

# Commitment to Excellence

**JAVEDAN**  
CORPORATION LIMITED  
QUARTERLY REPORT MARCH 2021



MASJID



STADIUM



SECURITY



MEDICAL CENTER



SPORTS CLUB



# TABLE OF CONTENT

Company Information	03
Directors' Review Report	05

Condensed Interim Unconsolidated Financial Information	08
Condensed Interim Unconsolidated Statement of Financial Position	09
Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)	10
Condensed Interim Unconsolidated Statement of Other Comprehensive Income (Unaudited)	11
Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)	12
Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)	13
Notes To The Condensed Interim Unconsolidated Financial Information (Unaudited)	15

Condensed Interim Consolidated Financial Information	25
Condensed Interim Consolidated Statement of Financial Position	26
Condensed Interim Consolidated Statement of Profit Or Loss (Unaudited)	27
Condensed Interim Consolidated Statement of Other Comprehensive Income (Unaudited)	28
Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)	29
Condensed Interim Consolidated Statement of Cash Flows (Unaudited)	30
Notes To The Condensed Interim Consolidated Financial Information (Unaudited)	32



# COMPANY INFORMATION

## Board of Directors

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

## Chief Financial Officer & Company Secretary

Muneer Gader

## Audit Committee

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

## HR & Remuneration Committee

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

## Auditors

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

## Bankers

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

## Registered Office

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

## Site Office:

Naya Nazimabad, Manghopir  
Road, Karachi -75890  
Tel : 92-21- 36770141-42,  
UAN: 111-511-611  
Website: [www.nayanazimabad.com](http://www.nayanazimabad.com)

## Share Registrar

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



# **DIRECTORS' REVIEW REPORT**

# Directors' Review Report

## Dear Shareholders

On behalf of the board of Directors, we are pleased to present brief overview of Financial and Operational performance of the Company for the nine months period ended 31 March 2021.

The Construction/Real Estate Sector has been touted as the driving factor to uplift the overall economic activity and growth in the Country. The steps being taken has yielded initial results as there is a substantial activity in the Sector and significant number of new projects are being launched overall in the Country. As day to day operational matters has been resumed from the office of DC West and Sindh Building Control Authority your Company is also well poised to take advantage of current momentum in the Sector and we expect Phase 2 of the project (which had been deferred earlier) will be launched soon.

## Financial Performance

During the period under review (on an unconsolidated basis), the Company recorded sale of PKR 788,623 million as compared to PKR 1,422,459 million in the corresponding period. The Cost of sales for the period was PKR 160,580 million as compared PKR 233,008 million in the corresponding period. The profit after tax for the period is PKR 186,141 million as compared to PKR 545,890 million and this translated to an Earnings Per Share (EPS) of Rs. 0.59 as compared to Rs 1.72 in the corresponding period. The sale has declined significantly over the corresponding period as no new project has been launched owing to the prevailing circumstances. Further increase in cost couple with decline in sale has affected the profitability during the nine months period ended 31 March 2021 as compared to corresponding period.

On a consolidated basis revenue of the Company for the period ended 31 March 2021 is PKR 842,104 million and the profit after tax for the period is PKR 161,538 million, which translates into EPS of Rs. 0.51.

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

Particulars	Nine Months Ended		Quarter Ended	
	March 31, 2021 (Un-Audited)	March 31, 2020 (Un-Audited)	March 31, 2021 (Un-Audited)	March 31, 2020 (Un-Audited)
(Rupees in thousands)				
Net Sales	788,623	1,422,459	243,111	369,268
Cost Of Sales	(160,580)	(233,008)	(50,498)	(83,244)
Gross Profit	628,043	1,189,451	192,612	286,023
Profit Before Taxation	261,608	756,268	87,729	178,116
Taxation	(75,467)	(210,378)	(29,477)	(42,649)
Profit After Taxation	186,141	545,890	58,252	135,467
EPS - Basic (in rupees)	0.59	1.72	0.18	0.43
EPS - Diluted (in rupees)	0.59	1.72	0.18	0.43

## Operational Performance

During the quarter special emphasis has been put on development of external storm water drain which is being laid from Haji Fazal Town to existing drain on 4000 road. Moreover a bund is being built between block B, C, D and PSM side of our land to control flow of storm water to these blocks. The work on the drain and bund has almost been completed. Further the construction work of Naya Nazimabad Gymkhana has also been stepped up in order to complete the project by June 2022 and to launch the initial phase towards the later end of the ongoing calendar year. The infrastructure development work of Block M is also progressing as per plan and the Company is targeting to offer possession by 30 September 2021.

During the quarter the approval of Sindh Environment Protection Agency for the flyover project has been received. The flyover will connect the North Nazimabad to Naya Nazimabad by passing the Nusrat Bhutto Colony and Anwar Shamim Road. The project will be instrumental for future growth and development of the overall project and the Company is targeting ground breaking of flyover project in April / May, 2021.

## Future Outlook

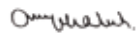
The board and the management plan for the launch of new phase soon and with the increasing demand of Naya Nazimabad project the Company and the project is headed in right direction. As Naya Nazimabad offers a bankable title for its buyers of property it qualifies for mortgage financing by the banks under Mera Pakistan – Mera Ghar scheme of the government. This is likely to create additional demand of plots and Houses in Naya Nazimabad. In view of above future outlook of your company is encouraging.

## Acknowledgement

On behalf of the Board of Directors, We thank our customers and shareholders for their continued support to transform the dream into reality. We would like to thank our Banks and Financial institutions who, over the years, have been critical in enabling the Company to deliver this project. We would also like to thank Government of Sindh for their support to the project and also appreciate all the employees of the Company for the hard work put in by them.



**Abdus Samad Habib**  
Chief Executive



**Arif Habib**  
Chairman

Dated: 23 April 2021

**CONDENSED INTERIM  
UNCONSOLIDATED  
FINANCIAL INFORMATION  
FOR THE NINE MONTHS  
PERIOD ENDED  
MARCH 31, 2021**

# Javedan Corporation Limited

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

### ASSETS

#### NON-CURRENT ASSETS

Property, plant and equipment  
Intangible assets  
Investment properties  
Long-term deposits  
Long-term investment

Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	----- (Rupees in 000) -----	
5	6,122,770	5,937,790
	4,601	5,463
6	598,911	567,664
	9,316	9,905
7	10,000	10,000
	<u>6,745,597</u>	<u>6,530,822</u>

#### CURRENT ASSETS

Development properties  
Trade debts  
Loans and advances  
Short-term investment  
Trade deposits, prepayments and other receivables  
Cash and bank balances

8	18,410,224	18,359,932
9	448,116	494,188
	569,717	599,518
	37,750	37,750
10	148,268	72,851
11	701,888	59,908
	<u>20,315,964</u>	<u>19,624,147</u>
	<u>27,061,560</u>	<u>26,154,969</u>

### EQUITY AND LIABILITIES

#### SHARE CAPITAL AND RESERVES

Share Capital

Authorised

390,000,000 (June 30, 2020: 390,000,000) ordinary  
shares of Rs.10/- each

3,900,000 3,900,000

Issued, subscribed and paid-up capital

Capital reserves

Revenue reserves

Other component of equity - revaluation surplus on lands

3,173,837 3,173,834  
3,393,059 3,393,056  
2,662,741 2,411,899  
8,479,922 8,544,621  
17,709,559 17,523,410

#### NON-CURRENT LIABILITIES

Long-term financing

Deferred grant

Deferred tax liability

Deferred liability - gratuity

12	4,351,563	3,589,433
	3,298	1,289
13	15,105	19,566
	<u>43,832</u>	<u>36,265</u>
	<u>4,413,799</u>	<u>3,646,553</u>

#### CURRENT LIABILITIES

Trade and other payables

Preference shares

Accrued mark-up

Contract liabilities

Short-term borrowings

Current maturity of non-current liabilities

Taxation - net

Unpaid preference dividend

Unclaimed dividend

14	274,364	325,923
	505	510
	182,741	177,110
15	2,576,170	2,976,549
	810,592	899,406
	963,818	479,568
	125,608	121,377
	168	122
	<u>4,236</u>	<u>4,441</u>
	<u>4,938,202</u>	<u>4,985,006</u>
	<u>27,061,560</u>	<u>26,154,969</u>

### TOTAL EQUITY AND LIABILITIES

#### CONTINGENCIES AND COMMITMENTS

16

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

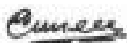
Director

Javedan Corporation Limited  
**CONDENSED INTERIM STATEMENT OF PROFIT OR  
LOSS (UNAUDITED)**

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

		For the Nine Month Ended		For the Quarter Ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Note		----- (Rupees in 000) -----			
Revenue from contracts with customers - net	17	788,623	1,422,459	243,111	369,268
Cost of sales	18	(160,580)	(233,008)	(50,498)	(83,244)
Gross profit		628,043	1,189,451	192,612	286,023
Marketing and selling expenses		(26,735)	(42,244)	(16,009)	(20,444)
Administrative expenses		(326,501)	(280,689)	(92,609)	(59,404)
Finance costs	19	(79,903)	(170,923)	(23,907)	(47,023)
Other income		66,704	60,673	27,641	18,964
Profit before taxation		261,608	756,268	87,729	178,116
Taxation	20	(75,467)	(210,378)	(29,477)	(42,649)
Profit for the period		186,141	545,890	58,252	135,467
		----- (Rupees in 000) -----			
Earnings per share					
Basic	21	0.59	1.72	0.18	0.43
Diluted	21	0.59	1.72	0.18	0.43

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

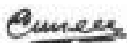
Javedan Corporation Limited

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

	For the Nine Month Ended		For the Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- (Rupees in 000) -----			
Profit for the period	186,141	545,890	58,252	135,467
Other comprehensive income for the period - net of tax	-	-	-	-
<b>Total comprehensive income for the period - net of tax</b>	<u>186,141</u>	<u>545,890</u>	<u>58,252</u>	<u>135,467</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive

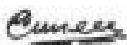


Director

Javedan Corporation Limited  
**CONDENSED INTERIM STATEMENT OF CHANGES IN  
EQUITY (UNAUDITED)**  
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Issued, Subscribed and Paid-up Capital	CAPITAL RESERVES		REVENUE RESERVES		Other component of equity	Total Equity
		Share premium	Tax holiday reserve	General	Un- appropriated profit	Revaluation surplus on lands	
----- (Rupees in 000) -----							
Balance as at July 01, 2019 (Audited)	2,885,304	3,381,090	11,966	63,500	2,266,940	8,675,613	17,284,413
Profit for the period	-	-	-	-	545,890	-	545,890
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period, net of tax	-	-	-	-	545,890	-	545,890
Revaluation surplus on land realised on account of sale of development properties	-	-	-	-	120,061	(120,061)	-
Issuance of 10% bonus shares for the year ended June 30, 2019	288,530	-	-	-	(288,530)	-	-
Cost on issuance of bonus shares	-	-	-	-	(435)	-	(435)
Balance as at March 31, 2020 (Unaudited)	3,173,834	3,381,090	11,966	63,500	2,643,925	8,555,552	17,829,868
Balance as at July 01, 2020 (Audited)	3,173,834	3,381,090	11,966	63,500	2,348,399	8,544,621	17,523,410
Profit for the period	-	-	-	-	186,141	-	186,141
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period, net of tax	-	-	-	-	186,141	-	186,141
Revaluation surplus on land realised on account of sale of development properties	-	-	-	-	64,698	(64,698)	-
Conversion of preference shares into ordinary shares	3	3	-	-	-	-	6
Balance as at March 31, 2021 (Unaudited)	3,173,837	3,381,093	11,966	63,500	2,599,240	8,479,923	17,709,559

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

Javedan Corporation Limited  
**CONDENSED INTERIM STATEMENT OF  
CASH FLOWS (UNAUDITED)**  
FOR THE NINE MONTHS ENDED MARCH 31, 2021

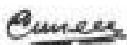
**CASH FLOWS FROM OPERATING ACTIVITIES**

**For the Nine Month Ended**

	March 31, 2021	March 31, 2020
	----- (Rupees in 000) -----	
Profit before taxation	261,608	578,151
<b>Adjustments for non-cash items:</b>		
Depreciation	15,858	10,019
Amortization	863	-
Provision for gratuity	9,521	7,450
Loss on investment property	108	-
Finance costs	79,903	123,900
Mark-up on saving accounts	(10,003)	(2,661)
Gain on disposal of property, plant and equipment	(132)	-
<b>Operating profit before working capital changes</b>	<b>357,726</b>	<b>716,859</b>
<b>Decrease / (increase) in current assets</b>		
Development properties	227,696	(591,277)
Trade debts	46,072	186,455
Loans and advances	29,801	(42,850)
Trade deposits, prepayments and other receivables	(75,417)	(9,896)
	228,152	(457,568)
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(51,559)	(220,062)
Deferred grant	2,009	-
Contract liabilities	(400,379)	976,155
	(449,929)	756,093
<b>Cash flows generated from operations</b>	<b>135,949</b>	<b>1,015,384</b>
<b>Payments for:</b>		
Income taxes	(75,697)	(31,326)
Finance costs	(390,433)	(420,174)
Gratuity	(1,954)	(3,407)
Long-term deposits	589	(2,488)
<b>Net cash flows generated from operations</b>	<b>(331,547)</b>	<b>557,988</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Additions to property, plant and equipment	(163,045)	(215,067)
Sale proceeds from disposal of property, plant and equipment	518	167
Mark-up on saving accounts received	10,003	2,661
Additions to investment properties	(136,180)	(1,077)
Sale proceeds from investment properties	104,825	-
Investment in subsidiary	-	(10,000)
<b>Net cash flows used in investing activities</b>	<b>(183,878)</b>	<b>(223,316)</b>



Chief Financial Officer



Chief Executive



Director

Javedan Corporation Limited

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

## CASH FLOWS FROM FINANCING ACTIVITIES

Cost on issuance of bonus shares

Dividend paid:

- ordinary shares
- preference shares

Long-term financing - net

Short-term borrowings - net

**Net cash generated from financing activities**

**Net increase in cash and cash equivalents**

Cash and cash equivalents at beginning of the period

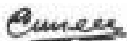
**Cash and cash equivalents at end of the period**

\* No non-cash item is included in these activities.

### For the Nine Month Ended

March 31, 2021	March 31, 2020
----- (Rupees in 000) -----	
-	(435)
(205)	(28)
44	32
1,246,381	124,562
(88,814)	(19,490)
1,157,406	104,641
641,981	439,313
59,908	56,751
701,888	496,064

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

# Javedan Corporation Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 Javedan Corporation Limited (the Company) was incorporated in Pakistan on June 08, 1961, as a public limited company under the repealed Companies Act, 1913 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is located at Arif Habib Centre, 23, M.T Khan Road, Karachi.
- 1.2 The Company has ceased its cement business since July 01, 2010 and the management has developed business diversification strategy for utilizing the Company's land for developing a housing scheme, "Naya Nazimabad", that includes bungalows, open plots, flat sites and commercial sites. The Company's layout plan of the project was approved by Lyari Development Authority vide letter number LDA/PP/2010/255 on March 02, 2011 and revised master plan approved vide letter No CTP/LDA/112 dated July 26, 2017 and has obtained No Objection Certificate from Sindh Building Control Authority having NOC # SBICA/D.D(D-II)/985/ADV-503/2011 on November 12, 2011, revised NOC # SBICA/DD(D-II)/985 & 991/ADV-584/2013 dated Oct 14, 2013 and revised NOC # SBICA/DD(D & C-II)/1430/ADV-921/2017 dated Dec 14, 2017. The Company is also the member of Association of Builders and Developers of Pakistan (ABAD).
- 1.3 These condensed interim financial statements are the separate financial statements of the Company, in which investment in the subsidiary has been accounted for at cost less accumulated impairment losses, if any.

### 1.4 Impact of COVID-19 pandemic

The outbreak of Novel Coronavirus (COVID-19) pandemic followed by a lockdown imposed by the Government, disrupted the commercial and economic activities in the Country. Due to the nature of business operations, the Company is immune to the effects of the pandemic but it has witnessed a slow down in sales and certain planned initiatives. Accordingly, the COVID-19 pandemic has no material impact on the financial position and performance of the Company other than as stated above.

### 2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the nine months period ended March 31, 2021 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 3. BASIS OF PREPARATION

- 3.1 The preparation of these condensed interim financial statements, in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates.
- 3.2 During the preparation of these condensed interim financial statement, changes in the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty are same as those applied to the annual audited financial statements of the Company for the year ended June 30, 2020.

# Javedan Corporation Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

3.3 These condensed interim financial statements is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand of rupees, otherwise stated.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2020, except for the adoption of the new / amended standards, interpretations and improvements to IFRSs by the Company, which became effective for the current period:

#### Standards, interpretations and improvements

- IFRS 3: Definition of a Business (Amendments)
- IFRS 9 / IAS 39 / IFRS 7: Prepayment Features with Negative Compensation (Amendments)
- IAS 1/ IAS 8: Definition of Material (Amendments)
- Conceptual Framework for Financial Reporting issued in March 2018

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's condensed interim financial statements.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in 000) -----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>4,774,074</b>	4,772,373
Capital work-in-progress	5.4	<b>1,348,697</b>	1,165,417
		<u><b>6,122,770</b></u>	<u>5,937,790</u>
<b>5.1 Operating fixed assets</b>			
Opening net book value		<b>4,772,373</b>	4,773,088
Add: Additions during the period / year	5.2	<b>17,945</b>	20,775
Less: Disposals during the period / year	5.3	<b>(386)</b>	(167)
Less: Depreciation during the period / year		<b>(15,858)</b>	(21,323)
Closing net book value		<u><b>4,774,074</b></u>	<u>4,772,373</u>
<b>5.2 Additions during the period / year</b>			
Buildings on free-hold land		-	2,126
Buildings on lease-hold land		<b>4,055</b>	-
Buildings on other land		<b>1,742</b>	1,347
Furniture and fixtures		<b>3,187</b>	958
Office equipment		<b>5,815</b>	11,278
Computer equipment		<b>3,091</b>	4,936
Vehicles		<b>56</b>	130
		<u><b>17,945</b></u>	<u>20,775</u>
<b>5.3 Disposals during the period / year - at book value</b>			
Office equipment		<b>14</b>	28
Motor Vehicle - Owned		<b>372</b>	-
Computer equipment		-	139
		<u><b>386</b></u>	<u>167</u>
<b>5.4 Capital work-in-progress</b>			
Opening		<b>1,165,417</b>	691,241
Additions	5.4.1	<b>183,280</b>	474,176
Closing	5.4.2	<u><b>1,348,697</b></u>	<u>1,165,417</u>

5.4.1 Includes borrowing costs amounting to Rs. 57.096 million (June 30, 2020: Rs. 98.304 million).

Javedan Corporation Limited

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

5.4.2 Represents expenditures incurred in respect of gymkhana (club house), jamia masjid, football stadium and cricket ground.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		----- (Rupees in 000) -----	

## 6. INVESTMENT PROPERTIES

Note

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

Opening balance		567,664	55,000
Additions during the period / year	6.2	136,180	465,077
Disposal during the period / year	6.3	(104,933)	-
Remeasurement gain during the period / year		-	47,587
Closing balance	6.1	<u>598,911</u>	<u>567,664</u>

6.1 An independent valuation was carried out by the management through an independent professional valuer as of June 30, 2020. As of reporting date, the management expects no material change in the aforementioned fair value of investment properties and accordingly no adjustment has been incorporated in these condensed interim financial statements.

6.2 This represents property acquired at Deh manghopir that had a carrying value of Rs. 136 million. It has been decided by the Company to hold said property for earning rentals and not for sale in the ordinary course of business.

6.3 During the period the company has disposed off the parcel of land to the third party.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		----- (Rupees in 000) -----	

## 7. LONG-TERM INVESTMENT

Note

Investment in subsidiary - at cost	7.1	<u>10,000</u>	<u>10,000</u>
------------------------------------	-----	---------------	---------------

7.1 On November 29, 2019, the Company formed a subsidiary namely NN Maintenance Company (Private) Limited by subscribing 99.98% shareholding (representing 999,800 ordinary shares of Rs. 10 each). The principal activities of the subsidiary company is to provide maintenance, security and other services for the Company's Naya Nazimabad Project.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		----- (Rupees in 000) -----	

## 8. DEVELOPMENT PROPERTIES

Note

### Land

Opening balance	14,980,418	14,962,418
Add: Additions during the period / year	-	18,000
	<u>14,980,418</u>	<u>14,980,418</u>

### Development expenditure incurred

Opening balance	9,915,362	8,658,619
Add: Incurred during the period / year	463,709	1,256,743
	<u>10,379,071</u>	<u>9,915,362</u>

### Borrowing costs related to development properties

Opening balance	2,316,625	1,848,597
Add: Capitalised during the period / year	277,998	468,028
	<u>2,594,623</u>	<u>2,316,625</u>
	<u>27,954,111</u>	<u>27,212,405</u>

### Transferred to:

- property, plant and equipment	(68,545)	(68,545)
- investment properties	(40,291)	(40,291)
- cost of sales to date	5,726,903	(5,566,323)
- development charges incurred and apportioned to date	(3,708,148)	(3,177,314)
	<u>18,410,224</u>	<u>18,359,932</u>

# Javedan Corporation Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

### 9. TRADE DEBTS - secured, considered good

Included herein Rs. Nil, Rs. 1.666 million, Rs. Nil, Rs. Nil, Rs. 0.053 million and Rs. 0.546 million (June 30, 2020: Rs. 29.798 million, Rs. 30.582 million, Rs. 5.885 million, Rs. 0.295 million, Rs. 0.10 million and Rs.0.812 million) on account of amounts receivable from Arif Habib, Haji Abdul Ghani, Go Real Estate, Nida Ahsan, Nooriabad Spinning Mills (Pvt.) Limited, and Arif Habib Limited [related parties], respectively.

### 10. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Included herein receivable from NN Maintenance Company (Private) Limited (subsidiary company) amounting to Rs.125.320 million (June 30, 2020: Rs. 52.660 million).

### 11. CASH AND BANK BALANCES

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in 000) -----	
Cash in hand		9,863	3,255
Cheques in hand		2,496	14,195
Cash at banks in:			
- current accounts		79,133	4,518
- deposit accounts	11.1	610,397	37,940
		689,530	42,458
		701,888	59,908

11.1 These carry mark-up at the rate ranging between 8% to 10% per annum (June 30, 2020: 6% to 10% per annum).

### 12. LONG TERM FINANCING - secured

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in 000) -----	
<b>Conventional</b>			
Term finance certificates		258,750	258,750
Term finance loan	12.1	550,000	-
Syndicated loan facility		728,750	795,000
SBP-Refinance Scheme		45,221	33,074
		1,582,721	1,086,824
<b>Shariah Compliant</b>			
Sukuk certificates		2,982,661	2,979,932
Diminishing musharakah	12.2	750,000	-
	12.3	5,315,382	4,066,756
		(963,818)	(479,568)
		4,351,563	3,589,433

12.1 During the period, the Company obtained term finance facility of Rs. 550 million from a commercial bank to finance the ongoing infrastructure development of Naya Nazimabad project for a period of 5 years with twelve months grace period. It carries mark-up at the rate of 3 month KIBOR plus 2 percent per annum. The facility is secured by equitable mortgage charge over land at project site.

12.2 During the period, the Company obtained diminishing musharaka facility of Rs. 750 million from a Islamic bank to finance the ongoing infrastructure development of Naya Nazimabad project for a period of 5 years with eighteen months grace period. It carries mark-up at the rate of 3 month KIBOR plus 1 percent per annum. The musharaka units are to be purchased by December 2025. The facility is secured by equitable mortgage charge over land at project site, pledge of shares with at least 30% margin.

12.3 There are no other major changes in the terms and conditions of the long-term financing as disclosed in note 21 to the annual audited financial statements of the Company for the year ended June 30, 2020. Other then as disclosed in note 12.1 and 12.2 above.

Javedan Corporation Limited  
**NOTES TO THE CONDENSED INTERIM FINANCIAL  
INFORMATION (UNAUDITED)**  
FOR THE NINE MONTHS ENDED MARCH 31, 2021

March 31, June 30,  
2021 2020  
(Unaudited) (Audited)  
----- (Rupees in 000) -----

**13. DEFERRED TAX LIABILITY**

**Deferred tax on deductible temporary differences:**

- deferred liability (gratuity)

(13,668) (10,517)

**Deferred tax on taxable temporary differences:**

- accelerated depreciation on property, plant and equipment

- investment properties

- long-term financing (net)

10,678	8,227
13,800	18,066
4,295	3,790
28,773	30,083
15,105	19,566

**14. TRADE AND OTHER PAYABLES**

Included herein Rs. 2.613 million, Rs. 3.720 million, Rs. 2.977 million, Rs. nil, Rs. nil and Rs. 2.932 million (June 30, 2020: Rs. 3.847 million, Rs. 0.589 million, Rs. 2.977 million, Rs. 1.631 million, Rs. 0.101 million and Rs. 2.933 million) on account of amounts payable to Power Cement Limited, Safe Mix Concrete Limited, Arif Habib Dolmen REIT Management Limited, Arif Habib Limited, Rotocast Engineering Co. (Pvt.) Ltd. and Faisal Anees Bilwani [related parties], respectively.

**15. CONTRACT LIABILITIES**

Included herein Rs. 316.468 million, Rs. 708.212 million, Rs. Nil, Rs. Nil, Rs. Nil and Rs. 89.85 million (June 30, 2020: Rs. 429.892 million, Rs. 925.095 million, Rs. 183.117 million, Rs. nil, Rs. 165.163 million and Rs.75 million) on account of advances received against apartments and plots from Haji Abdul Ghani, Arif Habib Equity (Private) Limited, Arif Habib, Arif Habib Limited, Go Real Estate and Nida Ahsan respectively.

**16. CONTINGENCIES AND COMMITMENTS**

**16.1 Tax related contingencies (existing business)**

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

Javedan Corporation Limited

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

- c) In year 2018, the deemed assessment orders for the tax years 2013 and 2017 were amended by the taxation authorities creating a demand of Rs. 220.22 million and Rs. 486.162 million, respectively. The Company later filed appeal before CIR(A), which was disposed off during the year ended June 30, 2019 and the demand was enhanced from Rs. 220.22 million to Rs. 324.58 million for tax year 2013. Being aggrieved, the Company filed appeal before ATIR, which were adjudicated in favor of the Company in the year 2019 except for immaterial assessments. The Company, based on the opinion of its tax advisor, is confident of the favourable outcome. Accordingly, no provision has been made in these condensed interim financial statements.
- d) Alternate Corporate Tax (ACT) was applicable on the Company at rate of 17% of accounting income after certain adjustments as mentioned in section 113(c) of the Income Tax Ordinance, 2001 through Finance Act 2014. Accordingly, the Company had made a provision for ACT for the year ended June 30, 2014 but obtained stay order from the Honourable High Court of Sindh (SHC) against applicability of ACT since tax year 2015 based on the grounds of brought forward losses. Later, the Company had reversed provision previously created of Rs. 131.273 million relating to prior year. Accordingly, the tax provision based on ACT having an aggregated impact of Rs. 761.07 million has not been accounted for in these condensed interim financial statements, instead the Company continues to record the tax provision based on minimum tax under section 113 of the Income Tax Ordinance, 2001 upto tax year 2018. In year 2019, the Company had adjusted its brought forward losses against taxable income and accordingly, current period and last year provisions are based on higher of Corporate Tax or ACT.
- In year 2019, the Company had received demand notice from Deputy Commissioner Inland Revenue (DCIR) of Rs. 187.098 million in respect of a non-payment of Alternate Corporate Tax (ACT) for the tax year 2018. The Company had challenged the applicability of Alternative Corporate Tax vide C.P D-2982 of 2019 before SHC. In this regard, an interim order has been granted by SHC that no coercive action is to be taken against the Company till the pendency of the matter before SHC.
- e) The Company has filed constitutional petition before the Honorable High Court of Sindh (SHC) vide Constitutional Petition No. 2564 of 2014 dated May 15, 2014 challenging vires of Workers Welfare Ordinance, 1971. SHC has admitted constitutional petition for regular hearing and issued interim stay order from recovery of Workers' Welfare Fund (WWF) impugned demand by Federal Board of Revenue for the tax year 2013. The management, based on the opinion of the tax advisor, is expecting favourable outcome on the said matter. Accordingly, no liability for WWF since tax years 2014 to 2021 has been accounted for in these condensed interim financial statements having an aggregate impact of Rs.117.001 million (June 30, 2020: Rs. 113.549 million).
- f) The Company has filed a constitutional petition D-4971 of 2017 dated July 28, 2017 in Honorable High Court of Sindh (SHC) against imposition of tax on undistributed profits under Section 5A of Income Tax Ordinance, 2001. The management is confident of the favourable outcome of this petition, as stay has been granted on similar petitions filed by other companies. Although, the Company has complied with the requirements related to distribution of profits for the years but the petition in this regarding is still pending before SHC.

## 16.2 Legal contingencies (existing business)

The Company has filed a constitutional petition No D-953 of 2020 before Honorable High Court of Sindh (SHC) in respect of notice issued by Office of the Assistant Commissioner (AC) Manghopir, District West Karachi under Section 22 of Sindh Land Revenue Act, 1967 dated December 18, 2019 whereby AC has called the Company to appear before Collector / Deputy Commissioner (DC) West Karachi along with title documents, survey, layout plan, etc. Thereafter, another letter No. DC(W)/341/2020 dated 27 January 2020 addressed to Director General Sindh Building Control Authority (DG-SBCA) was issued by the office of DC West Karachi, wherein DG SBCA was directed to suspend all layout plans approved earlier until further instructions. Later, SHC in its order dated February 11, 2020 had suspended the aforementioned notice and the letter and has restrained the respondents from any coercive and adverse action against the Company till the next date of hearing.

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

# Javedan Corporation Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

### 16.3 Other contingencies and commitments

There are no major changes in the status and nature of other contingencies (i.e. related to legal/other contingencies relating to existing business and former business) and commitments as disclosed in notes 29.1.1(c), 29.1.2, 29.1.3 and 29.2, respectively to the annual audited financial statements of the Company for the year ended June 30, 2020.

	Nine Month ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- (Unaudited) -----			
	----- (Rupees in 000) -----			
<b>17. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET</b>				
Plots	811,850	1,404,832	282,921	376,222
Bungalows	67,120	99,202	9,960	-
	<u>878,970</u>	<u>1,504,034</u>	<u>292,881</u>	<u>376,222</u>
Trade discount	-	1,076	-	-
Cancellation / forfeitures	(90,347)	(82,651)	(49,771)	(6,954)
	<u>788,623</u>	<u>1,422,459</u>	<u>243,111</u>	<u>369,268</u>
<b>18. COST OF SALES</b>				
Cost of development properties sold:				
- plots	139,485	187,592	46,248	83,244
- bungalows	21,096	45,416	4,250	-
	<u>160,580</u>	<u>233,008</u>	<u>50,498</u>	<u>83,244</u>
Development and utility charges:				
- incurred and apportioned to customers	530,834	161,308	110,222	47,108
- reimbursable from customers	(530,834)	(161,308)	(110,222)	(47,108)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>160,580</u>	<u>233,008</u>	<u>50,498</u>	<u>83,244</u>

### 19. FINANCE COSTS

Included herein mark-up on long-term financing and short-term borrowings of Rs. 20.329 million and Rs. 56.494 million (March 31, 2020: Rs. 27.654 million and Rs. 143.268 million), respectively.

	Nine Month ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- (Unaudited) -----			
	----- (Rupees in 000) -----			
<b>20. TAXATION</b>				
Current	79,928	201,913	27,008	42,638
Deferred	(4,461)	8,465	2,468	11
	<u>75,467</u>	<u>210,378</u>	<u>29,477</u>	<u>42,649</u>
<b>21. EARNINGS PER SHARE</b>				
<b>Basic</b>				
Profit after tax (Rupees in '000)	<u>186,141</u>	<u>545,890</u>	<u>58,252</u>	<u>135,467</u>
Weighted average number of ordinary shares	<u>316,225,198</u>	<u>317,383,396</u>	<u>316,225,198</u>	<u>317,383,396</u>
Earnings per share - (In Rupees)	<u>0.59</u>	<u>1.72</u>	<u>0.18</u>	<u>0.43</u>

# Javedan Corporation Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine Month ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- (Unaudited) -----			
	----- (Rupees in 000) -----			
<b>Diluted</b>				
Profit after tax (Rupees in '000)	<b>186,141</b>	545,890	<b>58,252</b>	135,467
Weighted average number of ordinary shares in issue	<b>316,225,198</b>	317,383,396	<b>316,225,198</b>	317,383,396
Adjustment for conversion of convertible preference shares	<b>30,285</b>	43,804	<b>30,285</b>	43,804
Weighted average number of ordinary shares for diluted earnings per share	<b>316,255,483</b>	317,427,200	<b>316,255,483</b>	317,427,200
Earnings per share - (In Rupees)	<b>0.59</b>	1.72	<b>0.18</b>	0.43

## 22. TRANSACTIONS WITH RELATED PARTIES

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

	March 31, 2021	March 31, 2020
	----- (Unaudited) -----	
	----- (Rupees in 000) -----	
<b>Subsidiary Company</b>		
<b>NN Maintenance Company (Private) Ltd [NNM]</b>		
Investment made during the period	-	10,000
Expenses incurred on behalf of NNM by the company	<b>109,807</b>	30,816
<b>Associates</b>		
<b>Arif Habib Corporation Limited</b>		
Short-term borrowing obtained during the period	<b>200,000</b>	73,000
Short-term borrowing repaid during the period	<b>200,000</b>	83,067
Advance received against future purchase of commercial apartments	-	183,117
Mark-up expense on short term-borrowing	<b>1,246</b>	2,397
Mark-up paid during the period	<b>1,246</b>	41,192
<b>Arif Habib Equity (Private) Limited</b>		
Paid against the repurchase of commercial land	-	249,785
Mark-up expense on short term-borrowing	-	27,613
Mark-up paid during the period	-	27,613
Advance received against future purchase of commercial apartments	-	925,095
<b>Power Cement Limited</b>		
Purchase of construction material	<b>9,138</b>	38,811
Paid against the purchase of construction material	<b>10,371</b>	46,066
<b>Safe Mix Concrete Limited</b>		
Purchase of construction material	<b>13,931</b>	19,813
Paid against the purchase of construction material	<b>10,799</b>	21,843

# Javedan Corporation Limited

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	----- (Unaudited) -----	
	----- (Rupees in 000) -----	
<b>Arif Habib Limited</b>		
Sale of plots	150,000	598
Receipt against sale of plots	150,000	598
<b>Arif Habib Dolmen REIT Management Limited</b>		
Payment made during the period	-	2,977
<b>Haji Abdul Ghani - Associated person</b>		
Sale of plots	10,755	33,971
Receipt against sale of plots	10,755	33,158
Development charges received	4,860	6,742
Short-term loans received during the period	-	150,000
Mark-up expense on short term-borrowing	-	756
Adjustment of short-term borrowing against the advance against plots	-	150,000
Advance received against future purchase of commercial apartments	-	110,000
Advance received against plots	-	120,000
<b>Rotocast Engineering Co. (Pvt.) Ltd.</b>		
Services received during the period	1,251	-
Paid against services received	1,230	-
Short-term loans received during the period	-	525,000
Short-term loans paid during the period	-	525,000
Rent prepaid during the period	1,098	549
Rent expense charged during the period	1,098	549
Mark-up expense on short term-borrowing	-	28,230
Mark-up paid during the period	-	28,230
<b>Go Real Estate</b>		
Sale of plots	225,982	-
Receipt against sale of plots	225,982	-
Development charges received	43,740	8,820
<b>Key management personnel</b>		
<b>Arif Habib - Director</b>		
Sale of plots and bungalows	-	576
Receipt against sale of plots	-	576
Short-term loans received during the period	-	425,000
Mark-up expense on short term-borrowing	-	7,018
<b>Faisal Anees Bilwani</b>		
Consultancy services rendered during the period	2,811	5,268
Paid against consultancy services rendered	2,811	6,243
<b>Close family member</b>		
<b>Nida Ahsan</b>		
Sale of Plots	60,148	-
Receipt against sale of plots	60,148	-
Advance received against plots	89,852	-
<b>Post employment benefit plan</b>		
Gratuity fund trust - contribution paid during the period	1,954	5,537

Javedan Corporation Limited

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

## 23. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 23, 2021 by the Board of Directors of the Company.

## 24. GENERAL

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

24.2 Figures have been rounded-off to the nearest thousands rupees, unless otherwise stated.



Chief Financial Officer



Chief Executive



Director

**CONDENSED INTERIM  
CONSOLIDATED  
FINANCIAL INFORMATION  
FOR THE NINE MONTHS  
PERIOD ENDED  
MARCH 31, 2021**

Javedan Corporation Limited  
**CONDENSED INTERIM CONSOLIDATED STATEMENT  
OF FINANCIAL POSITION**  
AS AT MARCH 31, 2021

**ASSETS**

**NON-CURRENT ASSETS**

Property, plant and equipment  
Intangible assets  
Investment properties  
Long-term deposits  
Deferred tax assets - net

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	----- (Rupees in 000) -----	
Note		
5	6,123,977	5,939,097
	4,601	5,463
6	598,911	567,664
	9,316	9,905
7	4,148	-
	<b>6,740,953</b>	<b>6,522,129</b>

**CURRENT ASSETS**

Development properties  
Short Term Investment  
Trade debts  
Loans and advances  
Deposits, prepayments and other receivables  
Cash and bank balances

8	18,410,226	18,359,932
	37,750	37,750
	504,760	520,231
	573,274	600,356
	30,440	30,816
	702,697	60,421
	<b>20,259,147</b>	<b>19,609,506</b>
	<b>27,000,100</b>	<b>26,131,635</b>

**EQUITY AND LIABILITIES**

**SHARE CAPITAL AND RESERVES**

Share Capital  
*Authorised*  
390,000,000 (2020: 390,000,000) ordinary  
shares of Rs.10/- each

<b>3,900,000</b>	<b>3,900,000</b>
------------------	------------------

Issued, subscribed and paid-up capital  
Capital reserves  
Revenue reserves  
Other component of equity - revaluation surplus on lands

3,173,837	3,173,834
3,393,059	3,393,056
2,610,591	2,384,355
8,479,922	8,544,621
<b>17,657,409</b>	<b>17,495,866</b>

**NON-CURRENT LIABILITIES**

Long-term financing  
Deferred grant  
Deferred tax liability - Net  
Deferred liability - gratuity

4,351,563	3,589,433
3,298	1,289
-	7,722
46,333	39,082
<b>4,401,194</b>	<b>3,637,526</b>

**CURRENT LIABILITIES**

Trade and other payables  
Preference shares  
Unpaid preference dividend  
Accrued mark-up  
Contract liabilities  
Short-term borrowings  
Current maturity of non-current liabilities  
Taxation - net  
Unclaimed dividend

9	292,560	338,545
	505	510
	168	122
	182,741	177,110
10	2,576,170	2,976,603
	813,463	899,406
	963,818	479,568
	107,836	121,938
	4,236	4,441
	<b>4,941,497</b>	<b>4,998,243</b>

**CONTINGENCIES AND COMMITMENTS**

**TOTAL EQUITY AND LIABILITIES**

11	<b>27,000,100</b>	<b>26,131,635</b>
----	-------------------	-------------------

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

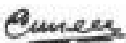
  
Chief Executive

  
Director

Javedan Corporation Limited  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
 FOR THE NINE MONTH AND QUARTER ENDED MARCH 31, 2021

		For the Nine Month Ended		For the Quarter Ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Note		----- (Rupees in 000) -----			
Sales - net		842,104	1,438,888	259,064	385,696
Cost of sales		(250,886)	(260,751)	(85,608)	(110,987)
Gross profit		591,218	1,178,137	173,456	274,710
Marketing and selling expenses		(26,735)	(42,244)	(16,011)	(20,444)
Administrative expenses		(351,219)	(294,060)	(99,501)	(72,775)
Finance costs		(79,903)	(170,928)	(23,903)	(47,028)
Other income		67,337	60,979	27,842	19,269
Profit before taxation		200,698	731,884	61,883	153,732
Taxation	12	(39,160)	(210,378)	(13,696)	(42,649)
Profit for the period		161,538	521,506	48,187	111,083
		----- (Rupees in 000) -----			
Earnings per share					
Basic	13	0.51	1.64	0.15	0.35
Diluted	13	0.51	1.64	0.15	0.35

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



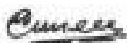
Director

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE MONTH ENDED MARCH 31, 2021

	For the Nine Month Ended		For the Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- (Rupees in 000) -----			
Profit for the period	161,538	521,506	48,187	111,083
Other comprehensive income for the period - net of tax	-	-	-	-
<b>Total comprehensive income for the period - net of tax</b>	<u>161,538</u>	<u>521,506</u>	<u>48,187</u>	<u>111,083</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements



Chief Financial Officer



Chief Executive

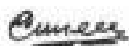


Director

Javedan Corporation Limited  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
 FOR THE NINE MONTH ENDED MARCH 31, 2021

	Issued, Subscribed and Paid-up Capital	CAPITAL RESERVES		REVENUE RESERVES		Other component of equity	Total Equity
		Share premium	Tax holiday reserve	General	Un- appropriated profit	Revaluation surplus on lands	
----- (Rupees in 000) -----							
Balance as at July 01, 2019 (Audited)	2,885,304	3,381,090	11,966	63,500	2,266,940	8,675,613	17,284,413
Profit for the period	-	-	-	-	521,506	-	521,506
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income, net of tax	-	-	-	-	521,506	-	521,506
Revaluation surplus on land realised on account of sale of development properties	-	-	-	-	120,061	(120,061)	-
Issuance of 10% bonus shares for the year ended June 30, 2019	288,530	-	-	-	(288,530)	-	-
Cost of issuance of bonus shares	-	-	-	-	(435)	-	(435)
Balance as at March 31, 2020 (Unaudited)	3,173,834	3,381,090	11,966	63,500	2,619,542	8,555,552	17,805,484
Balance as at July 01, 2020 (Audited)	3,173,834	3,381,090	11,966	63,500	2,320,855	8,544,621	17,495,866
Profit for the period	-	-	-	-	161,538	-	161,538
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period, net of tax	-	-	-	-	161,538	-	161,538
Revaluation surplus on land realised on account of sale of development properties	-	-	-	-	64,698	(64,698)	-
Conversion of preference shares into ordinary shares	3	3	-	-	-	-	6
Balance as at March 31, 2021 (Unaudited)	3,173,837	3,381,093	11,966	63,500	2,547,091	8,479,923	17,657,409

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

Javedan Corporation Limited  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF CASH FLOWS (UNAUDITED)**  
 FOR THE NINE MONTH ENDED MARCH 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	For the Nine Month Ended	
	March 31, 2021	March 31, 2020
	----- (Rupees in 000) -----	
Profit before taxation	200,698	731,884
<b>Adjustments for non-cash items:</b>		
Depreciation	16,179	15,561
Amortization	862	-
Provision for gratuity	9,634	11,174
Finance costs	79,903	170,928
Mark-up on saving accounts	(10,003)	(7,408)
(Gain) / Loss on disposal of property, plant and equipment	(132)	77
Operating profit before working capital changes	297,141	922,216
<b>Decrease / (Increase) in current assets</b>		
Trade debts	15,471	216,779
Development properties	(50,296)	(834,804)
Loans and advances	27,082	(102,033)
Deposits, prepayments and other receivables	376	(16,672)
	(7,367)	(736,730)
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	(45,985)	(287,544)
Unpaid preference dividend	46	56
Preference shares	(5)	-
Contract Liabilities	(400,433)	1,106,087
	(446,377)	818,599
<b>Cash flows used in operations</b>	(156,603)	1,004,085
<b>Payments for:</b>		
Income tax	(65,132)	(33,486)
Finance costs	(74,272)	(493,720)
Gratuity	(2,383)	(5,536)
Dividend	(205)	339
Long-term deposits	589	(2,488)
Net cash flows used in operations	(298,006)	469,194
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(201,483)	(254,190)
Investment in TDR	-	(37,500)
Sale proceeds from disposal of property, plant and equipment	557	90
Addition to Investment Properties	(31,247)	(1,077)
Mark-up on saving accounts received	10,003	7,408
Net cash flows used in investing activities	(222,170)	(285,270)

  
 Chief Financial Officer

  
 Chief Executive

  
 Director

Javedan Corporation Limited

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTH ENDED MARCH 31, 2021

For the Nine Month Ended

**CASH FLOWS FROM FINANCING ACTIVITIES**

Cost on issuance of bonus shares  
 Proceeds from issuance of shares  
 Increase in capital reserves  
 Long-term financing - net\*  
 Short-term borrowings - net\*  
 Deferred grant

**Net cash generated from financing activities**

**Net increase / (decrease) in cash and cash equivalents**

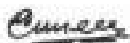
Cash and cash equivalents at beginning of the year

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

March 31, 2021	March 31, 2020
----- (Rupees in 000) -----	
-	(435)
3	-
3	-
1,246,380	125,494
(85,943)	(317,520)
2,009	-
1,162,452	(192,461)
642,276	(8,537)
60,421	56,751
702,697	48,214

\* No non-cash item is included in these activities

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

# Javedan Corporation Limited

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTH ENDED MARCH 31, 2021

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 The group companies comprises of Javedan Corporation Limited (JCL) and its subsidiary NN Maintenance Company (Private) Limited (NNMC) that have been consolidated in these condensed interim consolidated financial information.

### 1.2 Holding Company

#### Javedan Corporation Limited (the holding company)

- 1.2 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.
- 1.3 The Company has ceased its cement business since July 01, 2010 and the management has developed business diversification strategy for utilizing the Company's land for developing a housing scheme, "Naya Nazimabad", that includes bungalows, open plots, flat sites and commercial sites. The Company's layout plan of the project was approved by Lyari Development Authority vide letter number LDA/PP/2010/255 on March 02, 2011 and revised master plan approved vide letter No CTP/LDA/112 dated July 26, 2017 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, revised NOC # SBCA/DD(D-II)/985 & 991/ADV-584/2013 dated Oct 14, 2013 and revised NOC # SBCA/DD(D & C-II)/1430/ADV-921/2017 dated Dec 14, 2017. The Company is also the member of Association of Builders and Developers of Pakistan (ABAD).

### 1.4 Subsidiary company

#### NN Maintenance Company (Private) Limited

The Company was incorporated on November 29, 2019 as a Private Limited Company under Companies Act, 2017. The Company's principle line of business is to provide maintenance management and related services to residents of Naya Nazimabad.

### 2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial information of the Company for the nine months period ended March 31, 2021 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 3. BASIS OF PREPARATION

- 3.1 These condensed interim consolidated financial information are un-audited. These condensed interim consolidated financial information do not include all the information and disclosures required in the annual consolidated financial statements.
- 3.2 The preparation of these condensed interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Javedan Corporation Limited

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTH ENDED MARCH 31, 2021

In preparing these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant and same as those applied to the unconsolidated annual financial statements of the Company as at and for the year ended June 30, 2020. The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated annual financial statements of the Company as at and for the year ended June 30, 2020.

- 3.3** These condensed consolidated interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest rupees, otherwise stated.
- 3.4** These condensed interim financial statements are presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest rupees, otherwise stated.

## 4. SIGNIFICANT ACCOUNTING POLICIES

- 4.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial information are the same as those applied in the preparation of the unconsolidated annual financial statements for the year ended June 30, 2020.

### 4.2. Standards, interpretations and improvements

- IFRS 3: Definition of a Business (Amendments)
- IFRS 9 / IAS 39 / IFRS 7: Prepayment Features with Negative Compensation (Amendments)
- IAS 1/ IAS 8: Definition of Material (Amendments)
- Conceptual Framework for Financial Reporting issued in March 2018

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's condensed interim financial statements.

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
Note	----- (Rupees in 000) -----	

## 5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	4,775,280	4,773,680
Capital work-in-progress	5.4	1,348,697	1,165,417
		<u>6,123,977</u>	<u>5,939,097</u>

### 5.1 Operating fixed assets

Opening net book value		4,773,680	4,773,089
Add: Additions / transfers during the period / year	5.2	18,203	22,274
Less: Disposals during the period / year	5.3	(424)	(167)
Less: Depreciation during the period / year		(16,179)	(21,516)
Closing net book value		<u>4,775,280</u>	<u>4,773,680</u>

### 5.2 Additions during the period / year

Buildings on lease-hold land	4,055	2,126
Buildings on other land	1,742	1,347
Furniture and fixtures	3,187	1,154
Electric Equipment	150	1,225
Computer equipment	3,091	4,936
Office equipment	5,815	12,581
Vehicles	56	130
Other assets	108	-
	<u>18,203</u>	<u>22,274</u>

Javedan Corporation Limited

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTH ENDED MARCH 31, 2021

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in 000) -----	
<b>5.3 Disposals during the period / year at book value</b>			
Office equipment		52	28
Computer equipment		-	139
Motor Vehicle - Owned		372	-
		<u>424</u>	<u>167</u>

## 5.4 Capital work-in-progress

Opening		1,165,417	691,241
Additions	5.4.1	183,280	474,176
Closing	5.4.2	<u>1,348,697</u>	<u>1,165,417</u>

**5.4.1** Includes borrowing costs amounting to Rs. 57.096 million (June 30, 2020: Rs. 98.304 million).

**5.4.2** Represents expenditures incurred in respect of gymkhana (club house), jamia masjid, football stadium and cricket ground.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in 000) -----	

## 6. INVESTMENT PROPERTIES

The movement in investment properties during the period is as follows:

Opening balance		567,664	55,000
Additions during the period / year	6.2	136,180	465,077
Disposal during the period / year	6.3	(104,933)	-
Remeasurement gain during the period / year		-	47,587
Closing balance	6.1	<u>598,911</u>	<u>567,664</u>

**6.1** An independent valuation was carried out by the management through an independent professional valuer as of June 30, 2020. As of reporting date, the management expects no material change in the aforementioned fair value of investment properties and accordingly no adjustment has been incorporated in these condensed interim financial statements.

**6.2** This represents property acquired at Deh manghopir that had a carrying value of Rs. 136 million. It has been decided by the Company to hold said property for earning rentals and not for sale in the ordinary course of business.

**6.3** During the period the company has disposed off the parcel of land to the third party.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		----- (Rupees in 000) -----	

## 7. DEFERRED TAXATION

### Deferred tax on deductible temporary differences

Provisions	(13,668)	(10,517)
Tax losses	(28,822)	(11,262)
Minimum tax	(1,546)	(595)
Unabsorbed tax depreciation	(119)	-
	<u>(44,155)</u>	<u>(22,374)</u>

### Deferred tax on taxable temporary differences

Accelerated depreciation on property, plant and equipment	10,718	8,240
Investment properties	13,800	18,066
Deferred grant	4,295	3,790
	<u>28,813</u>	<u>30,096</u>

Tax benefits available by Parent Company	11,194	-
--	--------	---

<b>Deferred tax (Asset) / Liability</b>	<u>(4,148)</u>	<u>7,722</u>
---	----------------	--------------

Javedan Corporation Limited  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)**  
FOR THE NINE MONTH ENDED MARCH 31, 2021

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	----- (Rupees in 000) -----	
<b>8. DEVELOPMENT PROPERTIES</b>	<b>Note</b>	
<b>Land</b>		
Opening balance	14,980,418	14,962,418
Add: Additions during the period / year	-	18,000
	<u>14,980,418</u>	<u>14,980,418</u>
<b>Development expenditure incurred</b>		
Opening balance	9,915,362	8,658,619
Add: Incurred during the period / year	463,709	1,256,743
	<u>10,379,071</u>	<u>9,915,362</u>
<b>Borrowing costs related to development properties</b>		
Opening balance	2,316,625	1,848,597
Add: Capitalised during the period / year	277,999	468,028
	<u>2,594,624</u>	<u>2,316,625</u>
	<u>27,954,113</u>	<u>27,212,405</u>
<b>Transferred to:</b>		
- property, plant and equipment	(68,545)	(68,545)
- investment properties	(40,291)	(40,291)
- cost of sales to date	(5,726,903)	(5,566,323)
- development charges incurred and apportioned to date	(3,708,148)	(3,177,314)
	<u>18,410,226</u>	<u>18,359,932</u>

**9. TRADE AND OTHER PAYABLES**

9.1. Incuded herein Rs. 2.613 million, Rs. 3.720 million, Rs. 2.977 million, Rs. nil, Rs. nil and Rs. 2.932 million (June 30, 2020: Rs. 3.847 million, Rs. 0.589 million, Rs. 2.977 million, Rs. 1.631 million, Rs. 0.101 million and Rs. 2.933 million) on account of amounts payable to Power Cement Limited, Safe Mix Concrete Limited, Arif Habib Dolmen REIT Management Limited, Arif Habib Limited, Rotocast Engineering Co. (Pvt.) Ltd. and Faisal Anees Bilwani [related parties], respectively.

**10. CONTRACT LIABILITIES**

10.1 Incuded herein Rs. 316.468 million, Rs. 708.212 million, Rs. Nil, Rs. Nil, Rs. Nil and Rs. 89.85 million (June 30, 2020: Rs. 429.892 million, Rs. 925.095 million, Rs. 183.117 million, Rs. nil, Rs. 165.163 million and Rs.75 million) on account of advances received against apartments and plots from Haji Abdul Ghani, Arif Habib Equity (Private) Limited, Arif Habib, Arif Habib Limited, Go Real Estate and Nida Ahsan respectively.

**11. CONTINGENCIES AND COMMITMENTS**

**11.1 Tax related contingencies (existing business)**

- a) Returns of income for tax years 2008 to 2010, 2012 and 2014 were filed under Section 114 of the Income Tax Ordinance, 2001 (the Ordinance) which were deemed to be consider as assessment orders issued by the Commissioner Inland Revenue under Section 120 of the Ordinance. The deemed assessment orders were amended by the taxation authorities under Section 122 of the Ordinance by creating a demand of Rs. 39.791 million, Rs. 80.257 million, Rs. 194.035 million, Rs. 1,003.447 million and Rs. 533.742 million respectively, on account of various matters including disallowances for certain expenses. Being aggrieved, the Company had filed appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] and was allowed partial relief for tax years 2008 to 2010, 2012 and 2014 aggregating to Rs.1,368.895 million. The Company later filed appeal before Appellate Tribunal Inland Revenue (ATIR) which are pending adjudication. However, in year 2019, an appeal effect order was issued for the tax year 2012 whereby, a demand of Rs. 6.64 million has been created and paid by the Company under protest. The Company, based on the opinion of its tax advisor, is confident that there will be no unfavourable outcome in above appeals. Accordingly, no provisions were made in these condensed interim financial statements.

Javedan Corporation Limited

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTH ENDED MARCH 31, 2021

- b) In year 2017, taxation authorities issued an assessment order in respect of tax year 2011 and made certain disallowances and additions resulting in a reduction in loss for the year from Rs. 1,497.06 million to Rs. 147.48 million. Being aggrieved, the Company filed appeals against these order before CIR. The Company, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Company. Accordingly, no provisions were made in these condensed interim financial statements.
- c) In year 2018, the deemed assessment orders for the tax years 2013 and 2017 were amended by the taxation authorities creating a demand of Rs. 220.22 million and Rs. 486.162 million, respectively. The Company later filed appeal before CIR(A), which was disposed off during the year ended June 30, 2019 and the demand was enhanced from Rs. 220.22 million to Rs. 324.58 million for tax year 2013. Being aggrieved, the Company filed appeal before ATIR, which were adjudicated in favor of the Company in the year 2019 except for immaterial assessments. The Company, based on the opinion of its tax advisor, is confident of the favourable outcome. Accordingly, no provision has been made in these condensed interim financial statements.
- d) Alternate Corporate Tax (ACT) was applicable on the Company at rate of 17% of accounting income after certain adjustments as mentioned in section 113(c) of the Income Tax Ordinance, 2001 through Finance Act 2014. Accordingly, the Company had made a provision for ACT for the year ended June 30, 2014 but obtained stay order from the Honourable High Court of Sindh (SHC) against applicability of ACT since tax year 2015 based on the grounds of brought forward losses. Later, the Company had reversed provision previously created of Rs. 131.273 million relating to prior year. Accordingly, the tax provision based on ACT having an aggregated impact of Rs. 761.07 million has not been accounted for in these condensed interim financial statements, instead the Company continues to record the tax provision based on minimum tax under section 113 of the Income Tax Ordinance, 2001 upto tax year 2018. In year 2019, the Company had adjusted its brought forward losses against taxable income and accordingly, current period and last year provisions are based on higher of Corporate Tax or ACT.
- In year 2019, the Company had received demand notice from Deputy Commissioner Inland Revenue (DCIR) of Rs. 187.098 million in respect of a non-payment of Alternate Corporate Tax (ACT) for the tax year 2018. The Company had challenged the applicability of Alternative Corporate Tax vide C.P D-2982 of 2019 before SHC. In this regard, an interim order has been granted by SHC that no coercive action is to be taken against the Company till the pendency of the matter before SHC.
- e) The Company has filed constitutional petition before the Honorable High Court of Sindh (SHC) vide Constitutional Petition No. 2564 of 2014 dated May 15, 2014 challenging vires of Workers Welfare Ordinance, 1971. SHC has admitted constitutional petition for regular hearing and issued interim stay order from recovery of Workers' Welfare Fund (WWF) impugned demand by Federal Board of Revenue for the tax year 2013. The management, based on the opinion of the tax advisor, is expecting favourable outcome on the said matter. Accordingly, no liability for WWF since tax years 2014 to 2021 has been accounted for in these condensed interim financial statements having an aggregate impact of Rs.117.001 million (June 30, 2020: Rs. 113.549 million).
- f) The Company has filed a constitutional petition D-4971 of 2017 dated July 28, 2017 in Honorable High Court of Sindh (SHC) against imposition of tax on undistributed profits under Section 5A of Income Tax Ordinance, 2001. The management is confident of the favourable outcome of this petition, as stay has been granted on similar petitions filed by other companies. Although, the Company has complied with the requirements related to distribution of profits for the years but the petition in this regarding is still pending before SHC.

## 11.2 Legal contingencies (existing business)

- 11.2.1 The Company has filed a constitutional petition No D-953 of 2020 before Honorable High Court of Sindh (SHC) in respect of notice issued by Office of the Assistant Commissioner (AC) Manghopir, District West Karachi under Section 22 of Sindh Land Revenue Act, 1967 dated December 18, 2019 whereby AC has called the Company to appear before Collector / Deputy Commissioner (DC) West Karachi along with title documents, survey, layout plan, etc. Thereafter, another letter No. DC(W)/341/2020 dated 27 January 2020 addressed to Director General Sindh Building Control Authority (DG-SBCA) was issued by the office of DC West Karachi, wherein DG SBCA was directed to suspend all layout plans approved earlier until further instructions. Later, SHC in its order dated February 11, 2020 had suspended the aforementioned notice and the letter and has restrained the respondents from any coercive and adverse action against the Company till the next date of hearing.

Javedan Corporation Limited

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTH ENDED MARCH 31, 2021

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

## 11.3 Other contingencies and commitments

There are no major changes in the status and nature of other contingencies (i.e. related to legal/other contingencies relating to existing business and former business) and commitments as disclosed in notes 29.1.1(c), 29.1.2, 29.1.3 and 29.2, respectively to the annual audited financial statements of the Company for the year ended June 30, 2020.

## 12. TAXATION

	Nine Month ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	------(Rupees in '000)-----			
Current	62,224	201,913	21,456	42,638
Deferred	(23,064)	8,465	(7,760)	11
	<u>39,160</u>	<u>210,378</u>	<u>13,696</u>	<u>42,649</u>

## 13. EARNINGS PER SHARE

### Basic

Profit after tax (Rupees in '000)	<u>161,538</u>	<u>521,506</u>	<u>48,187</u>	<u>111,083</u>
Weighted average number of ordinary shares	<u>316,225,198</u>	<u>317,383,396</u>	<u>316,225,198</u>	<u>317,383,396</u>
Earnings per share - (In Rupees)	<u>0.51</u>	<u>1.64</u>	<u>0.15</u>	<u>0.35</u>

### Diluted

Profit after tax (Rupees in '000)	<u>161,538</u>	<u>521,506</u>	<u>48,187</u>	<u>111,083</u>
Weighted average number of ordinary shares in issue	<u>316,225,198</u>	<u>317,383,396</u>	<u>316,225,198</u>	<u>317,383,396</u>
Adjustment for conversion of convertible preference shares	<u>30,285</u>	<u>43,804</u>	<u>30,285</u>	<u>43,804</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>316,255,483</u>	<u>317,427,200</u>	<u>316,255,483</u>	<u>317,427,200</u>
Earnings per share - (In Rupees)	<u>0.51</u>	<u>1.64</u>	<u>0.15</u>	<u>0.35</u>

# Javedan Corporation Limited

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTH ENDED MARCH 31, 2021

### 14. TRANSACTIONS WITH RELATED PARTIES

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

	March 31, 2021	March 31, 2020
	----- (Unaudited) -----	----- (Unaudited) -----
	----- (Rupees in 000) -----	----- (Rupees in 000) -----
<b>Associates</b>		
<b>Arif Habib Corporation Limited</b>		
Short-term borrowing obtained during the period / year	200,000	73,000
Short-term borrowing repaid during the period / year	200,000	83,067
Advance received against future purchase of commercial apartments	-	153,868
Mark-up expense on short term borrowing	1,246	2,397
Mark-up paid during the period / year	1,246	41,192
Dividend paid	-	-
<b>Arif Habib Equity (Private) Limited</b>		
Repurchase of commercial land	-	-
Paid against the repurchase of commercial land	-	249,785
Mark-up expense on short term-borrowing	-	27,613
Mark-up paid during the period / year	-	27,613
Advance received against future purchase of commercial apartments	-	381,107
Dividend paid	-	-
<b>Power Cement Limited</b>		
Purchase of construction material	9,138	38,811
Paid against the purchase of construction material	10,371	46,066
<b>Safe Mix Concrete Limited</b>		
Purchase of construction material	13,931	19,813
Paid against the purchase of construction material	10,799	21,843
<b>Haji Abdul Ghani - Associated person</b>		
Advance received against future purchase of commercial apartments	-	110,000
Sale of plots	10,755	33,971
Receipt against sale of plots	10,755	33,158
Development charges received	4,860	-
Short-term loans received during the period	-	150,000
Mark-up expense on short term-borrowing	-	756
Adjustment of short-term borrowing against the advance against plots	-	150,000
Advance received against plots	-	120,000
<b>Rotocast Engineering Co. (Pvt.) Ltd.</b>		
Services received during the period	1,251	-
Paid against services received	1,230	-
Short-term loans received during the period	-	525,000
Short-term loans paid during the period	-	525,000
Rent prepaid during the period	1,098	549
Rent expense charged during the period	1,098	549
Mark-up expense on short term-borrowing	-	28,230
Mark-up paid during the period / year	-	28,230
<b>Go Real Estate</b>		
Sale of plots	225,982	-
Receipt against sale of plots	225,982	-
Development charges received	43,740	8,820

Javedan Corporation Limited  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED  
 FINANCIAL INFORMATION (UNAUDITED)**  
 FOR THE NINE MONTH ENDED MARCH 31, 2021

**Key management personnel**

**Arif Habib - Director**

Sale of plots and bungalows	-	576
Receipt against sale of plots	-	576
Short-term loans received during the period	-	425,000
Short-term loans paid during the period	-	425,000
Mark-up expense on short term-borrowing	-	7,018

**Faisal Anees Bilwani**

Consultancy services rendered during the period	2,811	5,268
Paid against consultancy services rendered	2,811	6,243

**Close family member**

**Nida Ahsan**

Sale of Plots	60,148	-
Receipt against sale of plots	60,148	-
Advance received against plots	89,852	-

**Post employment benefit plan**

Gratuity fund trust - contribution paid during the period / year	1,954	5,537
--	-------	-------

**15. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial statements were authorised for issue on April 23, 2021 by the Board of Directors of the Company.

**16. GENERAL**

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

**16.2** Figures have been rounded-off to the nearest thousands rupees, unless otherwise stated.

  
 Chief Financial Officer

  
 Chief Executive

  
 Director





**SITE OFFICE:**

Naya Nazimabad Manghopir Road  
Karachi – 75890



Call  
US:

UAN: 111-511-611

Tel: +92 21 36770141-42

**REGISTERED OFFICE**

Arif Habib Center 23, M T Khan Road  
Karachi – 74000 PAKISTAN



Email  
US:

Email: [info@jcl.com.pk](mailto:info@jcl.com.pk)

Website: [www.jcl.com.pk](http://www.jcl.com.pk)