of Javedan Corporation Limited be and hereby increased by an amount of Rs. 1,000,000,000/- divided into 100,000,000 (Hundred Million only) Shares of Rs. 10/- each to Rs. 3,900,000,000/- (Rupees Three Billion Nine Hundred Million Only) divided into 390,000,000 (Three Hundred and Ninety Million) Shares of Rs. 10/- each from existing Authorized Share Capital of Rs. 2,900,000,000/- (Rupees Two Billion and Nine Hundred million Only) divided into 290,000,000 (Two Hundred and Ninety Million only) Shares of Rs. 10/- each.

Resolved that the existing Clause V of the Memorandum of Association of the Company shall be deleted and replaced with the following new clause V in the Memorandum of Association of the Company:

"The Authorized Share Capital of the Company is Rs. 3,900,000,000 (Three Billion Nine Hundred Million only) which may be utilized to issue Ordinary Shares of Rs 10/ each and/or Preference Shares of Rs 10/ each of the Company as the Board of Directors of the Company may decide from time to time in accordance with the Companies Act, 2017 and the rules and regulations made by the Securities and Exchange Commission of Pakistan from time to time. The Preference Shares shall carry such rights and privileges and be subject to such conditions as provided in the Company's Article of Association. The Company shall have the power to increase, reduce, consolidate, sub-divide or re-organize the capital of the Company and divide the shares in the capital and kinds thereof for the time being into several classes in accordance with the provisions of the Companies Act, 2017 and the rules and regulations made by the Securities and Exchange Commission of Pakistan from time to time."

Further Resolved That the Chief Executive Officer, Chief Financial Officer and Company Secretary be and is hereby authorized to take and do and/or cause to be taken or done any/all necessary actions, deeds, agreements, contracts, appointments and things which are or may be necessary for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, agreements, contracts, appointments and things which are necessary, incidental and/or consequential to aforesaid resolutions

8. Any Other Business

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

Statements under Section 166(3) for Agenda Item No. 5 and under Section 134(3) of the Companies Act, 2017 in respect of special business contained in Agenda Item Number 6 and 7, are annexed to the notice being sent to the members

By Order of the Board


Syed Muhammad Talha
Company Secretary

Karachi

Dated: October 05, 2018

Notes:

1. Book Closure Notice

The share transfer books of the Company will remain closed from October 20, 2018 to October 26, 2018 (both days inclusive). Transfer received in order at the office of our Share Registrar M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi - 74400 at the close of the business on Friday, October 19, 2018, will be considered in time for the determination of entitlement of shareholders to bonus issue, cash dividend to ordinary shareholders, cash dividend to preference shareholders and to attend and vote at the meeting.

2. Attending the Meeting:

- i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per Regulations, shall authenticate his identity by showing his Original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

3. For Appointing Proxies:

- i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per Regulations, shall submit the proxy form as per requirement by the Company.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his original CNIC or original passport at the time of the meeting.
- v. In case of corporate entity, the Board of Director's resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company

4. Submission of Copies of Valid CNICs

Members, who have not yet submitted attested photocopy of their valid CNIC along with folio number, are requested to send the same, at the earliest, directly to the Company's Share Registrar.

5. Changes in Members Addresses

Members are requested to notify any change in their addresses immediately to the Company's Share Registrar.

6. For Election of Directors

Any person who seeks to contest the election of Directors shall file with the Company at its registered office, not later than fourteen (14) days before the above said meeting his/her intention to offer himself/herself for the election of the Directors in terms of Section 159(3) of the Companies Act, 2017 together with:

- i) Consent to act as director under Section 167(1) of the Act on a duly filled and signed FORM-28.
- ii) Declaration for eligibility to act as director of listed company and awareness of duties and powers of directors under the Companies Act, 2017, Memorandum and Articles of Association of the Company, Rule Book of Pakistan Stock Exchange Limited and the Listed Companies (Code of Corporate Governance) Regulations, 2017 and other relevant laws and regulations.
- iii) Declaration of independence in terms of Section 166(2) of the Companies Act, 2017 as required under Listed Companies (Code of Corporate Governance) Regulations, 2017 (applicable only for person filing consent to act as independent director of the Company).
- iv) A detailed profile along with office address for placement on the Company's website
- v) Detail of other directorship and offices held
- vi) Copy of valid CNIC (in case of Pakistan national) / Passport (in case of foreign national), and NTN & Folio No./CDC Investors Account No./CDC Sub-Account No (applicable for person filing consent for the first time).

7. E-Dividend

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar, at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

8. Deduction of Income Tax under Section 150 of the Income Tax Ordinance, 2001

Pursuant to the Finance Act, 2018, effective July 01, 2018, the rate of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001, from payment of dividend to a NON-FILER of income tax return is prescribed as 20% and for FILER of Tax Returns as 15%. List of Filers is available at Federal Board of Revenue's (FBR) website <http://www.fbr.gov.pk>. Members are therefore advised to update their tax FILER status latest by October 19, 2018.

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or Share Registrar. The shareholders while

sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

The information received within the above specified time would enable the Company to deduct income tax at the applicable rates from the payment of dividend if announced by the Company on October 19, 2018.

Members seeking exemption from deduction of income tax or deduction at a reduced rate under the relevant provisions of the Income Tax Ordinance, 2001, are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be, latest by October 19, 2018.

For any query/problem/information, the investors may contact the company and/or the Share Registrar at the following phone Numbers, email addresses:

Company: *info@jcl.com.pk / 021-111-511-611*
Share Registrar: *info@cdcpak.com / 021-111-111-500*

9. Unclaimed Dividend / Shares

Shareholders, who by any reason, could not claim their dividend/shares, if any, are advised to contact our Share Registrar CDC House-99B, Block 'B', S.M.C.H.S., main Shahrah-e-Faisal, Karachi-74000 to collect / enquire about their unclaimed dividend/shares, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

10. Postal Ballot/E-Voting

In accordance with the Companies (Postal Ballot) Regulations, 2018, for the purpose of election of directors and for any other agenda item subject to the requirements of section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to conditions contained in aforesaid regulations.

11. Video Link Facility

If the members holding ten percent of the total paid up capital or such other percentage of the paid up capital as may be specified by the Commission, are resident in any other city, the company shall provide the facility of video-link to such members for attending annual general meeting of the company, if so required by such members in writing to the company at least seven days (7) before the date of the meeting.

Consent for Video-link Facility

I/We, of being a member of Javedan Corporation Limited holder of Ordinary Share(s) as per Register Folio No. _____ hereby opt for participation in the Annual General Meeting to be held on October 26, 2018 or any adjourned meeting through video-link facility at (Please insert name of the City)

Signature of member

12. Availability of Financial Statements and Reports on the Website:

The Annual Report of the Company for the year ended June 30, 2018 has been placed on the Company's website at the given link: <http://jcl.com.pk/financial-statements/>.

13. Electronic Transmission of Financial Statements and Notice of Meeting

Members who desire to receive annual financial statements and notice of meeting for the financial year ending June 30, 2018 or onward through e-mail, instead of registered post/courier, may submit their consent on the FORM available for the purpose on Company's website.

Statement Under Section 166 (3) of the Companies Act, 2017

This statement set out justification required concerning Agenda Item No. 5 (Election of Directors) to be transacted at the 56th Annual General Meeting.

AGENDA ITEM NO.5

ELECTION OF DIRECTORS

In terms of section 153 (1) of the Companies Act, 2017, the directors, at their meeting held on September 19, 2018, have fixed the number of elected directors at Nine (9) to be elected at the Annual General Meeting ("AGM") for a period of three years.

Independent directors, required on the Board, in terms of regulations 6(1) of the listed companies (Code of Corporate Governance) Regulations 2017 shall be elected through the process of election of directors in terms of section 159 of the Companies Act, 2017 and Articles of Association of the Company.

As regards the justification for choosing independent directors in terms of Section 166(3) of the Act, the candidates for independent director should be eligible for election as director of the listed company and meet the criteria of independence laid down under section 166(2) of the Companies Act 2017

Statement U/s 134(3) of the Companies Act, 2017 with Respect to Special Business as Contained in the Notice of Annual General Meeting to be held on October 26, 2018.

This statement set out all the material facts concerning Special Business under Agenda Item No. 6 and 7, to be transacted at the 56th Annual General Meeting.

AGENDA ITEM NO. 6

ISSUE OF BONUS SHARES BY CAPITALISATION OF FREE RESERVES

The Board of Directors in their meeting held on September 19, 2018 have recommended, capitalization of a sum of Rs. 213,700,320 out of the free reserves of the company for issue of 8% bonus shares. The directors are of the view that the company's financial position and its reserves justify the capitalization of free reserves.

The directors of the company have not direct or indirect interest in the special business except to the extent of their entitlements of their bonus shares.

AGENDA ITEM NO. 7

AMENDMENTS IN THE MEMORANDUM OF ASSOCIATION

The Board of Directors of the company in their meeting held on September 19, 2018 proposed to increase the authorized Share capital of the company from Rs.2,900,000,000 /- to Rs.3,900,000,000/- by addition of 100,000,000 Shares of Rs.10 each.

The principle purpose of this increase is to accommodate any increase in the paid up of the company in future. Clause V of the Memorandum of Association after the proposed amendment will read as under:

The Authorised Share Capital of the Company is Rs. 3,900,000,000 (Three Billion Nine Hundred Million only) which may be utilized to issue Ordinary Shares of Rs 10/ each and/or Preference Shares of Rs 10/ each of the Company as the Board of Directors of the Company may decide from time to time in accordance with the Companies Act, 2017 and the rules and regulations made by the Securities and Exchange Commission of Pakistan from time to time. The Preference Shares shall carry such rights and privileges and be subject to such conditions as provided in the Company's Article of Association. The Company shall have the power to increase, reduce, consolidate, sub-divide or re-organize the capital of the Company and divide the shares in the capital and kinds thereof for the time being into several classes in accordance with the provisions of the Companies Act, 2017 and the rules and regulations made by the Securities and Exchange Commission of Pakistan from time to time.

INSPECTION OF DOCUMENTS

A copy of the Memorandum and Articles of the Company being altered is available for inspection at the Company's Registered Office.



Core Values and 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 when conducting its 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. Even internally, this information will be shared strictly on a “need to know basis”.

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 the laws of country

We always confine to the prevailing laws, Utmost care is taken by us to discharge all our legal responsibilities.

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.

Financial reporting system employed by us is very effective and transparent is being relied upon by society at large.





Board of Director's

Board Members

| | |
|-----------------------------|-----------------|
| Mr. Arif Habib | Chairman |
| Mr. Samad A. Habib | Chief Executive |
| Mr. Kashif A. Habib | Director |
| Mr. Muhammad Ejaz | Director |
| Mr. Abdul Qadir Sultan | Director |
| Mr. Alamgir A. Shaikh | Director |
| Mr. Hassan Ayub | Director |
| Mr. Faisal Anees Bilwany | Director |
| Mr. Muhammed Siddiq Khokhar | Director |



Mr. Arif Habib

Chairman

Mr. Arif Habib is the Chairman of Javedan Corporation Limited. He is also 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 Karachi Stock Exchange for six times in the past and was a Founding Member and Chairman of the Central Depository Company of Pakistan Limited. He has served as a Member of the Privatisation Commission, Board of Investment, Tariff Reforms Commission and Securities & Exchange Ordinance Review Committee. Over the years he has been nominated on the Board of Directors of a number of public sector companies by the Government of Pakistan.

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

As Chief Executive Officer

Arif Habib Corporation Limited

AS CHAIRMAN

Aisha Steel Mills Limited
Fatima Fertilizer Company Limited
Arif Habib Foundation
Black Gold Power Limited
Fatimafert Limited
Karachi Sports Foundation
Pakarab Fertilizers Limited
Sachal Energy Development (Private) Limited

AS HONORARY TRUSTEE/DIRECTOR

Fatimid Foundation
Karachi Education Initiative
Memon Health & Education Foundation
Pakistan Centre for Philanthropy

AS DIRECTOR

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

Mr. Samad A. Habib

Chief Executive



Starting off with a career at Arif Habib Corporation Limited; Mr. 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

AS DIRECTOR

Arif Habib Corporation Limited
Dolmen City REIT/Arif Habib Dolmen REIT Management Limited
MCB-Arif Habib Savings & Investments Limited
Power Cement Limited
Safemix Concrete 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
REMMCO Builders & Developers Limited
Rotocast Engineering Company (Pvt.) Limited
Sukh Chayn Gardens (Pvt.) Ltd.



Mr. Kashif A. Habib

Director

Mr. Kashif A. Habib is the Chief Executive of Power Cement Limited and Safemix Concrete Limited. Being a member of the Institute of Chartered Accountants of Pakistan (ICAP) he completed his articleship from A.F. Ferguson & Co. (a member firm of Price Waterhouse Coopers), where he gained experience of a diverse sectors serving clients spanning the Financial, Manufacturing and Services industries.

He has to his credit four years of experience in Arif Habib Corporation Limited as well as over eight years' experience as an Executive Director in cement and fertilizer companies of the group.

CORPORATE RESPONSIBILITIES

Power Cement Limited (Chief Executive)

Safemix Concrete Limited (Chief Executive)

AS DIRECTOR

Fatima Fertilizer Company Limited

Arif Habib Corporation Limited

Arif Habib Equity (Pvt.) Limited

Arif Habib Foundation

Arif Habib Real Estate Services (Pvt.) Limited

Black Gold Power Limited

Fatimafert Limited

Fatima Cement Limited

Memon Health and Education Foundation

Nooriabad Spinning Mills (Pvt.) Limited

Pakarab Fertilizers Limited

REMMCO Builders & Developers Limited

Reliance Sacks Limited

Rotocast Engineering Company (Pvt.) Limited

Siddiqsons Energy Limited

Mr. Muhammad Ejaz

Director



Mr. 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, Mr. 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.

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



Mr. Abdul Qadir Sultan
Director

Mr. Abdul Qadir Sultan is a Qualified Chartered Accountant from the Institute of Chartered Accountants of Pakistan (ICAP). He is currently working as the Head of Branchless Banking Audits and Special Projects at Telenor Microfinance Bank Limited (A subsidiary of the Telenor Group). 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 A. Shaikh
Director



Mr. Alamgir Anwer Shaikh 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 Imports 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".



Mr. Hassan Ayub
Director

Mr. Hassan Ayub is very young and energetic. He has practical knowledge of dealing with Construction and Real-Estate Business. He is currently associated with Defence property and also doing Automobile business. He has working experience in various diversified capacities.



Mr. Muhammed Siddiq Khokhar
Director

Mr. Muhammed Siddiq Khokhar holds Master Degrees in Economics and in Islamic studies. Also acquired LL.M. Degrees from Karachi University. He is the Members of Karachi Bar Association and enrolled with Sindh Bar Council. He is an Advocate High Court. and practising in the field of Civil, Criminal, Corporate and Labour 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 th various newspaper and magazines of high repute.

At present, he is the Director of Golden Arrow Selected Fund and Chairman, Audit Committee. 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).

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. 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.



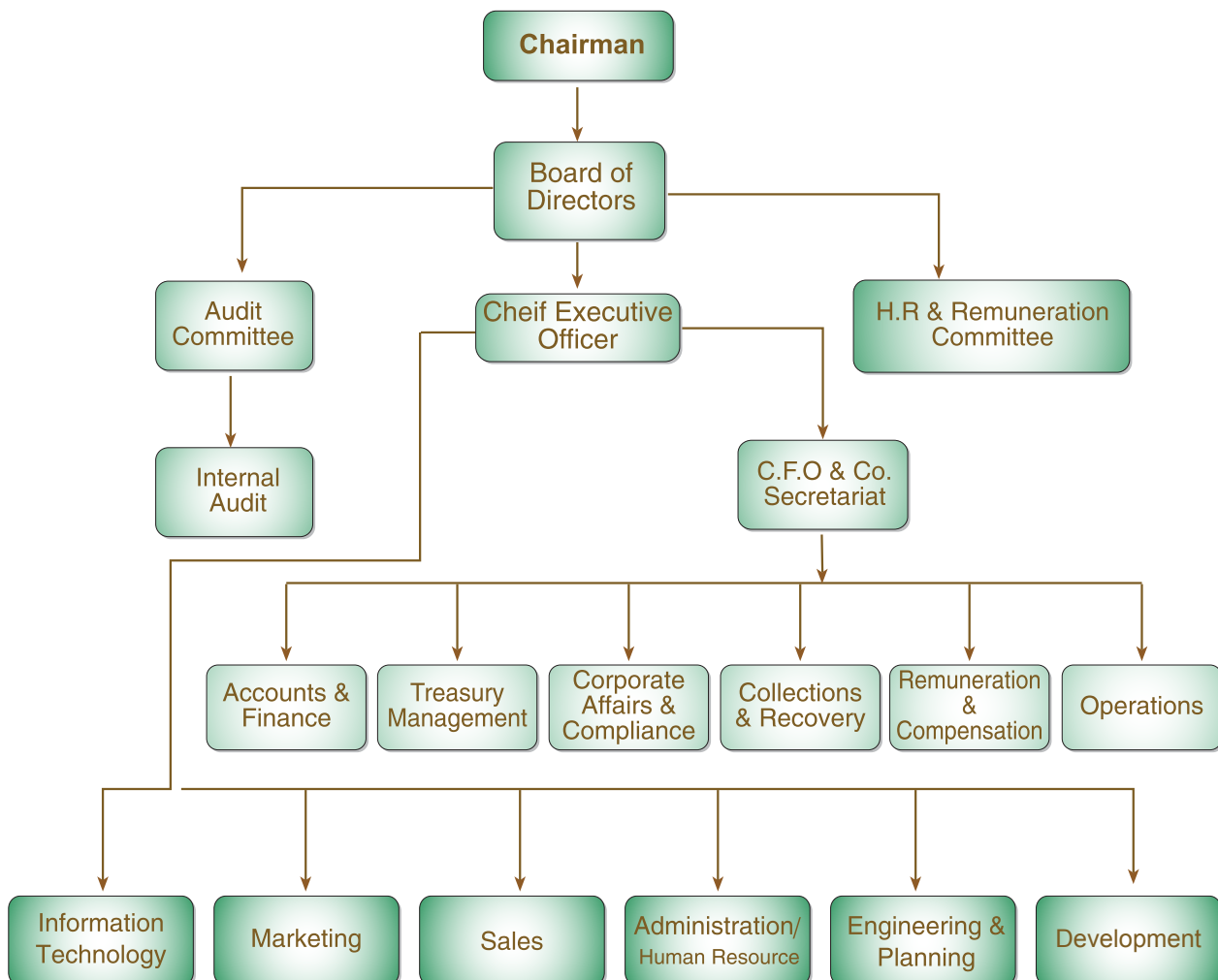
Mr. Syed Muhammad Talha
CFO & Company Secretary

Syed Muhammad Talha is the Fellow member of the Associations of Certified Chartered Accountants and holds a Master's degree in Commerce from Karachi University. He completed his articleship from EY Ford Rhodes and Co, Chartered Accountants, where he gained experience of diverse sectors serving clients spanning the Financial, Manufacturing, Trading and Service industries. Before joining the Company he served Al-Abbas Group and Ghulam Faruq Group.

Syed Muhammad Talha is also the Chief Financial Officer of International Builders and Developers (Pvt) Limited. Further, he is also serving as a Director of Safe Mix Concrete Limited. He is associated with the group for more than 8 years. He has a working experience of 15 years in various diversified capacities including property operations.



Organizational Structure



Directors' Report to the Shareholders

On behalf of the Board of Directors of the Company, I am pleased to present the Annual Report of the Company for the year ended June 30, 2018 together with the audited financial statements for the year prepared in accordance with the approved accounting standards in compliance to the regulatory and legal requirements.

Financial Review

During the financial year under review, the financial performance of the Company remains stable keeping in view the limited available inventory for sale. During the year, the Company booked sale of Rs.2,479 million and it mainly comprises of realization sale of bungalows of Rs.916 million as per the accounting policy. The margin of profit on the sale of these bungalows is on lower side due to increase in construction cost of the material and labour. Additionally, they were sold in the in the initial period. Accordingly, the gross profit has decreased from Rs.1,872 million to Rs.1,380 million earned in the preceding year, exhibiting decline of 26%. Marketing and selling expenses have decreased from Rs.122 million to Rs.68 million due to the fact that no launching activity of residential / commercial has been done during the year. Consequently, the Company recorded Profit after Tax (PAT) of Rs. 704 million as compared to PAT of Rs. 990 million in the previous corresponding period.

Financial Results

A summary of financial results is as follows:

| Particulars | June 30, 2018 (Audited) | June 30, 2017 (Audited) |
|---------------------------|----------------------------|----------------------------|
| | (Rupees in thousands) | |
| Net Sales | 2,479,158 | 2,467,969 |
| Cost of sales | (1,099,368) | (595,735) |
| Gross Profit | 1,379,790 | 1,872,234 |
| Profit before taxation | 1,100,577 | 1,387,945 |
| Profit after taxation | 703,713 | 989,557 |
| EPS - Basic (in rupees) | 3.35 | 7.43 |
| EPS - Diluted (in rupees) | 3.06 | 5.66 |

Dividend

The Board of Directors in its meeting held on September 19, 2018 has proposed a final Cash Dividend of PKR 0.70 per share i.e. at the rate of 7% and Bonus Shares at the rate of 8% which will be submitted for approval of the members at the Annual General Meeting to be held on October 26, 2018. This entitlement shall be available to those shareholders whose names appear on the shareholders register at the close of business on 19th October 2018.

Change in accounting policy

Revaluation Surplus

The current year financial statements have been restated due to change in accounting policy for recording of revaluation surplus as part of equity. This change is due to the adoption of Companies Act 2017, thereby aligning the treatment with International Accounting Standard - 16 (IAS-16). Accordingly, surplus on revaluation is now the part of equity. As a result, share capital and reserves i.e. equity has increased by Rs. 6,148 million and Rs. 6,354 million for the year ended June 30, 2017 and June 30, 2016 respectively.

Preference Shares

The current year financial statements have been restated in current liabilities due to change in accounting policy.

Development Snapshot

During the year under review, infrastructure development in Phase -1 has reached near completion and the Company has handed over a substantial number of plots and bungalows to its customers.



Block A



Hundreds of families have moved into their homes in Naya Nazimabad. Plot Allottees are excited to build their homes and we expect that the first phase of the project will be populated fully within a couple of years.



Block B



Basic necessities i.e., water and electricity are available whereas efforts are being made for gas connections. The cricket stadium, football stadium and parks are all fully operational and a Gymkhana Club is being developed for indoor games. The Company is now working on establishing a satellite Clinic, school and shopping facilities within the boundary walls of Naya Nazimabad.

Plantation and Green Areas

The Company gives special attention to green spaces and has integrated that into its plans and the importance of it is evident at Naya Nazimabad. Over the year under review, the Company has actively participated at numerous events organized by National Forum for Environment and Health (NFEH). In recognition of Naya Nazimabad's commitment to a green Pakistan, NFEH awarded Tree Plantation award 2018 to Naya Nazimabad. With the help of our architect M/s Arcop, plantation experts and officials of NFEH, we are working towards developing Parks and green belts. To date, more than 25,000 plants have been planted at Naya Nazimabad and we hope to achieve the 100,000 mark by the end of next year.



Greenery and plantation can be observed across Naya Nazimabad

Value Added Facilities

Mini Mart

The Company has established a Mini Mart (super market) for the facilitation of its residents and handed over its daily operations to a renowned Super Store Chain. This allows NN residents to procure daily groceries including red and white meat within the secured boundary wall. Further, a few more shops for provision of other needs inclusive of a dairy shop have also become operational.



Inauguration ceremony of Mini Mart

Central Jama Masjid & Gymkhana

The construction of the Central Jama Masjid Phase-1 is being carried out swiftly and we target to complete the Masjid by the mid of 2019. Its monumental minaret will serve as a focal landmark. Naya Nazimabad Gymkhana is under construction as per plan and it is expected to be completed in 2020.



Construction of Central Jama Masjid



Construction of Naya Nazimabad Gymkhana

During the year the company has also started construction of a Mohalla Mosque, as per its commitment to provide its residents a mosque in each Block. M/s Arcop is supervising the whole work and we plan to inaugurate it by the end of this financial year.

Future Outlook

The shortage of housing, especially for the lower and middle-income groups, is a pressing matter for the country. The new government is committed to addressing this extremely important matter, which should not only be beneficial for the social fabric, but also in terms of boosting economic activity for a multitude of industries, as well as for creating jobs at all levels.

The Naya Nazimabad housing project is already well under way in playing its role in this important area. It is now an established name in the Karachi real-estate market, owing to the quality of development at affordable costs, as well as being one of the ideal places to live in, not only due to its prime location, but being a gated community, with 24 x 7 security arrangements, attractive green and clean environment and integrated amenities.

Given its positive attributes, as well as the comfort of getting a clean title, investing in property in Naya Nazimabad has provided some of the highest returns in the Karachi real-estate market. In turn, owing to the strong underlying value, banks are happy to provide mortgage finance to home-buyers in Naya Nazimabad.

The Management is focusing on improving access and outlook of the surrounding areas, as well as in regular maintenance of the roads, plantation, cleaning arrangements and removal of waste. Additionally, commuters living in Naya Nazimabad, will soon have the benefit of the Federal Government's Green Line project, which is in the completion stage and is likely to be functional in the near future. The bus-stop for the Green Line, merely two kilometres away, which will be accessible through feeder services. In addition, a fly-over and an underpass are also under consideration, which is likely to create alternate access points to Naya Nazimabad.

The Management is ready to launch the Commercial Development in phases, in which Company has significant investment and this is expected to change the dynamics of the whole area and is likely to become a remarkable addition to Naya Nazimabad. This will not only be an opportunity for Resident as well as Non-Resident Pakistanis to take advantage of in Pakistan's residential real estate market.

Under the circumstances, the Company and its shareholders, as well as investors in the Naya Nazimabad real-estate are likely to be well rewarded.



Multipurpose commercial project/wedding hall
for bank branch, shops and restaurants

Corporate Social Responsibility (CSR)

We consider CSR as a fundamental sustainable business practice to contribute to a better society. JCL strives to be a good corporate citizen and we have always shown strong commitment and support for public health, sports and promotion of education along by partnering with and contributing to various social and charitable causes.

14th Annual Environment Excellence Award – 2017 | July 2017

National Forum for Environment & Health – NEFH organized 14th Annual Environment Excellence Award – 2017 in Marriot Hotel Karachi. NFEH announced the names of 65 organizations and companies, which won the 14th Annual Environment Excellence Awards (AEEA 2017) on basis of their best performance in the fields of environmental protection, conservation, and sustainable socio-economic development. Javedan Corporation Limited, not only sponsored the award ceremony held in Marriot Hotel Karachi but also won 14th Annual Environment Excellence Award 2017. Dr. Sarosh Hashmat Lodhi, Vice Chancellor – NED along with Mr. Muhammad Naeem Qureshi, President NFEH, presented the award to Mr. Ahmer Ali Rizvi, Manager Sales & Marketing, Javedan Corporation Limited.



Environment Excellence Award

Karachi Ke Shehzade | July 2017

Naya Nazimabad, being Home Ground Partner of Karachi Kings supported the initiative “Karachi Ke Shehzade” tournament at Naya Nazimabad Cricket Stadium. The tournament comprised of 5 teams, of shortlisted young players for who were competing for the PSL contest. Each team was led by a renowned celebrity ambassador. The ambassadors were Humayun Saeed, Waseem Badami, Kashif Abbasi, Faysal Qureshi and Iqar-ul-Hassan.

ABAD International Expo 2017 | August 2017

Naya Nazimabad participated at the ABAD International Expo 2017 held at the Karachi Expo Center. The exhibition received an overwhelming response as throngs of Karachites visited it. The exhibition allowed consumers to interact with various builders, developers, contractors, architects, engineers, financial institutions and many others who listened to the visitors needs and advised them on how they may achieve better living options and standards.



ABAD International Expo 2017

Karachi Kings Talent Hunt for PSL 2018 | November 2017

Karachi Kings Khiladi Ki Khoj Sindh, Talent Hunt Program, was conducted to bring out the hidden talent of the players in interior Sindh and provide them a chance to seize an opportunity by exhibiting their cricket skills. Having successful talent hunt in 8 cities, the final trial and selection session took place at the Naya Nazimabad Cricket Ground where several cricket experts, renowned cricketing legend Rashid Latif and the senior management of JCL conducted selection for PSL 2018.



Karachi Kings Talent Hunt for PSL 2018

Karachi Kings Send-off Ceremony | February 2018

Karachi Kings Squad for PSL 2018 was sent off from their Home Ground, Naya Nazimabad Cricket Stadium with warm wishes and support by teams managers, sponsors and dignitaries. Chief Minister Sindh, Syed Murad Ali Shah, Owner Karachi Kings Salman Iqbal and Chairman Javedan Corporation Limited Mr. Arif Habib showed their full support and sent the Karachi Kings team off to contest in PSL 2018.



Send-Off Ceremony of Karachi Kings Team for PSL 2018

Chiraagh-e-bandagi – Sufi Night with Abida Perveen | February 2018

Naya Nazimabad sponsored “Chiraagh-e-bandagi” a Sufi Night with Abida Perveen & Naeem Abbas Rufi. The show was graced by the presence of Chief Minister Sindh, Syed Murad Ali Shah and DG Rangers Sindh, Major General Muhammad Saeed. Many of Karachi’s leading names from Corporate Sectors, Government High Officials, Armed Force’s High Officials, Democrats, Bureaucrats, Local Bodies High Officials, Councils General from different Consulate, National & International NGOs, Academia and International Donor Organizations were also the part of this event.



Chiraagh-e-bandagi – Sufi Night

ICAP CFO Conference 2018 | April 2018

Naya Nazimabad sponsored and participated in ICAP CFO Conference 2018 held in Marriot Hotel Karachi. The conference was an initiative taken by ICAP to reach out to Institute’s members in industry and to providing them with a platform to discuss, debate and seek pragmatic solutions of emerging business and Finance issues.



ICAP CFO Conference

NAYA NAZIMABAD Ramadan Cup Cricket Tournament | June 2018

Naya Nazimabad conducts a Floodlight Cricket Tournament every year at Lawai Cricket Stadium during the month of Ramadan. The quarter final, semi-final and the final contests were broadcasted on Geo Super. Chief Guests of the Knockout matches were Governor Sindh - Mr. Muhammad Zubair and Mayor of Karachi - Mr. Waseem Akhtar.



Ramadan Cup Tournament

Pakistan cricket super stars Roman Raees and Shahid Khan Afridi also visited Naya Nazimabad Stadium during the matches to support and encourage the emerging youngsters playing in NAYA NAZIMABAD Ramadan Cup Tournament.



Ramadan Cup Tournament

Other renowned personalities from the sports and entertainment worlds also visited Naya Nazimabad during Ramadan Cup festival.



Ramadan Cup Tournament

Sponsorships

The Company has sponsored the following events:

1. Memon Super League
2. 19th National Seniors cup
3. Social cause science exhibition
4. Shuhad'as cup at Moin Khan Academy
5. National conference on conversation of Environment
6. Sitara Foundation for awareness program regarding special children.
7. Anniversary of Daily Jehan Pakistan
8. All Karachi Al-Khidmat Yadgar-e-Football tournament



Social Cause Science Exhibition



19th National Seniors Cup

Donations

In terms of monetary aspects company has paid donations for welfare purpose, financial assistance to employees, donations to masjid, schools and Ramadan package to employees. The overall monetary aspect is Rs. 5,098,072

Credit Rating

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

Health and Safety

Javedan Corporation Limited has created a working environment in which safety is deeply embedded in our operations and business culture. Our goal is to prevent accidents and ensure that Javedan Corporation Limited is a safe place to work. Throughout the year, the businesses undertook significant initiatives to incorporate a strong consideration for the safety of our people, plants and the planet at large. Your Company always takes necessary measures to maintain and improve a safe environment in compliance with international standards. The Company has also arranged group insurance policy for all its employees.

The Company submits Environmental Monitoring Report prepared by M/s Environmental Management Consultants (EMC) for the Company on quarterly basis. The overall indicators improve day by day at NN. This Environmental Monitoring Report follows the IEE conditions of monitoring the Project activities to check compliance against the legal requirements. Environmental Monitoring is an activity to be undertaken by the administration over the entire project cycle showing its commitment towards meeting environmental regulations / standards and good housekeeping practices as well as maintaining health and safety standards.

Corporate and Financial Reporting Framework

The Board and management of the Company are committed to ensure that requirements of the Code of Corporate Governance are fully met. The Company has adopted strong Corporate Governance practices with an aim to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information. The following statements are a manifestation of its commitment toward compliance:

- a. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- b. Proper books of account of the Company have been maintained;
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained;
- e. The system of internal control is sound in design and has been effectively implemented and monitored;
- f. There are no significant doubts upon the company's ability to continue as a going concern;
- g. There has been no material departure from the best practice of Corporate Governance, as detailed in Listing Regulations;
- h. As required by Code of Corporate Governance, we have included the following information in this report;
- i. Statement of Pattern of shareholding has been provided separately in the annual report.
- j. Statement of shares held by Associated Undertakings and related persons has been provided separately
- k. Statement of Board Meeting held during the year and attendance of each Director
- l. Key operating and financial statistics for the last six years have been provided separately.

Changes in the Board

During the year under review, no changes were made in the Board of Directors

Attendance of Board of Directors' and Board Committee Meetings

A statement showing the names of the persons who were directors of the company during the financial year along with their attendance at Board meetings is annexed as Annexure I.

Audit Committee

The Board of Directors has established an Audit Committee in compliance with the Code of Corporate Governance, which comprises of the following members:

| | | |
|-------------------|----------|------------------------|
| Mr. Abdul Qadir | Chairman | Non-Executive Director |
| Mr. Kashif Habib | Member | Non-Executive Director |
| Mr. Muhammad Ejaz | Member | Non-Executive Director |

The Audit Committee reviewed the quarterly, half-yearly and annual financial statements before submission to the Board and their publication. The Audit Committee also reviewed internal auditor's findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

A statement showing the names of the persons who were member of the audit committee of the company during the financial year along with their attendance at Audit committee meetings is annexed as Annexure I.

Human Resource (HR) and Remuneration Committee

The Board of Directors has established HR and Remuneration Committee in compliance with the Code of Corporate Governance, which comprises of the following members:

| | | |
|--------------------|----------|-------------------------|
| Mr. Arif Habib | Chairman | Non-Executive Director |
| Mr. Samad A. Habib | Member | Chief Executive Officer |
| Mr. Muhammad Ejaz | Member | Non-Executive Director |

The HR and Remuneration Committee work to encourage highly qualified specialists to take employment at Javedan Corporation Limited and to ensure that conditions are in place for them to work effectively and remain motivated.

Statutory Payments

All outstanding payments are of normal and routine nature.

Statutory Compliance

During the year the Company has complied with all applicable provision, filed all returns / forms and furnished all the relevant information as required under the Companies Act 2017 and allied laws and rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the Listing Regulations.

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.

Code of Conduct for Employees of the Company

The following principles constitute the code of conduct for the employees

- Punctual, focused and faithful to the Company.
- Devotion of time and efforts to productive activities.
- Polite helpful and cooperative with other employees.
- Observing company policies & regulations.
- Avoiding of favouritism.
- Promote and protect the interest of the company.
- Deal fairly, professionally and equitably with other employees.
- Exercise prudence in using company resources.
- Observe confidentiality in company matters.
- Observe cost effective practices in daily activities.
- Avoid making personal gains.
- Teamwork and responsibility in spite of obstacles and difficulties

Memberships

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

Director's Training Program

The directors are either exempt or have already attended the directors' training as required under the Code of Corporate Governance in previous years.

External Auditors

The current auditors M/s. Reanda Haroon Zakaria & Company and Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, retire and being eligible offered themselves for re-appointment as auditors for the year 2018-19.

The Audit Committee and Board of Directors recommended as joint auditors of the company for the financial year 2018-2019 in the ensuing Annual General Meeting.

Secretarial Compliance Certificate

The Company Secretary has furnished a Secretarial Compliance Certificate a part of the Annual Return filed with the Commission to certify that the Secretarial & Corporate requirements of the Companies Act, 2017, Memorandum & Articles of Association of the Company and the Listing Regulations has been duly complied with.

Pattern of Shareholding

A statement showing pattern of shareholding of the Company and additional information as at June 30, 2018 is annexed with report.

Information to Stakeholders

Key Operating and financial data of previous years has been summarized and presented at Page No. 42

Post Balance Sheet Events

There have been no material changes since 30th June 2018 to the date of this report except the declaration of a final cash dividend at the rate of 7% and Bonus share at the rate of 8% which is subject to the approval of the members at the rate of 56th Annual General Meeting to be held on 26th October 2018. The effect of such declaration shall be reflected in the next year's financial statements.

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.

Trading in Company's Shares

During the year ended June 30, 2018, 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.

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 PKR Rs. 6.185 million

Acknowledgements

On behalf of the Board of Directors, I thank my 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, LDA, 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. Aameen.



Samad A. Habib
Chief Executive



Arif Habib
Chairman

Karachi

Date: September 19, 2018

Annexure I

Statement showing attendance at Board Meetings

From 1st July 2017 to 30th June 2018

| Name | Designation | Total | Eligible to attend | Attended | Leaves Granted | Remarks |
|-----------------------------|-----------------|-------|--------------------|----------|----------------|---------|
| Mr. Arif Habib | Chairman | 4 | 4 | 3 | 1 | - |
| Mr. Samad A. Habib | Chief Executive | 4 | 4 | 4 | - | - |
| Mr. Abdul Qadir Sultan | Director | 4 | 4 | 4 | - | - |
| Mr. Muhammad Ejaz | Director | 4 | 4 | 4 | - | - |
| Mr. Kashif A. Habib | Director | 4 | 4 | 4 | - | - |
| Mr. Faysal Anees Bilwani | Director | 4 | 4 | 3 | 1 | - |
| Mr. Muhammed Siddiq Khokhar | Director | 4 | 4 | 4 | - | - |
| Mr. Hasan Ayub | Director | 4 | 4 | 1 | 3 | - |
| Mr. Alamgir A. Sheikh | Director | 4 | 4 | 4 | - | - |

Statement showing attendance at Audit Meetings

From 1st July 2017 to 30th June 2018

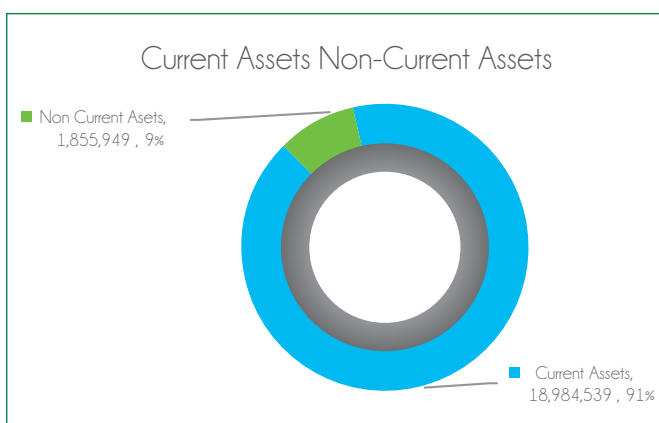
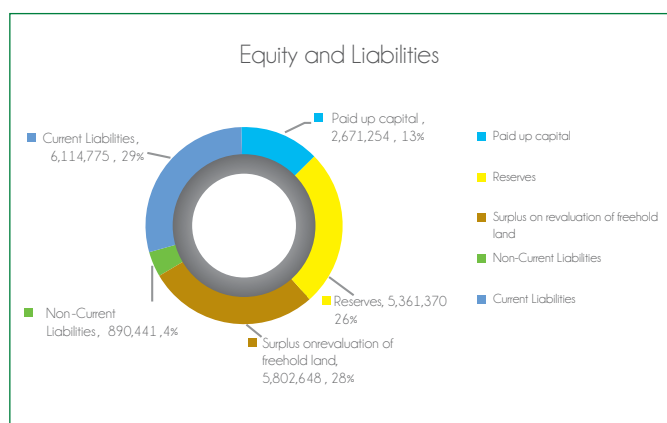
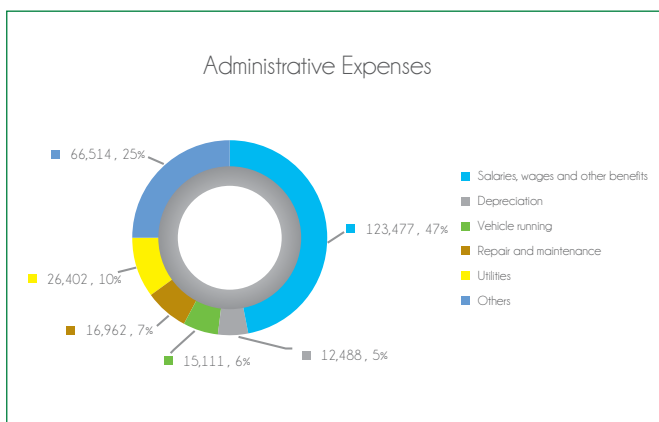
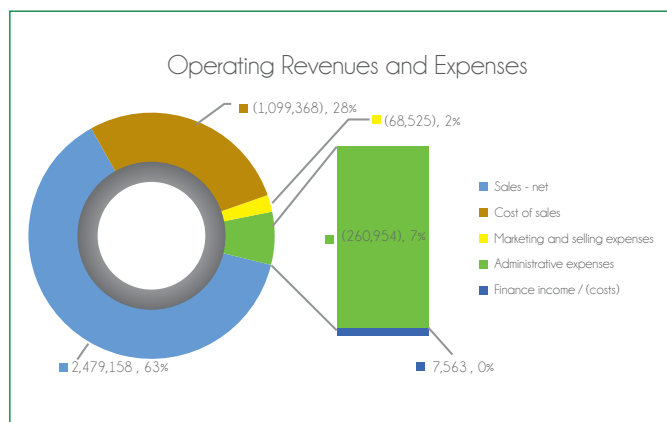
| Name | Designation | Total | Eligible to attend | Attended | Leaves Granted | Remarks |
|------------------------|-------------|-------|--------------------|----------|----------------|---------|
| Mr. Abdul Qadir Sultan | Chairman | 5 | 5 | 5 | - | - |
| Mr. Muhammad Ejaz | Member | 5 | 5 | 5 | - | - |
| Mr. Kashif A. Habib | Member | 5 | 5 | 5 | - | - |

Performance Review Report

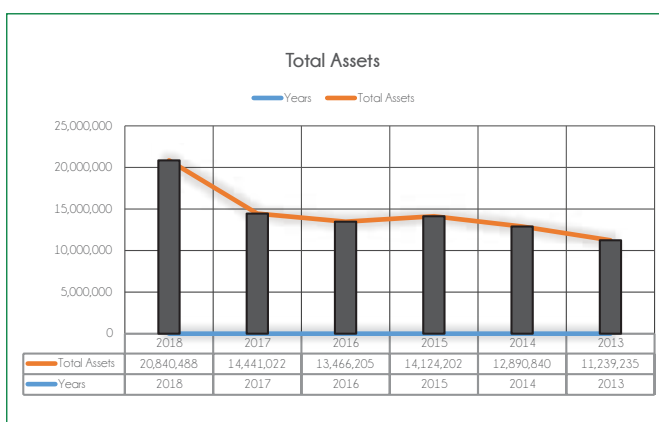
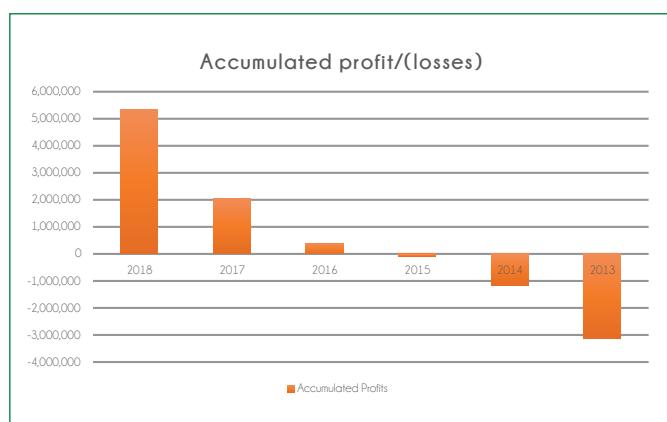
We are pleased to present herewith the performance review report for the Six years

| Key Financial Data at a Glance | | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|-------|--------|--------|--------|--------|---------|---------|
| Investment Measure | | | | | | | |
| Ordinary Share Capital | Rs/Mn | 2,671 | 1,571 | 1,294 | 1,166 | 583 | 581 |
| Reserves | Rs/Mn | 5,361 | 2,059 | 373 | (78) | (1,176) | (3,125) |
| Surplus on revaluation of freehold land | Rs/Mn | 5,803 | 6,149 | 6,355 | 6,536 | 6,376 | 6,871 |
| Ordinary Share Holder's Equity | Rs/Mn | 13,835 | 9,778 | 8,022 | 7,624 | 5,783 | 4,327 |
| Dividend on Ordinary Shares | | | | | | | |
| Dividend per Ordinary Share | Rs | 0.70 | 2.50 | - | - | - | - |
| Profit/(Loss) before Taxation | Rs/Mn | 1,101 | 1,388 | 600 | 1,005 | 842 | 723 |
| Profit/(Loss) After Taxation | Rs/Mn | 704 | 990 | 695 | 800 | 842 | 711 |
| Earning per Share (Basic) | Rs. | 3.35 | 7.43 | 4.57 | 7.10 | 10.25 | 12.23 |
| Measure of Financial Status | | | | | | | |
| Current Assets to Current Liabilities | X:1 | 3.10 | 3.59 | 2.57 | 2.7 | 1.96 | 2.69 |
| Debt Equity Ratio | X:1 | 0.26 | 0.19 | 0.29 | 0.55 | 0.80 | 1.11 |
| Total Debt Ratio | X:1 | 0.34 | 0.32 | 0.40 | 0.38 | 0.46 | 0.51 |
| Sales | Rs/Mn | 2,479 | 2,468 | 1,227 | 1,260 | 1,876 | 2,395 |
| Cost of Goods Sold as % of Sales | % | 44.34% | 24.14% | 23.86% | 33.65% | 30.18% | 46.18% |
| Profit before Taxation as % of Sales | % | 44.39% | 56.24% | 48.90% | 79.76% | 44.88% | 30.19% |
| Profit after Taxation as % of Sales | % | 28.39% | 40.10% | 56.64% | 63.49% | 44.88% | 29.69% |

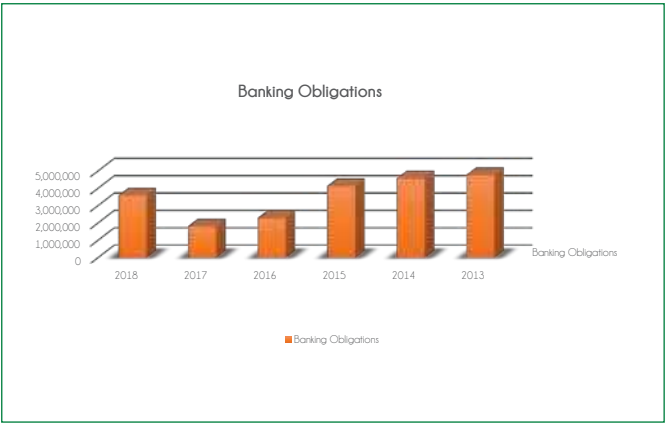
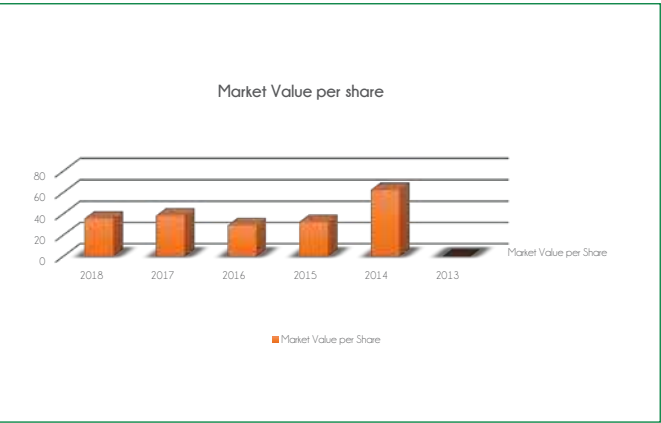
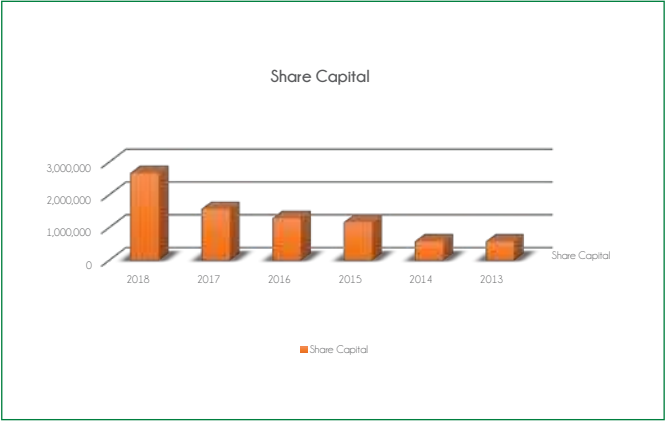
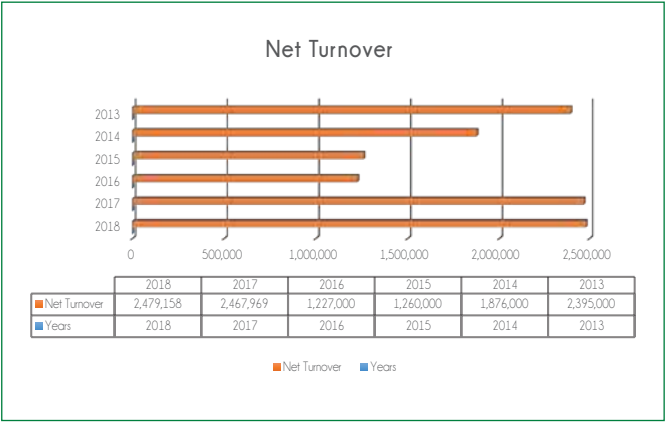
JCL a Bird's Eye View



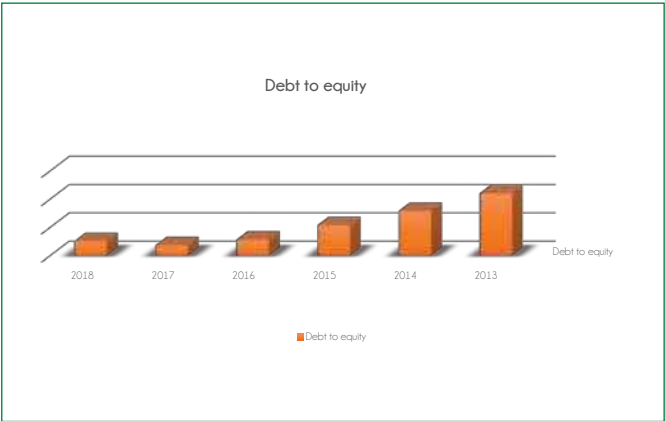
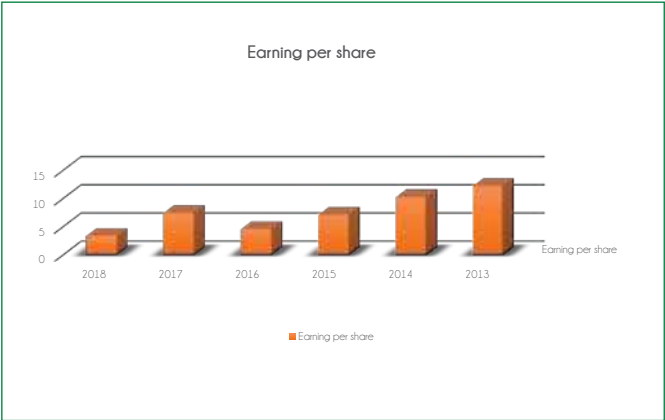
Graphical Representation



Graphical Representation



Graphical Representation



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 Code of Corporate Governance, 2012 and the Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance, 2012 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 (here-in-after referred to as 'Codes'), prepared by the Board of Directors of Javedan Corporation Limited for the year ended 30 June 2018 in accordance with the requirements of Regulation 40 of the Listed Companies (Code of Corporate Governance) Regulations, 2017.

The responsibility for compliance with the Codes 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 Codes and report if it does not and to highlight any non-compliance with the requirements of the Codes. 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 Codes.

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 Codes 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 and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 Codes as applicable to the Company for the year ended 30 June 2018.

Further, we highlight below instances of non-compliance with the requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2017 as reflected in the paragraph references, where it is stated in the Statement of Compliance:

| Reference | Description |
|-----------|---|
| 7 | The Board of Directors meeting due in the first quarter ended 30 September 2017 was held after completion of external audit 2017. Further, the Company has conducted 04 meetings in a year. |
| 10 | The position of Chief Financial Officer and the Company Secretary is being held by the same person. |
| 12 | The HR and Remuneration committee does not have any independent director by virtue of which the Chairman of said committee is the non-executive director. |
| 14 | The Board Audit Committee meeting due in first quarter ended 30 September 2017 was held after completion of external audit 2017. Further, the Company has conducted 05 meetings in a year. |

EY Ford Rhodes
EY Ford Rhodes
Chartered Accountants

Karachi
Date: September 19, 2018

Reanda Haroon Zakaria
Reanda Haroon Zakaria & Co.
Chartered Accountants

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE, 2012 AND THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

Name of Company: Javedan Corporation Limited
Year ended: June 30, 2018

The Company has complied with the requirements of the Code of Corporate Governance, 2012 and the Listed Companies (Code Of Corporate Governance) Regulations, 2017 (here-in-after referred to as 'Codes') in the following manner:

1. The total number of directors are 9 as per the following:

| | | | |
|----------------|------------|------------------|------|
| a. Male | 9 members' | b. Female | None |
|----------------|------------|------------------|------|


2. The composition of Board of Directors (the Board) is as follows:

| Category | Names |
|--------------------------------|--|
| Independent Director | Mr. Muhammed Siddiq Khokar Mr. Abdul Qadir Mr. Alamgir A.Sheikh |
| Non-Executive Directors | Mr. Arif Habib Mr. Muhammad Ejaz Mr. Hasan Ayub Mr. Mohammad Kashif Habib Mr. Faisal Anees Bilwani |
| Executive Director | Mr. Samad A. Habib |

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
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 Act and the Codes.
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 Act and the Codes with respect to frequency, recording and circulating minutes of meeting of Board except that Board meeting due in the first quarter ended 30 September 2017 was held after completion of external audit 2017. Further, the Company has conducted 04 meetings in a year.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Codes.
9. The Board has duly complied with the Directors' Training Program requirement and the criteria as prescribed in the Codes.

10. No new appointment of CFO, Company Secretary and Head of Internal Audit (HIA) was made during the year. However, the position of CFO and Company Secretary is being held by the same person.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below. However, the HR and Remuneration Committee does not have an independent director by virtue of which Chairman of HR and Remuneration Committee is the non-executive director.
- a) Audit Committee**
- | | |
|------------------------|-----------|
| Mr. Abdul Qadir Sultan | Chairman |
| Mr. Kashif A. Habib | Member |
| Mr. Muhammad Ejaz | Member |
| Mr. Owais Ahmed | Secretary |
- b) HR and Remuneration Committee**
- | | |
|-------------------|----------|
| Mr. Arif Habib | Chairman |
| Mr. Samad Habib | Member |
| Mr. Muhammad Ejaz | Member |
13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:
- a) Audit Committee**
The Board Audit Committee (BAC) has met on quarterly basis except that the BAC meeting due in first quarter ended 30 September 2017 was held after completion of external audit 2017. Further, the Company has conducted 05 meetings in a year.
- b) HR and Remuneration Committee**
The HR and Remuneration Committee has met twice during the year.
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, codes 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 codes have been complied with except for matters as stated in paragraph references 7, 10, 12 and 14, towards which reasonable progress is being made by the Company to ensure compliance.


Muhammad Ejaz
Director


Samad A. Habib
Chief Executive Officer

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 2018, and the statement of profit or loss and other 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 and other 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 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

| Key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>1. Tax contingencies</p> <p>(Refer notes 28.1.1 to the accompanying financial statements)</p> <p>The Company has contingent liabilities in respect of income tax matters, which are pending adjudication at various levels with the taxation authorities and other legal forums.</p> <p>Contingencies require management to make judgements and estimates in relation to the interpretation of tax laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies.</p> <p>Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgements and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income tax a key audit matter.</p> | <p>Our audit procedures in respect of tax contingencies included, amongst others, we obtained and reviewed details of the pending tax related matters and discussed the same with the Company's management.</p> <p>We reviewed the correspondence of the Company with the relevant authorities, tax advisors, and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved.</p> <p>We obtained and reviewed confirmations from the Company's external legal and tax advisors for their views on the probable outcome of the open tax assessments and other tax related contingencies.</p> <p>We involved internal tax professionals to assess management's conclusions on contingent tax matters and to evaluate the consistency of such conclusions with the views of the external tax advisors engaged by the Company.</p> <p>We also evaluated the requirement of making provision against any contingencies, and the adequacy of disclosures made in respect of tax contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.</p> |
| <p>2. Valuation of development properties</p> <p>Refer note 11 to the accompanying financial statements)</p> <p>The Company's development properties ('DP') acquired or being constructed for sale in ordinary course of business constitutes the 'Naya Nazimabad' Project which is located in Karachi, principally comprising open plots, bungalows, etc. As of 30 June 2018, DP amounted to Rs. 17,190 million and</p> | <p>Our audit procedures amongst others included, review of controls around the valuation of DP by testing the underlying cost calculation; physical inspection of the Project site to ascertain the condition and existence of development properties, assessing the basis and appropriateness for cost capitalised (including borrowing cost) in accordance with the applicable financial reporting standards.</p> |

| Key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>constitutes 82% of the total assets of the Company and is measured at the lower of cost or net realizable value (NRV).</p> <p>Due to its materiality and significance in terms of judgements and estimates involved in capitalization of cost incurred as a part of Project and valuation of underlying DP, we have considered this a key audit matter.</p> | <p>We also tested the development expenditure incurred and capitalised during the year from agreements, invoices and related documents supporting various components of the Project costs and checked related approvals. We also reviewed the minutes of the meetings at the Board level to identify any indicators of impairment.</p> <p>We assessed the NRV of the DP and compared with the cost on sample basis to ascertain the recording of DP at lower of cost or NRV.</p> <p>We also reviewed the related disclosures in accordance with the applicable financial reporting standards.</p> |

3. Preparation of financial statements under Companies Act, 2017

(Refer note 3 to the accompanying financial statements)

The Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.

The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.

In the case of the Company, specific additional disclosures and changes to the existing disclosures have been included in note 3 to the financial statements.

Further, the Company has also changed its accounting policies relating to presentation and measurement of surplus on revaluation of freehold land and preference shares as a consequence of the

We assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the financial statements.

In respect of the change in accounting policies for the measurement and presentation of revaluation surplus and preference shares as referred to notes 5.4 and 5.10 to the financial statements, we assessed the accounting implications in accordance with the applicable financial reporting standards and evaluated its application in the context of the Company.

| Key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>application of the Act with retrospective effect. The impact of the said change in accounting policies has been disclosed in notes 5.4 and 5.10 to the financial statements.</p> <p>The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.</p> | <p>We also tested the development expenditure incurred and capitalised during the year from agreements, invoices and related documents supporting various components of the Project costs and checked related approvals. We also reviewed the minutes of the meetings at the Board level to identify any indicators of impairment.</p> <p>We assessed the NRV of the DP and compared with the cost on sample basis to ascertain the recording of DP at lower of cost or NRV.</p> <p>We also reviewed the related disclosures in accordance with the applicable financial reporting standards.</p> |

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza
Beaumont Road
Karachi

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

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 and other 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.

Other Matter

The financial statements of the Company for the year ended 30 June 2017 were audited by Deloitte Yousuf Adil, Chartered Accountants and Reanda Haroon Zakaria & Co., Chartered Accountants, who through their report dated 04 November 2017, expressed an unqualified opinion thereon. However, their aforementioned report included emphasis of matter paragraph highlighting uncertainties relating to outcome of certain litigations and their impact on the Company.

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

EY Ford Rhodes
EY Ford Rhodes
Chartered Accountants

Karachi
Date: September 19, 2018

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

Javedan Corporation Limited

Statement of Financial Position

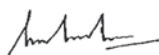
As at June 30, 2018

| | | 2018 | 2017 | 2016 |
|--|------|-------------------|-------------------|-------------------|
| | Note | Rupees in '000 | | |
| | | (Restated) | (Restated) | (Restated) |
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 7 | 1,816,670 | 1,627,159 | 1,608,255 |
| Deferred tax assets - net | 8 | 31,704 | 397,120 | 769,541 |
| Long-term deposits | 9 | 7,575 | 4,836 | 4,331 |
| | | 1,855,949 | 2,029,115 | 2,382,127 |
| CURRENT ASSETS | | | | |
| Trade debts | 10 | 1,469,913 | 2,436,952 | 1,447,368 |
| Development properties | 11 | 17,190,073 | 9,783,059 | 9,143,180 |
| Loans and advances | 12 | 200,168 | 155,186 | 445,204 |
| Deposits, prepayments and other receivables | 13 | 17,957 | 11,308 | 14,240 |
| Cash and bank balances | 14 | 106,428 | 25,402 | 34,086 |
| | | 18,984,539 | 12,411,907 | 11,084,078 |
| TOTAL ASSETS | | 20,840,488 | 14,441,022 | 13,466,205 |
| EQUITY AND LIABILITIES | | | | |
| SHARE CAPITAL AND RESERVES | | | | |
| Share capital | | | | |
| Authorised | | | | |
| 290,000,000 (2017: 290,000,000) ordinary/preference shares of Rs.10/- each | | 2,900,000 | 2,900,000 | 2,900,000 |
| Issued, subscribed and paid-up capital | 15 | 2,671,254 | 1,570,510 | 1,293,683 |
| Capital reserves | 16 | 3,392,570 | 682,313 | 190,742 |
| Revenue reserves | 16 | 1,968,800 | 1,376,523 | 182,740 |
| Surplus on revaluation of freehold land | 17 | 5,802,648 | 6,148,628 | 6,354,660 |
| | | 13,835,272 | 9,777,974 | 8,021,825 |
| NON-CURRENT LIABILITIES | | | | |
| Long-term financing | 18 | 866,250 | 1,188,038 | 1,120,432 |
| Liabilities against assets subject to finance lease | 19 | - | 953 | 1,973 |
| Deferred liability - gratuity | 20 | 24,191 | 15,928 | 10,212 |
| | | 890,441 | 1,204,919 | 1,132,617 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 21 | 2,110,136 | 609,255 | 841,237 |
| Preference shares | 22 | 1,320 | 451,502 | 914,713 |
| Accrued mark-up | 23 | 67,172 | 17,767 | 82,052 |
| Advance from customers | 24 | 676,176 | 1,448,976 | 985,774 |
| Liability against performance obligation | 25 | 494,436 | 265,373 | 285,482 |
| Short-term borrowings | 26 | 2,365,856 | 213,166 | 734,700 |
| Unclaimed dividend | | 4,062 | 2,834 | 2,834 |
| Taxation - net | | 13,630 | 16,024 | 12,399 |
| Current maturity of non-current liabilities | 27 | 381,987 | 433,232 | 452,572 |
| | | 6,114,775 | 3,458,129 | 4,311,763 |
| CONTINGENCIES AND COMMITMENTS | 28 | | | |
| TOTAL EQUITY AND LIABILITIES | | 20,840,488 | 14,441,022 | 13,466,205 |

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Javedan Corporation Limited

Statement of Profit or Loss

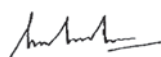
For the year ended June 30, 2018

| | | 2018 | 2017 |
|--------------------------------|------|--|------------------|
| | Note | -----Rupees in '000----- (Restated) | |
| Sales - net | 29 | 2,479,158 | 2,467,969 |
| Cost of sales | 30 | (1,099,368) | (595,735) |
| Gross profit | | 1,379,790 | 1,872,234 |
| Marketing and selling expenses | 31 | (68,525) | (122,161) |
| Administrative expenses | 32 | (260,954) | (214,648) |
| Finance income / (costs) | 33 | 7,563 | (177,628) |
| Other income | 34 | 42,703 | 30,147 |
| Profit before taxation | | 1,100,577 | 1,387,944 |
| Taxation | 35 | (396,864) | (398,387) |
| Profit for the year | | 703,713 | 989,557 |
| | | 2018 | 2017 |
| | | -----Rupees----- (Restated) | |
| Earnings per share | | | |
| Basic | 36 | 3.35 | 7.43 |
| Diluted | 36 | 3.06 | 5.66 |

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Javedan Corporation Limited

Statement of Other Comprehensive Income

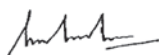
For the year ended June 30, 2018

| | 2018 | 2017 |
|--|--|----------------|
| Note | -----Rupees in '000----- (Restated) | |
| Profit for the year | 703,713 | 989,557 |
| Other comprehensive income, net of tax | | |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i> | | |
| Actuarial losses on remeasurement of defined benefit obligation | (2,011) | (2,579) |
| Tax effect | 583 | 774 |
| | (1,428) | (1,805) |
| Total comprehensive income for the year, net of tax | 702,285 | 987,752 |

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Javedan Corporation Limited

Statement of Cash Flows

For the year ended June 30, 2018

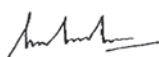
| | | 2018 | 2017 |
|---|-----------|---------------------|------------------|
| Note | | Rupees in '000----- | |
| | | | (Restated) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 1,100,577 | 1,387,944 |
| Adjustments for non-cash items: | | | |
| Depreciation | 7 | 12,488 | 11,367 |
| Amortisation | 7 | - | 1,139 |
| (Reversal) / provision for sales return | 10.5 | (192) | 51,323 |
| Provision for impairment | 13 | - | 7,607 |
| Provision for gratuity | 20 | 7,572 | 6,674 |
| Finance (income) / costs | 33 | (7,563) | 177,628 |
| Mark-up on saving accounts | 34 | (1,654) | (1,434) |
| Gain on disposal of property, plant and equipment | 34 | (1,255) | - |
| Operating profit before working capital changes | | 1,109,973 | 1,642,248 |
| (Increase) / decrease in current assets | | | |
| Trade debts | | 967,231 | (1,040,907) |
| Development properties | | (7,246,559) | (542,635) |
| Loans and advances | | (44,982) | 290,018 |
| Deposits, prepayments and other receivables | | (6,649) | (7,134) |
| | | (6,330,959) | (1,300,658) |
| Increase / (decrease) in current liabilities | | | |
| Trade and other payables | | 1,804,284 | (31,840) |
| Advance from customers | | (772,800) | 465,661 |
| Liability against performance obligation | | 229,063 | (20,109) |
| | | 1,260,547 | 413,712 |
| Cash flows (used in) / generated from operations | | (3,960,439) | 755,302 |
| Payments for: | | | |
| Income tax | | (33,259) | (21,568) |
| Finance costs | | (162,378) | (234,114) |
| Gratuity | 20.6 | (1,320) | (3,537) |
| Long-term deposits | | (2,739) | (505) |
| | | (199,696) | (259,724) |
| Net cash flows (used in) / generated from operations | | (4,160,135) | 495,578 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions to property, plant and equipment | 7.1 & 7.2 | (202,815) | (32,328) |
| Sale proceeds from disposal of property, plant and equipment | 7.1.4 | 2,070 | 920 |
| Mark-up on saving accounts received | | 1,654 | 1,434 |
| Net cash flows used in investing activities | | (199,091) | (29,974) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Issuance of right shares | | 3,116,465 | - |
| Cost on issuance of right shares | | (9,905) | - |
| Dividend paid | | (444,856) | - |
| Long-term financing - net * | | (372,784) | 48,644 |
| Liabilities against assets subject to finance lease - net * | | (1,358) | (1,398) |
| Short-term borrowings - net * | | 2,152,690 | (521,534) |
| Net cash generated from / (used in) financing activities | | 4,440,252 | (474,288) |
| Net increase / (decrease) in cash and cash equivalents | | 81,026 | (8,684) |
| Cash and cash equivalents at beginning of the year | 14 | 25,402 | 34,086 |
| Cash and cash equivalents at end of the year | 14 | 106,428 | 25,402 |

* No non-cash item is included in these activities

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Javedan Corporation Limited

Statement of Changes In Equity

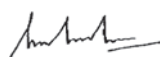
For the year ended June 30, 2018

| | Issued, subscribed and paid-up capital | Preference share capital | Capital reserves | | Revenue reserves | | Surplus on revaluation of freehold land | Total Equity |
|--|--|--------------------------------|------------------|------------------------|------------------|---------------------------------|---|-----------------|
| | | | Share premium | Tax holiday reserve | General | Un- appropri- ated profit | | |
| | ----- (Rupees in '000') ----- | | | | | | | |
| Balance as at July 01, 2016 | 1,293,683 | 914,713 | 178,776 | 11,966 | 63,500 | 119,240 | - | 2,581,878 |
| Impact of change in accounting policies: | | | | | | | | |
| Surplus on revaluation of freehold land (note 5.4) | - | - | - | - | - | - | 6,354,660 | 6,354,660 |
| Preference share capital (notes 5.10 and 22) | - | (914,713) | - | - | - | - | - | (914,713) |
| | - | (914,713) | - | - | - | - | 6,354,660 | 5,439,947 |
| Balance as at July 01, 2016 - restated | 1,293,683 | - | 178,776 | 11,966 | 63,500 | 119,240 | 6,354,660 | 8,021,825 |
| Profit for the year | - | - | - | - | - | 989,557 | - | 989,557 |
| Other comprehensive loss, net of tax | - | - | - | - | - | (1,805) | - | (1,805) |
| Total comprehensive income, net of tax | - | - | - | - | - | 987,752 | - | 987,752 |
| Surplus on revaluation of freehold land realised on account of sale of development properties | - | - | - | - | - | 206,032 | (206,032) | - |
| Conversion of preference shares into ordinary shares (notes 15 and 22) | 276,826 | - | 491,570 | - | - | - | - | 768,396 |
| Balance as at June 30, 2017 - restated | 1,570,509 | - | 670,346 | 11,966 | 63,500 | 1,313,024 | 6,148,628 | 9,777,974 |
| Issuance of right shares during the year | 890,420 | - | 2,226,045 | - | - | - | - | 3,116,465 |
| Cost on issuance of right shares | - | - | - | - | - | (9,905) | - | (9,905) |
| Profit for the year | - | - | - | - | - | 703,713 | - | 703,713 |
| Other comprehensive loss, net of tax | - | - | - | - | - | (1,428) | - | (1,428) |
| Total comprehensive income, net of tax | - | - | - | - | - | 702,285 | - | 702,285 |
| Surplus on revaluation of freehold land realised on account of sale of development properties | - | - | - | - | - | 345,980 | (345,980) | - |
| Conversion of preference shares into ordinary shares (notes 15 and 22) | 210,325 | - | 484,213 | - | - | - | - | 694,538 |
| Final dividend @ 2.5 percent on ordinary shares for the year ended June 30, 2017 | - | - | - | - | - | (446,084) | - | (446,084) |
| 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 |

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

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", which will include bungalows, open plots, flat sites and commercial sites. The housing project is located at Deh, Manghopir road, Gadap town, Scheme #43, Karachi. The Company's layout plan of the project was approved by Lyari Development Authority vide letter number LDA/PP/2010/255 on March 02, 2011 and revised master plan approved vide letter No CTP/LDA/112 and has obtained No Objection Certificate from Sindh Building Control Authority having NOC # SBCA/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) and Karachi Chamber of Commerce and Industry.
- 1.3** The geographical location and addresses of business units are as under:

| Location | Address |
|------------------------------|--|
| Gulshan-e-Iqbal Sales Center | Showroom No. 3, Data Center, Block 13-B, Gulshan-e-Iqbal, Main University Road, Karachi. |
| North Karachi Sales Centre | Plot No. R-435, Sector 11/C-1, Adam Town, UP More, North Karachi, Karachi. |
| Naya Nazimabad Sales Centre | Naya Nazimabad, Deh, Manghopir, Gadap town, Scheme #43, Karachi. |

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

Following is the summary of significant transaction and events that have affected the Company's financial position and performance:

- a) Adoption of Companies Act, 2017 - note 3.
- b) Repurchase of land classified under development properties - note 11.
- c) Issuance of right shares - note 15.
- d) Short-term borrowings obtained during the year - note 26.

3. 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) 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.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

The Act has also brought certain changes with regard to the preparation and presentation of these financial statements. These changes, amongst others, included change in nomenclature of primary statements and change in respect of presentation and measurement of surplus on revaluation of assets and preference shares capital (notes 5.4 and 5.10). Further, the disclosure requirements contained in the Fourth Schedule of the Act have been revised, resulting in elimination of duplicative disclosure with the IFRSs disclosure requirements and incorporation of additional amended disclosures including, but not limited to, particulars of immovable assets of the Company (note 7.1.2), management assessment of sufficiency of tax provision in the financial statements (note 35.2), change in threshold for identification of executives (notes 12 and 37), additional disclosure requirements for related parties (notes 6 and 39).

4. BASIS OF PREPARATION

4.1 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; and
- freehold land classified under property, plant and equipment at revalued amount.

4.2 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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Standards, amendments and interpretations 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:

Amended Standards

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IAS 7 – Statement of Cash Flows: Disclosure Initiative (Amendment)

IAS 12 – Income Taxes: Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments to accounting standards did not have any material effect on the financial statements.

5.2 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment is exercised in application of accounting policies are as follows:

(i) Freehold land under property, plant and equipment

The Company carries freehold land 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) 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.

(iii) 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.

5.3 Property, plant and equipment

Owned

Property, plant and equipment, except for freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is 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. 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.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

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.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred and advances made 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.

Leased

Finance leases, which transfer to the Company, all the risks and benefits incidental to ownership of leased items are capitalised at the inception of lease. Assets subject to finance lease are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligation under the lease less financial charges allocated to future period are shown as a liability. Income arising from sale and leaseback transactions, if any, is deferred and is amortised equally over the lease period.

Financial charges are calculated at the interest rate implicit in the lease and are charged to profit or loss. Leased assets are depreciated on a reducing balance method at the same rate as Company's owned assets as disclosed in note 7.1 to these financial statements.

5.4 Surplus on revaluation of freehold land

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. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

During the year, the Company has changed its accounting policy for presentation and measurement of surplus on revaluation of freehold land, due to adoption of the Companies Act, 2017 (the Act), which became applicable for the first time for the preparation of the Company's annual financial statements for the year ended June 30, 2018. The above change in the accounting policy has been applied retrospectively and comparative information have been restated in accordance with the requirement of International Accounting Standard (IAS) – 16 "Property, Plant and Equipment" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Due to the above change in accounting policy, the Company has presented its statement of financial position as at the beginning of the earliest comparative period i.e., July 01, 2016, in accordance with requirement of IAS 1 – Presentation of Financial Statements (Revised) (IAS 1). Had the accounting policy not been changed, the surplus on revaluation of freehold land would have been shown as a separate line item (below equity in the statement of financial position) amounting to Rs. 6,148 million and Rs. 6,354 million for the year ended 30 June 2017 and 2016 respectively.

5.5 Intangible assets

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

5.6 Trade debts and other receivables

Trade debts originated by the Company are recognised and carried at original invoice amount less provision for doubtful debts, if any. These comprises receivables against sale of plots / bungalows and receivable against reimbursable development charges incurred. Development charges which are invoiced to customers are recognised as development charges-billed, whereas development charges-unbilled represents value of development work executed but billed subsequent to reporting date in accordance with the terms of the contract. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. No provision is made in respect of the active customers which are considered good. Bad debts are written-off, as and when identified.

Other receivables are recognised and carried at cost which is the fair value of the consideration to be received in the future for goods and services.

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 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:

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

- Costs / rights for freehold and leasehold land.
- Amounts paid to contractors for construction 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.
- Development charges paid to:
 - Lyari Development Authority for outer development work; and
 - Contractors for developing inner perimeter, including but not limited to road development, amenities and utilities and other infrastructure.

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 on disposal 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.

5.8 Impairment

Financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Any impairment losses on financial assets including financial assets carried at amortised cost are recognised in statement of profit or loss.

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

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

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.

Goodwill is tested for impairment annually at year end and when the circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (CGU) or group of CGUs to which the goodwill relates. When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount.

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 statement of profit or loss.

Impairment losses relating to goodwill are not reversed in future periods.

5.9 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.

5.10 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.

During the year, the Company has changed its accounting policy for presentation and measurement of preference shares, due to adoption of the Companies Act, 2017 (the Act), which became applicable for

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

the first time for the preparation of the Company's annual financial statements for the year ended June 30, 2018. The above change in the accounting policy has been applied retrospectively and comparative information have been restated in accordance with the requirements of International Accounting Standard (IAS) - 32 'Financial Instruments: Presentation', IAS 39 'Financial Instruments: Recognition and Measurement' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Due to the above change in accounting policy, the Company has presented its statement of financial position as at the beginning of the earliest comparative period i.e., July 01, 2016, in accordance with requirement of IAS 1 'Presentation of Financial Statements (Revised)'. Had the accounting policy not been changed:

| | 2018 | 2017 | 2016 |
|--|--------------------------|-----------|-----------|
| | -----Rupees in '000----- | | |
| Equity would have been higher by: | 1,320 | 451,502 | 914,713 |
| Current liabilities would have been lower by: | 1,320 | 451,502 | 914,713 |
| Finance costs would have been higher / (lower) by: | 59,202 | (105,043) | (503,702) |
| Profit for the year would have been (lower) / higher by: | (59,202) | 105,043 | 503,702 |

5.11 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.

5.12 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

5.13 Interest bearing financings and borrowings

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

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

Borrowing and other related 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.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

5.15 Revenue recognition

- a) Revenue from the sale of plots and bungalows is recognized when the equitable interest in a property vests in a buyer and all the following conditions have been satisfied:
- The Company has transferred to the buyer the significant risks and rewards of ownership in property;
 - The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the property sold;
 - The amount of revenue can be measured reliably;
 - It is probable that the economic benefits associated with the transaction will flow to the Company; and
 - The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Reimbursable development costs incurred are recognised as an expense and its reimbursement from customers as a corresponding income in statement of profit or loss under cost of sales.

The Company maintains a provision of 2% of gross sales to account for expected sales returns, as the management believes that Company's pattern of sales can be forecasted with reasonable accuracy.

- b) Revenue from other sources is recognized on the following basis:
- Profit on deposits is recognized on a time proportionate basis, by reference to the principal outstanding and at the applicable effective interest rate.
 - Gain on sale of property, plant and equipment is recorded when title is transferred in favour of transferee.
 - 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.
 - 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.
 - Other income, if any, recognised on accrual basis.

5.16 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.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

5.17 Operating leases / Ijarah agreements

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating lease. Payments made under operating leases (net of any incentives received from the lessor) / ijarah agreements are charged to the profit or loss on a straight line basis over the lease / ijarah term.

5.18 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on derecognition of financial assets and financial liabilities are taken to statement of profit or loss.

5.19 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

5.20 Foreign currencies

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.

5.21 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.

5.22 Earnings per share

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

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

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 beginning on or after) |
|--|--|
| IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments) | January 01, 2018 |
| IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments) | January 01, 2018 |
| IFRS 9 Financial Instruments | July 01, 2018 |
| IFRS 9 Prepayment Features with Negative Compensation – (Amendments) | January 01, 2019 |
| IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment) | Not yet finalised |
| IFRS 15 Revenue from Contracts with Customers | July 01, 2018 |
| IFRS 16 Leases | January 01, 2019 |
| IAS 19 Plan Amendment, Curtailment or Settlement (Amendments) | January 01, 2019 |
| IAS 28 Long-term Interests in Associates and Joint Ventures – (Amendments) | January 01, 2019 |
| IAS 40 Investment Property: Transfers of Investment Property (Amendments) | January 01, 2018 |
| IFRIC 22 Foreign Currency Transactions and Advance Consideration | January 01, 2018 |
| IFRIC 23 Uncertainty over Income Tax Treatments | January 01, 2019 |

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, except for IFRS 15, for which management assessment is in process of evaluating the impact.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018 and January 01, 2019 respectively. The Company expects that such improvements to the standards will not have any 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.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

| Standard or Interpretation | Effective date (annual periods beginning on or after) |
|--------------------------------------|--|
| IFRS 14 Regulatory Deferral Accounts | January 01, 2016 |
| IFRS 17 Insurance Contracts | January 01, 2021 |

6. DETAILS OF RELATED PARTIES

| Name of related parties | %age holding | 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 |
| Essa Textile and Commodities (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 |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

| | | |
|--|---|--------------------------|
| 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 | - | Group company |
| Abdul Ghani | - | Associated person |
| Nida Ahsan | - | Close family member |
| Mr. Arif Habib | - | Key management personnel |
| Mr. Samad A. Habib | - | Key management personnel |
| Mr. Kashif A. Habib | - | Key management personnel |
| Mr. Muhammad Ejaz | - | Key management personnel |
| Mr. Hasan Ayub | - | Key management personnel |
| Mr. Abdul Qadir | - | Key management personnel |
| Mr. Alamgir A. Sheikh | - | Key management personnel |
| Mr. Siddiq Khokhar | - | Key management personnel |
| Mr. Faisal Anees Bilwany | - | Key management personnel |
| JCL Gratuity Fund Trust | - | Employees Gratuity Fund |

7. Property, plant and equipment

| | 2018 | 2017 |
|--------------------------|--|------------------|
| Note | -----Rupees in '000----- (Restated) | |
| Operating fixed assets | 7.1 1,566,351 | 1,565,176 |
| Capital work-in-progress | 7.2 250,319 | 61,983 |
| | 1,816,670 | 1,627,159 |

7.1 Operating fixed assets

| Particulars | COST / REVALUATION AMOUNT* | | | | ACCUMULATED DEPRECIATION | | | | | Written down value as at | | Rate % |
|----------------------------|----------------------------|-----------|-----------|-----------|--------------------------|---------------------|--------------------|-----------|-----------|--------------------------|---------------------|----------|
| | As at July 01, 2017 | Additions | Transfers | Disposals | As at June 30, 2018 | As at July 01, 2017 | Charge or the year | Disposals | Transfers | As at June 30, 2018 | as at June 30, 2018 | |
| -----Rupees in '000----- | | | | | | | | | | | | |
| Owned | | | | | | | | | | | | |
| Freehold land * (note 17) | 1,498,599 | - | - | - | 1,498,599 | - | - | - | - | - | 1,498,599 | - |
| Buildings on freehold land | 34,438 | - | - | - | 34,438 | 16,917 | 1,762 | - | - | 18,679 | 15,759 | 10 |
| Furniture and fixtures | 11,898 | 859 | - | - | 12,757 | 4,407 | 1,149 | - | - | 5,556 | 7,201 | 20 |
| Office equipment | 19,828 | 11,754 | - | 29 | 31,553 | 12,292 | 1,978 | 5 | - | 14,265 | 17,288 | 10 to 33 |
| Computer equipment | 16,468 | 850 | - | - | 17,318 | 11,665 | 1,660 | - | - | 13,325 | 3,993 | 33 |
| Vehicles | 34,652 | 1,016 | 9,365 | 4,510 | 40,523 | 9,928 | 5,457 | 3,719 | 7,333 | 18,999 | 21,524 | 20 |
| Intangibles assets | | | | | | | | | | | | |
| Computer software | 4,998 | - | - | - | 4,998 | 4,998 | - | - | - | 4,998 | - | 20 |
| Rights | 5,534 | - | - | - | 5,534 | 5,534 | - | - | - | 5,534 | - | 20 |
| | 1,626,415 | 14,479 | 9,365 | 4,539 | 1,645,720 | 65,741 | 12,006 | 3,724 | 7,333 | 81,356 | 1,564,364 | |
| Leased | | | | | | | | | | | | |
| Vehicles | 11,996 | - | (9,365) | - | 2,631 | 7,495 | 482 | - | (7,333) | 644 | 1,987 | 20 |
| 2018 | 1,638,411 | 14,479 | - | 4,539 | 1,648,351 | 73,236 | 12,488 | 3,724 | - | 82,000 | 1,566,351 | |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

| | COST / REVALUATION AMOUNT* | | | | ACCUMULATED DEPRECIATION | | | | | Written | Rate | |
|----------------------------|----------------------------|-----------|-----------|-----------|---------------------------|---------------------------|--------------------------|-----------|-----------|---------------------------|-----------|---|
| | As at July 01, 2016 | Additions | Transfers | Disposals | As at June 30, 2017 | As at July 01, 2016 | Charge or the year | Disposals | Transfers | As at June 30, 2017 | | down value as at June 30, 2017 |
| Rupees in '000 | | | | | | | | | | | | |
| Owned | | | | | | | | | | | | |
| Freehold land * (note 17) | 1,498,599 | - | - | - | 1,498,599 | - | - | - | - | - | 1,498,599 | 0 |
| Buildings on freehold land | 34,438 | - | - | - | 34,438 | 14,959 | 1,958 | - | - | 16,917 | 17,522 | 10 |
| Furniture and fixtures | 6,909 | 4,989 | - | - | 11,898 | 3,390 | 1,017 | - | - | 4,407 | 7,491 | 20 |
| Office equipment | 19,040 | 788 | - | - | 19,828 | 10,263 | 2,029 | - | - | 12,292 | 7,536 | 10 to 33 |
| Computer equipment | 14,953 | 1,596 | - | (81) | 16,468 | 10,769 | 952 | - | (56) | 11,665 | 4,803 | 33 |
| Vehicles | 15,258 | 20,944 | - | (1,550) | 34,652 | 6,297 | 4,286 | - | (655) | 9,928 | 24,724 | 20 |
| Intangibles assets | | | | | | | | | | | | |
| Computer software | 4,998 | - | - | - | 4,998 | 4,583 | 415 | - | - | 4,998 | - | 20 |
| Rights | 5,534 | - | - | - | 5,534 | 4,810 | 724 | - | - | 5,534 | - | 20 |
| | 1,599,729 | 28,317 | - | (1,631) | 1,626,415 | 55,071 | 11,381 | - | (711) | 65,741 | 1,560,675 | |
| Leased | | | | | | | | | | | | |
| Vehicles | 11,996 | - | - | - | 11,996 | 6,370 | 1,125 | - | - | 7,495 | 4,501 | 20 |
| 2017 | 1,611,725 | 28,317 | - | (1,631) | 1,638,411 | 61,441 | 12,506 | - | (711) | 73,236 | 1,565,176 | |

7.1.1 The Company has carried out the last valuation exercise through an independent valuer in year 2015. Had there been no revaluation, the carrying amount of freehold land and surplus on revaluation of freehold land would have been lower by Rs. 1,069 million. 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 freehold falls under level 2 of fair value hierarchy (i.e. significant observable inputs).

7.1.2 The immovable assets (i.e. freehold land and buildings thereon) of the Company as at June 30, 2018 have an area of 56.62 acres, located at Naya Nazimabad, Deh, manghopir, gadap town, Scheme #43, Karachi and is used by the Company for business purposes.

7.1.3 Force sale value of freehold land is Rs. 1,049 million based on the latest revaluation carried out by an independent valuer on June 23, 2015.

7.1.4 Details of property, plant and equipment disposed of during the year are as follows:

| Description | Cost | Accumulated Depreciation | Written down value | Sale proceeds | Gain / (loss) | Mode of disposal | Particulars of purchaser |
|---|--------------|--------------------------|--------------------|---------------|---------------|------------------|--------------------------|
| Aggregate amount of assets disposed off having written down value less than Rs. 500,000 | | | | | | | |
| Office equipment | 29 | 5 | 24 | 20 | (4) | Various | Various |
| Vehicles | 4,510 | 3,719 | 791 | 2,050 | 1,259 | Various | Various |
| | <u>4,539</u> | <u>3,724</u> | <u>815</u> | <u>2,070</u> | <u>1,255</u> | | |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

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

7.2 Capital work-in-progress

| | 2018 | 2017 |
|---------------------------|--------------------------|--------|
| Note | -----Rupees in '000----- | |
| Opening | 61,983 | 57,971 |
| Additions during the year | 188,336 | 4,012 |
| Closing | 7.2.1 & 7.2.2 250,319 | 61,983 |

7.2.1 Included herein club house, which is pledged against syndicated loan facility as disclosed in note 18.4 to these financial statements.

7.2.2 Represents expenses incurred by the Company in respect of construction of buildings on freehold land.

8 DEFERRED TAX ASSETS - Net

| 2018 | 2017 |
|--------------------------|------|
| -----Rupees in '000----- | |

Deferred tax on deductible temporary differences

| | | |
|--|--------|---------|
| Liabilities against subject to finance lease | 274 | 644 |
| Unabsorbed tax depreciation | 12,570 | 33,338 |
| Gratuity | 7,015 | 4,778 |
| Provision for sales return | 14,828 | - |
| Minimum tax | - | 81,452 |
| Assessed tax losses | - | 280,115 |
| | 34,687 | 400,327 |

Deferred tax on taxable temporary differences

| | | |
|---|---------|---------|
| Accelerated depreciation allowance on property, plant and equipment | (2,407) | (1,857) |
| Assets subject to finance lease | (576) | (1,350) |
| | (2,983) | (3,207) |
| | 31,704 | 397,120 |

9 LONG-TERM DEPOSITS

| | | |
|----------------|-------|-------|
| Utilities | 4,534 | 1,819 |
| Rent | 1,565 | 1,565 |
| Lease deposits | - | 340 |
| Others | 1,476 | 1,112 |
| | 7,575 | 4,836 |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

10 TRADE DEBTS

Unsecured, considered good

| | Note | 2018 | 2017 |
|--|------|--------------------------|-----------|
| | | -----Rupees in '000----- | |
| Receivable against sales of plots and bungalows: | | 1,268,903 | 2,134,087 |
| Provision for sales return | 10.5 | (51,131) | (51,323) |
| | | 1,217,772 | 2,082,764 |
| Receivable against development charges incurred: | | | |
| - Billed | 10.1 | 123,623 | 76,849 |
| - Un-billed | 10.2 | 128,518 | 277,339 |
| | | 252,141 | 354,188 |
| | 10.3 | 1,469,913 | 2,436,952 |

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

10.2 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.

10.3 As of June 30, 2018 and 2017, the ageing analyses 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 |
| Receivable against sales of plots and bungalows: | | | | | |
| Related parties | | | | | |
| - Abdul Ghani | 424,021 | 424,021 | - | - | - |
| - Nida Ahsan | 180,950 | 180,950 | - | - | - |
| - Arif Habib Limited | 495 | 495 | - | - | - |
| | 605,466 | 605,466 | - | - | - |
| Other than related parties | 612,306 | - | 536,930 | 75,376 | - |
| | 1,217,772 | 605,466 | 536,930 | 75,376 | - |
| Receivable against development charges incurred: | | | | | |
| Related parties | | | | | |
| Billed | | | | | |
| - Arif Habib | 1,070 | 1,070 | - | - | - |
| - Nida Ahsan | 72 | 72 | - | - | - |
| - Arif Habib Limited | 655 | 655 | - | - | - |
| - Abdul Ghani | 8,890 | 8,890 | - | - | - |
| - Nooriabad Spinning Mills (pvt) Ltd | 350 | 350 | - | - | - |
| Unbilled | | | | | |
| - Arif Habib | 8,367 | 8,367 | - | - | - |
| - Abdul Ghani | 49,772 | 49,772 | - | - | - |
| | 69,176 | 69,176 | - | - | - |
| Other than related parties - billed and unbilled | 182,965 | 61,489 | 121,476 | - | - |
| | 252,141 | 130,665 | 121,476 | - | - |
| 2018 | 1,469,913 | 736,131 | 658,406 | 75,376 | - |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

| | 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) | | | | |
| Receivable against sales of plots and bungalows: | | | | | |
| Related parties | | | | | |
| - Abdul Ghani | 401,435 | 401,435 | - | - | - |
| - Nida Ahsan | 148,123 | 148,123 | - | - | - |
| - Arif Habib Limited | 400,000 | 400,000 | - | - | - |
| | 949,558 | 949,558 | - | - | - |
| Other than related parties | 1,133,206 | 734,017 | 181,568 | 8,764 | 208,857 |
| | 2,082,764 | 1,683,575 | 181,568 | 8,764 | 208,857 |
| Receivable against development charges incurred: | | | | | |
| Related parties | | | | | |
| Billed | | | | | |
| - Arif Habib | 569 | 569 | - | - | - |
| - Nida Ahsan | 4,981 | 4,981 | - | - | - |
| - Abdul Ghani | 5,244 | 5,244 | - | - | - |
| Unbilled | | | | | |
| - Arif Habib | 29,889 | 29,889 | - | - | - |
| - Nida Ahsan | 28,316 | 28,316 | - | - | - |
| - Abdul Ghani | 41,599 | 41,599 | - | - | - |
| | 110,598 | 110,598 | - | - | - |
| Other than related parties - billed and unbilled | 243,590 | 243,590 | - | - | - |
| | 354,188 | 354,188 | - | - | - |
| 2017 | 2,436,952 | 2,037,763 | 181,568 | 8,764 | 208,857 |

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

| | | |
|------------------------------------|---------|---------|
| Abdul Ghani | 482,683 | 448,278 |
| Nida Ahsan | 181,022 | 181,420 |
| Arif Habib | 9,437 | 30,458 |
| Arif Habib Limited | 1,150 | 400,000 |
| Nooriabad Spinning Mills (pvt) Ltd | 350 | - |

10.5 Provision for sales return:

| | | | |
|----------------------------------|----|--------|--------|
| Opening balance | | 51,323 | - |
| (Reversal) / charge for the year | 29 | (192) | 51,323 |
| Closing balance | | 51,131 | 51,323 |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

11 DEVELOPMENT PROPERTIES

Land

Land for development

Add: Acquired during the year

Development expenditure incurred

Opening balance

Add: Incurred during the year

Borrowing costs related to development properties

Opening balance

Add: Capitalised during the year

Transferred to cost of sales to date

Transferred to development charges incurred and apportioned to date

| | 2018 | 2017 |
|------|--------------------------|-------------|
| Note | -----Rupees in '000----- | |
| | 8,151,484 | 8,151,484 |
| 11.1 | 6,341,937 | - |
| | 14,493,421 | 8,151,484 |
| | 4,649,679 | 2,933,827 |
| | 2,618,717 | 1,715,852 |
| | 7,268,396 | 4,649,679 |
| | 1,226,698 | 1,129,454 |
| 33 | 160,455 | 97,244 |
| | 1,387,153 | 1,226,698 |
| | 23,148,970 | 14,027,861 |
| 11.2 | (4,084,737) | (2,985,371) |
| | (1,874,160) | (1,259,431) |
| | 17,190,073 | 9,783,059 |

11.1 Included herein commercial/residential plots at Naya Nazimabad repurchased during the year from the following related parties having an aggregate amount of Rs. 5,701 million.

Arif Habib Corporation Limited
Arif Habib Equity (Private) Limited
Arif Habib Limited
Abdul Ghani
Arif Habib

| 2018 |
|-----------|
| 2,167,587 |
| 2,356,161 |
| 187,875 |
| 582,070 |
| 407,824 |
| 5,701,517 |

11.2 Included herein cost of sales charged to statement of profit or loss during the year amounting to Rs. 1,099 million (2017: Rs. 595.735 million).

12 LOANS AND ADVANCES, Considered good

Loans - Secured

Executives *

Employees

Advances - Unsecured

- Suppliers

- Contractors

- Employees for expenses

| | 2018 | 2017 |
|------|--------------------------|---------|
| Note | -----Rupees in '000----- | |
| 12.2 | 2,343 | 875 |
| | 2,205 | 1,301 |
| 12.1 | 4,548 | 2,176 |
| | 86,150 | 74,393 |
| | 99,597 | 64,010 |
| 12.3 | 9,873 | 14,607 |
| | 195,620 | 153,010 |
| | 200,168 | 155,186 |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

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

12.2 The movement in loans to executives are as follows:

| 2018 | 2017 |
|--------------------------------|---------|
| -----Rupees in '000----- | |
| Balance as of 01 July | 223 |
| Loans obtained during the year | 1,867 |
| Adjusted during the year | (1,215) |
| Balances as of 30 June | 875 |

12.3 The details of unadjusted advances as of June 30, 2018 and 2017 exceeding Rs. 1 million given to employees for incurring expenses related to business purposes which will be adjusted against expenses within a year, are as follows:

| Name | 2018 | 2017 |
|--------------------------|--------------|---------------|
| -----Rupees in '000----- | | |
| Muhammed Ramzan Mazari | 2,810 | - |
| Khan Muhammad Junaid | 2,508 | 4,111 |
| Mohsin Riaz | 1,440 | 1,316 |
| Muhammad Muzammil | 1,243 | 2,168 |
| Salahuddin | - | 2,652 |
| | 8,001 | 10,247 |

* The comparative figures have been restated to reflect the changes in the definition of executives as per Companies Act, 2017.

13 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| 2018 | 2017 |
|------|------|
|------|------|

Note -----Rupees in '000-----

Deposits - considered good

| | | |
|--|----------------|----------------|
| Guarantee margin | 225 | 225 |
| Contractors | 2,679 | 2,679 |
| Security deposit with Sindh Building Control Authority | 3,345 | 3,345 |
| Others | 421 | 71 |
| | 6,670 | 6,320 |
| Provision for impairment | (2,904) | (2,904) |
| | 3,766 | 3,416 |

Prepayments

| | | |
|-----------|--------------|--------------|
| Rent | 924 | 270 |
| Insurance | 828 | 795 |
| Others | 1,620 | 154 |
| | 3,372 | 1,219 |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

Other receivables - Unsecured

| | | | |
|--|-------------------|---------|---------|
| Sales tax refundable | | 4,703 | 4,703 |
| Excise duty refundable - considered good | | 574 | 574 |
| Others - considered good | 13.1, 13.2 & 13.3 | 10,245 | 6,099 |
| | 13.4 | 15,522 | 11,376 |
| Provision for impairment | | (4,703) | (4,703) |
| | | 17,957 | 11,308 |

13.1 Included herein receivables from the following related parties:

| | | |
|---|-------------|-------|
| - Fatima Fertilizer Company Limited | 7,000 | 5,000 |
| - Power Cement Limited | 1,500 | 500 |
| - Aisha Steel Mills Limited | 1,000 | 500 |
| - International Builders and Developers (Private) Limited | 34 | 34 |
| - Arif Habib Limited | 104 | - |
| | 13.2 & 13.3 | 9,638 |
| | | 6,034 |

13.2 These are neither past due nor impaired and are outstanding for less than 30 days, except for amount receivable from International Builders and Developers (Private) Limited of Rs. 0.034 million which are past due but not impaired and outstanding for more than 6 months.

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

| | 2018 | 2017 |
|---|--------------------------|-------|
| Note | -----Rupees in '000----- | |
| - Fatima Fertilizer Company Limited | 7,000 | 5,000 |
| - Power Cement Limited | 1,500 | 500 |
| - Aisha Steel Mills Limited | 1,000 | 500 |
| - International Builders and Developers (Private) Limited | 34 | 34 |
| - Arif Habib Limited | 104 | - |
| | 9,638 | 6,034 |

13.4 These are non-interest bearing receivables which are neither past due nor impaired, and generally on an average term of 3 to 12 months.

14 CASH AND BANK BALANCES

| | 2018 | 2017 |
|------------------|--------------------------|--------|
| Note | -----Rupees in '000----- | |
| Cash in hand | 7,077 | 7,942 |
| Cheques in hand | 82,353 | - |
| Cash at banks in | | |
| Current accounts | 3,311 | 16,771 |
| Deposit accounts | 13,687 | 689 |
| | 16,998 | 17,460 |
| | 106,428 | 25,402 |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

14.1 These carry markup at the rate ranging between 5.5% to 7% per annum (2017: 6% to 7.5% per annum).

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

| 2018 | 2017 | | 2018 | 2017 |
|------------------|--------------|--|--------------------------|-----------|
| Number of Shares | | | -----Rupees in '000----- | |
| 8,600,000 | 8,600,000 | Ordinary shares of Rs.10 each | 86,000 | 86,000 |
| 47,200,000 | 47,200,000 | Issued for cash | 472,000 | 472,000 |
| 200,000 | 200,000 | Issued under the financial restructuring arrangement | 2,000 | 2,000 |
| (54,268,643) | (54,268,643) | Issued as fully paid bonus shares | (542,686) | (542,686) |
| 27,332,729 | 27,332,729 | Shares cancelled due to merger | 273,327 | 273,327 |
| | | Shares issued in lieu of merger | | |
| | | Right shares issued: | | |
| 87,390,414 | 87,390,414 | Opening | 873,904 | 873,904 |
| 89,041,802 | - | Issued during the year | 890,418 | - |
| 176,432,216 | 87,390,414 | Closing | 1,764,322 | 873,904 |
| | | Shares issued on conversion | | |
| 61,629,104 | 40,596,528 | from preference shares | 616,291 | 405,965 |
| 267,125,406 | 157,051,028 | | 2,671,254 | 1,570,510 |

15.1 The holding of related parties / major shareholders of the Company holding ordinary shares as at June 30, 2018 are as follows:

| | 2018 | 2017 | 2018 | 2017 |
|-------------------------------------|---------------------|------|--------------------------|---------|
| | -----% holding----- | | -----Rupees in '000----- | |
| Abdul Ghani | 14% | 7% | 368,276 | 110,821 |
| Arif Habib Corporation Limited | 9% | 8% | 249,350 | 118,795 |
| Arif Habib Equity (Private) Limited | 29% | 28% | 766,297 | 446,932 |
| | | | 1,383,923 | 676,548 |

15.2 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.

15.3 Movement in shares issued on conversion of preference share capital is as below:

| | 2018 | 2017 |
|--|----------------------------|------------|
| | -----Number of Shares----- | |
| Opening | 40,596,528 | 12,913,899 |
| Shares issued on conversion of preference shares during the year | 21,032,576 | 27,682,629 |
| Closing | 61,629,104 | 40,596,528 |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

16 RESERVES

Capital reserves

Tax holiday reserve

Share premium

Revenue reserve

General reserves

Un-appropriated profit

| | | 2018 | 2017 |
|------|--|--------------------------|------------------|
| Note | | -----Rupees in '000----- | |
| 16.1 | | 11,966 | 11,966 |
| 16.2 | | 3,380,604 | 670,347 |
| | | 3,392,570 | 682,313 |
| 16.3 | | 63,500 | 63,500 |
| | | 1,905,300 | 1,313,023 |
| | | 1,968,800 | 1,376,523 |
| | | 5,361,370 | 2,058,836 |

16.1 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.

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

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

17 SURPLUS ON REVALUATION OF FREEHOLD LAND

Balance as at July 01

Development properties

Property, plant and equipment

Transfer to unappropriated profit on sale of development properties during the year

Balance as at June 30

Represented by:

Property, plant and equipment

Development properties

| | | 2018 | 2017 |
|------|--|--------------------------|------------------|
| Note | | -----Rupees in '000----- | |
| | | 5,080,286 | 5,286,318 |
| | | 1,068,342 | 1,068,342 |
| | | 6,148,628 | 6,354,660 |
| | | (345,980) | (206,032) |
| | | 5,802,648 | 6,148,628 |
| | | | |
| | | 1,068,342 | 1,068,342 |
| | | 4,734,306 | 5,080,286 |
| 17.1 | | 5,802,648 | 6,148,628 |

17.1 The Company carried out revaluation of its freehold land namely through an independent valuer namely M/s. Younus Mirza and Company on January 5, 2009, who determined the fair value of freehold land on the basis of market value as of December 24, 2008 of Rs. 5.20 billion resulting in surplus on revaluation of Rs. 4.50 billion. Later, on June 25, 2010, the Company carried out revaluation through an independent valuer namely M/s. Joseph Lobo (Private) Limited who determined the fair value of freehold land under market value basis, amounting to Rs. 8.38 billion resulting a surplus on revaluation amounting to Rs. 3.18 billion. Thereafter, in 2014 and 2015 the Company carried out valuation exercise of freehold land through an independent valuer namely M/s. Harvester Services (Private) Limited resulted in revaluation surplus of Rs. 608.379 million and Rs. 459.96 million respectively.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

| | | 2018 | 2017 |
|---|------|--------------------------|-----------|
| 18 LONG-TERM FINANCING - Secured | Note | -----Rupees in '000----- | |
| Debt asset swap arrangement | 18.1 | 106,042 | 230,076 |
| Term Finance Certificates | 18.2 | 517,500 | 690,000 |
| Diminishing musharika | 18.3 | 125,000 | 200,000 |
| Syndicated loan facility | 18.4 | 498,750 | 500,000 |
| | | 1,247,292 | 1,620,076 |
| Current maturity of long-term financing | | (381,042) | (432,038) |
| | | 866,250 | 1,188,038 |

18.1 Accrued markup up to February 23, 2011 (effective date) amounting to Rs. 87.769 million plus the markup on the medium term finance facility for the grace period from February 23, 2011 to August 23, 2012 calculated at a fixed rate 15% equivalent to Rs. 273.497 million (total Rs. 361.266 million) was settled by the Company in kind through transferring equivalent value of its 75 acres land to the bank on August 23, 2012. On this transaction, transfer charges were borne by the bank and all legal expenses, documentation and related charges, government excise, levies and surcharge were paid by the Company. Under the said arrangement, the Company was required to buy back the land acquired by the bank on February 24, 2014, (i.e. after 3 years from the transaction date) at an acquisition cost of Rs. 361.26 million inflated at the rate of 12% with effect from February 23, 2011 plus transfer charges, legal charges etc.

The Company is in negotiation with the Bank to settle the outstanding liability at Rs.106 million, and waive additional mark up on the overdue mark up, as it is not in accordance with prevailing banking regulations. Based on ongoing discussion with the bank, the management of the Company is expecting favorable settlement, therefore the remaining liability amounting to Rs. 94 million has not been accounted and disclosed as contingent liability in note 28.1.1 (f) to these financial statements.

18.2 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 month's KIBOR plus 2.5 percent per annum and is redeemable in ten quarterly installments of Rs.14 million and nine equal semi-annual installments of Rs. 86.25 million each. The facility is secured by way of pledge of Rs. 35 million shares of Arif Habib Corporation Limited (a related party) and equitable mortgage over 41.3 acres of land comprising commercial plots and 16.14 acres of land comprising residential plots of Rs. 1,988.03 million and Rs. 235.48 million respectively.

18.3 The Company had obtained a financing facility in 2016 by entering into sale and diminishing musharika agreement amounting to Rs. 200 million to facilitate construction of houses for the project. This carries mark-up at the rate of 3 months KIBOR + 3% per annum (subject to floor and cap of 9% and 20%, respectively). The amount is payable in eight equal quarterly instalments of Rs. 25 million. The facility is 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 millions and forced sale value of Rs. 267.96 million as per valuation report dated June 10, 2016.

18.4 The Company has obtained syndicated loan facility for a period of six years from various commercial banks amounting to Rs. 500 million out of 800 million for the purpose of financing the construction of a gymkhana and a clubhouse at the Naya Nazimabad Housing Scheme. This carries mark-up at the base rate of KIBOR + 2.35 percent per annum with no floor or cap and to be paid in twenty quarterly repayments, whereas the

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

first installment became due after the end of the fifteenth month i.e. 31 Dec 2017. 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.

19 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

| | 2018 | | 2017 | |
|---|------------------------------|----------------------|------------------------------|------------------------------|
| | Minimum Lease Payments (MLP) | Present Value of MLP | Minimum Lease Payments (MLP) | Minimum Lease Payments (MLP) |
| | -----Rupees in '000----- | | -----Rupees in '000----- | |
| Within one year | 989 | 945 | 1337 | 1194 |
| After one year but not more than five years | - | - | 997 | 953 |
| Total minimum lease payments | 989 | 945 | 2334 | 2147 |
| Less: Finance charges | 44 | - | 187 | - |
| Present value of minimum lease payments | 945 | 945 | 2147 | 2147 |
| Less: Current portion shown under current liabilities | 19.1 | 945 | 1,194 | 1,194 |
| | - | - | 953 | 953 |

19.1 The Company has entered into lease agreements with financial institutions for lease of vehicles. Lease rentals are payable in monthly instalments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rates ranging from 8.87% to 9.49% per annum (2017: 8.87% to 12.86% per annum). At the end of lease term, the Company has an option to acquire the assets, subject to adjustment of security deposits.

20 DEFERRED LIABILITY - GRATUITY

20.1 General description

General description of the approved funded gratuity scheme and accounting policy for recognizing actuarial gains and losses is disclosed in note 5.11 to the financial statements.

20.2 Principal actuarial assumptions

The latest actuarial valuation for defined benefit plan scheme was carried out as at June 30, 2018 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

| | 2018 | 2017 |
|--|----------|----------|
| Discount rate % | 9.00 | 7.75 |
| Expected rate of increase in salary levels % | 9.00 | 7.75 |
| Expected rate of return on plan assets % | 7.75 | 7.25 |
| Average retirement age of the employee | 60 years | 60 years |

20.3 Reconciliation of amount payable to defined benefit plan

| | 2018 | 2017 |
|---|--------------------------|---------|
| Note | -----Rupees in '000----- | |
| Present value of defined benefit obligation | 20.4 29,517 | 21,123 |
| Less: Fair value of plan assets | 20.6 (5,326) | (5,195) |
| | 20.5 24,191 | 15,928 |

20.4 Movement in present value of defined benefit obligation

| | | |
|--|---------|---------|
| Present value of obligation as at July 1 | 21,123 | 15,295 |
| Current service cost | 6,421 | 6,061 |
| Interest cost | 1,553 | 981 |
| Benefits paid | (1,320) | (3,537) |
| Benefits due but not paid | (857) | - |
| Actuarial loss on re-measurement of obligation | 2,597 | 2,323 |
| Present value of obligation as at June 30 | 29,517 | 21,123 |

20.5 Movement in payable to defined benefit plan

| | | |
|-----------------------------------|---------|---------|
| Opening liability | 15,928 | 10,212 |
| Charge for year to profit or loss | 7,572 | 6,674 |
| Other comprehensive loss | 2,011 | 2,579 |
| Contributions to the fund | (1,320) | (3,537) |
| Closing liability | 24,191 | 15,928 |

20.6 Movement in fair value of plan assets

| | | |
|---|---------|---------|
| Fair value of plan assets as at July 1 | 5,195 | 5,083 |
| Return on plan assets | 403 | 368 |
| Contributions | 1,320 | 3,537 |
| Benefits paid | (1,320) | (3,537) |
| Benefits due but not paid | (858) | - |
| Actuarial gain on re-measurement of plan assets | 586 | (256) |
| Fair value of plan assets as at June 30 2018 | 5,326 | 5,195 |

20.7 The plan assets comprise bank balances only.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

| | 2018 | 2017 |
|------|--------------------------|------|
| Note | -----Rupees in '000----- | |

20.8 The amount recognized in the statement of profit or loss is as follows:

| | | |
|---|--------------|--------------|
| Current service cost | 6,421 | 6,062 |
| Interest cost on defined benefit obligation | 1,553 | 981 |
| Interest income on plan assets | (403) | (369) |
| | <u>7,572</u> | <u>6,674</u> |

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

| | 2018 | 2017 | 2018 | 2017 |
|-----------------------|-------------------------------------|-------|--------------------------|---------|
| | Actuarial loss on re-measurement of | | | |
| | Plan assets | | Obligation | |
| | -----Rupees in '000----- | | -----Rupees in '000----- | |
| Experience adjustment | 586 | (256) | (2,597) | (2,323) |

20.10 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.

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

| Impact on defined benefit obligation | | | |
|--------------------------------------|----------------------|--------------------------|------------------------|
| | Change in assumption | Increase in assumption | Decrease in assumption |
| | % | -----Rupees in '000----- | |
| Discount rate | 1 | 27,453 | (31,887) |
| Salary growth rate | 1 | 31,864 | (27,435) |

20.12 The expected gratuity expense for the year ending June 30, 2019 works out to Rs. 10.432 million.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

20.13 The weighted average duration of the defined benefit obligation at June 30, 2018 is 8 years (2017: 7 years).

21 TRADE AND OTHER PAYABLES

| | | 2018 | 2017 |
|---------------------------------|------|--------------------------|----------------|
| | Note | -----Rupees in '000----- | |
| Creditors | 21.1 | 66,236 | 21,200 |
| Accrued liabilities | | 103,326 | 237,660 |
| Retention money | | 79,770 | 23,346 |
| Withholding tax payable | | 15,662 | 10,022 |
| Other payables: | | | |
| - on cancellation of plots | | 8,812 | 13,467 |
| - on repurchase of land | 21.2 | 1,836,173 | - |
| - dividend on preference shares | | 157 | 303,560 |
| | | <u>2,110,136</u> | <u>609,255</u> |

21.1 Included herein amount payable to the following related parties:

| | | |
|---|---------------|---------------|
| Safe mix concrete Products Limited | 1,753 | 3,362 |
| Power Cement Limited | 27,799 | 7,842 |
| Arif Habib Dolmen REIT Management Limited | 2,977 | - |
| | <u>32,529</u> | <u>11,204</u> |

21.2 Included herein Rs.1,556 million and Rs. 161.995 against the repurchase of commercial land payable to Arif Habib Equity (Private) Limited and Abdul Ghani, respectively (related parties) [note 11.2].

22 PREFERENCE SHARES

22.1 Issued, subscribed and paid-up preference shares

| 2018 | 2017 | | 2018 | 2017 |
|------------------|-------------------|--|--------------------------|----------------|
| Number of Shares | | | -----Rupees in '000----- | |
| 45,150,200 | 91,471,300 | 12% Redeemable, cumulative and convertible preference shares of Rs.10 each | 451,502 | 914,713 |
| (45,018,200) | (46,321,100) | Shares cancelled on conversion into ordinary shares | (450,182) | (463,211) |
| <u>132,000</u> | <u>45,150,200</u> | | <u>1,320</u> | <u>451,502</u> |

22.2 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.

Javedan Corporation Limited

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- 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.

22.3 During the year, 45,018,200 (2017: 46,321,100) preference shares were converted into 21,032,576 (2017: 27,682,629) ordinary shares at conversion price of 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.

23 ACCRUED MARK-UP

| | | 2018 | 2017 |
|-----------------------|------|--------------------------|---------------|
| | Note | -----Rupees in '000----- | |
| Accrued markup on : | | | |
| Long term finance | | 17,438 | 15,121 |
| Short term borrowings | 23.1 | 49,734 | 2,646 |
| | | <u>67,172</u> | <u>17,767</u> |

23.1 This includes markup payable to Arif Habib Corporation Limited - a related party amounting to Rs. 28.967 million (2017: Nil).

24 ADVANCE FROM CUSTOMERS

| | | | |
|------------------------------|------|----------------|------------------|
| Advance against: | | | |
| Plots and bungalows | 24.1 | 598,934 | 1,324,665 |
| Development charges incurred | 24.2 | 77,242 | 124,311 |
| | | <u>676,176</u> | <u>1,448,976</u> |

24.1 Represents amount received in respect of booking of plots and bungalows, as per respective payment plans on which sales have not been recognized, since such transactions do not meet the recognition criteria. This also includes advance from the following related parties:

| | | |
|--------------------|---------------|----------------|
| Nida Ahsan | 33,330 | 38,662 |
| Arif Habib | 8,038 | 7,427 |
| Arif Habib Limited | 53,880 | 82,486 |
| | <u>95,248</u> | <u>128,575</u> |

24.2 This includes development charges received in advance from the following related parties:

| | | |
|--------------------|---------------|--------------|
| Nida Ahsan | 6,720 | - |
| Arif Habib | 960 | 1,200 |
| Arif Habib Limited | 2,400 | 8,100 |
| | <u>10,080</u> | <u>9,300</u> |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

25 LIABILITY AGAINST PERFORMANCE OBLIGATION

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

26 SHORT-TERM BORROWINGS

From related parties - unsecured
Arif Habib Corporation Limited

Other than related parties

Musharika arrangement

Running finance under mark-up arrangements

| | 2018 | 2017 |
|------|--------------------------|---------|
| Note | -----Rupees in '000----- | |
| 26.1 | 1,468,000 | - |
| 26.2 | 300,000 | - |
| 26.3 | 597,856 | 213,166 |
| | 897,856 | 213,166 |
| | 2,365,856 | 213,166 |

26.1 Represents financing facility availed from Arif Habib Corporation Limited - a related party to the extent of Rs. 2,231.55 million to finance the working capital and project needs which is repayable on demand. This carries markup at the rate of 3 month's KIBOR + 2.25 percent per annum.

26.2 Represents running musharika facility from a commercial bank of Rs. 300 million for financing needs of the project. This carries markup rate at KIBOR plus 2.15 percent per annum and payable latest by 31 December 2018. 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.

26.3 Represents running finance facility availed from a commercial bank of Rs. 597.856 out of 600 million. This carries markup rate at 3 month's KIBOR + 4.5 percent payable quarterly and is secured by token mortgage of Rs. 0.1 million and remaining as equitable mortgage of land measuring 97,520 sq. yards for 796 plots at Deh Manghopir, Gadap Town, Scheme no. 43, Karachi proposed as Naya Nazimabad, Karachi and is also secured by personal guarantees of all sponsoring directors of the Company. The market value of the land mortgaged is Rs. 1,227.6 million having forced sale value of Rs. 982 million as per the valuation report dated January 29, 2016.

27 CURRENT MATURITY OF NON-CURRENT LIABILITIES

Long-term financing

Liabilities against assets subject to finance lease

| | 2018 | 2017 |
|------|--------------------------|---------|
| Note | -----Rupees in '000----- | |
| 18 | 381,042 | 432,038 |
| 19 | 945 | 1,194 |
| | 381,987 | 433,232 |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

28.1.1 Existing business

Tax related contingencies

- a) Returns of income for tax years 2008 to 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. 1.02 million, Rs. 1,003 and Rs. 540.5 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 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. The Company, based on the opinion of the tax advisor, is confident that there will be no unfavourable outcome in above appeals. Accordingly, no provisions were made in these financial statements.
- b) During the year, 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. Being aggrieved, the Company filed appeal before CIR(A), which are pending adjudication. The Company, based on the opinion of the tax advisor, is confident that there will be no unfavourable outcome in the above appeals and accordingly, no provision has been made in these financial statements.
- c) 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 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 Honorable High Court of Sindh 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. 835.098 million has not been accounted for in these financial statements, instead the Company continues to record the tax provisions based on minimum tax under Section 113 of the Income Tax Ordinance, 2001.
- d) The Company has filed constitutional petition before the Honorable High Court of Sindh (the Court) vide Constitutional Petition No. 2564 of 2014 dated May 15, 2014 challenging vires of Workers Welfare Ordinance, 1971. The Court has admitted constitutional petition for regular hearing and issued interim stay order from recovery of Workers' Welfare Fund (WWF) impugned demand by Federal Board of Revenue for the tax year 2013. The management, based on the opinion of the tax advisor, is expecting favourable outcome on the said matter. Accordingly, no liability for WWF since 2014 to 2018 has been accounted for in these financial statements having an aggregate impact of Rs. 98.739 million.

Javedan Corporation Limited

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- e) The Company has filed a constitutional petition D-4971 of 2017 dated July 28, 2017 in Honorable High Court of Sindh (the Court) 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. Accordingly, no provision has been made in these financial statements.

Legal and other contingencies

- f) Contingency related to ABL mark up as disclosed in note 18.1 to these financial statements.
- g) As at June 30, 2018, 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 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.

28.1.2 Former business

As at June 30, 2018, there are several cases 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.

28.1.3 Guarantees issued by the commercial banks on behalf of the Company amounting to Rs. 12.960 million (2017: Rs. 12.960 million).

28.2 Commitments

| | 2018 | 2017 |
|---------------------|--------------------------|---------|
| Note | -----Rupees in '000----- | |
| Capital commitments | 1,589,007 | 141,282 |
| Ijarah Rentals | 28.2.1 4,000 | - |

28.2.1 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 February 2022. 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. 0.83 million. Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

| | 2018 | 2017 |
|---|--------------------------|----------|
| Note | -----Rupees in '000----- | |
| Not later than one year | 1,220 | - |
| Later than one year but not later than five years | 2,780 | - |
| | <u>4,000</u> | <u>-</u> |

29 SALES - NET

| | | |
|-----------------------------|------------------|------------------|
| Plots | 2,703,524 | 2,214,085 |
| Bungalows | 916,017 | 395,109 |
| | <u>3,619,541</u> | <u>2,609,194</u> |
| Cancellation and forfeiture | (1,063,004) | - |
| Trade discount | (16,745) | (43,057) |
| Sales returns | (60,633) | (98,168) |
| | <u>2,479,158</u> | <u>2,467,969</u> |

30 COST OF SALES

| | | | |
|---|----|------------------|----------------|
| Cost of development properties sold | 11 | 1,099,368 | 595,735 |
| Development charges incurred & apportioned to customers | | 614,729 | 577,480 |
| Development charges reimbursable from customers | | (614,729) | (577,480) |
| | | <u>1,099,368</u> | <u>595,735</u> |

31 MARKETING AND SELLING EXPENSES

| | | |
|------------------------|---------------|----------------|
| Sales promotions | 12,760 | 85,566 |
| Exhibitions and events | 47,273 | 29,716 |
| Commission | 8,492 | 6,879 |
| | <u>68,525</u> | <u>122,161</u> |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

| | | 2018 | 2017 |
|------------------------------------|-------------|--------------------------|----------------|
| | Note | -----Rupees in '000----- | |
| 32 ADMINISTRATIVE EXPENSES | | | |
| Salaries, wages and other benefits | 32.1 | 123,477 | 87,502 |
| Fees and subscriptions | | 10,234 | 5,942 |
| Depreciation | 7.1 | 12,488 | 11,367 |
| Amortisation | | - | 1,139 |
| Vehicle running | | 15,111 | 13,785 |
| Legal and professional | | 6,644 | 3,451 |
| Repair and maintenance | | 16,962 | 18,216 |
| Rent, rates and taxes | | 3,560 | 5,849 |
| Utilities | | 26,402 | 28,888 |
| Donation | 32.2 & 32.3 | 5,098 | 3,732 |
| Communication | | 3,790 | 3,619 |
| Travelling and conveyance | | 1,350 | 1,643 |
| Ijarah rentals | | 743 | - |
| Insurance | | 5,714 | 3,105 |
| Printing and stationery | | 3,264 | 2,609 |
| Auditors' remuneration | 32.4 | 1,799 | 1,703 |
| Entertainment | | 5,176 | 3,449 |
| Meetings and conventions | | 440 | 295 |
| Bad debt written off | | - | 8,303 |
| Security | | 16,271 | 8,251 |
| Others | | 2,431 | 1,800 |
| | | 260,954 | 214,648 |

32.1 This includes an amount of Rs. 7.57 million (2017: Rs. 6.67 million) in respect of employees retirement benefits.

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

32.3 The Company has not made any donations exceeding Rs. 500,000/- during the current and prior years.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

32.4 Auditors' Remuneration

EY Ford Rhodes

Annual audit of financial statements
Review of half yearly financial statements
Code of Corporate Governance
Other services

Deloitte Yousuf Adil

Annual audit of financial statements
Review of half yearly financial statements
Code of Corporate Governance
Other services

Reanda Haroon Zakaria & Company

Annual audit of financial statements
Review of half yearly financial statements
Code of Corporate Governance
Tax related services

| | 2018 | 2017 |
|------|--------------------------|-------|
| Note | -----Rupees in '000----- | |
| | 477 | - |
| | 174 | - |
| | 53 | - |
| | 212 | - |
| | 916 | - |
| | - | 477 |
| | - | 174 |
| | - | 53 |
| | - | 150 |
| | - | 854 |
| | 477 | 477 |
| | 174 | 174 |
| | 53 | 53 |
| | 179 | 145 |
| | 883 | 849 |
| | 1,799 | 1,703 |

33 FINANCE INCOME / (COSTS)

Dividend on preference shares
Mark-up on long term financing
Mark-up on short term borrowings
Mark-up on finance lease
Bank and other charges

Less: Amount capitalized in the cost of qualifying asset

Average rate of capitalization

| | | |
|------|-----------|----------|
| 5.10 | (59,044) | 105,043 |
| | 111,896 | 115,069 |
| | 92,840 | 32,418 |
| | 156 | 276 |
| | 7,044 | 22,066 |
| | 152,892 | 274,872 |
| 11 | (160,455) | (97,244) |
| | (7,563) | 177,628 |
| | 5.89% | 4.70% |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

34 OTHER INCOME

Income from financial assets

Mark-up on saving accounts

Income from non-financial assets

Income from cancellation of bookings

Gain on disposal of property, plant and equipment

Transfer fees from plots and bungalows

Sponsorship income

Income from cricket ground

Other

| 2018 | 2017 |
|--------------------------|--------|
| -----Rupees in '000----- | |
| 1,654 | 1,434 |
| 3,121 | 4,849 |
| 1,255 | - |
| 16,907 | 7,687 |
| 8,500 | 6,000 |
| 8,031 | 6,566 |
| 3,235 | 3,611 |
| 41,049 | 28,713 |
| 42,703 | 30,147 |

35 TAXATION

Current

Deferred

| | |
|---------|---------|
| 30,865 | 25,193 |
| 365,999 | 373,194 |
| 396,864 | 398,387 |

35.1 Contingencies related to tax matters are disclosed in note 28.1.1 to these financial statements.

35.2 A comparison of last three years of income tax provision with tax assessed is presented below:

| Provision for taxation | Tax year | Provision for taxation | Tax assessed |
|--------------------------|----------|------------------------|--------------|
| -----Rupees in '000----- | | | |
| June 30, 2017 | 2017 | 25,193 | 18,836 |
| June 30, 2016 | 2016 | 12,279 | 6,544 |
| June 30, 2015 | 2015 | 12,606 | 6,030 |

The Company computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Accordingly, the management of the Company has assessed the sufficiency of the tax provisions and believes that the tax provisions are sufficient to reflect the tax liabilities of the Company, other than tax contingencies as disclosed in note 28.1.1 to these financial statements.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

35.3 Tax reconciliation with accounting profit is as follows:

| | 2018 | 2017 |
|------------------------------------|--------------------------|-----------|
| | -----Rupees in '000----- | |
| Profit before taxation | 1,100,577 | 1,387,944 |
| Tax at the rate of 30% (2017: 31%) | 330,173 | 430,263 |
| Tax effect of minimum tax | 30,865 | 25,193 |
| Tax effect of change in tax rate | 25,621 | 24,048 |
| Effect of deferred tax realised | - | (85,304) |
| Others | 10,205 | 4,187 |
| | 396,864 | 398,387 |
| Average rate of tax | 36% | 29% |

36 EARNINGS PER SHARE

Basic

| | | |
|--|-------------|-------------|
| Profit after tax (Rupees in '000) | 703,713 | 989,557 |
| Weighted average number of ordinary shares | 210,296,033 | 133,239,388 |
| Earnings per share - (In Rupees) | 3.35 | 7.43 |

Diluted

| | | |
|---|-------------|-------------|
| Profit attributable to ordinary shareholders (Rupees in '000) | 644,669 | 1,094,600 |
| Weighted average number of potential ordinary shares | 210,344,101 | 193,340,274 |
| Earnings per share - (In Rupees) | 3.06 | 5.66 |

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements are as follows:

| | Chief Executive | | Directors | | Executives (note 37.3) | |
|-------------------------|--------------------------|--------|--------------------------|------|--------------------------|--------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| | -----Rupees in '000----- | | -----Rupees in '000----- | | -----Rupees in '000----- | |
| Managerial remuneration | 8,127 | 7,855 | - | - | 30,185 | 24,831 |
| Medical expenses | 813 | 785 | - | - | 3,019 | 2,483 |
| Allowances | 1,270 | 1,216 | - | - | 7,195 | 3,943 |
| Bonus | 655 | - | - | - | 2,325 | - |
| Retirement benefits | 820 | 720 | - | - | 2,454 | 1,534 |
| | 11,685 | 10,576 | - | - | 45,178 | 32,791 |
| Number of Persons | 1 | 1 | - | - | 15 | 13 |

37.1 In addition, the Chief Executive, Directors 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.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

37.2 During the year, the Company has paid Rs. 0.4 million (2017: Rs. 0.26 million) to a non - executive Director on account of board meeting fees.

37.3 The comparative figures have been restated to reflect the changes in the definition of executives as per Companies Act, 2017.

38 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, 2018. The policies for managing each of these risks are summarised below:

38.1 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, 2018.

38.1.1 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.

38.1.2 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 '000----- | |
| 2018 | +100 | (36,141) |
| | -100 | 36,141 |
| 2017 | +100 | (18,354) |
| | -100 | 18,354 |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

38.1.3 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.

38.1.4 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.

38.2 Credit risk

38.2.1 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. Out of the total financial assets of Rs. 1,605 million (2017: Rs. 2,481 million), the financial assets which are subject to credit risk amounted to Rs. 1,487 million (2017: Rs. 2,454 million). The Company's credit risk is primarily attributable to its trade debtors 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. Further, the Company manages its credit risk by obtaining advance monitoring fee for device and service charges and effective implementation of credit policy for its customers.

The credit quality of financial assets that are past due but not impaired is disclosed in note 10.3 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.

38.2.2 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:

| | | 2018 | 2017 |
|--------------------------------|------|--------------------------|------------------|
| | Note | -----Rupees in '000----- | |
| Long term security deposits | 9 | 7,575 | 4,836 |
| Trade debts | 10 | 737,332 | 2,037,763 |
| Loan to employees | 12 | 4,548 | 2,176 |
| Deposits and other receivables | 13 | 14,585 | 10,089 |
| Bank balances | 14 | 16,998 | 17,460 |
| | | <u>781,038</u> | <u>2,072,324</u> |

For the year ended June 30, 2018

| Bank | Rating Agency | 2018 | 2017 |
|------|---------------|--------------------------|---------------|
| | | -----Rupees in '000----- | |
| A1 | PACRA | 147 | 587 |
| A-1 | JCR-VIS | 1,964 | 3,418 |
| A1+ | PACRA | 14,177 | 12,583 |
| A-1+ | JCR-VIS | 410 | 872 |
| | | 16,698 | 17,460 |

Liquidity risk represents the risk that a Company will encounter difficulties in meeting obligations with the financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance lease.

| | 2018 | | | | | |
|------------------------------|--------------------------|------------------------|--------------------------|----------------------|--------------------------|-------------------|
| | Carrying amount | Contractual cash flows | Six months or less | Six to twelve months | One to two years | Two to five years |
| | -----Rupees in '000----- | | -----Rupees in '000----- | | -----Rupees in '000----- | |
| Financial liabilities | | | | | | |
| Long-term financing | 1,247,292 | 1,247,292 | 215,520 | 190,520 | 841,252 | - |
| Liabilities against assets | | | | | | |
| subject to finance lease | 945 | 945 | 945 | - | - | - |
| Trade and other payables | 2,094,317 | 2,094,317 | 2,094,317 | - | - | - |
| Short term borrowings | 2,365,856 | 2,365,856 | 2,365,856 | - | - | - |
| Accrued mark-up | 67,172 | 67,172 | 67,172 | - | - | - |
| | 5,775,582 | 5,775,582 | 4,743,810 | 190,520 | 841,252 | - |

| | 2017 | | | | | |
|----------------------------|--------------------------|------------------------|--------------------------|----------------------|--------------------------|-------------------|
| | Carrying amount | Contractual cash flows | Six months or less | Six to twelve months | One to two years | Two to five years |
| | -----Rupees in '000----- | | -----Rupees in '000----- | | -----Rupees in '000----- | |
| Long term financing | 1,620,076 | 1,620,076 | 215,519 | 302,769 | 300,038 | 801,750 |
| Liabilities against assets | | | | | | |
| subject to finance lease | 2,147 | 2,147 | 519 | 683 | 945 | - |
| Trade and other payables | 295,673 | 295,673 | 265,139 | 30,534 | - | - |
| Short term borrowings | 213,166 | 213,166 | 213,166 | - | - | - |
| Accrued mark-up | 17,767 | 17,767 | 17,767 | - | - | - |
| | <u>2,148,829</u> | <u>2,148,829</u> | <u>712,110</u> | <u>333,986</u> | <u>300,983</u> | <u>801,750</u> |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

38.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction.

38.4.1 Fair value hierarchy

Financial instruments carried at fair value are categorized as follows:

Level 1: Quoted market price.

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non- market observables)

The fair value hierarchy of freehold land is disclosed in note 7.1.1 to these financial statements.

38.5 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, 2018.

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, 2018 and 2017 are as follows:

| | | 2018 | 2017 |
|---|------|--------------------------|-------------------|
| | Note | -----Rupees in '000----- | |
| Long-term financing | 18 | 866,250 | 1,188,038 |
| Preference shares | 22 | 1,320 | 451,502 |
| Liabilities against assets subject to finance lease | 19 | - | 953 |
| Accrued mark-up | 23 | 67,172 | 17,767 |
| Short-term borrowings | 26 | 2,365,856 | 213,166 |
| Current maturity of non-current liabilities | 27 | 381,987 | 433,232 |
| Total debts | | 3,682,585 | 2,304,658 |
| Less: Cash and bank balances | 14 | (106,428) | (25,402) |
| Net debts | | 3,576,157 | 2,279,256 |
| Issued, subscribed and paid-up capital | 15 | 2,671,254 | 1,570,510 |
| Capital reserves | 16 | 3,392,570 | 682,313 |
| Revenue reserves | 16 | 1,968,800 | 1,376,523 |
| Surplus on revaluation of freehold land | 17 | 5,802,648 | 6,148,628 |
| Total equity | | 13,835,272 | 9,777,974 |
| Total capital | | 17,411,429 | 12,057,230 |
| Gearing ratio | | 20.54% | 18.9% |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

39 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 financial statements, are as follows:

| | | 2018 | 2017 |
|--|------|--------------------------|---------|
| Associates | Note | -----Rupees in '000----- | |
| Arif Habib Corporation Limited | | | |
| Repurchase of commercial land | 11.1 | 2,167,587 | - |
| Paid against the repurchase of commercial land | | 2,167,587 | - |
| Advance paid against subscription of right issue | | 386,172 | - |
| Short term borrowing obtained during the year | 26 | 1,468,000 | - |
| Mark up expense on short term borrowing | | 46,995 | - |
| Mark up paid during the year | | 18,027 | 39 |
| Dividend paid | | 33,334 | - |
| Arif Habib Equity (Private) Limited | | | |
| Repurchase of commercial land | 11.1 | 2,356,161 | - |
| Paid against the repurchase of commercial land | | 800,000 | - |
| Advance paid against subscription of right issue | | 894,013 | - |
| Dividend paid | | 127,716 | - |
| Arif Habib Dolmen REIT Management Limited | | | |
| Services received | | 2,977 | - |
| Power Cement Limited | | | |
| Purchase of construction material | | 109,558 | 88,503 |
| Paid against the purchase of construction material | | 89,601 | 81,063 |
| Safe Mix Concrete Limited | | | |
| Purchase of construction material | | 53,495 | 63,509 |
| Paid against the purchase of construction material | | 55,104 | 65,386 |
| Arif Habib Limited | | | |
| Repurchase of Residential land | 11.1 | 187,875 | 500,000 |
| Paid against the repurchase of residential land | | 187,875 | 100,000 |
| Sale of commercial plots | | 280,440 | - |
| Receipt against sale of commercial plots | | 429,944 | - |

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

| | | 2018 | 2017 |
|--|---|----------------|---------|
| Note | | Rupees in '000 | |
| Abdul Ghani - Associated person | | | |
| | Repurchase of commercial land | 582,069 | - |
| | Paid against the repurchase of commercial land | 420,073 | - |
| | Sale of plots and bungalows | 17,186 | 503,773 |
| | Receipt against sale of plots and bungalows | 16,900 | 102,338 |
| | Advance paid against subscription of right issue | 363,786 | - |
| | Dividend paid | 51,969 | - |
| Key management personnel | | | |
| Arif Habib | | | |
| | Repurchase of commercial land | 407,824 | - |
| | Paid against the repurchase of commercial land | 407,824 | - |
| | Advance paid against subscription of right issue | 179,443 | - |
| | Dividend paid | 25,635 | - |
| | Sale and receipt against sale of plots | - | 1,130 |
| Kashif Habib | | | |
| | Sale of plots and bungalows | 3,946 | - |
| | Receipt against sale of plots and bungalows | 3,946 | - |
| | Advance paid against subscription of right issue | 47,910 | - |
| | Dividend paid | 6,844 | - |
| Abdul Qadir | | | |
| | Advance paid against subscription of right issue | 2 | - |
| Abdul Samad | | | |
| | Advance paid against subscription of right issue | 611 | - |
| Close family member | | | |
| Nida Ahsan | | | |
| | Sale of plots and bungalows | 310,552 | 56,338 |
| | Receipt against sale of plots and bungalows | 129,602 | 56,338 |
| | Cancellation of sales during the year | 148,123 | - |
| Post employment benefit plan | | | |
| | Gratuity fund trust - contribution paid during the year | 1,320 | 3,537 |

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 of the related parties are disclosed in their respective notes to these financial statements.

Javedan Corporation Limited

Notes to the Financial Statements

For the year ended June 30, 2018

40 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. Following major reclassification has been made during the year:

| | Reclassified from | Reclassified to | Note | Rupees in '000 |
|---------------------------------|--------------------------|--------------------|------|----------------|
| Statement of financial position | Trade and other payables | Unclaimed dividend | 20 | 2,834 |
| Statement of financial position | Trade and other payables | Taxation - net | 20 | 16,024 |

41 SUBSEQUENT EVENTS

The Board of Directors of the Company in their meeting held on September 19, 2018 has recommended cash dividend @ 0.7 per share amounting to Rs. 186.98 million and bonus issue of 8 share for every 100 shares held amounting to Rs. 213.7 million on the existing paid-up value of the ordinary share capital for the approval of the shareholders in the annual general meeting to be held on October 26, 2018.

42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on September 19, 2018 by the Board of Directors of the Company.


43 GENERAL

43.1 Number of employees as at June 30, 2018 was 487 (2017: 378) and average number of employees during the year was 417 (2017: 300).

43.2 Figures have been rounded off to the nearest of thousand rupees.



Chief Executive



Chief Financial Officer



Director

Javedan Corporation Limited

Category wise list of shareholders

As at June 30, 2018

| # Of Shareholders | Shareholdings'Slab | | | Total Shares Held |
|-------------------|--------------------|----|--------|-------------------|
| 1955 | 1 | to | 100 | 53,730 |
| 541 | 101 | to | 500 | 142,271 |
| 282 | 501 | to | 1000 | 219,405 |
| 243 | 1001 | to | 5000 | 614,027 |
| 63 | 5001 | to | 10000 | 488,152 |
| 26 | 10001 | to | 15000 | 344,789 |
| 9 | 15001 | to | 20000 | 166,000 |
| 9 | 20001 | to | 25000 | 214,000 |
| 7 | 25001 | to | 30000 | 199,250 |
| 4 | 30001 | to | 35000 | 134,500 |
| 3 | 35001 | to | 40000 | 117,522 |
| 6 | 45001 | to | 50000 | 297,000 |
| 2 | 50001 | to | 55000 | 104,842 |
| 2 | 60001 | to | 65000 | 125,500 |
| 4 | 65001 | to | 70000 | 270,000 |
| 3 | 70001 | to | 75000 | 224,000 |
| 2 | 80001 | to | 85000 | 163,500 |
| 1 | 90001 | to | 95000 | 95,000 |
| 1 | 95001 | to | 100000 | 100,000 |
| 1 | 100001 | to | 105000 | 103,500 |
| 2 | 105001 | to | 110000 | 215,000 |
| 1 | 110001 | to | 115000 | 111,500 |
| 1 | 115001 | to | 120000 | 120,000 |
| 1 | 120001 | to | 125000 | 125,000 |
| 1 | 150001 | to | 155000 | 150,500 |
| 1 | 155001 | to | 160000 | 160,000 |
| 1 | 165001 | to | 170000 | 169,250 |
| 1 | 170001 | to | 175000 | 175,000 |
| 3 | 195001 | to | 200000 | 599,000 |
| 2 | 200001 | to | 205000 | 407,583 |
| 1 | 220001 | to | 225000 | 223,500 |
| 1 | 240001 | to | 245000 | 243,750 |
| 1 | 245001 | to | 250000 | 250,000 |
| 3 | 295001 | to | 300000 | 900,000 |
| 1 | 320001 | to | 325000 | 325,000 |
| 1 | 470001 | to | 475000 | 473,500 |
| 1 | 540001 | to | 545000 | 541,500 |
| 1 | 590001 | to | 595000 | 594,500 |
| 1 | 595001 | to | 600000 | 600,000 |
| 1 | 775001 | to | 780000 | 776,000 |
| 1 | 820001 | to | 825000 | 823,500 |

Javedan Corporation Limited

Category wise list of shareholders

As at June 30, 2018

| # Of Shareholders | Shareholdings'Slab | | | Total Shares Held |
|-------------------|--------------------|----|----------|--------------------|
| 1 | 995001 | to | 1000000 | 1,000,000 |
| 1 | 1305001 | to | 1310000 | 1,306,500 |
| 1 | 2095001 | to | 2100000 | 2,100,000 |
| 1 | 2135001 | to | 2140000 | 2,138,000 |
| 1 | 3170001 | to | 3175000 | 3,174,000 |
| 1 | 3605001 | to | 3610000 | 3,608,000 |
| 1 | 4105001 | to | 4110000 | 4,106,577 |
| 1 | 4130001 | to | 4135000 | 4,133,950 |
| 1 | 4385001 | to | 4390000 | 4,387,401 |
| 1 | 5530001 | to | 5535000 | 5,534,134 |
| 1 | 6980001 | to | 6985000 | 6,984,415 |
| 1 | 7315001 | to | 7320000 | 7,319,000 |
| 1 | 9970001 | to | 9975000 | 9,970,204 |
| 1 | 10065001 | to | 10070000 | 10,065,136 |
| 1 | 11350001 | to | 11355000 | 11,354,743 |
| 1 | 12215001 | to | 12220000 | 12,216,341 |
| 1 | 15380001 | to | 15385000 | 15,380,812 |
| 1 | 15690001 | to | 15695000 | 15,692,310 |
| 1 | 16180001 | to | 16185000 | 16,180,272 |
| 1 | 16745001 | to | 16750000 | 16,747,842 |
| 1 | 24935001 | to | 24940000 | 24,935,026 |
| 1 | 76625001 | to | 76630000 | 76,629,672 |
| 3213 | | | | 267,125,406 |

Javedan Corporation Limited

Category wise list of shareholders

As at June 30, 2018

| Categories of Shareholders | Shareholders | Shares Held | Percentage |
|---|--------------|--------------------|---------------|
| Directors and their spouse(s) and minor children | | | |
| ABDUS SAMAD | 1 | 52,342 | 0.02 |
| MOHAMMAD KASHIF | 1 | 4,106,577 | 1.54 |
| HASSAN AYUB | 1 | 7 | 0.00 |
| ABDUL QADIR | 1 | 150 | 0.00 |
| MUHAMMED SIDDIQ KHOKHAR | 1 | 66 | 0.00 |
| ARIF HABIB | 1 | 15,380,812 | 5.76 |
| Associated Companies, undertakings and related parties | | | |
| ARIF HABIB CORPORATION LIMITED | 1 | 24,935,026 | 9.33 |
| ARIF HABIB EQUITY (PVT) LIMITED | 2 | 76,629,673 | 28.69 |
| Executives | 1 | 12,698 | 0.00 |
| Public Sector Companies and Corporations | 2 | 13,655 | 0.01 |
| Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds | 8 | 19,559,593 | 7.32 |
| Mutual Funds | | | |
| CDC - TRUSTEE AKD OPPORTUNITY FUND | 1 | 7,319,000 | 2.74 |
| MCBFSL - TRUSTEE AKD ISLAMIC STOCK FUND | 1 | 541,500 | 0.20 |
| General Public | | | |
| Local | 3149 | 98,007,993 | 36.69 |
| Foreign Investors | 2 | 493,500 | 0.18 |
| Others | 40 | 20,072,814 | 7.51 |
| Totals | 3213 | 267,125,406 | 100.00 |

| Categories of Shareholders | Shares Held | Percentage |
|--------------------------------|-------------|------------|
| ARIF HABIB EQUITY (PVT) LTD | 76,629,673 | 28.69 |
| ARIF HABIB CORPORATION LIMITED | 24,935,026 | 9.33 |
| ABDUL GHANI | 36,827,553 | 13.79 |
| SUMMIT BANK LIMITED | 16,180,272 | 6.06 |
| ARIF HABIB | 15,380,812 | 5.76 |
| SHUNAID QURESHI | 20,496,878 | 7.67 |

ELECTRONIC CREDIT MANDATE (MANDATORY)

Dear Shareholder,

It is to inform you that under section 242 of Companies Act, 2017(Act), every listed company is required to pay dividend, if any, to their shareholders only through electronic mode, i.e. by transferring the same directly into the bank account provided by the shareholders.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan with effect from November 1, 2017 all dividend payments shall be paid only through electronic mode. Therefore, all shareholders of Javedan Corporation Limited are required to provide the following information to the Company's Share Registrar i.e. Central Depository Company of Pakistan Limited as soon as possible.

Please provide the following information:

| |
|---|
| Shareholder's Detail |
| Name of the Shareholder |
| Folio No/CDC Participant ID&Sub Account/CDC IAS# |
| CNIC No./NICOP/Passport/NTN No.(Please attach copy) |
| Contact No. (Landline/Cell number) |
| Shareholder's Address |
| Shareholder's Bank Detail |
| Title of Bank Account |
| IBAN (See note 1 below) |
| Bank's Name |
| Branch name and Code No. |
| Branch Address |

It is stated that the above mentioned information is correct to the best of my knowledge and I shall keep the Company informed through its Share Registrar in case of any changes in the said particulars in future.

Signature of member/shareholder

Note. Please provide complete 24 digits IBAN after checking with your concerned branch to enable electronic credit directly into your bank account (For e.g PK 80FAYS0110006900115978). The payment of cash dividend will be processed on the basis of the IBAN only. In case of non-receipt of proper details of IBAN, company will not be able to credit the dividend to your bank account and shall withheld the same as directed by SECP till the provision of such information.

The Company is entitled to rely on the IBAN as per your instruction. The company shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, delay or failure in performance of any of its obligations here which is caused by incorrect payment instructions and /or due to any event beyond the control of the Company.

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Form of Proxy

56th 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 Six Annual General Meeting
of the Company to be held on October 26, 2018 and/or any adjournment thereof.

Signed this _____ day of _____ 2018.

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 M/s. Central Depository Company of Pakistan, Share Registrar Department, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, not later 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.

کمپنی سیکریٹری
جاویدان کارپوریشن لمیٹڈ
عارف حبیب سینٹر
23، ایم ٹی خان روڈ
کراچی۔

میں مسٹی / مسماۃ _____ ساکن _____ ضلع _____
بحیثیت ممبر جاویدان کارپوریشن لمیٹڈ، مسٹی / مسماۃ _____
ساکن _____ کو بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے
56th سالانہ اجلاس عام جو بتاریخ 26 اکتوبر، 2018 منعقد ہو رہا ہے میں اور ان کے کسی ملتی شدہ اجلاس میں ووٹ ڈالے۔
دستخط: _____ بروز/بتاریخ _____ 2018

گواہان:

| | |
|---|-------------------------|
| 1 | نام: _____ |
| 2 | نام: _____ |
| | پتہ: _____ |
| | شناختی کارڈ نمبر: _____ |
| | دستخط: _____ |

دستخط ۵ روپے
ریونیو اسٹیٹ

نوٹ:








- وہ رکن جسے یہ اجلاس یا اجلاس میں ووٹ کا حق حاصل ہے وہ کسی ناگزیر صورت حال میں اپنی جگہ کسی دوسرے (مخصوص) رکن کو یہ حق دے سکتا ہے کہ وہ رکن اُس کی پراکسی استعمال کرتے ہوئے، اُس کے بجائے اجلاس میں شریک ہو سکتا ہے، خطاب کر سکتا ہے یا ووٹ کا اندراج کر سکتا ہے۔
- پراکسی ثابت کرنے کے لئے اُسے اپنا اصل پاسپورٹ اور فوٹو نمبر سے دکھانا لازمی ہے تاکہ اجلاس میں شرکت کی اجازت سے قبل اُس کی شناخت کی جاسکے۔
- ممبر بنانے کے لئے، پراکسی فارم ہمارے رجسٹرار کے دفتر (ایم/ایس) سینٹرل ڈیپوزیٹری کمپنی آف پاکستان، شیئر رجسٹرار ڈیپارٹمنٹ، سی ڈی سی ہاؤس، 99-B، ایس، ایم، سی، ایچ، ایس، شاہراہ فیصل، کراچی، پاکستان، میں اجلاس سے کم از کم 48 گھنٹے قبل وصول ہونا لازمی ہے۔ فارم میں تمام مطلوبہ معلومات، رکن کے دستخط اور مہر، نیز دو گواہان کی بنیادی معلومات یعنی نام پتے، دستخط اور شناختی کارڈ نمبر کا اندراج ضروری ہے۔
- انفرادی رکن کی صورت میں اصل اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول منسلک کرنا لازمی ہے۔
- پراکسی کے کارپوریٹ ہونے کی صورت میں بورڈ آف ڈائریکٹر 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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آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز انہیں بطور کمپنی کے شریک آڈیٹرز برائے مالی سال 2018-2019 سالانہ اجلاس عام میں ان کے دوبارہ تقرر کی تجویز پیش کرتے ہیں۔

سیکرٹیریل کمپلائنس سرٹیفکیٹ

کمپنی سیکریٹری نے کمیشن کے پاس سالانہ ریٹرن کے حصے کے طور پر سیکریٹیریل کمپلائنس سرٹیفکیٹ جمع کرا دیا ہے جس میں تصدیق کی گئی ہے کہ کمپنیز آرڈیننس 1984، کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن اور لسٹنگ ریگولیشنز میں شامل سیکریٹیریل اور کارپوریٹ شرائط کی باقاعدہ تکمیل کی ہے۔

شیئر ہولڈنگ کا انداز

30 جون 2018 تک کمپنی کی شیئر ہولڈنگ کے انداز اور اضافی معلومات ظاہر کرنے والا ایک اسٹیٹمنٹ رپورٹ ہذا کے ساتھ منسلک ہے۔

شیئر ہولڈرز کے لئے معلومات

گزشتہ برسوں کی اہم آپریٹنگ اور مالیاتی تفصیلات کا خلاصہ کیا گیا ہے جو صفحہ نمبر 42 پر پیش کیا گیا ہے۔

بیلنس شیٹ کی تیاری کے بعد کے واقعات

30 جون 2018 تا زیر نظر رپورٹ کی تاریخ کوئی مادی تبدیلیاں رونما نہیں ہوئی ہیں۔

ریلیٹڈ پارٹی کے ساتھ لین دین

ریلیٹڈ پارٹیوں کے ساتھ تمام لین دین قابل اطلاق قواعد کے عین مطابق کئے گئے ہیں اور متعلقہ نوٹس کی صورت میں مالیاتی گوشواروں میں ظاہر کر دیا گیا ہے۔

کمپنی کے حصص کا کاروبار

30 جون 2018 کو مختتم سال کے دوران ڈائریکٹران، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے شیئر کا کاروبار نہیں کیا ہے۔ سالانہ رپورٹ میں اصطلاح ”ایگزیکٹو“ کے اظہار کے لئے ڈائریکٹران کی جانب سے مقرر کردہ معیار یہ ہے کہ وہ ایسے ملازمین ہیں جن کی سالانہ بنیادی تنخواہ مبلغ 1.2 ملین سالانہ سے بڑھ گئی ہو۔

ریٹائرمنٹ سینیٹس کی سرمایہ کاری

کمپنی کم از کم اہلیتی ملازمتی مدت کی تکمیل کر لینے والے اپنے تمام اہل ملازمین کیلئے منظور شدہ فنڈڈ گریجویٹ اسکیم چلاتی ہے۔ گریجویٹ فنڈ کی سرمایہ کاری کا حجم مبلغ 5.92 ملین روپے ہے۔

تشکر

بورڈ آف ڈائریکٹرز کی جانب سے میں اپنے تمام معزز گاہکوں اور شیئر ہولڈروں کا سپاس گزار ہوں جنہوں نے جاویداں کارپوریشن لمیٹڈ کے لئے اس سال کو غیر معمولی سال بنانے میں ہماری مدد کی ہے۔ آپ کا غیر متزلزل اعتماد ہمیں ہمیں دیتا ہے اور ہمارے تمام اسٹیک ہولڈروں کے لئے طویل المدتی قدر تخلیق کرنے اور JCL کو بھر و ساجیتنے والی آرگنائزیشن کے طور پر اجاگر کرنے اور برانڈ نام قائم کرنے کے قابل بناتا ہے۔ میں اپنے بینکوں اور مالیاتی اداروں کا بھی شکریہ ادا کرنا چاہوں گا جنہوں نے کمپنی کو یہ پروجیکٹ پیش کرنے کے قابل بنانے میں اہم تر کردار ادا کیا ہے۔ میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، سندھ بورڈ آف ریونیو، ایل ڈی اے، سندھ بلڈنگ کٹرول اتھارٹی، انوائزمنٹل پروٹیکشن ایجنسی اور سب سے بڑھ کر حکومت سندھ کا شکریہ بھی ادا کرنا چاہوں گا جنہوں نے اس پروجیکٹ کیلئے ہمیں مکمل اعانت فراہم کی ہے۔ میں کمپنی کے تمام ملازمین کی جدوجہد کو بھی قدر کی نگاہ سے دیکھتا ہوں۔ اللہ تعالیٰ ہماری جدوجہد کو کامیاب بنائے۔ آمین۔

عارف حبیب
چیئرمین

صدائے حبیب
چیف ایگزیکٹو

مورخہ: 19 ستمبر 2018

قانون پر عمل درآمد

دوران سال کمپنی نے تمام قابل اطلاق قوانین کی تعمیل کی ہے، تمام ریٹرنز / فارمز داخل کئے ہیں اور کمپنیز ایکٹ 2017 اور منسلک قوانین اور قواعد، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ریگولیشنز اور سسٹم ریگولیشنز کے تحت درکار تمام متعلقہ معلومات جمع کرائی ہیں۔

انٹرنل کنٹرول

اپنے اثاثہ جات کے تحفظ اور ریکارڈ کی درستگی اور بھروسے کو یقینی بنانے کی غرض سے کمپنی نے انٹرنل کنٹرول فنانشل کنٹرول کا ایک مؤثر نظام نافذ کیا ہے۔ سینئر انتظامیہ تفصیلی ماہانہ مالیاتی رپورٹوں اور تجزیوں کے ذریعے کمپنی کی مالیاتی کارکردگی کا جائزہ لیتی ہے جبکہ بورڈ بھی ہر سہ ماہی کے اختتام پر خود بھی جائزہ لیتا ہے اور توقعات میں کسی انحراف کی چھان بین کرتا ہے۔ انٹرنل آڈٹ کی جانب سے بھی تفصیلی جانچ پڑتالیں کی جاتی ہیں جو انٹرنل کنٹرول کے طریقوں پر عمل درآمد کے ساتھ ساتھ مقرر کردہ طریقوں کی تعمیل کا بھی جائزہ لیتا ہے اور معلوم کردہ نتائج بورڈ کی آڈٹ کمیٹی کو پیش کرتا ہے۔

کمپنی کے ملازمین کیلئے کوڈ آف کنڈکٹ

درج ذیل اصول ملازمین کے کوڈ آف کنڈکٹ میں شامل ہیں:

- باقاعدہ، مرکوز اور کمپنی کے ساتھ وفادار۔
- پیداواری سرگرمیوں پر وقت اور محنت صرف کرنا۔
- دیگر ملازمین کے ساتھ خوش اخلاق، مددگار اور پُر تعاون۔
- کمپنیوں کی پالیسیوں اور قواعد کی تعمیل۔
- اتر باء پروری سے پرہیز۔
- کمپنی کے مفادات کی ترویج و تحفظ۔
- دیگر ملازمین کے ساتھ ایماندارانہ، پیشہ ورانہ اور برابری کا سلوک۔
- کمپنی کے وسائل کو کام میں لاتے ہوئے احتیاط برتنا۔
- کمپنی کے معاملات میں اخفائے راز کے اصول پر عمل کرنا۔
- روزمرہ سرگرمیوں میں لاگتیں بچانے والے طریقے کام میں لانا۔
- ذاتی مفادات کے حصول سے پرہیز۔
- رکاوٹوں اور مشکلات کے باوجود ٹیم ورک اور ذمہ داری کا احساس کرنا۔

ممبر شپ

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

ڈائریکٹروں کی ٹریننگ کا پروگرام

ڈائریکٹران کو رعایت حاصل ہے یا پھر، جیسا کہ کوڈ آف کارپوریٹ گورننس کی رو سے مطلوب ہے، وہ گزشتہ برسوں میں ڈائریکٹرز ٹریننگ میں شریک ہو چکے ہیں۔

ایکسٹرنل آڈیٹرز

موجودہ آڈیٹرز میسرز ہارون ذکریا اینڈ کمپنی اور Ernst & Young Ford Rhodes Sidat Hyder چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اہل ہونے کے سبب برائے سال 2018-19 دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

ایل۔ گزشتہ چھ برسوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار علیحدہ سے فراہم کئے گئے ہیں۔

بورڈ میں تبدیلی

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں کی گئی۔

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹی کے اجلاسوں میں حاضری

دوران مالی سال بحیثیت کمپنی کے ڈائریکٹرز خدمات انجام دینے والے افراد کے نام اور بورڈ کے اجلاسوں میں ان کی حاضری کی صورت حال ظاہر کرنے والی اسٹیٹمنٹ بطور ضمیمہ (1) منسلک ہے۔

آڈٹ کمیٹی

کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی تشکیل دی ہے جس میں درج ذیل ممبران شامل ہیں:

| | | |
|-----------------|----------|-----------------------|
| مسٹر عبدالقادر | چیئر مین | نان ایگزیکٹو ڈائریکٹر |
| مسٹر کاشف حبیب | ممبر | نان ایگزیکٹو ڈائریکٹر |
| مسٹر محمد اعجاز | ممبر | نان ایگزیکٹو ڈائریکٹر |

بورڈ کے سامنے پیش کئے جانے اور ان کی اشاعت سے قبل آڈٹ کمیٹی نے سہ ماہی، ششماہی اور سالانہ مالیاتی گوشواروں کا جائزہ لیا۔ آڈٹ کمیٹی نے انٹرنل آڈیٹر کے دریافت کردہ نتائج کا بھی جائزہ لیا اور کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے انٹرنل اور ایکسٹرنل آڈیٹرز کے ساتھ علیحدہ علیحدہ ملاقاتیں کیں۔

دوران مالی سال کمپنی کی آڈٹ کمیٹی کے ممبران کی حیثیت میں خدمات انجام دینے والے افراد کے نام اور آڈٹ کمیٹی کے اجلاسوں میں ان کی حاضری کی صورت حال ظاہر کرنے والی اسٹیٹمنٹ بطور ضمیمہ (1) منسلک ہے۔

ہیومن ریسورس (ایچ آر) اینڈ ریو منریشن کمیٹی

کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے بورڈ آف ڈائریکٹرز نے ”ایچ آر اینڈ ریو منریشن کمیٹی“ تشکیل دی ہے جو درج ذیل ممبران پر مشتمل ہے:

| | | |
|-----------------|----------|-----------------------|
| مسٹر عارف حبیب | چیئر مین | نان ایگزیکٹو ڈائریکٹر |
| مسٹر صد اے حبیب | ممبر | چیف ایگزیکٹو آفیسر |
| مسٹر محمد اعجاز | ممبر | نان ایگزیکٹو ڈائریکٹر |

ایچ آر اینڈ ریو منریشن کمیٹی اعلیٰ تر قابلیتوں کے حامل ماہرین کو جاویداں کارپوریشن لمیٹڈ میں ملازمت اختیار کرنے کی حوصلہ افزائی کے لئے کام کرتی ہے اور اس بات کو یقینی بناتی ہے کہ ایسے حالات برقرار رہیں کہ وہ مؤثر انداز میں کام کریں اور متحرک رہیں۔

قانونی ادائیگیاں

تمام قانونی ادائیگیاں عمومی اور معمولی کی نوعیت کی ہیں۔

صحت و تحفظ

جاویداں کارپوریشن نے کام کا ایسا ماحول تخلیق کر دیا ہے جس میں تحفظ ہمارے آپریشنز اور کاروباری کلچر لازمی جزو ہے۔ ہمارا مقصد ہے حادثات کی روک تھام اور یقینی بنانا کہ جاویداں کارپوریشن لمیٹڈ کام کرنے کے لئے محفوظ جگہ ہے۔ پورے سال کے دوران ہمارے کاروباروں نے ہمارے لوگوں، پودوں کے تحفظ کے لئے قابل ذکر اقدامات اٹھائے ہیں۔ آپ کی کمپنی عالمی معیارات کی تعمیل کرتے ہوئے محفوظ ماحول قائم رکھنے اور اسے بہتر بنانے کی غرض سے ضروری اقدامات اٹھاتی رہتی ہے۔ کمپنی نے اپنے تمام ملازمین کیلئے گروپ انشورنس پالیسی کا انتظام بھی کیا ہے۔

کمپنی سہ ماہی بنیادوں پر کمپنی کے لئے میسرز انوائرنمنٹل مینجمنٹ کنسلٹنٹس (EMC) کی تیار کردہ انوائرنمنٹل مانیٹرنگ رپورٹ جمع کراتی ہے۔ اس ضمن میں ”نیا ناظم آباد“ میں مجموعی اشاریے دن بہ دن بہتر ہوتے جا رہے ہیں۔ یہ انوائرنمنٹل مانیٹرنگ رپورٹ پروجیکٹ کی سرگرمیوں کی مانیٹرنگ کے لئے IEE کی شرائط کی تعمیل کرتی ہے جو قانونی مطلوبات پر عمل درآمد کی نگرانی کرتی ہے۔ ماحولیات کی مانیٹرنگ کی ذمہ داری پروجیکٹ کے پورے دائرے پر انتظامیہ کی ہے جو ماحولیاتی قواعد / معیارات کے علاوہ ہائوس کیپنگ کے اچھے معمولات کے ساتھ ساتھ صحت و تحفظ کے معیارات قائم رکھے کے لئے انتظامیہ کے عہد کی نشاندہی کرتی ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

کمپنی کا بورڈ اور انتظامیہ اس بات کو یقینی بنانے کے پختہ عہد پر کاربند ہیں کہ کارپوریٹ گورننس کے کوڈ کی مکمل طور سے تعمیل کی جائے۔ چنانچہ کمپنی نے مضبوط کارپوریٹ گورننس کے معمولات اپنائے ہوئے ہیں جس کا مقصد مالیاتی اور غیر مالیاتی معلومات کی درستگی، جامعیت اور شفافیت کو بڑھایا جاسکے۔ درج ذیل اسٹیٹمنٹس تعمیل کی طرف اسکے پختہ عہد کے ثبوت ہیں:-

اے۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے غیر جانبدارانہ انداز میں کمپنی کے معاملات، اسکے آپریشنز کے نتائج، نقد رقوم کے بہاؤ اور ایکویٹی میں تبدیلی کی صورت حال پیش کرتے ہیں۔

بی۔ کمپنی کے کھاتوں کی کتب کا انتظام موزوں طور سے کیا گیا ہے۔

سی۔ مالیاتی گوشواروں کی تیاری میں مستقل طور سے موزوں اکاؤنٹنگ پالیسیاں استعمال کی جاتی ہیں اور اکاؤنٹنگ کے تخمینہ جات مناسب اور انتہائی احتیاط سے تیار کئے جاتے ہیں۔

ڈی۔ مالیاتی رپورٹنگ کے ان عالمی معیارات کی، جن کا اطلاق پاکستان پر ہوتا ہے، مالیاتی گوشواروں کی تیاری میں تعمیل کی جاتی ہے اور کسی بھی قسم کے اخراج کو موزوں طور سے ظاہر کیا اور ان کی وضاحت کی گئی ہے۔

ای۔ انٹرئل کنٹرول کا نظام اپنے ڈیزائن میں مضبوط ہے اور مؤثر طور سے اس کا نفاذ بھی کیا گیا ہے اور اسے مانیٹر بھی کیا جاتا ہے۔

ایف۔ چلتے ہوئے کاروبار کو جاری رکھنے کے ضمن میں کمپنی کی صلاحیت پر کوئی خاص شبہ نہیں۔

جی۔ کارپوریٹ گورننس، جیسا کہ لسٹنگ ریگولیشنز میں تفصیلاً مذکور ہے، کے بہترین معمولات سے کوئی مادی انحراف نہیں کیا گیا ہے۔

ایچ۔ جیسا کہ کوڈ آف کارپوریٹ گورننس کی شرط ہے، زیر نظر رپورٹ میں ہم نے درج ذیل معلومات شامل کی ہیں:

آئی۔ شیئر ہولڈنگ کے انداز کا اسٹیٹمنٹ سالانہ رپورٹ میں علیحدہ سے شامل کیا گیا ہے۔

جے۔ ایسوسی ایٹڈ انڈر ٹیکنگز اور متعلقہ افراد کی ملکیت میں موجود شیئرز کی اسٹیٹمنٹ علیحدہ سے فراہم کی گئی ہے۔

کے۔ دوران سال ہونے والے بورڈ کے اجلاسوں اور ہر ڈائریکٹر کی حاضری کی اسٹیٹمنٹ۔

چراغِ بندگی... صوفی نائٹ ودھ عابدہ پروین / فروری 2018

”نیاناظم آباد“ نے عابدہ پروین اور نعیم عباس رونی کے ساتھ ”چراغِ بندگی“ کے عنوان سے صوفی شام منائی۔ اس شو کو وزیر اعلیٰ سندھ، سید مراد علی شاہ اور ڈی جی رینجرز سندھ، میجر جنرل محمد سعید نے رونق بخشی۔ کارپوریٹ سیکٹر سے تعلق رکھنے والی اہم شخصیات، اعلیٰ سرکاری حکام، مسلح افواج کے اعلیٰ اہلکار، ڈیپو کریٹ، ہیرو کریٹ، لوکل باڈیز کے اعلیٰ اہلکار، مختلف ممالک کے کراچی میں واقع قونصل جنرل، قومی اور عالمی این جواوز، دانشور اور بین الاقوامی ڈونر آرگنائزیشنز نے بھی شرکت کی۔

آئی سی اے پی، سی ایف او کا نفرنس 2018 / اپریل 2018

”نیاناظم آباد“ نے میٹ ہوٹل کراچی میں منعقد ہونے والی ICAP CFO کا نفرنس 2018 کو اسپانسر کرنے کے علاوہ اس میں شرکت بھی کی۔ یہ کا نفرنس ICAP کا ایک اقدام تھا جس کا مقصد صنعت میں موجود انسٹیٹیوٹ کے اراکین تک پہنچنا اور انہیں ایک ایسا پلیٹ فارم مہیا کرنا تھا جہاں وہ نئے کاروباروں اور مالیات سے متعلق ایڈوائز پر تبادلہ خیال اور بحث و مباحثہ کر سکیں اور مفید اور عملی حل حاصل کر سکیں۔

”نیاناظم آباد“ رمضان کپ کرکٹ ٹورنامنٹ / جون 2018

ہر سال رمضان المبارک کے مہینے میں ”نیاناظم آباد“ لوائی کرکٹ اسٹیڈیم میں فلڈ لائٹ کرکٹ ٹورنامنٹ کا انعقاد کرتا ہے۔ اسکے کوآرڈینیشنل، سی سی فائنل اور فائنل مقابلے جیو سپر پر نشر ہوئے تھے۔ ناک آؤٹ میچوں کے مہمانان خصوصی گورنر سندھ مسٹر محمد زبیر اور میئر کراچی مسٹر وسیم اختر تھے۔ پاکستانی کرکٹ کے سپر اسٹار رومن رئیس اور شاہد خان آفریدی نے بھی ان میچوں کے دوران ”نیاناظم آباد“ اسٹیڈیم کا دورہ کیا اور ”نیاناظم آباد“ رمضان کپ ٹورنامنٹ میں کھیلنے والے نوجوانوں کی حوصلہ افزائی کی۔ کھیلوں اور انٹر ٹینمنٹ کی دنیا سے تعلق رکھنے والی دیگر معروف شخصیات بھی رمضان کپ فیسٹیول کے دوران ”نیاناظم آباد“ کا دورہ کر چکی ہیں۔

اسپانسر شپ

کمپنی نے درج ذیل ایونٹس کی اسپانسر شپ کی ہے:

- 1- مین سپر لیگ۔
- 2- 19 واں قومی سینئر زکپ۔
- 3- سوشل کاز سائنس ایگزیکٹیشن۔
- 4- معین خان اکیڈمی میں شہدائی کپ۔
- 5- ماحولیات کے متعلق قومی کانفرنس۔
- 6- خصوصی بچوں کے لئے آگاہی پہنچانے کی غرض سے ستارہ فاؤنڈیشن۔
- 7- روزنامہ جہان پاکستان کی سالگرہ۔
- 8- آل کراچی الخدمت یادگاری فٹبال ٹورنامنٹ۔

عطیات

مالیاتی حوالے سے کمپنی نے سماجی بھلائی، ملازمین کی مالی امداد، مسجد، اسکولوں کو عطیات اور ملازمین کو رمضان بیکج کی فراہمی کی صورت میں عطیات کی ادائیگی کی ہے۔ کمپنی نے اس ضمن میں مجموعی طور پر 5,098,072 روپے خرچ کئے ہیں۔

کریڈٹ ریٹنگ

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے کمپنی کو A-1 / AA- (ڈبل اے مائنس / اے ون) بینٹینیٹی ریٹنگ دی ہے۔ دی جانے والی یہ ریٹنگ ”مستحکم“ نظر آرہی ہے۔ یہ تصدیق نامہ دراصل مسلسل ترقی کے کمپنی کی انتظامیہ کے تصور کو اجاگر کرتی ہے اور ہمیں توقع ہے کہ اس سے ہمیں مزید خود اعتمادی ملے گی۔

کارپوریٹ سوشل ریسپونسیبلٹی (CSR)

معاشرے کی بہتری کے لئے ہم CSR کو ایک مستقل بنیادی کاروباری سرگرمی سمجھتے ہیں۔ JCL ایک اچھے کارپوریٹ شہری ہونے پر یقین رکھتی ہے اور ہم نے ہمیشہ عوامی صحت، کھیلوں کی سرگرمیوں اور تعلیم کی ترویج کے ساتھ ساتھ مختلف سماجی اور خیراتی کاموں میں حصہ لیا ہے۔

14 واں سالانہ انوائرنمنٹ ایکسیلنس ایوارڈ 2017/ جولائی 2017

نیشنل فورم فور انوائرنمنٹ اینڈ ہیلتھ (NEFH) نے میریٹ ہوٹل کراچی میں 14 ویں سالانہ انوائرنمنٹ ایکسیلنس ایوارڈ 2017 کا انعقاد کیا۔ NEFH نے ماحولیاتی تحفظ، حفاظت اور مستقل سوشیو اکنامک ترقی کے شعبوں میں کارکردگی کی بنیاد پر 14 واں سالانہ انوائرنمنٹ ایکسیلنس ایوارڈ (AEEA-2017) جیتنے والے 65 تنظیموں کے ناموں کا اعلان کیا۔ میریٹ ہوٹل کراچی میں ہونے والی اس تقریب کو جاویداں کارپوریشن نے نہ صرف اسپانسرڈ کیا بلکہ 14 واں انوائرنمنٹ ایکسیلنس ایوارڈ 2017 جیت بھی لیا۔ این ای ڈی کی وائس چانسلر ڈاکٹر سروش حشمت لودھی نے NEFH کے صدر محمد نعیم قریشی کے ساتھ جاویداں کارپوریشن کے مینجر سبز اینڈ مارکیٹنگ احمر علی رضوی کو یہ ایوارڈ پیش کیا۔

کراچی کے شہزادے/ جولائی 2017

کراچی کنگز کے ہوم گراؤنڈ پارٹنر ”نیاناظم آباد“ نے نیاناظم آباد کرکٹ گراؤنڈ پر ”کراچی کے شہزادے“ کے عنوان سے ٹورنامنٹ کے انعقاد میں اعانت فراہم کی۔ ٹورنامنٹ میں پانچ ٹیموں نے حصہ لیا جو PSL مقابلوں میں حصہ لینے والے شارٹ لسٹ کردہ نوجوان کھلاڑیوں پر مشتمل تھیں۔ ان میں سے ہر ٹیم کی سربراہی مشہور ایمبیسیڈر کر رہے تھے۔ یہ ایمبیسیڈر تھے ہمایوں سعید، وسیم بادامی، کشف عباسی، فیصل قریشی اور اقرار الحسن۔

ABAD انٹرنیشنل ایکسپو 2017/ اگست 2017

”نیاناظم آباد“ نے کراچی ایکسپو سینٹر میں ہونے والی ”آباد انٹرنیشنل ایکسپو 2017“ میں حصہ لیا۔ اس نمائش میں کراچی والے جوق در جوق تشریف لائے۔ نمائش میں صارفین کو مختلف بلڈرز، ڈویلپرز، کنسٹرکٹرز، آرکیٹیکٹس، انجینئرز، مالیاتی اداروں اور دیگر کے ساتھ بات چیت کا موقع دیا گیا جنہوں نے نمائش میں آنے والوں کی ضروریات سے آگاہی حاصل کی اور انہیں مشورے دیئے کہ وہ بہتر طرز زندگی کس طرح اپنا سکتے ہیں۔

کراچی کنگز ٹیلنٹ ہنٹ برائے پی ایس ایل / نومبر 2017

”کراچی کنگز کھلاڑی کی کھوج سندھ“ نامی ٹیلنٹ ہنٹ پروگرام اندرون سندھ میں چھپے کرکٹ کے ٹیلنٹ کو کھوج نکالنے اور موقع دینے کے لئے قسمت آزمائی کرنے کا موقع دینے کے لئے منعقد کیا گیا۔ آٹھ شہروں میں کامیاب ٹیلنٹ ہنٹ کے بعد ان کا فائنل ٹرانسل اور سلیکشن ”نیاناظم آباد“ کرکٹ گراؤنڈ میں کیا گیا جہاں کرکٹ کے متعدد ماہرین، مشہور و معروف لیجنڈ راشد لطیف اور JCL کی سینئر انتظامیہ نے PSL-2018 کے لئے کھلاڑیوں کا انتخاب کیا۔

کراچی کنگز کی تقریب روانگی / فروری 2018

PSL 2018 کے لئے کراچی کنگز اسکوڈ کو ان کے ہوم گراؤنڈ ”نیاناظم آباد“ کرکٹ اسٹیڈیم سے ٹیم مینجرز، اسپانسرز اور معززین نے انہیں نیک خواہشات اور دعاؤں کے ساتھ رخصت کیا۔ وزیر اعلیٰ سندھ سید مراد علی شاہ، کراچی کنگز کے مالک سلمان اقبال اور چیئرمین جاویداں کارپوریشن لمیٹڈ عارف حبیب نے ٹیم کی حوصلہ افزائی کی اور PSL-2018 میں شرکت کے لئے کراچی کنگز کی ٹیم کو رخصت کیا۔

تضمیمی قیمت سہولیات

منی مارٹ

کمپنی ”نیا ناظم آباد“ کے رہائشیوں کی سہولت کے لئے ایک منی مارٹ (سپر مارکیٹ) تیار کر کے اسے چلانے کے لئے ایک مشہور و معروف سپر اسٹور چین کے حوالے بھی کر چکی ہے۔ اس منی مارٹ سے ”نیا ناظم آباد“ کے کلین سفید اور سرخ گوشت سمیت روزمرہ کا سودا سلف محفوظ چہار دیواری کے اندر حاصل کرنے میں مدد ملتی ہے۔ یہی نہیں بلکہ ایک ڈیری شاپ سمیت سودا سلف کی دیگر اشیاء کی بھی مزید دکانیں کھل گئیں ہیں۔

مرکزی جامع مسجد اور جیم خانہ

مرکزی جامع مسجد فیز 1 کی تعمیر تیزی سے جاری ہے اور ہمارا ارادہ اسے 2019 کے وسط تک مکمل کر لینے کا ہے۔ اس کا بلند و بالا مینار ”نیا ناظم آباد“ کی پہچان ثابت ہو گا۔ اس کے علاوہ ”نیا ناظم آباد“ جیم خانہ بھی پلان کے مطابق زیر تعمیر ہے اور توقع ہے کہ اسکی تعمیر 2020 تک مکمل ہو جائے گی۔ رہائشیوں کے لئے ہر بلاک میں ایک مسجد کی فراہمی کے اپنے وعدے کی تکمیل کرتے ہوئے اس سال کے دوران کمپنی نے محلہ مسجد کی تعمیر بھی شروع کر دی۔ سارے کام کی نگرانی میسرز آر کوپ کر رہے ہیں۔ ہمارا ارادہ ہے کہ اس مسجد کا افتتاح اسی مالی سال کے دوران کر دیا جائے۔

مستقبل کا منظر

خصوصاً کم اور اوسط آمدنی والوں کے لئے مکانات کی کمی ہمارے ملک کا ایک بڑا مسئلہ ہے۔ نئی حکومت اس انتہائی اہم مسئلے کے حل کا عہد کئے ہوئے ہے جو نہ صرف معاشرے کے لئے مفید ہونا چاہیے بلکہ بہت سی صنعتوں کے لئے معاشی سرگرمیوں میں تیزی کا سبب بنے گا اور ہر سطح پر ملازمتیں بھی تخلیق ہوں گی۔

اس اہم شعبے میں ”نیا ناظم آباد“ پہلے ہی اپنا کردار ادا کر رہا ہے۔ ”نیا ناظم آباد“ کراچی کی ریل اسٹیٹ مارکیٹ میں اب ایک مستحکم نام بن چکا ہے جس کی وجہ مناسب نرخ پر معیار کی فراہمی کے ساتھ ساتھ یہ واقعہ بھی ہے کہ ”نیا ناظم آباد“ ایک بہترین مقام پر واقع ہے جہاں پر کشش اور صاف ستھرا سبز ماحول مہیا ہے اور جہاں تمام ضروریات با آسانی میسر ہیں اور یہ پروجیکٹ محفوظ چہار دیواری کے اندر واقع ہے جہاں چوبیس گھنٹے سیکورٹی مہیا ہے۔

اس کی تمام مثبت خصوصیات کے علاوہ غیر متنازع ملکیت کے آرام کے بموجب ”نیا ناظم آباد“ میں سرمایہ کاری کرنے والوں کو کراچی کی ریل اسٹیٹ مارکیٹ میں بہترین منافع حاصل ہو رہا ہے۔ یہی وجہ ہے کہ اس پروجیکٹ کی بڑھتی ہوئی قدر کو دیکھتے ہوئے پینک ”نیا ناظم آباد“ میں گھر خریدنے والوں کو بصد مسرت قرضے دینے کو تیار ہیں۔

”نیا ناظم آباد“ کی انتظامیہ پروجیکٹ کے ارد گرد کے علاقوں کو بہتر بنانے اور یہاں تک رسائی آسان بنانے پر بھی توجہ مرکوز کئے ہوئے ہے۔ یہی وجہ ہے کہ یہاں تک آنے والی سڑکوں کی دیکھ بھال، شجر کاری، صفائی ستھرائی کے انتظامات اور کوڑا کرکٹ کی صفائی باقاعدگی سے کی جاتی ہے۔ ”نیا ناظم آباد“ میں رہائش پذیر لوگوں کو جلد ہی وفاقی حکومت کی جانب سے تعمیر کئے جانے والے گرین لائن پروجیکٹ کی سہولت بھی حاصل ہو جائے گی جو اب تکمیل کے آخری مراحل میں ہے اور جلد ہی کام شروع کر دے گی۔ گرین لائن پروجیکٹ کا بس اسٹاپ ”نیا ناظم آباد“ سے محض دو کلومیٹر کے فاصلے پر واقع ہے جہاں تک فیڈر سروسز کے ذریعے رسائی حاصل کی جاسکے گی۔ مزید یہ کہ ایک فلائی اوور اور ایک انڈر پاس کی تعمیر پر بھی غور کیا جا رہا ہے جس سے، امکان ہے کہ ”نیا ناظم آباد“ تک رسائی مزید آسان ہو جائے گی۔

انتظامیہ مرحلہ وار کمرشل ڈویلپمنٹ کی شروعات بھی کرنے کے لئے تیار ہے جس میں کمپنی نے اچھی خاصی سرمایہ کاری کی ہے اور توقع ہے کہ ان تعمیرات سے پورے علاقے کی حرکیات ہی بدل جائیں گی اور امید ہیں کہ یہ کمرشل تعمیرات ”نیا ناظم آباد“ میں شاندار اضافہ ثابت ہوں گی۔ اس سے نہ صرف یہاں کے باسیوں بلکہ بیرون ملک پاکستانیوں کو پاکستانی رہائشی ریل اسٹیٹ مارکیٹ سے فائدے اٹھانے کا موقع ملے گا۔

ان حالات کے پیش نظر کمپنی اور اس کے شیئرز ہولڈرز ہی نہیں بلکہ ”نیا ناظم آباد“ کی ریل اسٹیٹ میں سرمایہ کاری کرنے والوں کو بھی بیش بہا فائدہ ہو گا۔

اکاؤنٹنگ پالیسی میں تبدیلی

ری ویلویو ایشن سرپلس

بحیثیت ایکویٹی کے ایک جزو، ری ویلویو ایشن سرپلس 'ریکارڈ کرنے کے لئے اکاؤنٹنگ پالیسی میں تبدیلی کے باعث سال جاریہ کے مالیاتی گوشوارے از سر نو تیار کئے گئے ہیں۔ یہ تبدیلی کمپنیز ایکٹ 2017 کے نفاذ کے باعث ہوئی ہے جس کی رو سے حسابات انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ-16 (IAS-16) کے مطابق تیار کئے جانے کی پابندی عائد کی گئی ہے۔ اسی وجہ سے ری ویلویو ایشن کے بعد حاصل ہونے والا سرپلس اب ایکویٹی میں شامل کیا جائیگا۔ جس کے نتیجے میں شیئر کیپٹل اور ریزرو یعنی ایکویٹی میں 30 جون 2017 کو ختم ہونے والے سال کے لئے 6,148 ملین روپے اور 30 جون 2016 کو اختتام پذیر ہونے والے سال کے لئے 6,354 ملین روپے کا اضافہ ہو گیا ہے۔

ترجیحی شیئرز

اکاؤنٹنگ پالیسی میں تبدیلی آجانے کے باعث حالیہ واجبات کے لئے سال جاریہ کے مالیاتی گوشوارے از سر نو تحریر کئے گئے ہیں۔

ترقیاتی منظر نامہ

زیر جائزہ سال کے دوران فیز 1 میں جاری انفراسٹرکچر کی تیاری تکمیل کے قریب پہنچ گئی ہے اور کمپنی نے بڑی تعداد میں پلاٹ اور بنگلے اپنے کسٹمرز کے حوالے کر دیئے ہیں۔

بلاک اے

”نیاناظم آباد“ میں سیکٹروں خاندان منتقل ہو چکے ہیں۔ پلاٹوں کے الاٹیز اپنے گھر تعمیر کرنے کے لئے انتہائی پر جوش ہیں اور ہم توقع کر رہے ہیں کہ چند ہی برسوں میں اس پروجیکٹ کا پہلا فیز پوری طرح سے آباد ہو جائے گا۔

بلاک بی

بنیادی ضروریات یعنی پانی اور بجلی دستیاب ہیں اور گیس کے کنکشنز حاصل کئے جانے کی کوششیں جاری ہیں۔ کرکٹ اسٹیڈیم، فٹبال اسٹیڈیم اور پارک جیسی تمام سہولیات پوری طرح کام کر رہی ہیں اور انڈور گیمز کے لئے جیم خانہ کلب تیار کیا جا رہا ہے۔ کمپنی اب ”نیاناظم آباد“ کی چہار دیواری کے اندر ایک سٹیلاٹ کلینک، اسکول اور شاپنگ کی سہولیات تیار کرنے پر کام کر رہی ہے۔

شجرکاری اور سبزہ زاری

کمپنی سبزہ اگانے پر خصوصی توجہ دے رہی ہے چنانچہ تعمیراتی منصوبوں میں شجرکاری اور سبزہ اگانے کے عمل کو شامل کر لیا ہے جس کا ثبوت ”نیاناظم آباد“ ہے۔ زیر جائزہ سال کے دوران کمپنی نے نیشنل فورم فور انوائزمنٹ اینڈ ہیلتھ (NFEH) کی منعقد کردہ متعدد سرگرمیوں میں بڑھ چڑھ کر حصہ لیا ہے۔ سرسبز پاکستان کے ”نیاناظم آباد“ کے زیریں عہد کو خراج تحسین پیش کرتے ہوئے NFEH نے ”نیاناظم آباد“ کو شجرکاری ایوارڈ 2018 سے نوازا ہے۔ ہمارے آرکیٹیکٹ میسرز، آرکوپ، شجرکاری کے ماہرین اور NFEH کے اہلکاروں کے تعاون سے ہم پارک اور گرین بیلٹ تیار کرنے پر کام کر رہے ہیں۔ اب تک ”نیاناظم آباد“ میں 25,000 ہزار درخت اگائے جا چکے ہیں اور ہمیں امید ہے کہ آئندہ سال کے اختتام تک ہم 100,000 درخت اگانے کا ٹارگٹ حاصل کر لیں گے۔

ڈائریکٹر ان کی رپورٹ برائے حصص یافتگان

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے مورخہ 30 جون 2018ء کو اختتام پذیر ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ ہمراہ آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مجھے انتہائی مسرت محسوس ہو رہی ہے۔ واضح رہے کہ زیر جائزہ سال کے یہ مالیاتی گوشوارے انضباطی اور قانونی مطلوبات کی تعمیل کرتے ہوئے اکاؤنٹنگ کے منظور شدہ معیارات کی مطابقت میں تیار کئے گئے ہیں۔

مالیاتی جائزہ

برائے فروخت محدود تعداد میں دستیاب انویسٹری کو مد نظر رکھتے ہوئے دیکھا جائے تو زیر جائزہ مالیاتی سال کے دوران کمپنی کی مالیاتی کارکردگی مستحکم رہی ہے۔ زیر جائزہ سال کے دوران کمپنی نے مبلغ 2,479,479 ملین روپے کی فروخت ریکارڈ کی جو زیادہ تر اکاؤنٹنگ پالیسی کے مطابق مبلغ 916 ملین روپے مالیت کے بنگلوں کی فروخت پر مشتمل تھی۔ ان بنگلوں کی فروخت پر منافع کی شرح کم رہی ہے جس کی وجہ میٹریل اور مزدوری کی لاگت میں اضافے سے کنسٹرکشن کی لاگت میں اضافہ ہو جانا ہے۔ پھر یہ بنگلے ابتدائی مدت کے دوران فروخت ہوئے۔ چنانچہ خام منافع گزشتہ برس کی بہ نسبت مبلغ 1,872,872 ملین روپے سے کم ہو کر 1,380 ملین روپے رہا۔ یعنی 26 فیصد کی کمی واقع ہوئی۔ بازار کاری اور فروخت کے اخراجات 122 ملین روپے سے کم ہو کر 68 ملین روپے رہے جس کی وجہ یہ ہے کہ دوران سال کسی نئی رہائشی / کمرشل سرگرمی کا شروع نہ کیا جانا ہے۔ یہی وجہ ہے کہ کمپنی نے گزشتہ برس اسی مدت کے دوران ہونیوالے مبلغ 990 ملین روپے کے بعد از ٹیکس منافع کی بہ نسبت اس سال مبلغ 703 ملین روپے کا بعد از ٹیکس منافع ریکارڈ کیا۔

مالیاتی نتائج

مالیاتی نتائج کا خلاصہ ذیل میں پیش کیا جا رہا ہے:

| تفصیل | 30 جون 2018 (آڈٹ شدہ) | 30 جون 2017 (آڈٹ شدہ) |
|---------------------------------|-----------------------|-----------------------|
| | روپے ہزاروں میں | |
| خالص فروخت | 2,479,158 | 2,467,969 |
| اخراجات فروخت | (1,099,368) | (595,735) |
| خام منافع | 1,379,790 | 1,872,234 |
| منافع قبل از ٹیکس | 1,100,577 | 1,387,945 |
| منافع بعد از ٹیکس | 703,713 | 989,557 |
| آمدنی فی شیئر - بیک (روپے) | 3.35 | 7.43 |
| آمدنی فی شیئر - ڈائیلیٹڈ (روپے) | 3.06 | 5.66 |

منافع (ڈیویڈنڈ)

مورخہ 19 ستمبر 2018ء کو منعقد ہونے والے اپنے اجلاس میں بورڈ آف ڈائریکٹرز نے مبلغ 0.70 روپے یعنی 7 فیصد فی شیئر نقد منافع منقسمہ اور 8 فیصد کی شرح سے بونس شیئرز دیئے جانے کی تجویز پیش کی ہے۔ یہ تجویز بغرض منظوری مورخہ 26 اکتوبر 2018ء کو منعقد ہونے والے ممبران کے سالانہ اجلاس عام میں پیش کردی جائیگی۔ یہ استحقاق ان حصص یافتگان کے لئے مہیا کیا جائے گا جن کے نام مورخہ 18 اکتوبر 2018ء کو اختتام کاروبار کے وقت تک شیئرز ہولڈرز کے رجسٹر میں موجود ہوں گے۔

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