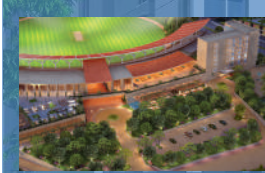


Building a Prosperous Future

JAVEDAN
CORPORATION LIMITED

HALF YEARLY REPORT
31 DECEMBER 2019





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Company Information

Board of Directors

Arif Habib
Samad A. Habib
Abdul Qadir Sultan
Alamgir A. Sheikh
Muhammad Ejaz
Saeed Ahmad
Darakshan Zohaib
Muhammed Siddique Khokhar
Faisal Anees Bilwani

Chairman
Chief Executive
Director
Director
Director
Director
Director
Director
Director

Chief Financial Officer & Company Secretary

Muneer Gader

Audit Committee

Abdul Qadir Sultan
Alamgir A. Sheikh
Muhammad Ejaz
Owais Ahmed

Chairman
Member
Member
Secretary

HR & Remuneration Committee

Saeed Ahmad
Arif Habib
Muhammad Ejaz
Samad A. Habib

Chairman
Member
Member
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

Registered Office

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

Site Office:

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

Share Registrar

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

Directors' Review Report

Dear Shareholders,

The Directors of Javedan Corporation Limited (JCL) present herewith the Director's Review Report of the Company together with the Condensed Interim consolidated and unconsolidated Interim Financial Information for the half year ended 31 December 2019.

The Financial and Operational Performance of your Company during the period has remained steady and the company continued to enhance value to life at Naya Nazimabad.

During the period under review, the Company recorded a sale of PKR 1,053.19 million as compared to PKR 824.04 million in the corresponding period. The Cost of sales for the period was PKR 149.76 million as compared PKR 508.89 million in the corresponding period. The cost of sale has decreased significantly over the period as during the current period revenue is mainly derived through sale of plots which considerably has higher gross profit margin as compared to bungalows. The profit after tax for the period is PKR 410.42 million as compared to PKR 123.36 million and this translated to an earnings per share of Re. 1.29 as compared to Re 0.39 in the corresponding period. The increase in gross profit margin has been marginally off set due to increase in admin and other expenses amounting to PKR 173.62 million as compared to corresponding period.

Following is the comparative summary of financial results:

Particulars	31 December 2019	31 December 2018
	-----Rupees in Thousands-----	
Net sales	1,053,190	824,042
Cost of sales	(149,764)	(508,890)
Gross Profit	903,427	315,152
Profit before Taxation	578,151	157,469
Taxation	(167,729)	(34,111)
Profit after taxation	410,422	123,358
EPS - Basic (in rupees)	1.29	0.39
EPS - Diluted (in rupees)	1.29	0.39

The profit or loss for the period on unconsolidated and consolidated basis has remained same as the subsidiary Company NN Maintenance Company (Private) Limited has not commenced its operation as of the reporting date.

Development Performance

During the period the work on value enhancing projects including club house (Naya Nazimabad Gymkhana), Jama Mosque, Medical Center and 3rd school are progressing satisfactorily and all the projects are expected to be completed within this calendar year. Further development work on Block M is also ongoing. New members continued to join Naya Nazimabad. The infrastructure development is progressing well. Installation of individual KE meter are at advance stage whereas approval of gas connection is in hand. ICT work is also expected to commence soon. Planning and design work on the flyover has been completed and we expect to see the tender and ground breaking of the project in the next half of the financial year. The overall progress on the development projects has been satisfactory.

Naya Nazimabad is now poised to launch new phase of its projects. Planning for the launch has almost been completed. The new phase would bring thoughtfully designed apartments and commercial arcade to the market. These developments would not only populate the community but would also improve the cohesion and warmth of the habitat.

With reference to several letters purportedly issued by DC West to different government agencies and banks which were being circulated on social media and select channels. All allegations averted in these letters are vehemently denied by the management and board of directors. Naya Nazimabad is a fast evolving and cohesive community within Karachi for the progressive middle class and currently 6,000 units are owned by general public.

Ownership title of Naya Nazimabad land is absolute lawful clean and clear and in name of your company and has been in its possession since its nationalization through Economic Reforms Order of 1972.


All activities undertaken by the Company including hill cutting, land levelling, infrastructure development, construction, sale and transfer bear perfect requisite approvals by the Board of Revenue (BOR), Lyari Development Authority (LDA) and Sindh Building Control Authority (SBCA).

The management is pursuing the matter legally and has obtained a stay order from Sindh High Court (SHC) and SHC has directed that no coercive or adverse action be taken against the Company. The management and the board is confident that the said notice and letter will be declared void and the matter shall be decided in favor of the Company. Currently the Company has no exposure in this regard.

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



Samad A. Habib
Chief Executive



Arif Habib
Chairman

Dated: February 26, 2020

Independent Auditors' Review Report

To the members of Javedan Corporation Limited Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Javedan Corporation Limited as at 31 December 2019 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the three months ended 31 December 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 14.1 to the condensed interim financial statements which describes the tax related contingencies and their impact on the Company. Our conclusion is not modified in respect of this matter.

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



EY Ford Rhodes
Chartered Accountants

Karachi
Date: 28 February 2020



Reanda Haroon Zakaria & Company
Chartered Accountants

**CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED
DECEMBER 31, 2019**

Condensed Interim Unconsolidated Statement of Financial Position
As At December 31, 2019

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	5,548,490	5,343,609
Investment properties	6	56,077	55,000
Long-term investment	7	10,000	-
Long-term deposits		10,756	8,268
Deferred tax assets - net	8	9,537	17,991
		<u>5,634,860</u>	<u>5,424,868</u>
CURRENT ASSETS			
Development properties	9	18,917,500	18,036,047
Trade debts	10	603,040	789,495
Loans and advances		997,186	954,336
Deposits, prepayments and other receivables		31,473	21,577
Cash and bank balances	11	496,064	56,751
		<u>21,045,263</u>	<u>19,858,206</u>
		<u>26,680,123</u>	<u>25,283,074</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
<i>Authorised</i>			
390,000,000 (2019: 390,000,000) ordinary shares of Rs.10/- each		<u>3,900,000</u>	<u>3,900,000</u>
Issued, subscribed and paid-up capital		3,173,834	2,885,304
Capital reserves		3,393,056	3,393,056
Revenue reserves		2,542,315	2,330,440
Revaluation surplus on free-hold land		8,585,195	8,675,613
		<u>17,694,400</u>	<u>17,284,413</u>
NON-CURRENT LIABILITIES			
Long-term financing		3,595,591	3,563,112
Deferred liability - gratuity		37,847	33,804
		<u>3,633,438</u>	<u>3,596,916</u>
CURRENT LIABILITIES			
Trade and other payables	12	300,847	520,909
Preference shares		510	510
Accrued mark-up		165,467	171,565
Contract liabilities	13	2,816,789	1,840,634
Short-term borrowings		1,466,113	1,485,603
Current maturity of non-current liabilities		437,500	345,417
Taxation - net		160,514	32,564
Unpaid preference dividend		92	60
Unclaimed dividend		4,453	4,483
		<u>5,352,285</u>	<u>4,401,745</u>
CONTINGENCIES AND COMMITMENTS			
	14		
TOTAL EQUITY AND LIABILITIES			
		<u>26,680,123</u>	<u>25,283,074</u>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)
For The Half Year and Quarter Ended December 31, 2019

		For the Half Year Ended		For the Quarter Ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Note	(Rupees in '000)			
Sales - net	15	1,053,191	824,042	617,192	420,599
Cost of sales	16	(149,764)	(508,890)	(87,294)	(311,950)
Gross profit		903,427	315,152	529,898	108,649
Marketing and selling expenses		(21,801)	(19,949)	(10,259)	(7,158)
Administrative expenses	17	(221,285)	(150,751)	(112,727)	(80,059)
Finance costs	18	(123,900)	(22,668)	(113,874)	(11,425)
Other income		41,710	35,685	23,355	20,992
Profit before taxation		578,151	157,469	316,393	30,999
Taxation	19	(167,729)	(34,111)	(91,683)	(1,410)
Profit for the period		410,422	123,358	224,710	29,589
		(Rupees in '000)			
Earnings per share		(Restated)		(Restated)	
Basic	20	1.29	0.39	0.71	0.09
Diluted	20	1.29	0.39	0.71	0.09

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chief Financial Officer

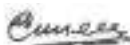

Chief Executive


Director

Condensed Interim Unconsolidated Statement of Other Comprehensive Income (Unaudited)
For The Half Year and Quarter Ended December 31, 2019

	For the Half Year Ended		For the Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees in '000)			
Profit for the period	410,422	123,358	224,710	29,589
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income for the period - net of tax	410,422	123,358	224,710	29,589

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Unconsolidated Statement of Changes In Equity (Unaudited) For The Half Year Ended December 31, 2019

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Surplus on revaluation of freehold land	Total Equity
		Share premium	Tax holiday reserve	General	Un-ap- propriated profit		
	(Rupees in '000)						
Balance as at July 01, 2018 (Audited)	2,671,254	3,380,604	11,966	63,500	1,905,300	5,802,648	13,835,272
Profit for the period	-	-	-	-	123,358	-	123,358
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period, net of tax	-	-	-	-	123,358	-	123,358
Revaluation surplus on freehold land realised on account of sale of development properties	-	-	-	-	74,467	(74,467)	-
Issuance of 8% bonus shares for the year ended June 30, 2018	213,726	-	-	-	(213,726)	-	-
Cost on issuance of bonus shares	-	-	-	-	(322)	-	(322)
Final dividend @ 7% on ordinary shares for the year ended June 30, 2018	-	-	-	-	(187,010)	-	(187,010)
Conversion of preference shares into ordinary shares	322	483	-	-	-	-	805
Balance as at December 31, 2018 (Unaudited)	2,885,302	3,381,087	11,966	63,500	1,702,067	5,728,181	13,772,103
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	-	-	-	-	410,422	-	410,422
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period, net of tax	-	-	-	-	410,422	-	410,422
Revaluation surplus on freehold land realised on account of sale of development properties	-	-	-	-	90,418	(90,418)	-
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 December 31, 2019 (Unaudited)	3,173,834	3,381,090	11,966	63,500	2,478,815	8,585,195	17,694,400

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)
For The Half Year Ended December 31, 2019

	For the Half Year Ended	
	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	578,151	157,469
Adjustments for non-cash items:		
Depreciation	10,019	6,131
Provision for gratuity	7,450	5,216
Finance costs	123,900	22,668
Mark-up on saving accounts	(2,661)	(608)
Gain on disposal of property, plant and equipment	-	(167)
Operating profit before working capital changes	716,859	190,709
(Increase) / decrease in current assets		
Development properties	(591,277)	(642,322)
Trade debts	186,455	256,129
Loans and advances	(42,850)	(8,853)
Deposits, prepayments and other receivables	(9,896)	(9,424)
	(457,568)	(404,470)
Increase / (decrease) in current liabilities		
Trade and other payables	(220,062)	(1,476,261)
Contract liabilities	976,155	414,058
	756,093	(1,062,203)
Cash generated from / (used in) operations	1,015,384	(1,275,964)
Payments for:		
Income tax	(31,326)	(10,916)
Finance costs	(420,174)	(171,883)
Gratuity	(3,407)	(770)
Long-term deposits	(2,488)	(445)
Net cash generated from / (used in) operations	557,988	(1,459,978)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(215,067)	(147,546)
Sale proceeds from disposal of property, plant and equipment	167	447
Mark-up on deposit accounts received	2,661	608
Long-term investment	(10,000)	-
Additions to investment properties	(1,077)	-
Net cash used in investing activities	(223,316)	(146,491)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cost on issuance of bonus shares	(435)	(322)
Dividend paid	(28)	(180,463)
Unpaid preference dividend	32	-
Long-term financing - net	124,562	2,750,410
Liabilities against assets subject to finance lease - net	-	(388)
Short-term borrowings - net	(19,490)	(985,995)
Net cash generated from financing activities	104,641	1,583,242
Net increase / (decrease) in cash and cash equivalents	439,313	(23,227)
Cash and cash equivalents at beginning of the period	56,751	106,428
Cash and cash equivalents at end of the period	496,064	83,201

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

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

1. STATUS AND NATURE OF BUSINESS

- 1.1** Javedan Corporation Limited (the Company) was incorporated in Pakistan on June 08, 1961, as a public limited company under the repealed Companies Act, 1913 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is located at Arif Habib Centre, 23, M.T Khan Road, Karachi.
- 1.2** The Company has ceased its cement business since July 01, 2010 and the management has developed business diversification strategy for utilizing the Company's land for developing a housing scheme, "Naya Nazimabad", which will include bungalows, open plots, flat sites and commercial sites. The Company's layout plan of the project was approved by Lyari Development Authority vide letter number LDA/PP/2010/255 on March 02, 2011 and revised master plan approved vide letter No CTP/LDA/112 and has obtained No Objection Certificate from Sindh Building Control Authority having NOC # SBCA/D.D(D-II)/985/ADV-503/2011 on November 12, 2011 and revised NOC # SBCA/DD(D-II)/985 & 991/ADV-584/2013. The Company is also the member of Association of Builders and Developers of Pakistan (ABAD).
- 1.3** These 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** During the period, the Company has issued 28.853 million ordinary bonus shares having face value of Rs. 10 each amounting to Rs. 288.530 million.

2. STATEMENT OF COMPLIANCE

These condensed interim financial information of the Company for the half year ended December 31, 2019 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 financial information are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017. These condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2019.
- 3.2** The figures of the condensed interim statement of profit or loss and statement of other comprehensive income for the quarter ended December 31, 2019 and December 31, 2018 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2019 and December 31, 2018.

Notes To The Condensed Interim Unconsolidated Financial Information (Unaudited) For The Half Year Ended December 31, 2019

- 3.3** The preparation of these condensed interim financial information 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.

In preparing these condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the annual financial statements of the Company as at and for the year ended June 30, 2019. The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2019.

- 3.4** These condensed 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.

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, 2019, except for the accounting policy of investment in subsidiary and adoption of the new / amended standards, interpretations and improvements to IFRS by the Company, which became effective for the current period.

4.1 Investment in subsidiary

Investment in subsidiary is initially recognised at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Such impairment losses or reversal of impairment losses are recognised in the statement of profit or loss.

4.2 Standards, interpretations and improvements

IFRS 16	Leases
IFRS 9	Prepayment features with negative compensation (Amendments)
IAS 19	Plan amendment, curtailment or settlement (Amendments)
IAS 28	Long term interests in associates and joint ventures (Amendments)
IFRIC 23	Uncertainty over income tax treatments

Improvements to accounting standards issued by IASB in December 2017

IFRS 3	Business combinations – Previously held interests in a joint operation
IFRS 11	Joint arrangements – Previously held interests in a joint operation
IAS 12	Income taxes – Income tax consequences of payments on financial instruments classified as equity
IAS 23	Borrowing costs – Borrowing costs eligible for capitalization

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on these condensed interim unconsolidated financial information.

Notes To The Condensed Interim Unconsolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

	Note	December 31, 2019 (Unaudited) — Rupees in '000 —	June 30, 2019 (Audited)
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	4,772,397	4,773,088
Capital work-in-progress	5.4	776,093	570,521
		<u>5,548,490</u>	<u>5,343,609</u>
5.1 Operating fixed assets			
Opening net book value		4,773,088	1,585,188
Add: Additions / transfers during the period / year	5.2	9,495	3,202,552
Less: Disposals during the period / year	5.3	(167)	(1,185)
Less: Depreciation during the period / year		(10,019)	(13,467)
Closing net book value		<u>4,772,397</u>	<u>4,773,088</u>
5.2 Additions during the period / year			
Land		-	3,074,718
Other land		-	50,918
Buildings on other land		-	62,036
Furniture and fixtures		852	1,303
Computer equipment		3,480	3,934
Office equipment		5,033	5,345
Vehicles		130	4,298
		<u>9,495</u>	<u>3,202,552</u>
5.3 Disposals during the period / year at book value			
Office equipment		167	116
Computer equipment		-	20
Vehicles		-	1,049
		<u>167</u>	<u>1,185</u>
5.4 Capital work-in-progress			
Opening		570,521	250,319
Additions		205,572	320,202
Closing	5.4.1	<u>776,093</u>	<u>570,521</u>

5.4.1 Represents expenditures incurred / advances made in respect of club house and Jama Masjid.

Notes To The Condensed Interim Unconsolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

	Note	December 31, 2019 (Unaudited) — Rupees in '000 —	June 30, 2019 (Audited)
6. INVESTMENT PROPERTIES			
The movement in investment properties during the period is as follows:			
Opening balance		55,000	-
Additions during the period / year		1,077	-
Transferred from development properties during the period / year		-	40,291
Remeasurement gain during the period / year		-	14,709
Closing balance	6.1	<u>56,077</u>	<u>55,000</u>

- 6.1** Investment properties comprise of a banquet hall having area of 2,200 sq. yards situated at D-24, Deh Manghopir, Karachi. An independent valuation was carried out by the management through an independent professional valuer on June 30, 2019 and the fair value of Rs. 55 million was determined with reference to market based evidence, active market prices and relevant information. Accordingly, the fair value adjustment of Rs. 14.71 million is recognised in the statement of profit or loss as of June 30, 2019. The fair value of investment property falls under level 2 of fair value hierarchy (i.e. significant observable inputs). During the period, there has been no change in the fair value hierarchy from level 2 to level 1 and level 3. As of December 31, 2019, the management expects no material change in the aforementioned fair value of investment property and accordingly no adjustments have been incorporated in these condensed interim financial statements.

	Note	December 31, 2019 (Unaudited) — Rupees in '000 —	June 30, 2019 (Audited)
7. LONG-TERM INVESTMENT			
Investment in subsidiary - at cost	7.1	<u>10,000</u>	<u>-</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 subsidiary company was established to provide maintenance, security and other services for the Company's Naya Nazimabad Project. As of reporting date, the subsidiary company has yet not started its operational activities.

	Note	December 31, 2019 (Unaudited) — Rupees in '000 —	June 30, 2019 (Audited)
8. DEFERRED TAX ASSETS - NET			
Deferred tax on deductible temporary differences			
Provisions		16,887	25,269
Deferred tax on taxable temporary differences			
Accelerated depreciation on property, plant and equipment		<u>(7,350)</u>	<u>(7,278)</u>
		<u>9,537</u>	<u>17,991</u>

Notes To The Condensed Interim Unconsolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

	Note	December 31, 2019 (Unaudited) ----- Rupees in '000 -----	June 30, 2019 (Audited)
9. DEVELOPMENT PROPERTIES			
Land			
Opening balance		15,140,978	14,653,144
Add: Additions during the period / year		-	487,834
		<u>15,140,978</u>	<u>15,140,978</u>
Development expenditure incurred			
Opening balance		8,480,059	6,621,621
Add: Incurred during the period / year		902,349	1,858,438
		<u>9,382,408</u>	<u>8,480,059</u>
Borrowing costs related to development properties			
Opening balance		1,969,317	1,387,153
Add: Capitalised during the period / year		290,176	582,164
		<u>2,259,493</u>	<u>1,969,317</u>
		<u>26,782,879</u>	<u>25,590,354</u>
Transferred to:			
- property, plant and equipment		(68,545)	(68,545)
- investment properties		(40,291)	(40,291)
- cost of sales to date	16	(5,007,450)	(4,857,686)
- development charges incurred and apportioned to date		(2,749,093)	(2,587,785)
		<u>18,917,500</u>	<u>18,036,047</u>

10. TRADE DEBTS

Included herein amount receivables from Arif Habib, Haji Abdul Ghani, Nida Ahsan, Abdul Qadir, Nooriabad Spinning Mills (Pvt.) Limited, and Arif Habib Limited (related parties) amounting to Rs. 1.196 million, Rs. 11.221 million, Rs. Nil, Rs. 2.233 million, Rs. 0.012 million, and Rs. 1.439 million (June 30, 2019: Rs. 13.185 million, Rs. 10.108 million, Rs. 0.123 million, Rs. 2.233 million, Rs. 0.349 million, and Rs. 1.328 million) respectively.

	Note	December 31, 2019 (Unaudited) ----- Rupees in '000 -----	June 30, 2019 (Audited)
11. CASH AND BANK BALANCES			
Cash in hand		3,100	6,929
Cheques in hand		25,000	19,198
Pay orders in hand		32,500	-
Cash at banks in:			
- current accounts		5,526	3,945
- deposit accounts	11.1	392,438	26,679
		<u>397,964</u>	<u>30,624</u>
Term deposit receipt	11.2	37,500	-
		<u>496,064</u>	<u>56,751</u>

- 11.1. These carry markup at the rate ranging between 11% to 13% per annum (June 30, 2019: 7% to 10% per annum).
- 11.2. The term deposit receipt carries mark-up at the rate of 13.55% per annum (June 30, 2019: Nil) maturing latest by March 30, 2020.

12. TRADE AND OTHER PAYABLES

- 12.1. During the period, the Company has repaid Rs. 249.785 million to Arif Habib Equity (Private) Limited on account of amount payable for repurchase of land.
- 12.2. Incurred herein Rs. 5.868 million, Rs. 1.243 million, Rs. Nil, and Rs. 0.139 million (June 30, 2019: Rs. 8.288 million, Rs. 3.274 million, Rs. 2.977 million, and Rs. 1.114 million) payable to Power Cement Limited, Safe Mix Concrete Limited, Arif Habib Dolmen REIT Management Limited, and Faisal Bilwary Associates (related parties) respectively.

13. CONTRACT LIABILITIES

Incurred herein Rs. 579.892 million, Rs. 741.207 million, and Rs. 153.868 million (June 30, 2019: Rs. 199.892 million, Rs. 360.1 million, and Rs. Nil) payable to Haji Abdul Ghani, Arif Habib Equity (Private) Limited, and Arif Habib Coporation Limited respectively.

14. CONTINGENCIES AND COMMITMENTS

14.1 Tax related contingencies

- 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 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, during the year ended June 30, 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.

- 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 has reversed provision previously created of Rs. 131.273 million relating to prior year. Accordingly, the tax provision based on ACT having an aggregated impact of Rs. 761.07 million has not been accounted for in these 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. During the year ended June 30, 2019, the Company has adjusted its brought forward losses against taxable income and accordingly, current year provision for that year was based on higher of Corporate Tax or ACT.

During the year ended June 30, 2019, the Company has received demand notice from Deputy Commissioner Inland Revenue (DCIR) of Rs. 187.098 million in respect of a non-payment of Alternate Corporate Tax (ACT) for the tax year 2018. The Company has challenged the applicability of Alternative Corporate Tax vide C.P D-2982 of 2019 before SHC. In this regard, an interim order has been granted by SHC that no 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 2020 has been accounted for in these condensed interim financial statements having an aggregate impact of Rs.123.249 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 regard is still pending before SHC.
- g) Through Finance Act 2015, super tax on listed companies having income equal to or exceeding Rs. 500 million was introduced at the rate of 3%. Being aggrieved, the Company had filed a case before Honourable High Court of Sindh (SHC) and obtained stay order for not taking any coercive action against the Company. Accordingly, no provision of super tax relating to the years 2017 to 2019 for an aggregate amount of Rs. 88.53 million has been recorded in these condensed interim financial statements.

Notes To The Condensed Interim Unconsolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

14.2 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 has suspended the aforementioned notice and the letter and has restrained the respondents from any coercive and adverse action against the Company.

Further Company's title of land is absolutely lawful, clean and clear since the Company has 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. Currently, the company has no exposure in this regard.

14.3 There are no major changes in the status and nature of other contingencies (i.e. related to former business and legal/other contingencies relating to existing business) and commitments as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2019.

	For the Half year ended		For the Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Unaudited)			
	(Rupees in '000')			

15. SALES - NET

Plots	1,028,610	293,175	675,413	61,286
Bungalows	99,202	530,867	59,521	356,143
	1,127,812	824,042	734,934	417,429
Trade discount	1,076	(2,692)	3,428	(1,042)
Cancellation / forfeitures	(75,697)	2,692	(121,170)	4,212
	1,053,191	824,042	617,192	420,599

16. COST OF SALES

Cost of development properties sold:

- plots	104,348	38,299	69,034	31,448
- bungalows	45,416	470,591	18,260	280,502
	149,764	508,890	87,294	311,950

Development charges:

- incurred and apportioned to customers	161,308	289,693	47,108	116,361
- reimbursable from customers	(161,308)	(289,693)	(47,108)	(116,361)
	-	-	-	-
	149,764	508,890	87,294	311,950

17. ADMINISTRATIVE EXPENSES

Included herein Rs. 111.300 million, Rs. 25.056 million and Rs. 24.114 million (December 31, 2018: Rs. 67.735 million, Rs. 8.247 million and Rs. 13.883 million) on account of salaries and other benefits; repairs and maintenance; and utilities, respectively.

Notes To The Condensed Interim Unconsolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

18. FINANCE COSTS

Included herein mark-up on long-term financing and short term borrowings of Rs. 279.524 million and Rs. 131.191 million (December 31, 2018: Rs. 141.486 million and Rs. 101.734 million) respectively.

For the Half year ended		For the Quarter ended	
December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
(Unaudited)			
(Rupees in '000')			

19. TAXATION

Current	159,275	26,770	95,409	2,006
Prior year	-	(11,251)	-	(11,251)
Deferred	8,454	18,592	(3,726)	10,655
	<u>167,729</u>	<u>34,111</u>	<u>91,683</u>	<u>1,410</u>

20. EARNINGS PER SHARE

Basic

Profit after tax (Rupees in '000)	<u>410,422</u>	<u>123,358</u>	<u>224,710</u>	<u>29,589</u>
		(Restated)		(Restated)
Weighted average number of ordinary shares	<u>317,383,396</u>	<u>317,354,859</u>	<u>317,383,396</u>	<u>317,354,859</u>
		(Restated)		(Restated)
Earnings per share - (In Rupees)	<u>1.29</u>	<u>0.39</u>	<u>0.71</u>	<u>0.09</u>

Diluted

Profit after tax (Rupees in '000)	<u>410,422</u>	<u>123,358</u>	<u>224,710</u>	<u>29,869</u>
Weighted average number of ordinary shares in issue	<u>317,383,396</u>	<u>317,354,859</u>	<u>317,383,396</u>	<u>317,354,859</u>
Adjustment for conversion of convertible preference shares	<u>26,767</u>	<u>44,218</u>	<u>26,767</u>	<u>35,608</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>317,410,163</u>	<u>317,399,077</u>	<u>317,410,163</u>	<u>317,390,467</u>
		(Restated)		(Restated)
Earnings per share - (In Rupees)	<u>1.29</u>	<u>0.39</u>	<u>0.71</u>	<u>0.09</u>

20.1 During the period, the Company issued 10% bonus shares (i.e. 10 ordinary shares for every 100 ordinary shares held), which has resulted in restatement of basic and diluted earnings per share for the quarter and half year ended December 31, 2018.

21. 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:

Notes To The Condensed Interim Unconsolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

	December 31, 2019 ----- (Unaudited) ----- ----- Rupees in '000 -----	December 31, 2018
<u>Subsidiary Company</u>		
NN Maintenance Company (Private) Ltd		
Investment made during the period	10,000	-
<u>Associates</u>		
Arif Habib Corporation Limited		
Repurchase of commercial land	-	16,031
Short-term borrowing obtained during the period / year	73,000	722,000
Short-term borrowing repaid during the period / year	83,067	1,710,100
Advance received against future purchase of commercial apartments	153,868	-
Mark-up expense on short term-borrowing	2,397	52,072
Mark-up paid during the period / year	41,192	64,328
Dividend paid	-	15,021
Arif Habib Equity (Private) Limited		
Repurchase of commercial land	-	249,785
Paid against the repurchase of commercial land	249,785	1,556,161
Mark-up expense on short term-borrowing	27,613	-
Mark-up paid during the period / year	27,613	-
Advance received against future purchase of commercial apartments	381,107	360,100
Dividend paid	-	45,595
Power Cement Limited		
Purchase of construction material	33,720	31,180
Paid against the purchase of construction material	36,139	35,670
Safe Mix Concrete Limited		
Purchase of construction material	10,199	27,387
Paid against the purchase of construction material	12,230	20,857
Arif Habib Limited		
Sale of plots	598	-
Sale of commercial plots	-	109,560
Receipt against sale of plots	598	-
Receipt against sale of commercial plots	-	109,560
Arif Habib Dolmen REIT Management Limited		
Payment made during the period	2,977	-

Notes To The Condensed Interim Unconsolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

	December 31, 2019 ----- (Unaudited) ----- ----- Rupees in '000 -----	December 31, 2018
Haji Abdul Ghani - Associated person		
Sale of plots	33,971	-
Receipt against sale of plots	33,158	-
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	-
Repurchase of commercial land	-	26,896
Advance received against future purchase of commercial apartments	110,000	11,000
Advance received against plots	120,000	-
Adjustment of amount payable as an advance for future purchase of commercial apartments	-	188,892
Dividend paid	-	21,912
Rotocast Engineering Co. (Pvt.) Ltd.		
Short-term loans received during the period	525,000	-
Short-term loans paid during the period	525,000	-
Rent prepaid during the period	549	1,098
Rent expense charged during the period	549	549
Mark-up expense on short term-borrowing	28,230	-
Mark-up paid during the period / year	28,230	-
Faisal Bilwani Associate		
Consultancy services rendered during the period	5,268	13,200
Paid against consultancy services rendered	6,243	11,447
Key management personnel		
Arif Habib - Director		
Sale of plots and bungalows	576	10,606
Receipt against sale of plots	576	-
Short-term loans received during the period	425,000	-
Mark-up expense on short term-borrowing	7,018	-
Dividend paid	-	9,152
Kashif Habib - Director		
Dividend paid	-	2,443
Close family member		
Nida Ahsan		
Sale of plots and bungalows	-	54,514
Post employment benefit plan		
Gratuity fund trust - contribution paid during the period / year	3,407	770

**Notes To The Condensed Interim Unconsolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019**

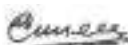
22. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements were authorised for issue on February 26, 2020 by the Board of Directors of the Company.

23. GENERAL

23.1 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.

23.2 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 HALF YEAR ENDED
DECEMBER 31, 2019**

Condensed Interim Consolidated Statement of Financial Position
As At December 31, 2019

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	5,548,490	5,343,609
Investment properties	6	56,077	55,000
Long-term deposits		10,756	8,268
Deferred tax assets - net	7	9,537	17,991
		<u>5,624,861</u>	<u>5,424,868</u>
CURRENT ASSETS			
Development properties	8	18,917,500	18,036,047
Trade debts	9	603,040	789,495
Loans and advances		997,186	954,336
Deposits, prepayments and other receivables		31,473	21,577
Cash and bank balances	10	506,064	56,751
		<u>21,055,263</u>	<u>19,858,206</u>
		<u>26,680,123</u>	<u>25,283,074</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised			
390,000,000 (2019: 390,000,000) ordinary shares of Rs.10/- each		<u>3,900,000</u>	<u>3,900,000</u>
Issued, subscribed and paid-up capital		3,173,834	2,885,304
Capital reserves		3,393,056	3,393,056
Revenue reserves		2,542,315	2,330,440
Revaluation surplus on free-hold land		8,585,195	8,675,613
		<u>17,694,400</u>	<u>17,284,413</u>
NON-CURRENT LIABILITIES			
Long-term financing		3,595,591	3,563,112
Deferred liability - gratuity		37,847	33,804
		<u>3,633,438</u>	<u>3,596,916</u>
CURRENT LIABILITIES			
Trade and other payables	11	300,847	520,909
Preference shares		510	510
Accrued mark-up		165,467	171,565
Contract liabilities	12	2,816,789	1,840,634
Short-term borrowings		1,466,113	1,485,603
Current maturity of non-current liabilities		437,500	345,417
Taxation - net		160,514	32,564
Unpaid preference dividend		92	60
Unclaimed dividend		4,453	4,483
		<u>5,352,285</u>	<u>4,401,745</u>
CONTINGENCIES AND COMMITMENTS			
	13		
TOTAL EQUITY AND LIABILITIES			
		<u>26,680,123</u>	<u>25,283,074</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Consolidated Statement of Profit Or Loss (Unaudited)
For The Half Year and Quarter Ended December 31, 2019

		For the Half Year Ended		For the Quarter Ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Note	(Rupees in '000)			
Sales - net	14	1,053,191	824,042	617,192	420,598
Cost of sales	15	(149,764)	(508,890)	(87,294)	(311,949)
Gross profit		903,427	315,152	529,898	108,649
Marketing and selling expenses		(21,801)	(19,949)	(10,259)	(7,158)
Administrative expenses	16	(221,285)	(150,751)	(112,727)	(80,059)
Finance costs	17	(123,900)	(22,668)	(113,874)	(11,425)
Other income		41,710	35,685	23,355	20,992
Profit before taxation		578,151	157,469	316,393	30,999
Taxation	18	(167,729)	(34,111)	(91,683)	(1,410)
Profit for the period		410,422	123,358	224,710	29,589
		(Rupees in '000)			
Earnings per share		(Restated)		(Restated)	
Basic	19	1.29	0.39	0.71	0.09
Diluted	19	1.29	0.39	0.71	0.09

The annexed notes from 1 to 22 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 Half Year and Quarter Ended December 31, 2019**

	For the Half Year Ended		For the Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees in '000)			
Profit for the period	410,422	123,358	224,710	29,589
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income for the period - net of tax	410,422	123,358	224,710	29,589

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Consolidated Statement of Changes In Equity (Unaudited) For The Half Year Ended December 31, 2019

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Surplus on revaluation of freehold land	Total Equity
		Share premium	Tax holiday reserve	General	Un-appro- priated profit		
	(Rupees in '000)						
Balance as at July 01, 2018 (Audited)	2,671,254	3,380,604	11,966	63,500	1,905,300	5,802,648	13,835,272
Profit for the period	-	-	-	-	123,358	-	123,358
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period, net of tax	-	-	-	-	123,358	-	123,358
Revaluation surplus on freehold land realised on account of sale of development properties	-	-	-	-	74,467	(74,467)	-
Issuance of 8% bonus shares for the year ended June 30, 2018	213,726	-	-	-	(213,726)	-	-
Cost on issuance of bonus shares	-	-	-	-	(322)	-	(322)
Final dividend @ 7% on ordinary shares for the year ended June 30, 2018	-	-	-	-	(187,010)	-	(187,010)
Conversion of preference shares into ordinary shares	322	483	-	-	-	-	805
Balance as at December 31, 2018 (Unaudited)	2,885,302	3,381,087	11,966	63,500	1,702,067	5,728,181	13,772,103
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	-	-	-	-	410,422	-	410,422
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period, net of tax	-	-	-	-	410,422	-	410,422
Revaluation surplus on freehold land realised on account of sale of development properties	-	-	-	-	90,418	(90,418)	-
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 December 31, 2019 (Unaudited)	3,173,834	3,381,090	11,966	63,500	2,478,815	8,585,195	17,694,400

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

Condensed Interim Consolidated Statement of Cash Flows (Unaudited)

For The Half Year Ended December 31, 2019

	For the Half Year Ended	
	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	578,151	157,469
Adjustments for non-cash items:		
Depreciation	10,019	6,131
Provision for gratuity	7,450	5,216
Finance costs	123,900	22,668
Mark-up on saving accounts	(2,661)	(608)
Gain on disposal of property, plant and equipment	-	(167)
Operating profit before working capital changes	716,859	190,709
(Increase) / decrease in current assets		
Development properties	(591,277)	(642,322)
Trade debts	186,455	256,129
Loans and advances	(42,850)	(8,853)
Deposits, prepayments and other receivables	(9,896)	(9,424)
	(457,568)	(404,470)
Increase / (decrease) in current liabilities		
Trade and other payables	(220,062)	(1,476,261)
Contract liabilities	976,155	414,058
	756,093	(1,062,203)
Cash generated from / (used in) operations	1,015,384	(1,275,964)
Payments for:		
Income tax	(31,326)	(10,916)
Finance costs	(420,174)	(171,883)
Gratuity	(3,407)	(770)
Long-term deposits	(2,488)	(445)
Net cash generated from / (used in) operations	557,988	(1,459,978)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(215,067)	(147,546)
Sale proceeds from disposal of property, plant and equipment	167	447
Mark-up on deposit accounts received	2,661	608
Additions to investment properties	(1,077)	-
Net cash used in investing activities	(213,316)	(146,491)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cost on issuance of bonus shares	(435)	(322)
Dividend paid	(28)	(180,463)
Unpaid preference dividend	32	-
Long-term financing - net	124,562	2,750,410
Liabilities against assets subject to finance lease - net	-	(388)
Short-term borrowings - net	(19,490)	(985,995)
Net cash generated from financing activities	104,641	1,583,242
Net increase / (decrease) in cash and cash equivalents	449,313	(23,227)
Cash and cash equivalents at beginning of the period	56,751	106,428
Cash and cash equivalents at end of the period	506,064	83,201

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

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

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)

1.2.1 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.

1.2.2 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 # SBICA/D.D(D-II)/985/ADV-503/2011 on November 12, 2011 and revised NOC # SBICA/DD(D-II)/985 & 991/ADV-584/2013. The Company is also the member of Association of Builders and Developers of Pakistan (ABAD).

1.3 Subsidiary company

NN Maintenance Company (Private) Limited

1.3.1 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.

1.4 During the period, the Company has issued 28.853 million ordinary bonus shares having face value of Rs. 10 each amounting to Rs. 288.530 million.

2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial information of the Company for the half year ended December 31, 2019 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 does not include all the information and disclosures required in the annual consolidated financial information. Further as it is a first year of consolidation therefore the comparative figures are as of unconsolidated / standalone basis.
- 3.2** The preparation of these condensed interim financial information 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.

In preparing these condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the unconsolidated annual financial statements of the Company as at and for the year ended June 30, 2019. 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, 2019.

- 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.

4. SIGNIFICANT ACCOUNTING POLICIES

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, 2019 except for adoption of new/amended standards, interpretations and improvements to IFRS by the Company.

4.1. Standards, interpretations and improvements

IFRS 16	Leases
IFRS 9	Prepayment features with negative compensation (Amendments)
IAS 19	Plan amendment, curtailment or settlement (Amendments)
IAS 28	Long term interests in associates and joint ventures (Amendments)
IFRIC 23	Uncertainty over income tax treatments

Improvements to accounting standards issued by IASB in December 2017

IFRS 3	Business combinations – Previously held interests in a joint operation
IFRS 11	Joint arrangements – Previously held interests in a joint operation
IAS 12	Income taxes – Income tax consequences of payments on financial instruments classified as equity
IAS 23	Borrowing costs – Borrowing costs eligible for capitalization

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on these condensed interim Consolidated financial information.

Notes To The Condensed Interim Consolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

	Note	December 31, 2019 (Unaudited) — Rupees in '000 —	June 30, 2019 (Audited)
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	4,772,397	4,773,088
Capital work-in-progress	5.4	776,093	570,521
		<u>5,548,490</u>	<u>5,343,609</u>
5.1 Operating fixed assets			
Opening net book value		4,773,088	1,585,188
Add: Additions / transfers during the period / year	5.2	9,495	3,202,552
Less: Disposals during the period / year	5.3	(167)	(1,185)
Less: Depreciation during the period / year		<u>(10,019)</u>	<u>(13,467)</u>
Closing net book value		<u>4,772,397</u>	<u>4,773,088</u>
5.2 Additions during the period / year			
Land		-	3,074,718
Other land		-	50,918
Buildings on other land		-	62,036
Furniture and fixtures		852	1,303
Computer equipment		3,480	3,934
Office equipment		5,033	5,345
Vehicles		130	4,298
		<u>9,495</u>	<u>3,202,552</u>
5.3 Disposals during the period / year at book value			
Office equipment		167	116
Computer equipment		-	20
Vehicles		-	1,049
		<u>167</u>	<u>1,185</u>
5.4 Capital work-in-progress			
Opening		570,521	250,319
Additions		205,572	320,202
Closing	5.4.1	<u>776,093</u>	<u>570,521</u>

5.4.1 Represents expenditures incurred / advances made in respect of club house and Jama Masjid.

Notes To The Condensed Interim Consolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

	Note	December 31, 2019 (Unaudited) — Rupees in '000 —	June 30, 2019 (Audited)
6. INVESTMENT PROPERTIES			
The movement in investment properties during the period is as follows:			
Opening balance		55,000	-
Additions during the period / year		1,077	-
Transferred from development properties during the period / year		-	40,291
Remeasurement gain during the period / year		-	14,709
Closing balance	6.1	<u>56,077</u>	<u>55,000</u>
6.1 Investment properties comprise of a banquet hall having area of 2,200 sq. yards situated at D-24, Deh Manghopir, Karachi. An independent valuation was carried out by the management through an independent professional valuer on June 30, 2019 and the fair value of Rs. Rs. 55 million was determined with reference to market based evidence, active market prices and relevant information. Accordingly, the fair value adjustment of Rs. 14.71 million is recognised in the statement of profit or loss as of June 30, 2019. The fair value of investment property falls under level 2 of fair value hierarchy (i.e. significant observable inputs). During the period, there has been no change in the fair value hierarchy from level 2 to level 1 and level 3. As of December 31, 2019, the management expects no material change in the aforementioned fair value of investment property and accordingly no adjustments have been incorporated in these condensed interim financial statements.			
7. DEFERRED TAX ASSETS - NET			
Deferred tax on deductible temporary differences			
Provisions		16,887	25,269
Deferred tax on taxable temporary differences			
Accelerated depreciation on property, plant and equipment		<u>(7,350)</u>	<u>(7,278)</u>
		<u>9,537</u>	<u>17,991</u>
8. DEVELOPMENT PROPERTIES			
Land			
Opening balance		15,140,978	14,653,144
Add: Additions during the period / year		-	487,834
		<u>15,140,978</u>	<u>15,140,978</u>
Development expenditure incurred			
Opening balance		8,480,059	6,621,621
Add: Incurred during the period / year		<u>902,349</u>	<u>1,858,438</u>
		<u>9,382,408</u>	<u>8,480,059</u>
Borrowing costs related to development properties			
Opening balance		1,969,317	1,387,153
Add: Capitalised during the period / year		<u>290,176</u>	<u>582,164</u>
		<u>2,259,493</u>	<u>1,969,317</u>
		<u>26,782,879</u>	<u>25,590,354</u>
Transferred to:			
- property, plant and equipment		(68,545)	(68,545)
- investment properties		(40,291)	(40,291)
- cost of sales to date	15	(5,007,450)	(4,857,686)
- development charges incurred and apportioned to date		<u>(2,749,093)</u>	<u>(2,587,785)</u>
		<u>18,917,500</u>	<u>18,036,047</u>

Notes To The Condensed Interim Consolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

9. TRADE DEBTS

Included herein amount receivables from Arif Habib, Haji Abdul Ghani, Nida Ahsan, Abdul Qadir, Nooriabad Spinning Mills (Pvt.) Limited, and Arif Habib Limited (related parties) amounting to Rs. 1.196 million, Rs. 11.221 million, Rs. Nil, Rs. 2.233 million, Rs. 0.012 million, and Rs. 1.439 million (June 30, 2019: Rs. 13.185 million, Rs. 10.108 million, Rs. 0.123 million, Rs. 2.233 million, Rs. 0.349 million, and Rs. 1.328 million) respectively.

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
Note	----- Rupees in '000 -----	

10. CASH AND BANK BALANCES

Cash in hand		3,100	6,929
Cheques in hand		25,000	19,198
Pay orders in hand		32,500	-
Cash at banks in:			
- current accounts		15,526	3,945
- deposit accounts	10.1	392,438	26,679
		407,964	30,624
Term deposit receipt	10.2	37,500	-
		506,064	56,751

10.1 These carry markup at the rate ranging between 11% to 13% per annum (June 30, 2019: 7% to 10% per annum).

10.2 The term deposit receipt carries mark-up at the rate of 13.55% per annum (June 30, 2019: Nil) maturing latest by March 30, 2020.

11. TRADE AND OTHER PAYABLES

11.1. During the period, the Company has repaid Rs. 249.785 million to Arif Habib Equity (Private) Limited on account of amount payable for repurchase of land.

11.2. Included herein Rs. 5.868 million, Rs. 1.243 million, Rs. Nil, and Rs. 0.139 million (June 30, 2019: Rs. 8.288 million, Rs. 3.274 million, Rs. 2.977 million, and Rs. 1.114 million) payable to Power Cement Limited, Safe Mix Concrete Limited, Arif Habib Dolmen REIT Management Limited, and Faisal Anees Bilwary (related parties) respectively.

12. CONTRACT LIABILITIES

Included herein Rs. 579.892 million, Rs. 741.207 million, and Rs. 153.868 million (June 30, 2019: Rs. 199.892 million, Rs. 360.1 million, and Rs. Nil) payable to Haji Abdul Ghani, Arif Habib Equity (Private) Limited, and Arif Habib Coporation Limited respectively.

13. CONTINGENCIES AND COMMITMENTS

13.1 Tax related contingencies

- 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 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, during the year ended June 30, 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.
- 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 has reversed provision previously created of Rs. 131.273 million relating to prior year. Accordingly, the tax provision based on ACT having an aggregated impact of Rs. 761.07 million has not been accounted for in these 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. During the year ended June 30, 2019, the Company has adjusted its brought forward losses against taxable income and accordingly, current year provision for that year was based on higher of Corporate Tax or ACT.

During the year ended June 30, 2019, the Company has received demand notice from Deputy Commissioner Inland Revenue (DCIR) of Rs. 187.098 million in respect of a non-payment of Alternate Corporate Tax (ACT) for the tax year 2018. The Company has challenged the applicability of Alternative Corporate Tax vide C.P D-2982 of 2019 before SHC. In this regard, an interim order has been granted by SHC that no coercive action is to be taken against the Company till the pendency of the matter before SHC."

Notes To The Condensed Interim Consolidated Financial Information (Unaudited) For The Half Year Ended December 31, 2019

- 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 2020 has been accounted for in these condensed interim financial statements having an aggregate impact of Rs.123.249 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 regard is still pending before SHC.
- g) Through Finance Act 2015, super tax on listed companies having income equal to or exceeding Rs. 500 million was introduced at the rate of 3%. Being aggrieved, the Company had filed a case before Honourable High Court of Sindh (SHC) and obtained stay order for not taking any coercive action against the Company. Accordingly, no provision of super tax relating to the years 2017 to 2019 for an aggregate amount of Rs. 88.53 million has been recorded in these condensed interim financial statements.

13.2 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 has suspended the aforementioned notice and the letter and has restrained the respondents from any coercive and adverse action against the Company.

Further Company's title of land is absolutely lawful, clean and clear since the Company has 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. Currently, the company has no exposure in this regard.

13.3 There are no major changes in the status and nature of other contingencies (i.e. related to former business and legal/other contingencies relating to existing business) and commitments as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2019.

Notes To The Condensed Interim Consolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

	For the Half year ended		For the Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Unaudited)			
	(Rupees in '000')			
14. SALES - NET				
Plots	1,028,610	293,175	675,413	61,286
Bungalows	99,202	530,867	59,521	356,143
	<u>1,127,812</u>	<u>824,042</u>	<u>734,934</u>	<u>417,429</u>
Trade discount	1,076	(2,692)	3,428	(1,042)
Cancellation / forfeitures	(75,697)	2,692	(121,170)	4,212
	<u>1,053,191</u>	<u>824,042</u>	<u>617,192</u>	<u>420,599</u>

15. COST OF SALES

Cost of development properties sold:

- plots	104,348	38,299	69,034	31,448
- bungalows	45,416	470,591	18,260	280,502
	<u>149,764</u>	<u>508,890</u>	<u>87,294</u>	<u>311,950</u>

Development charges:

- incurred and apportioned to customers	161,308	289,693	47,108	116,361
- reimbursable from customers	(161,308)	(289,693)	(47,108)	(116,361)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>149,764</u>	<u>508,890</u>	<u>87,294</u>	<u>311,950</u>

16. ADMINISTRATIVE EXPENSES

Included herein Rs. 111.300 million, Rs. 25.056 million and Rs. 24.114 million (December 31, 2018: Rs. 67.735 million, Rs 8.247 million and Rs. 13.883 million) on account of salaries and other benefits; repairs and maintenance; and utilities, respectively.

17. FINANCE COSTS

Included herein mark-up on long-term financing and short term borrowings of Rs. 279.524 million and Rs. 131.191 million (December 31, 2018: Rs. 141.486 million and Rs. 101.734 million) respectively.

	For the Half year ended		For the Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Unaudited)			
	(Rupees in '000')			
18. TAXATION				
Current	159,275	26,770	95,409	2,006
Prior year	-	(11,251)	-	(11,251)
Deferred	8,454	18,592	(3,726)	10,655
	<u>167,729</u>	<u>34,111</u>	<u>91,683</u>	<u>1,410</u>

Notes To The Condensed Interim Consolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

	For the Half year ended		For the Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Unaudited)			
19. EARNINGS PER SHARE				
Basic				
Profit after tax (Rupees in '000)	<u>410,422</u>	<u>123,358</u> (Restated)	<u>224,710</u>	<u>29,589</u> (Restated)
Weighted average number of ordinary shares	<u>317,383,396</u>	<u>317,354,859</u> (Restated)	<u>317,383,396</u>	<u>317,354,859</u> (Restated)
Earnings per share - (In Rupees)	<u>1.29</u>	<u>0.39</u>	<u>0.71</u>	<u>0.09</u>
Diluted				
Profit after tax (Rupees in '000)	<u>410,422</u>	<u>123,358</u>	<u>224,710</u>	<u>29,869</u>
Weighted average number of ordinary shares in issue	<u>317,383,396</u>	<u>317,354,859</u>	<u>317,383,396</u>	<u>317,354,859</u>
Adjustment for conversion of convertible preference shares	<u>26,767</u>	<u>44,218</u>	<u>26,767</u>	<u>35,608</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>317,410,163</u>	<u>317,399,077</u> (Restated)	<u>317,410,163</u>	<u>317,390,467</u> (Restated)
Earnings per share - (In Rupees)	<u>1.29</u>	<u>0.39</u>	<u>0.71</u>	<u>0.09</u>

19.1 During the period, the Company issued 10% bonus shares (i.e. 10 ordinary shares for every 100 ordinary shares held), which has resulted in restatement of basic and diluted earnings per share for the quarter and half year ended December 31, 2018.

20. 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:

	December 31, 2019	December 31, 2018
	(Unaudited)	
	Rupees in '000	
Associates		
Arif Habib Corporation Limited		
Repurchase of commercial land	-	16,031
Short-term borrowing obtained during the period / year	<u>73,000</u>	<u>722,000</u>
Short-term borrowing repaid during the period / year	<u>83,067</u>	<u>1,710,100</u>
Advance received against future purchase of commercial apartments	<u>153,868</u>	-
Mark-up expense on short term-borrowing	<u>2,397</u>	<u>52,072</u>
Mark-up paid during the period / year	<u>41,192</u>	<u>64,328</u>
Dividend paid	<u>-</u>	<u>15,021</u>

Notes To The Condensed Interim Consolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

	December 31, 2019 ----- (Unaudited) ----- ----- Rupees in '000 -----	December 31, 2018
Arif Habib Equity (Private) Limited		
Repurchase of commercial land	-	249,785
Paid against the repurchase of commercial land	249,785	1,556,161
Mark-up expense on short term-borrowing	27,613	-
Mark-up paid during the period / year	27,613	-
Advance received against future purchase of commercial apartments	381,107	360,100
Dividend paid	-	45,595
	<hr/>	<hr/>
Power Cement Limited		
Purchase of construction material	33,720	31,180
Paid against the purchase of construction material	36,139	35,670
	<hr/>	<hr/>
Safe Mix Concrete Limited		
Purchase of construction material	10,199	27,387
Paid against the purchase of construction material	12,230	20,857
	<hr/>	<hr/>
Arif Habib Limited		
Sale of plots	598	-
Sale of commercial plots	-	109,560
Receipt against sale of plots	598	-
Receipt against sale of commercial plots	-	109,560
	<hr/>	<hr/>
Arif Habib Dolmen REIT Management Limited		
Payment made during the period	2,977	-
	<hr/>	<hr/>
Haji Abdul Ghani - Associated person		
Sale of plots	33,971	-
Receipt against sale of plots	33,158	-
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	-
Repurchase of commercial land	-	26,896
Advance received against future purchase of commercial apartments	110,000	11,000
Advance received against plots	120,000	-
Adjustment of amount payable as an advance for future purchase of commercial apartments	-	188,892
Dividend paid	-	21,912
	<hr/>	<hr/>
Rotocast Engineering Co. (Pvt.) Ltd.		
Short-term loans received during the period	525,000	-
Short-term loans paid during the period	525,000	-
Rent prepaid during the period	549	1,098
Rent expense charged during the period	549	549
Mark-up expense on short term-borrowing	28,230	-
Mark-up paid during the period / year	28,230	-
	<hr/>	<hr/>
Faisal Bilwani Associates		
Consultancy services rendered during the period	5,268	13,200
Paid against consultancy services rendered	6,243	11,447
	<hr/>	<hr/>

Notes To The Condensed Interim Consolidated Financial Information (Unaudited)
For The Half Year Ended December 31, 2019

	December 31, 2019 ----- (Unaudited) ----- ----- Rupees in '000 -----	December 31, 2018
<u>Key management personnel</u>		
Arif Habib - Director		
Sale of plots and bungalows	576	10,606
Receipt against sale of plots	576	-
Short-term loans received during the period	425,000	-
Mark-up expense on short term-borrowing	7,018	-
Dividend paid	-	9,152
Kashif Habib - Director		
Dividend paid	-	2,443
<u>Close family member</u>		
<u>Nida Ahsan</u>		
Sale of plots and bungalows	-	54,514
<u>Post employment benefit plan</u>		
Gratuity fund trust - contribution paid during the period / year	3,407	770

21. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial statements were authorised for issue on February 26, 2020 by the Board of Directors of the Company.

22. GENERAL

22.1 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.

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


Chief Financial Officer


Chief Executive


Director



Registered Office

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