

Building a Prosperous Future

JAVEDAN
CORPORATION LIMITED

ANNUAL REPORT 2019





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Company Information

Board of Directors

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

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 Ahmed
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.



A secure
environment
for your peace
and tranquility

Vision

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

Mission

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

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



Core Values and Code of Conduct

Overview

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

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

Objectives

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

Responsibilities

To Our Employees:

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

To Our Customers:

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

This means that we:

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



To Our Suppliers:

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

To Our Shareholders:

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

Health, safety, environment & community

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

Compliance with Applicable laws and Regulation

The company ensure compliance of all applicable laws and regulations and discharge all legal responsibilities diligently.

Internal control and financial reporting

We have implemented a very sound and reliable internal control system in our organization, which is well understood by all of our employees and parties dealing with us.

Financial planning is a core activity of our system through which we ensure efficient and effective utilization of financial and human resources.

Board of Directors





Mr. Arif Habib
Chairman

Mr. Arif Habib is the Chief Executive of Arif Habib Corporation Limited. He is also the Chairman of Pakarab Fertilizers Limited, Fatima Fertilizer Company Limited, Fatimafert Limited, Aisha Steel Mills Limited, Javedan Corporation Limited and Sachal Energy Development (Pvt.) Limited

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

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

CORPORATE RESPONSIBILITIES AS CHAIRMAN

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

AS HONORARY TRUSTEE/DIRECTOR

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

AS DIRECTOR

- Arif Habib Real Estate Services (Private) Limited
- Fatima Cement Limited
- International Builders and Developers (Private) Limited
- NCEL Building Management Limited
- Pakarab Energy Limited
- Pakistan Business Council
- Pakistan Opportunities Limited
- National Resources (Private) Limited
- Essa Textile & Commodities (Private) Limited
- Arif Habib Consultancy (Private) Limited



Mr. Samad A. Habib
Chief Executive

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

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

CORPORATE RESPONSIBILITIES

- Javedan Corporation Limited (Chief Executive)
- Safemix Concrete Limited (Chief Executive)

AS DIRECTOR

- Dolmen City REIT/Arif Habib Dolmen REIT Management Limited
- MCB-Arif Habib Savings & Investments Limited
- Arif Habib Corporation Limited
- Power Cement Limited
- Arif Habib Equity (Pvt.) Limited
- Arif Habib Foundation
- Arif Habib Real Estate Services (Pvt.) Limited
- Black Gold Power Limited
- Nooriabad Spinning Mills (Pvt.) Limited
- Pakarab Fertilizers Limited
- Pakistan Opportunities Limited
- REMMCO Builders & Developers Limited
- Rotocast Engineering Company (Pvt.) Limited
- Sukh Chayn Gardens (Pvt.) Ltd.
- Park View Corporation (Private) Limited
- Essa Textile & Commodities (Private) Limited



Mr. Muhammad Ejaz
Director

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

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

Ejaz did his graduation in Computer Science from FAST, ICS and did MBA in Banking and Finance from IBA, Karachi where he is a regular visiting faculty member. He has also conducted programs at NIBAF—SBP and IBP. He is a Certified Director and also a Certified Financial Risk Manager. He actively participates in the group's CSR initiatives especially those which render services in the fields of health and education with emphasis on female literacy.

CORPORATE RESPONSIBILITIES

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

AS DIRECTOR

- Aisha Steel Mills Limited
- Arif Habib Corporation Limited
- Arif Habib Real Estate Services (Pvt.) Limited
- Power Cement Limited
- REMMCO Builders & Developers Limited
- Sachal Energy Development (Pvt.) Limited



Mr. Saeed Ahmed
Director

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

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

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

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

Mr. Saeed Ahmed has also served at the State Bank of Pakistan as Deputy Governor, from January 2014 to March 2017. At State Bank of Pakistan, he contributed as Chairman / Member of several committees, playing a key role in decision making for the central bank. He chaired the Banking Policy Committee, Investment Committee of the Management, Management Committee on Information Technology, Payment Systems Policy Committee. He was also a member of the Monetary Policy Committee and Monetary Operations Committee. To meet the special skill requirements and develop human resources for an expanding Islamic Banking Industry, he played a pivotal role in the establishment of three Centers of Excellence in Islamic Finance in three leading universities of the country. With a focus on the smooth flow of financial services to priority sectors including Agriculture, Warehousing Receipts, Microfinance, SMEs, low-cost housing, Financial Inclusion, Digital Banking, Mr. Saeed Ahmed has played a key role in developing a number of innovative market instruments.

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



Mr. Muhammed Siddique Khokhar

Director

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

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

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

At present, he is the Director of Golden Arrow Selected Fund and Chairman, Audit Committee (AKD Group). He is on the board of Al-Abbas Sugar Mills Limited as well and a member of Human Resource and Remuneration Committee of the company. He has also served the Board of First Dawood Investment Bank Limited as Director, nominated by National Investment Trust, He has remained an independent Director in Network Micro Finance Bank Limited (Now APNA MICROFINANCE BANK Ltd).

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



Mr. Abdul Qadir Sultan
Director

Mr. Abdul Qadir Sultan is a Qualified Chartered Accountant from the Institute of Chartered Accountants of Pakistan (ICAP). He completed his article ship from A.F.Ferguson & Co. one of the finest accountancy firms in Pakistan. He has a working experience of over 12 years in various diversified capacities. His last assignment was as the Head of Internal Audit at AKD Investment Management Limited (The Asset Management Company of the AKD Group managing a portfolio of over Rs. 5 billion). He is a certified director from ICAP and holds a diploma in Islamic Finance from CIMA (UK). Mr. Sultan takes keen interest in the promotion of education, trade and industry and strongly advocates these causes through various professional, corporate and trade platforms. He is also a member of the PAIB Committee of ICAP and the Rotary Club of Karachi.



Mr. Alamgir Sheikh
Director

Mr. Alamgir Sheikh is a businessman. He is associated with Chamber of Commerce and Industries where he served as Advisor to the office of Chairman Banking & Insurance Committee, Chairman Renovation Committee, Chairman & Advisor Export Committee and Hilal Foods and Import Development. He is also serving as President of Snooker Association of Pakistan and also represented Habib Bank and Karachi region as domestic hockey player. In 2014, he was appointed as Vice President of Asian Federation of Snooker. In honor of recognition to his efforts in the sports of snooker the President of Pakistan awarded him "President's Award for performance Excellence".



Mrs. Darakshan Zohaib
Director

Mrs. Darakshan Zohaib has completed her graduation and is now currently pursuing her career in the field of accounts as Association of Chartered Accountant (ACCA). She has completed her internships in Central Depository Company Limited (CDM), Hum Television Network and A.F Ferguson and Company as an Audit Trainee. Furthermore, she has achieved Academic Excellence Award 2009. She is also serving on the Board of Directors of Al-Abbas Sugar Mills Limited.



Mr. Faisal Anees Bilwany
Director

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

Notice of Annual General Meeting

Notice is hereby given that the Fifty Seventh Annual General Meeting of the shareholders of Javedan Corporation Limited (the Company) will be held on Saturday, October 26, 2019 at 10:45 a.m. at PSX Auditorium, Stock Exchange Building, Stock Exchange Road, Karachi to transact the following business:

Ordinary Business

1. To confirm minutes of the 56th Annual General Meeting held on October 26, 2018.
2. To receive, consider and adopt annual audited financial statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2019.
3. To appoint Auditors and fix their remuneration for the year ending June 30, 2020. The Board of Directors have recommended for reappointment of M/s. EY Ford Rhodes Chartered Accountants and M/s. Reanda Haroon Zakaria & Co., Chartered Accountants as external auditors.

Special Business

4. To approve the issuance of bonus shares in the proportion of 10 share of every 100 shares held i.e. 10%.

RESOLVED THAT

A sum of Rs. 288,530,360 out of free reserve of the Company be capitalized and applied towards the issue of 28,853,036 ordinary shares of Rs. 10 each and allotted as fully paid bonus shares to shareholders in the proportion of ten (10) shares for every hundred (100) existing ordinary shares held by the shareholders whose name appear on the Member Register on October 18, 2019.

FURTHER RESOLVED THAT

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

FURTHER RESOLVED THAT

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

FURTHER RESOLVED THAT

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

5. To authorize the Board of Directors of the Company to approve those transactions with Related Parties (if executed) during the financial year ending June 30, 2020 which require approval of shareholders u/s 207 and / or 208 of the companies Act, 2017, by passing the following special resolution with or without modification:

RESOLVED THAT

The Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending June 30, 2020.

FURTHER RESOLVED THAT:

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

ANY OTHER BUSINESS:

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



By Order of the Board
Muneer Gader
Company Secretary

Karachi
Dated: October 05, 2019

NOTES:

1. The share transfer books of the Company will remain closed from October 20, 2019 to October 26, 2019 (both days inclusive). Transfer received in order at the office of our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400 at the close of the business on Friday, October 18, 2019, will be considered in time for the determination of entitlement of shareholders to bonus issue and to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting may appoint another person as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
3. Procedure including the guidelines as laid down in Circular No. I - Reference No. 3 (5-A) Misc / ARO / LES / 96 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan:
 - i. Members, proxies or nominees shall authenticate their identity by showing their original national identity card or original passport and bring their folio numbers at the time of attending the meeting
 - ii. In the case of corporate entity, Board of Directors' resolution / power of attorney and attested copy of the CNIC or passport of the nominee shall also be produced (unless provided earlier) at the time of meeting
 - iii. In order to be effective, the proxy forms must be received at the office of our registrar not less than 48 hours before the meeting, duly signed and stamped and witnessed by two persons with their names, address, CNIC numbers and signatures
 - iv. In the case of individuals, attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form
 - v. In the case of proxy by a corporate entity, Board of Directors resolution / power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy form

Important

Notice to Shareholders for provision of CNIC and other details

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

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

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

E-Voting

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

Provision of Video Link Facility

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

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

Distribution of Annual Report:

The Annual Report of the Company for the year ended June 30, 2019 has been placed on the Company's website at the given link: <http://jcl.com.pk/financial-statements>.

Further, Annual Report of the Company for the year ended June 30, 2019 is dispatched to the shareholders through CD. However, if a shareholder, in addition, requests for hard copy of Annual Report, the same shall be provided free of cost within seven days of receipt of such request. For convenience of shareholders, a "Standard Request Form for provision of Annual Report" has also been made available on the Company's website www.jcl.com.pk

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

This statement set out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 26, 2019.

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

Item 4 of the Agenda – Issue of Bonus Share

The Board of Directors in their meeting held on October 01, 2019 have recommended, capitalization of a sum of Rs. 288,530,360 out of the free reserves of the company for issue of 10% bonus shares. The directors are of the view that the company's financial position and its reserves justify the capitalization of free reserves and issuance of bonus shares.

Item 5 of the Agenda – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2020

The Company shall be conducting transactions with its related parties during the year ending June 30, 2020 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. However Directors may be deemed to be treated as interested in transactions with related parties due to their common directorships and/or shareholding. In order to promote good corporate governance and transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis, including transactions (if executed) triggering approval of shareholders u/s 207 and / or 208 of the Companies Act, 2017, for the year ending June 30, 2020, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

Review Report by Chairman

On the overall performance of Board and effectiveness of the role played by the Board in achieving the Company's objectives:

The Board of Directors ("the Board") of the JCL has performed their duties diligently in upholding the best interest of shareholders of the Company and has managed the affairs of the Company in an effective and efficient manner.

The Board has exercised its powers and has performed its duties as stated in the Companies Act 2017 and the Code of Corporate Governance (the Code).

The Board during the year ended 30 June 2019 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

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

- The Board has ensured that adequate information is shared among the Board members in timely manner and the Board members are kept abreast of developments between meetings; and
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritize the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.

Based on the aforementioned it can reasonably be stated that the Board of JCL has played a key role in ensuring that the Company's objectives are achieved through a joint effort with the management team and guidance and oversight by the board and its members.



Arif Habib
Chairman

Directors' Report

Dear Shareholders

On behalf of the Board of Directors of the Company, we are pleased to present the Annual Report of your Company and the audited financial statements for the financial year ended June 30, 2019 together with auditors' report thereon.

2018-2019 at a Glance

The year had been a milestone for your Company as we have delivered nearly 4,000 units including developed plots and bungalows to our customers. Furthermore the infrastructure development work of Block A, B, C & D has been completed and the development work in Block M and on other projects is ongoing. Moreover, the last year has been special as during the year 400 plus families have settled in Naya Nazimabad and the total number of residents has reached approximately 500. Agreements with K-Electric and approval of SSGC for provision of utility services directly to the residents has been achieved during the year. Education, Health, Sports, leisure and other amenities are fast developing and gradually becoming operational. This is indeed an immense pleasure to see Naya Nazimabad evolving into a reality, which will continue to grow and prosper, In Sha Allah.

Financial Review

During the financial year under review, the Company recorded sale of PKR 1,899.02 million (30 June 2018: PKR. 2,479.16 million) depicting a variance of 23% as compared to the corresponding period of last year. The cost of sale for the period remained at PKR 772.95 million (30 June 2018: PKR 1,099.37 million). The gross profit for the year declined by 18% due to lower sale for the year as the company had limited inventory available from blocks launched in earlier years. During the year the Company launched a portion of Block K & L, which provided much impetus to sale during the latter half of the financial year. Profit after tax (PAT) for the year was recorded at PKR 579.88 million as compared to PKR 703.71 million in the corresponding period last year. Tax expense for the year was lower by Rs. 280.28 million. PAT for the year translated into basic EPS of PKR 2.01 as compared to PKR 3.10 (restated).

A summary of financial results is as follows:

Particulars	June 30, 2019	June 30, 2018
	(Rupees in thousands)	
Net Sales	1,899,014	2,479,158
Cost of sales	(772,949)	(1,099,368)
Gross Profit	1,126,065	1,379,790
Profit before taxation	696,464	1,100,577
Profit after taxation	579,880	703,713
EPS - Basic (in rupees)	2.01	3.10
EPS - Diluted (in rupees)	2.01	2.84

Development Performance

As mentioned in the above the infrastructure development work of Phase 1 including Block A, B, C & D is completed therefore the Company has turned its focus on infrastructure development of Block M&N and completion of other ongoing projects. Around 500 families have settled in Naya Nazimabad and a good number of houses are under construction or are at the approval stage in Block A, C & D. Naya Nazimabad will continue to grow as a cohesive community.

The company also obtained necessary approvals for a flyover to improve Naya Nazimabad's connectivity with the rest of Karachi. Planning and design of the flyover is underway and work on site is expected to be initiated soon. During the year an agreement has also been entered into with K-Electric and approval by SSGC has been granted for the provision of utility services.



Other Projects in Naya Nazimabad

Naya Nazimabad Gymkhana (Club House)

Naya Nazimabad Gymkhana (NNG) which includes a state of the art and only one of its kind club house facility and eight floor building of service suites is under construction and is expected to be inaugurated in the next financial year. The club house will include state of the art indoor and outdoor sports facilities, restaurants and other facilities for its members.



Medical Centre & School

The development work on Medical Centre and School is progressing at a rapid pace and subsequent to the year-end school has become operational whereas medical centre will also be operationalized in next financial year. These facilities will further enhance the quality of life for Naya Nazimabad residents.



Jama Masjid & Other Masjid

During the year the Masjid in Block C was planned and it was completed in record time to be inaugurated well in time for the Holy Month of Ramzan. Further the development work on Jama Masjid is ongoing and it is also expected to be inaugurated in the next financial year.



Others

The management of the Company had launched other projects for the facilitation of its residents which includes Mini Mart, Corner Commercial and Celebration Hall which all provide basic and other necessities of life to the residents of Naya Nazimabad.

All of these facilities and amenities will further facilitate and improve the life style of Naya Nazimabad community and management shall continue to strive all its efforts and resources in facilitation of its residents and customers.



Corporate Social Responsibility (CSR)

The Company has always been at forefront in carrying out its Social Responsibility towards society. And continuing its tradition during the year Company has contributed or undertaking following initiatives for the purpose.

Environment, Health and Safety

Plantation Drive by Naya Nazimabad: On 71st Independence Day of Pakistan the Company carried out a plantation drive in Naya Nazimabad and during the drive 20,000 baby trees were planted and 1,000 more trees were provided to general public for plantation at a stall set up at Mazar-e-Quaid.

The Company gives special attention to green spaces and has integrated that into its plans and the importance of it is evident at Naya Nazimabad. Over the year under review, the Company has actively participated at numerous events organized by National Forum for Environment and Health (NFEH). In recognition of Naya Nazimabad's commitment to a green Pakistan your Company was recognised with CSR Award 2019 in the category of "Environment & Waste Management / Recycle". The President of Azad Kashmir, Sardar Masood Khan presented the award on this auspicious occasion.

Protecting our people

Blood Donation & Awareness Campaigns: As a constructive partner in the communities in which we operate, your company recently led a blood donation drive in conjunction with the Fatimid Foundation, which saw the Company staff enthusiastically donating blood. We will continue to spearhead such lifesaving initiatives.

The company also organized "Blood diseases Awareness Session" to create awareness on the dreadful consequences of negligence towards it. These sessions were organized by Hussani Blood Bank in which employees were briefed about such fatal diseases.

Adding value

Contribution in the DAM FUND: The Company realizes that water is a major issue in Pakistan. Hence, it contributed Rs.10 million to the Dam Fund, which will certainly aid in the funding drive and will be a stepping stone towards a prosperous Pakistan.

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

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



Credit Rating

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

Memberships

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

Market Overview & Future Outlook

Market Overview: Real estate is marked for its fragmentation. Sentiments, in general, remained subdued during the year owing to slow down in the economy and Government's drive for documentation. Pockets of active participation, however, could still be identified. We are pleased to report that Naya Nazimabad remained active in the market and is now considered as a safe investment venue and fast developing attractive habitat. The sector also witnessed focus of e-commerce players, which bodes well for the business.

We also expect that the Government would take tangible steps towards bringing the sector into formal fold hence providing the requisite impetus to growth. The State Bank of Pakistan (SBP) and SECP are also making efforts to enhance the flow of finance towards the sector making housing affordable for the masses and raising the standard of development.

Future Outlook:

Government's stabilization measures are yielding desired results albeit at the cost of significant slowdown. Leading indicators such as yield on long term bonds suggest that the phase would be over sooner than anticipated. Government's focus on housing has brought the sector under limelight. We expect positive reforms of the sector and improved competitive landscape.

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

Further the development and sale of apartments shall be a driving force for the Company in the short to medium term. Further Naya Nazimabad Gymkhana Club which is under construction as mentioned aforesaid will also bolster the appeal of NN for the masses of Karachi to become part of NN family.

The external development in the surrounding of NN project will also significantly contribute to the project in terms of facilitation of residents. The on-going external development projects include Green Line BRTS which is expected to commence soon will provide easy connectivity of Naya Nazimabad to and from down town and other major centres of Karachi. The reconstruction of Manghopir Road by the Federal Government will also improve connectivity and mobility to and from the project and laying of 66" diameter MS Pipe line across the Manghopir road will improve water availability in the vicinity and in future K4 water transmission line is also expected to pass through the same route. In addition thereto, the Company is also initiating to construct flyover in order to bypass Nusrat Bhutto Colony and it will be land mark development and for the purpose designing and related matters has been completed and NOC's from concerned government authorities/agencies has been obtained and the management expect the ground breaking of flyover to be held soon.

All of this external development and progress on internal development will lead to increased value of the project by manifold in coming months and years which will lead to impressive returns for the shareholders of the Company and the General Public as being an investors and residents of Naya Nazimabad.

Corporate and Financial Reporting Framework

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

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

In compliance with the Code, the Board hereby reaffirm that there is no doubt about JCL's ability to continue as a going concern and that there has been no material departure from the best practices of corporate governance except for disclosed in Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2017.

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

Trading in Company's Shares

During the year ended June 30, 2019, the directors, executives and their spouses and minor children have not traded in the shares of the Company. The threshold set by the Directors, for disclosure of the term "executive", in annual report constitutes employee whose annual basic salary exceeds Rs. 1.2 million in a year.

Directors' Attendance at Board and its Committee Meeting

During the year ended 30 June 2019, four (04) Board Meetings. Four (04) Audit Committee Meetings and one (01) Human Resource & Remuneration Committee Meeting were held. Attendance by director were as follows

Name of Director	Board Meeting	Audit Committee	HR & R Committee
Mr. Arif Habib	4	N/A	1
Mr. Samad A. Habib	4	N/A	1
Mr. Muhammad Ejaz	2	2	1
Mr. Kashif Habib	4	4	N/A
Mr. Abdul Qadir Sultan	4	3	N/A
Mr. Faisal Bilwani	3	N/A	N/A
Mr. Hassan Ayub	1	N/A	N/A
Mr. Alamgir Shiekh	4	N/A	N/A
Mr. Siddique Khokar	4	N/A	N/A
Ms. Darakshan Zohaib	2	N/A	N/A
Mr. Saeed Ahmed	N/A	N/A	N/A

- Ms. Darakshan has been elected in place of Mr. Hassan Ayub as director in Elections held on 26 October 2018.
- Mr. Saeed Ahmed has been appointed on the board of directors subsequent to the year in place of Mr. Kashif Habib (who had resigned during the year)

Directors' Remuneration

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

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

Composition of the Board

The current composition of the board is as follows:-

Total Number of Directors:

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

Composition:

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

Committees of the Board:

Audit Committee

Mr. Abdul Qadir Sultan	Chairman
Mr. Muhammad Ejaz	Member
Mr. Kashif Habib	Member (resigned during the year)
Mr. Alamgir Shiekh •	Member

- Mr. Alamgir Sheikh has been appointed as a member of Audit Committee subsequent to the year end in place of Mr. Kashif Habib who had resigned during the year.

Human Resource & Remuneration Committee

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

- Mr. Saeed Ahmed has been appointed on the board in place of Mr. Kashif Habib subsequent to the year end and he has been appointed as the Chairman of Human Resource & Remuneration Committee.

Internal Control

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

Director's Training Program

Five directors on the Board have certification under Directors' Training Program and one director meet the Board experience criteria as given in Regulations. All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

External Auditors

The financial statements of the company for the year ended June 30, 2019 were audited by M/s. Reanda Haroon Zakaria & Co., Chartered Accountants and M/s. EY Ford Rhodes, Chartered Accountants. The auditors will retire at the end of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board has recommended the appointment of M/s. Reanda Haroon Zakaria & Co., Chartered Accountants and M/s. EY Ford Rhodes, Chartered Accountants as auditors for the ending 30 June 2020, as recommended by the Audit Committee, subject to approval of the members in the forthcoming Annual General Meeting.

Pattern of Shareholding

Pattern of shareholding of the Company in accordance with the Section 227 (2)(f) of the Companies Act, 2017 as at June 30, 2019 is annexed to this report.

Information to Stakeholders

Key Operating and financial data of previous years has been summarized and presented at Page No. 31

Related Party Transaction

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

Investment in Retirement Benefits

The company operates an approved funded gratuity scheme for all its eligible employees who have completed their minimum qualifying period of service with the company. The value of the investments of the gratuity fund is PKR Rs. 4.56 million

Post Balance Sheet Event

Subsequent to the year end the board of directors in their meeting held on has recommend issuance of Bonus shares in the proportion of 10 shares for every 100 shares held subject to approval by shareholders in the General Meeting to be held on October 26, 2019. Further the shareholder who will appear in the Register of Member on October 18, 2019 shall be entitled for bonus share.

Acknowledgements

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



Samad A. Habib
Chief Executive



Arif Habib
Chairman

Dated: October 01, 2019

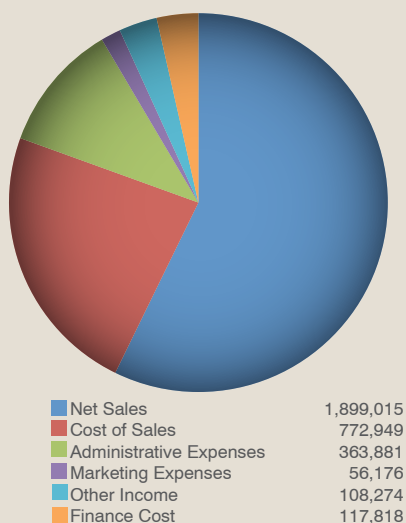
Performance Review Report

		Financial Year					
		2019	2018	2017	2016	2015	2014
Investment measure							
Ordinary Share Capital	Rs./Mn	2,885	2,671	1,571	1,294	1,166	583
Reserves	Rs./Mn	5,723	5,361	2,059	373	(78)	(1,176)
Surplus on revaluation of freehold land	Rs./Mn	8,676	5,803	6,149	6,355	6,536	6,376
Ordinary Share holder's Equity	Rs./Mn	17,284	13,835	9,779	8,022	7,624	5,783
Dividend on Ordinary Shares							
Dividend on Ordinary Shares	Rs./Mn	-	187	445	-	-	-
Dividend per Ordinary Shares	Rs.	-	0.7	2.5	-	-	-
Profit before Taxation	Rs./Mn	696	1,101	1,388	600	1,005	842
Profit after Taxation	Rs./Mn	580	704	990	695	800	842
Earnings per share (Basic)*	Rs.	2.01	3.10	6.88	4.23	6.57	9.49
Measure of financial Status							
Current Ratio	X:1	4.51	3.10	3.59	2.57	2.70	1.96
Debt Equity Ratio	X:1	0.31	0.26	0.19	0.29	0.55	0.80
Total Debt Ratio	X:1	0.21	0.34	0.32	0.40	0.38	0.46
Sales	Rs./Mn	1,899	2,479	2,468	1,227	1,260	1,876
Cost of Goods Sold as % of Sales	%	40.70%	44.34%	24.14%	23.86%	33.65%	30.18%
Profit before Taxation as % of Sales	%	36.68%	44.39%	56.24%	48.90%	78.98%	44.88%
Profit after Taxation as % of Sales	%	30.54%	28.39%	40.10%	56.64%	63.49%	44.88%

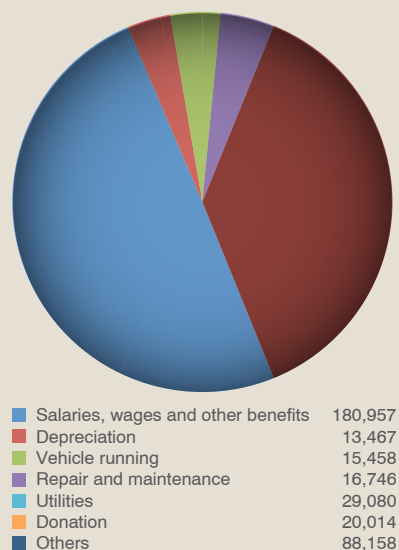
* Re-stated except for the year 2019

JCL a Bird's Eye View

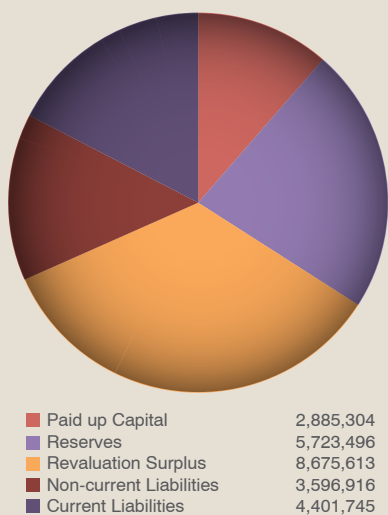
Operating Revenue & Expenses



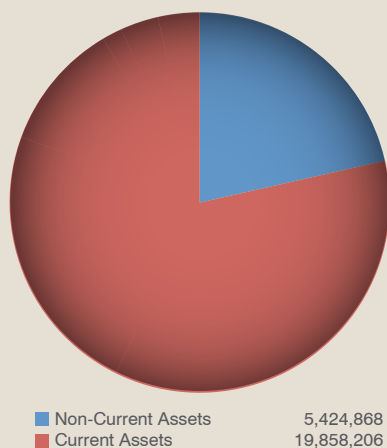
Administrative Expense



Equity & Liabilities

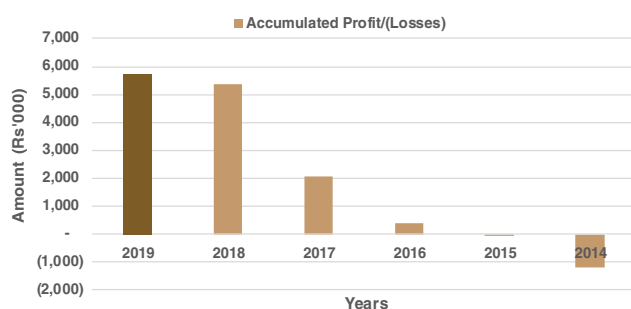


Current & Non-current Liabilities

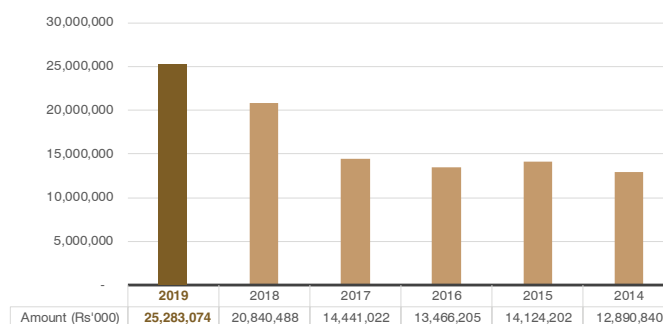


Graphical Representation

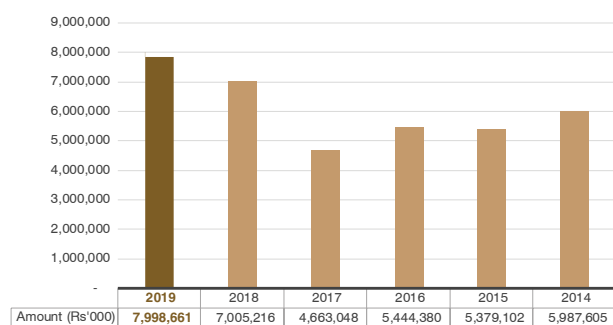
Accumulated Profit/(Losses)



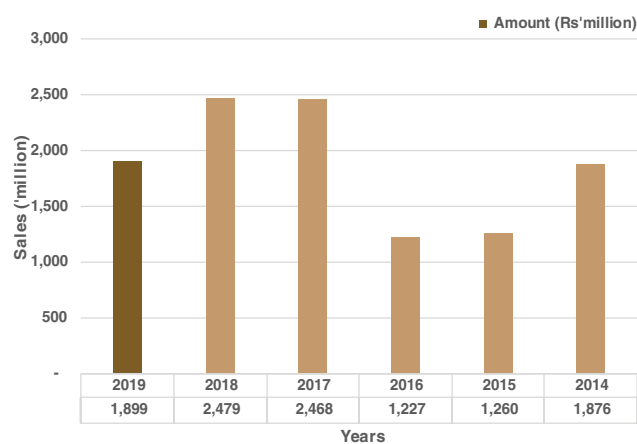
Total Assets



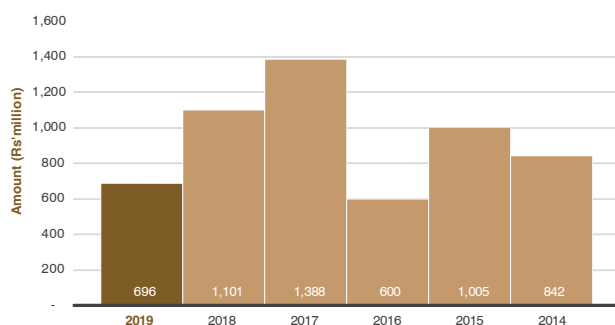
Total Liabilities



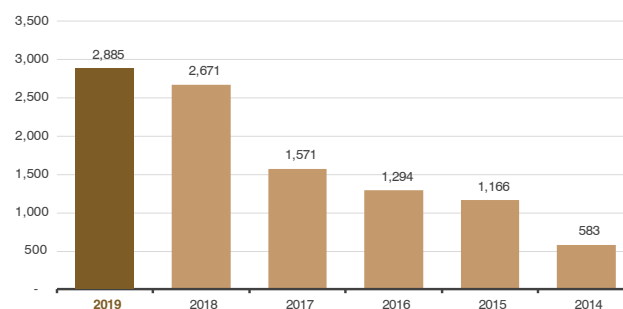
Net Turnover



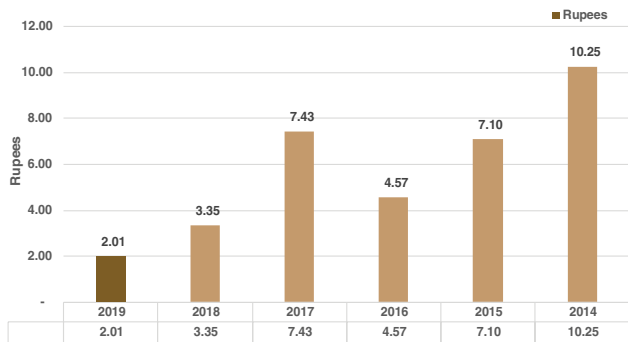
Profit before Tax



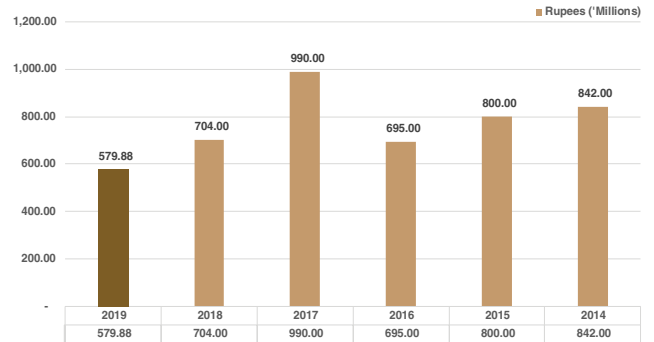
Share Capital



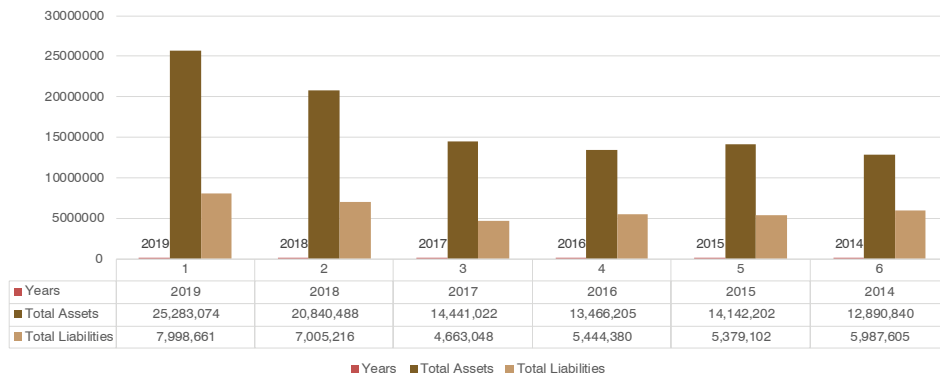
Earning per share



Profit after Tax



Total Assets to Total Liabilities



Independent Auditors' Review Report

To the members of Javedan Corporation Limited

Review Report on the Statement of Compliance contained in Code of Corporate Governance, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Javedan Corporation Limited (the Company) for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2019.

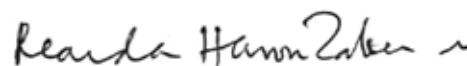
Further, we highlight below instances of non-compliance with the requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2017 as reflected in the paragraph references, where it is stated in the Statement of Compliance:

Reference	Description
7	The Board has conducted an annual evaluation of its board, members of board and its committees subsequently in the Board meeting held on 01 October 2019.
10	The position of Chief Financial Officer and the Company Secretary is being held by the same person.
12	The HR and Remuneration committee does not have any independent director by virtue of which the Chairman of said committee is the non-executive director. However, subsequently on 23 September 2019, an independent director was appointed as the Chairman of said committee.



EY Ford Rhodes
Chartered Accountants

Karachi
Date: 05 October 2019



Reanda Haroon Zakaria & Co.
Chartered Accountants

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

For the year ended 30 June 2019

This Statement is being presented to comply with Listed Companies (Code of Corporate Governance) Regulations, 2017 (herein after referred to as “CCG” or “Regulations”) for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance. The Company has applied the principles contained in Regulations in the following manner:

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

a) Male	8
b) Female	1

2. The composition of the board is as follows:

Category	Names
* Independent Directors	Mr. Abdul Qadir Sultan Mr. Alamgir Sheikh Mr. Siddique Khokar
Other Non-executive Director	Mr. Kashif Habib (Resigned during the year) Mr. Arif Habib – Chairman Mr. Muhammad Ejaz Mr. Faisal Bilwani Ms. Darakshan Zohaib
Executive Directors	Mr. Samad A. Habib

*Mr. Saeed Ahmed has been appointed as an independent director subsequent to the date of reporting..

3. The directors have confirmed that none of them is serving as a director on more than five listed companies including this Company (excluding the listed subsidiaries of listed holding companies).
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board as empowered by the relevant provisions of the Companies Act 2017 and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Companies Act 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board. Further, the Board has conducted an annual evaluation of the Board, members of Board and its committees subsequently in the Board meeting held on 01 October 2019.
8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act 2017 and Regulations.

9. Five directors on the Board have certification under Directors' Training Program and one director meets the Board experience criteria as given in Regulations.
10. The Board has approved appointment of CFO and Company Secretary, including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. However, the position of CFO and Company Secretary is being held by the same person. Further, there had been no new appointment of Head of Internal Audit during the year under review.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below. As of 30 June 2019, the HR and Remuneration Committee (HR&HC) does not have an independent director by virtue of which Chairman of HR&HC is the non-executive director. However, subsequently on 23 September 2019, an independent director was appointed and became the Chairman of HR&HC.

a) Audit Committee

Mr. Abdul Qadir Sultan	Chairman
Mr. Muhammad Ejaz	Member
*Mr. Kahsif Habib	Member (resigned during the year)

b) Human Resource & Remuneration Committee

**Mr. Arif Habib	Chairman / Member
Mr. Samad A. Habib	Member
Mr. Muhammad Ejaz	Member

*Mr. Kashif Habib has resigned from the Board on 29 June 2019 and in his place Mr. Alamgir Sheikh has become the member of the committee on 23 September 2019.

**Mr. Saeed Ahmed has been appointed as an independent director on the Board subsequent to the year end (i.e 23 September 2019).

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a) Audit Committee:	4
b) Human Resource & Remuneration Committee:	1
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Scheme have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Scheme and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the code have been complied with except for matters as stated in paragraph references 7, 10 and 12, towards which reasonable progress is being made by the Company to ensure compliance.

For and behalf of the board.



Arif Habib

Chairman

01 October 2019

INDEPENDENT AUDITORS' REPORT

To the members of Javedan Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Javedan Corporation Limited (the Company), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	How the matter was addressed in our audit
<p>1. Tax contingencies</p> <p>(Refer notes 25.1.1 to the accompanying financial statements)</p> <p>The Company has contingent liabilities in respect of income tax matters, which are pending adjudication at various levels with the taxation authorities and other legal forums.</p> <p>Contingencies require management to make judgements and estimates in relation to the interpretation of tax laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies.</p> <p>Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgements and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income tax a key audit matter.</p>	<p>Our audit procedures in respect of tax contingencies included, amongst others, we obtained and reviewed details of the pending tax related matters and discussed the same with the Company's management.</p> <p>We reviewed the correspondence of the Company with the relevant authorities, tax advisors, and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved.</p> <p>We obtained and reviewed confirmations from the Company's external legal and tax advisors for their views on the probable outcome of the open tax assessments and other tax related contingencies.</p> <p>We involved internal tax professionals to assess management's conclusions on contingent tax matters and to evaluate the consistency of such conclusions with the views of the external tax advisors engaged by the Company.</p> <p>We also evaluated the requirement of making provision against any contingencies, and the adequacy of disclosures made in respect of tax contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.</p>
<p>2. Valuation of development properties</p> <p>(Refer note 10 to the accompanying financial statements)</p> <p>The Company's development properties ('DP') acquired or being constructed for sale in ordinary course of business constitutes the 'Naya Nazimabad' Project which is located in Karachi, principally comprising open plots, bungalows, etc. As of 30 June 2019, DP amounted to Rs. 18,036 million and constitutes 70% of the total assets of the Company and is measured at the lower of cost or net realizable value (NRV).</p> <p>Due to its materiality and significance in terms of judgements and estimates involved in capitalization</p>	<p>Our audit procedures amongst others included, review of controls around the valuation of DP by testing the underlying cost calculation; physical inspection of the Project site to ascertain the condition and existence of development properties, assessing the basis and appropriateness for cost capitalised (including borrowing cost) in accordance with the applicable financial reporting standards.</p> <p>We also tested the development expenditure incurred and capitalised during the year from</p>

Key audit matter	How the matter was addressed in our audit
<p>Due to its materiality and significance in terms of judgements and estimates involved in capitalization of cost incurred as a part of Project and valuation of underlying DP, we have considered this a key audit matter.</p>	<p>We also tested the development expenditure incurred and capitalised during the year from agreements, invoices and related documents supporting various components of the Project costs and checked related approvals. We also reviewed the minutes of the meetings at the Board level to identify any indicators of impairment.</p> <p>We assessed the NRV of the DP and compared with the cost on sample basis to ascertain the recording of DP at lower of cost or NRV.</p> <p>We also reviewed the related disclosures in accordance with the applicable financial reporting standards.</p>
1. Revaluation o land under property, plant and equipment	
<p>(Refer notes 6.1 to the accompanying financial statements)</p> <p>During the year, in accordance with the accounting policy of the Company, the land was revalued, resulting in recognition of surplus on revaluation amounting to Rs. 3,057.091 million. Such revaluation was carried out by an independent valuer as appointed by the Company who took into account various factors such as estimated selling price, location and condition of the land, utilization by the Company, market projections etc.</p> <p>Due to significant management's judgments and estimations relating to underlying valuation of the land that are inherently complex and require specialist input, and land being material to the total assets of the Company (i.e. 18%), we considered this areas as a key audit matter.</p>	<p>Our audit procedures amongst others, comprised understanding the management valuation process, including the involvement of independent valuer in performing the valuation of the land.</p> <p>We assessed the competence of the management's independent valuer and reviewed the valuation report to understand the basis and methodology used for such valuation.</p> <p>We also involved our own specialists to review the valuation carried out by the management's independent valuer to assess the appropriateness of the methodology, assumptions and estimates used to determine the fair value of land.</p> <p>We also assessed the adequacy of the related disclosures in the financial statements in accordance with the financial reporting framework.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



EY Ford Rhodes
Chartered Accountants

Karachi
Date: 05 October 2019



Reanda Haroon Zakaria & Co.
Chartered Accountants

Statement of Financial Position

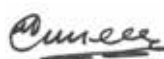
As At June 30, 2019

	Note	2019 -----Rupees in '000-----	2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	5,343,609	1,835,507
Investment properties	7	55,000	-
Long-term deposits	8	8,268	7,575
Deferred tax assets - net	9	17,991	31,704
		5,424,868	1,874,786
CURRENT ASSETS			
Development properties	10	18,036,047	16,703,021
Trade debts	11	789,495	1,469,913
Loans and advances	12	954,336	668,383
Trade deposits, prepayments and other receivables	13	21,577	17,957
Cash and bank balances	14	56,751	106,428
		19,858,206	18,965,702
TOTAL ASSETS		25,283,074	20,840,488
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
390,000,000 (2018: 290,000,000) ordinary shares of Rs.10/- each		3,900,000	2,900,000
Issued, subscribed and paid-up capital	15	2,885,304	2,671,254
Capital reserves	16	3,393,056	3,392,570
Revenue reserves	16	2,330,440	1,968,800
Revaluation surplus on free-hold land	17	8,675,613	5,802,648
		17,284,413	13,835,272
NON-CURRENT LIABILITIES			
Long-term financing	18	3,563,112	866,250
Deferred liability - gratuity	19	33,804	24,191
		3,596,916	890,441
CURRENT LIABILITIES			
Trade and other payables	20	521,337	2,109,979
Preference shares	21	510	1,320
Accrued mark-up	22	171,565	67,172
Contract liabilities	23	1,840,634	1,170,612
Short-term borrowings	24	1,485,603	2,365,856
Current maturity of non-current liabilities		345,417	381,987
Taxation - net		32,564	13,630
Unpaid preference dividend		60	157
Unclaimed dividend		4,055	4,062
		4,401,745	6,114,775
CONTINGENCIES AND COMMITMENTS	25		
TOTAL EQUITY AND LIABILITIES		25,283,074	20,840,488

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Statement of Profit Or Loss

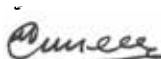
For The Year Ended June 30, 2019

		2019	2018
		-----Rupees in '000-----	
Sales - net	26	1,899,014	2,479,159
Cost of sales	27	(772,949)	(1,099,369)
Gross profit		1,126,065	1,379,790
Marketing and selling expenses	28	(56,176)	(68,525)
Administrative expenses	29	(363,881)	(260,954)
Finance (costs) / income	30	(117,818)	7,563
Other income	31	108,274	42,703
Profit before taxation		696,464	1,100,577
Taxation	32	(116,584)	(396,864)
Profit for the year		579,880	703,713
		2019	2018
		-----Rupees-----	
Earnings per share			(Restated)
Basic	33	2.01	3.10
Diluted	33	2.01	2.84

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Statement of Other Comprehensive Income

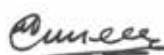
For The Year Ended June 30, 2019

	Note	2019 -----Rupees in '000-----	2018
Profit for the year		579,880	703,713
Other comprehensive income, net of tax			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):			
Actuarial losses on remeasurement of defined benefit obligation	19.5	(1,837)	(2,011)
Related tax effect		533	583
		(1,304)	(1,428)
Revaluation surplus on free-hold land	17	3,057,091	-
Other comprehensive income, net of tax		3,055,787	(1,428)
Total comprehensive income for the year, net of tax		3,635,667	702,285

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Statement Of Changes In Equity

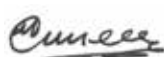
For The Year Ended June 30, 2019

	Issued, subscribed and paid-up capital	Capital reserves Share premium	Tax holiday reserve	Revenue reserves General (Rupees in '000')	Un- appropriated profit	Revaluation surplus on free-hold land	Total Equity
Balance as at June 30, 2017	1,570,509	670,346	11,966	63,500	1,313,024	6,148,628	9,777,973
Issuance of 50% right shares	890,420	2,226,045	-	-	-	-	3,116,465
Cost on issuance of right shares	-	-	-	-	(9,905)	-	(9,905)
Final dividend @ 2.5 percent on ordinary shares for the year ended June 30, 2017	-	-	-	-	(446,084)	-	(446,084)
Profit for the year	-	-	-	-	703,713	-	703,713
Other comprehensive loss, net of tax	-	-	-	-	(1,428)	-	(1,428)
Total comprehensive income, net of tax	-	-	-	-	702,285	-	702,285
Revaluation surplus on free-hold land realised on account of sale of development properties	-	-	-	-	345,980	(345,980)	-
Conversion of preference shares into ordinary shares (notes 15 & 21)	210,325	484,213	-	-	-	-	694,538
Balance as at June 30, 2018	2,671,254	3,380,604	11,966	63,500	1,905,300	5,802,648	13,835,272
Issuance of 8% ordinary bonus shares for the year ended June 30, 2018	213,726	-	-	-	(213,726)	-	-
Cost on issuance of bonus shares	-	-	-	-	(326)	-	(326)
Final dividend @ 7% percent on ordinary shares for the year ended June 30, 2018	-	-	-	-	(187,010)	-	(187,010)
Profit for the year	-	-	-	-	579,880	-	579,880
Other comprehensive income/(loss), net of tax	-	-	-	-	(1,304)	3,057,091	3,055,787
Total comprehensive income, net of tax	-	-	-	-	578,576	3,057,091	3,635,667
Revaluation surplus on free-hold land realised on account of sale of development properties	-	-	-	-	184,126	(184,126)	-
Conversion of preference shares into ordinary shares (notes 15 & 21)	324	486	-	-	-	-	810
Balance as at June 30, 2019	2,885,304	3,381,090	11,966	63,500	2,266,940	8,675,613	17,284,413

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Statement Of Cash Flows

For The Year Ended June 30, 2019

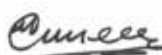
	Note	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		696,464	1,100,577
Adjustments for non-cash items:			
Depreciation	6.1	13,467	12,488
Provision for gratuity	19.8	10,364	7,572
Remeasurement gain on investment properties	7.2	(14,709)	-
Finance costs / (income)	30	117,818	(7,563)
Mark-up on saving accounts	31	(1,807)	(1,654)
Gain on disposal of property, plant and equipment	31	(743)	(1,255)
Operating profit before working capital changes		820,854	1,110,165
(Increase) / decrease in current assets			
Development properties		(859,698)	(7,246,559)
Trade debts		680,418	967,039
Loans and advances		(285,953)	(44,982)
Trade deposits, prepayments and other receivables		(3,620)	(6,649)
		(468,853)	(6,331,151)
Increase / (decrease) in current liabilities			
Trade and other payables		(1,588,642)	1,804,284
Contract liabilities		670,022	(543,737)
		(918,620)	1,260,547
Cash flows used in operations		(566,619)	(3,960,439)
Payments for:			
Income taxes		(83,403)	(33,260)
Finance costs		(595,589)	(162,378)
Gratuity	19.6	(2,588)	(1,320)
Long-term deposits		(693)	(2,739)
		(682,273)	(199,697)
Net cash flows used in operations		(1,248,892)	(4,160,136)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	6.1 & 6.2	(397,119)	(202,815)
Sale proceeds from disposal of property, plant and equipment		1,928	2,070
Mark-up on saving accounts received		1,807	1,654
Net cash flows used in investing activities		(393,384)	(199,091)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of right shares		-	3,116,465
Cost on issuance of bonus shares		(326)	-
Cost on issuance of right shares		-	(9,905)
Dividend paid		(187,114)	(444,856)
Long-term financing – net *		2,661,237	(372,784)
Liabilities against assets subject to finance lease - net *		(945)	(1,357)
Short-term borrowings – net *		(880,253)	2,152,690
Net cash generated from financing activities		1,592,599	4,440,253
Net (decrease) / increase in cash and cash equivalents		(49,677)	81,026
Cash and cash equivalents at beginning of the year	14	106,428	25,402
Cash and cash equivalents at end of the year	14	56,751	106,428

* No non-cash item is included in these activities

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Notes To The Financial Statements

For The Year Ended June 30, 2019

1 STATUS AND NATURE OF BUSINESS

1.1 Javedan Corporation Limited (the Company) was incorporated in Pakistan on June 08, 1961, as a public limited company under the repealed Companies Act, 1913 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is located at Arif Habib Centre, 23, M.T Khan Road, Karachi.

1.2 The Company has ceased its cement business since July 01, 2010 and the management has developed business diversification strategy for utilizing the Company's land for developing a housing scheme, "Naya Nazimabad", that includes bungalows, open plots, flat sites and commercial sites. The Company's layout plan of the project was approved by Lyari Development Authority vide letter number LDA/PP/2010/255 on March 02, 2011 and revised master plan approved vide letter No CTP/LDA/112 and has obtained No Objection Certificate from Sindh Building Control Authority having NOC # SBCA/D.D(D-II)/985/ADV-503/2011 on November 12, 2011 and revised NOC # SBCA/DD(D-II)/985 & 991/ADV-584/2013. The Company is also the member of Association of Builders and Developers of Pakistan (ABAD).

1.3 During the year, the Company has increased its authorised share capital from 290 million ordinary shares to 390 million ordinary shares having face value of Rs. 10 each.

During the year, the Company has issued 21.37 million ordinary bonus shares having face value of Rs.10 each amounting Rs. 213.73 million.

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

Location	Address
Registered office	Arif Habib Centre, 23, M.T Khan Road, Karachi
Naya Nazimabad	Deh, Manghopir road, Gadap town, Scheme #43, Karachi
Gulshan-e-Iqbal Sales Center	Showroom No. 3, Data Center, Block 13-B, Gulshan-e-Iqbal, Main University Road, Karachi.
North Karachi Sales Centre	Plot No. R-435, Sector 11/C-1, Adam Town, UP More, North Karachi, Karachi.
Naya Nazimabad Sales Centre	Naya Nazimabad, Deh, Manghopir, Gadap town, Scheme #43, Karachi.

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF PREPARATION

3.1 Basis of measurement

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

- recognition of certain employees' retirement benefits at present value;
- free-hold land classified under property, plant and equipment at revalued amount; and
- investment properties at fair value.

3.2 Functional and presentation currency

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

New / amended standards, interpretations and improvements

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

Notes To The Financial Statements

For The Year Ended June 30, 2019

IFRS 2	Share Based Payments: Classification and Measurement of Share Based Payments Transactions (Amendments)
IFRS 4	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IAS 40	Investment Property: Transfers of Investment Property (Amendments)
IFRIC 22	Foreign Currency Transactions and Advance Consideration

Improvements to accounting standards issued by IASB in December 2016

IAS 28	Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice
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The adoption of the above standards, interpretations and improvement to standards did not have any material effect on these financial statements in the period of initial application except for the adoption of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' as explained in notes 4.1.1 and 4.1.2 to these financial statements.

4.1.1 IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments', has replaced IAS 39 'Financial Instruments: Recognition and Measurement' (IAS 39) for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

IFRS 9 categorizes financial assets at (a) amortised cost; (b) fair value through other comprehensive income (FVOCI); and (c) fair value through profit or loss (FVTPL) and their classification is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 has changed the accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires to recognise a loss allowance for ECLs on debt instruments measured subsequently at amortised cost or at FVOCI. There are no significant changes in the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

As allowed under IFRS 9, the Company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements and therefore, the information presented for prior periods does not reflect the requirements of IFRS 9, but rather those of IAS 39.

The effect of initial application of IFRS 9 on the classification, measurement and carrying amount of the Company's existing financial assets and liabilities as at July 01, 2018 is as follows:

i) Classification and measurement

At transition date to IFRS 9, the Company has financial assets (i.e. loans, deposits, trade and other receivables and cash at banks') previously classified as 'loans and receivables' under IAS 39 that were measured at amortised cost continue to be classified and measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist of SPPI on the principal amount outstanding. Therefore, the classification and measurement requirements of IFRS 9 does not have any material impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income in the period of initial application.

ii) Impairment

For trade and other receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company has also considered a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. The adoption of the ECL requirements of IFRS 9 did not result in any material differences in the existing impairment allowances of the Company's debt financial assets, if any. Accordingly, opening retained earnings as at July 01, 2018 is not required to be restated. All bank balances are assessed to have a low credit risk, as they are held with reputable banking institutions.

Notes To The Financial Statements

For The Year Ended June 30, 2019

			Allowances for impairment under IAS 39 - July 01, 2018	Effect of adoption/ application of IFRS 9	Expected credit losses under IFRS 9 - July 01 2018
Financial asset	Original category under IAS 39	New category under IFRS 9			
Long-term deposits	Loans and receivables	Amortised cost	-	-	-
Trade debts	Loans and receivables	Amortised cost	-	-	-
Loans and advances	Loans and receivables	Amortised cost	-	-	-
Trade deposits and other receivables	Loans and receivables	Amortised cost	7,607	-	7,607
Bank balances	Loans and receivables	Amortised cost	-	-	-

The accounting policy in respect of financial instruments and impairment of financial assets is stated in note 4.7 to these financial statements.

4.1.2 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It has replaced IAS 18 'Revenue Recognition', IAS 11 'Construction Contracts' and related interpretations for annual periods beginning on or after July 01, 2018.

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised when a customer obtains control of the goods or services and the determination of timing of the transfer of control – at a point in time or over the time requires judgement. Further, revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer.

The Company enters into contracts with customers to sell open plots of land and constructed bungalows and has concluded that the first-time application of IFRS 15 by the Company does not have any significant effect with regard to the amount of revenue recognised and when it is recognised. Accordingly, opening reserves as at July 01, 2018 does not required to be restated. Since, the Company has adopted the new standard on the required effective date using a modified retrospective method, therefore the information presented for previous year / period has not been restated i.e. it is presented, as previously reported, under IAS 18 and related interpretations and additional disclosure requirements in IFRS 15 have not been applied to comparative information. However, the reclassification was made in the statement of financial position for contract liabilities to be shown as separate line item (note 37).

The accounting policy in respect of revenue recognition is stated in note 4.14 to these financial statements.

4.2 Significant accounting judgments, estimates and assumptions

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

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

(i) Free-hold land under property, plant and equipment

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

Notes To The Financial Statements

For The Year Ended June 30, 2019

(ii) Development properties

The Company reviews the net realisable value of development properties to assess any diminution in the respective carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

(iii) Recognition of tax and deferred tax

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

4.3 Property, plant and equipment

4.3.1 Owned

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

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

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

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

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

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

4.3.2 Capital work-in-progress

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

4.3.3 Leased

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

Financial charges are calculated at the interest rate implicit in the lease and are charged to profit or loss. Leased assets are depreciated on a reducing balance method at the same rate as Company's owned assets as disclosed in note 6.1 to these financial statements.

4.3.4 Revaluation surplus on free-hold land

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

Notes To The Financial Statements

For The Year Ended June 30, 2019

4.4 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation on additions is charged from the month in which an asset is available for use, while no amortisation is charged for the month in which the asset is disposed off. Amortisation is charged based on straight line method at the rates specified in note 6 to these financial statements.

4.5 Investment properties

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

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

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

4.6 Development properties

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

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

The cost of sales recognised in profit or loss on disposal is determined with reference to the costs incurred on the plots / bungalows sold and an allocation of any non-specific costs based on the total area of land sold for plots / bungalows, in relation to total area of land.

The development charges are recognised in profit or loss on the basis of reimbursable development costs recoverable to date from customers on plots / bungalows sold apportioned to total area of land sold in relation to total area of land.

4.7 Financial instruments

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

4.7.1 Financial assets

4.7.1.1 Initial recognition and measurement

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

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

Notes To The Financial Statements

For The Year Ended June 30, 2019

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

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

4.7.1.2 Subsequent measurement

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

a) Financial assets at amortised cost (debt instruments)

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

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

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

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

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

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

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

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

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

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

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

Notes To The Financial Statements

For The Year Ended June 30, 2019

d) Financial assets at fair value through profit or loss

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

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

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

4.7.1.3 Derecognition

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

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

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

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

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

4.7.1.4 Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For trade receivables (if any), the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Notes To The Financial Statements

For The Year Ended June 30, 2019

4.7.2 Financial liabilities

4.7.2.1 Initial recognition and measurement

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

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

4.7.2.2 Subsequent measurement

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

a) Financial liabilities at fair value through profit or loss

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

b) Loans and borrowings

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

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

4.7.2.3 Derecognition

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

4.7.2.4 Offsetting of financial instruments

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

4.8 Impairment of non-financial assets

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

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

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

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

Notes To The Financial Statements

For The Year Ended June 30, 2019

4.9 Cash and cash equivalents

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

4.10 Preference shares

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

4.11 Employees retirement benefits

Defined benefit plan - gratuity

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

Compensated absences

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

4.12 Borrowing costs

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

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

4.13 Taxation

Current

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

Deferred

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

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

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

Notes To The Financial Statements

For The Year Ended June 30, 2019

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

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

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

4.14 Revenue recognition

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

i) Revenue from the sale of plots and bungalows is recognised at a point in time at which the performance obligation is satisfied and one of the below conditions are not met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance obligation completed to date.

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

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

ii) Revenue on plots and bungalows cancelled during the period is recognized to the extent of amount forfeited at the time when the cancellation request is approved.

iii) Reimbursable development costs incurred are recognised as an expense and its reimbursement from customers as a corresponding income in profit or loss under cost of sales. Development charges which are invoiced to customers are recognised as development charges billed, whereas, unbilled development charges represent value of development work executed but billed subsequently.

b) Revenue from other sources is recognized on the following basis:

i) Rental income arising from investment properties is recognised, net of discounts, in accordance with the terms of lease contracts over the lease term on straight-line basis until such time the lessee exercises its option to purchase.

ii) Profit on deposits is recognized on a time proportionate basis, by reference to the principal outstanding and at the applicable effective interest rate.

iii) Gain on sale of property, plant and equipment is recorded when title is transferred in favour of transferee.

iv) Income from sale of scrap is recorded when risks and rewards are transferred to the customers which coincides with the time of dispatch of items.

v) Other income, if any, recognised on accrual basis.

Notes To The Financial Statements

For The Year Ended June 30, 2019

4.15 Provisions

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

4.16 Operating leases / Ijarah agreements

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

4.17 Foreign currency translations

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

4.18 Dividend and appropriation to reserves

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

4.19 Earnings per share

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

4.20 Segment reporting

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

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

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

New / amended standards, interpretations and improvements		Effective date (annual periods beginning on or after)
IFRS 3	Definition of a Business (Amendments)	January 01, 2020
IFRS 3	Business Combinations: Previously held interests in a joint operation	January 01, 2019
IFRS 9	Prepayment Features with Negative Compensation (Amendments)	January 01, 2019
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 11	Joint Arrangements Previously held interests in a joint operation	January 01, 2019
IFRS 16	Leases	January 01, 2019
IAS 1/IAS 8	Definition of Material (Amendments)	January 01, 2020
IAS 12	Income Taxes: Income tax consequences of payments on financial instruments classified as equity	January 01, 2019

Notes To The Financial Statements

For The Year Ended June 30, 2019

IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalisation	January 01, 2019
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments)	January 01, 2019
IFRIC 23	Uncertainty over Income Tax Treatments	January 01, 2019

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

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

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

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

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

5. DETAILS OF RELATED PARTIES

Name of related parties	%age holding	Basis of relationship
Aisha Steel Mills Limited	-	Common directorship
Arif Habib Consultancy (Private) Limited	-	Common directorship
Black Gold Power Limited	-	Common directorship
Fatima Fertilizer Company Limited	-	Common directorship
Karachi Sports Foundation	-	Common directorship
Sachal Energy Development (Private) Limited	-	Common directorship
AH Aviation (Private) Limited	-	Common directorship
Arif Habib Corporation Limited	-	Common directorship
International Builders and Developers (Private) Limited	-	Common directorship
Name of related parties	%age holding	Basis of relationship
NCEL Building Management Limited	-	Common directorship
Pakarab Energy Limited	-	Common directorship
Pakistan Business Council	-	Common directorship
Pakistan Engineering Company Limited	-	Common directorship
Pakistan Opportunities Limited	-	Common directorship
Fatimid Foundation	-	Common directorship
Karachi Education Initiative	-	Common directorship
Pakistan Centre for Philanthropy	-	Common directorship
Arif Habib Equity (Pvt.) Limited	-	Common directorship
Essa Textile and Commodities (Pvt.) Limited	-	Common directorship
MCB-Arif Habib Savings & Investments Limited	-	Common directorship
Nooriabad Spinning Mills (Pvt.) Limited	-	Common directorship
Parkview Company Limited	-	Common directorship
Rotocast Engineering Company (Pvt.) Limited	-	Common directorship
Sukh Chayn Gardens (Pvt.) Ltd	-	Common directorship
Sweetwater Dairies Pakistan (Pvt.) Limited	-	Common directorship
Safemix Concrete Limited	-	Common directorship
AHA Trading House (pvt) Ltd	-	Common directorship
Arif Habib Foundation	-	Common directorship
Essa Textile and Commodities (Pvt.) Limited	-	Common directorship

Notes To The Financial Statements

For The Year Ended June 30, 2019

Fatimafert Limited	-	Common directorship
Fatima Cement Limited	-	Common directorship
Memon Health and Education Foundation	-	Common directorship
Pakarab Fertilizers Limited	-	Common directorship
REMMCO Builders & Developers Limited	-	Common directorship
Reliance Sacks Limited	-	Common directorship
Siddiqsons Energy Limited	-	Common directorship
Arif Habib Dolmen REIT Management Limited	-	Common directorship
Arif Habib Real Estate Services (Pvt.) Limited	-	Common directorship
Power Cement Limited	-	Common directorship
Golden Arrow Funds Limited	-	Common directorship
Arif Habib Limited	-	Group company
Mr. Haji Abdul Ghani	-	Associated person, major shareholder
Miss. Nida Ahsan	-	Close family member
*Mr. Kashif A. Habib	-	Close family member
Mr. Samad A. Habib - Chief Executive	-	Key management personnel
Mr. Arif Habib - Director	-	Key management personnel
Mr. Muhammad Ejaz - Director	-	Key management personnel
Miss. Darakshan Zohaib - Director	-	Key management personnel
Mr. Abdul Qadir - Director	-	Key management personnel
Mr. Alamgir A. Sheikh - Director	-	Key management personnel
Mr. Siddiq Khokhar - Director	-	Key management personnel
Mr. Faisal Anees Bilwany - Director	-	Key management personnel
Mr. Muneer Gadar - CFO & Company Secretary	-	Key management personnel
JCL Gratuity Fund Trust	-	Employees' Gratuity Fund

* He served as a director of the company up till June 29, 2019

6.	Property, plant and equipment	Note	2019 —(Rupees in '000)—	2018
	Operating fixed assets	6.1	4,773,088	1,585,188
	Capital work-in-progress	6.2	570,521	250,319
			5,343,609	1,835,507

6.1 Operating fixed assets

Particulars	July 01, 2018	Additions/ revaluation*	Transfers	Disposals	As at June 30, 2019	As at July 01, 2018	Charge for the year	Disposals	Transfers	As at June 30, 2019	as at June 30, 2019	%
	Rupees in '000					Rupees in '000						
Owned												
Free-hold land * (notes 17 and 6.1.1)	1,517,436	3,057,091*	17,627**	-	4,592,154	-	-	-	-	-	4,592,154	-
Other land (note 6.1.5)	-	-	50,918**	-	50,918	-	-	-	-	-	50,918	-
Buildings on free-hold land	34,438	-	-	-	34,438	18,679	1,586	-	-	20,265	14,173	10
Buildings on other land	-	62,036	-	-	62,036	-	517	-	-	517	61,519	10
Furniture and fixtures	12,757	1,303	-	-	14,060	5,556	1,147	-	-	6,703	7,357	20
Office equipment	31,553	5,345	-	143	36,755	14,265	3,501	27	-	17,739	19,016	10 to 33
Computer equipment	17,318	3,934	-	72	21,180	13,325	1,874	52	-	15,147	6,033	33
Vehicles	40,523	4,298	2,631***	3,339	44,113	18,999	4,842	2,290	644	22,195	21,918	20
	1,654,025	3,134,007	71,176	3,554	4,855,654	70,824	13,467	2,369	644	82,566	4,773,088	
Leased												
Vehicles	2,631	-	(2,631)	-	-	644	-	-	(644)	-	-	20
2019	1,656,656	3,134,007	68,545	3,554	4,855,654	71,468	13,467	2,369	-	82,566	4,773,088	

Particulars	July 01, 2017	Additions	Transfers	Disposals	June 30, 2018	July 01, 2017	Charge for the year	Disposals	Transfers	June 30, 2018	June 30, 2018	Rate %
	Rupees in '000					Rupees in '000						
Owned												
Free-hold land * (note 17)	1,517,436	-	-	-	1,517,436	-	-	-	-	-	1,517,436	-
Buildings on free-hold land	34,438	-	-	-	34,438	16,917	1,762	-	-	18,679	15,759	10
Furniture and fixtures	11,898	859	-	-	12,757	4,407	1,149	-	-	5,556	7,201	20
Office equipment	19,828	11,754	-	29	31,553	12,292	1,978	5	-	14,265	17,288	10 to 33
Computer equipment	16,468	850	-	-	17,318	11,665	1,660	-	-	13,325	3,993	33
Vehicles	34,652	1,016	9,365	4,510	40,523	9,928	5,457	3,719	7,333	18,999	21,524	20
	1,634,720	14,479	9,365	4,539	1,654,025	55,209	12,006	3,724	7,333	70,824	1,583,201	
Leased												
Vehicles	11,996	-	(9,365)	-	2,631	7,495	482	-	(7,333)	644	1,987	20
2018	1,646,716	14,479	-	4,539	1,656,656	62,704	12,488	3,724	-	71,468	1,585,188	

** Represents land transferred (i.e. football stadium and mosques) from development properties to property, plant and equipment (note 10).

*** Represents transferred from leased assets to owned assets.

Notes To The Financial Statements

For The Year Ended June 30, 2019

6.1.1 During the year, the Company has appointed an independent valuer to carry out a revaluation exercise of its free-hold land which has resulted in surplus of Rs. 3,057 million (note 17). Had there been no revaluation, the carrying amount of free-hold land would have been Rs. 39.03 million and revaluation surplus on free-hold land would have been lower by 4,206 million.

The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. The fair value of free-hold land falls under level 2 of fair value hierarchy (i.e. significant observable inputs).

6.1.2 The forced sale value of free-hold land is Rs. 3,509 million based on the latest revaluation carried out by an independent valuer on June 30, 2019.

6.1.3 The immovable assets (i.e. free-hold land) of the Company as at June 30, 2019 have an area of 66.5 acres, located at Naya Nazimabad, Deh, Manghopir, Gadap Town, Scheme 43, Karachi, and is used by the Company for business purposes. Out of 66.5 acres of land, 9.05 acres of free-hold land has been mortgaged/pledged with various financial institutions against financing facilities obtained (note 18).

6.1.4 During the year, the Company has transferred 12,591 sq.yards of free-hold land having carrying value of Rs.17.627 million from development properties to operating fixed assets, as it intends to construct and operate football stadium on this transferred land. Subsequent to the transfer, the free-hold land was included in the revaluation exercise carried out by the Company as disclosed in note 6.1.1 to these financial statements.

6.1.5 Land classified as 'Other land' are amenity plots (i.e. land for construction of mosques). During the year, the Company has transferred land related to construction of mosques from development properties to operating fixed assets amounting to Rs. 50.92 million.

6.1.6 The depreciation charge for the year has been charged to administrative expenses (note 29).

6.2	Capital work-in-progress	Note	2019 —(Rupees in '000)—	2018
	Opening		250,319	61,983
	Additions during the year		320,202	188,336
	Closing	6.2.1	570,521	250,319
6.2.1	The details of capital work-in-progress are as under:			
	Gymkhana (Club House)	6.2.2	395,286	170,162
	Jama masjid		95,441	6,507
	Cricket ground		60,802	58,036
	Football stadium		18,992	15,614
			570,521	250,319

6.2.2 This is pledged against syndicated loan facility as disclosed in note 18 to these financial statements.

7 INVESTMENT PROPERTIES

Investment property - completed 7.1 **55,000** -

7.1 Investment properties comprise of a banquet hall having area of 2,200 sq.yards situated at D-24, Deh Manghopir Karachi.

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

As at July 01				
Transferred from development properties	7.3	40,291	-	
Remeasurement gain during the year	7.4	14,709	-	
As at June 30		55,000	-	

Notes To The Financial Statements

For The Year Ended June 30, 2019

- 7.3** During the year, the Company has transferred property (i.e. banquet hall) having an area of 2,200 sq.yards and carrying value of Rs. 40.29 million from development properties to investment properties, as it has been decided by the Company to hold said property for earning rentals and not for sale in the ordinary course of business.
- 7.4** 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 for the year of Rs. 14.71 million is recognised in profit or loss. The fair value of investment property falls under level 2 of fair value hierarchy (i.e. significant observable inputs).
- 7.5** The forced sale value of investment properties as per the latest valuation report is Rs. 46.40 million.

8	LONG-TERM DEPOSITS	Note	2019	2018
			—(Rupees in '000)—	
	Utilities		4,701	4,534
	Rent		1,565	1,565
	Lease deposits		1,387	1,138
	Others		615	338
			8,268	7,575
9 DEFERRED TAX ASSETS - net				
	Deferred tax on deductible temporary differences			
	- unabsorbed tax depreciation		-	12,570
	- liabilities against subject to finance lease		-	274
	- provisions		25,269	21,843
			25,269	34,687
	Deferred tax on taxable temporary differences			
	- accelerated depreciation on property, plant and equipment		(7,278)	(2,407)
	- assets subject to finance lease		-	(576)
			(7,278)	(2,983)
			17,991	31,704
10 DEVELOPMENT PROPERTIES				
	Land			
	Opening balance		14,653,144	8,132,647
	Add: Addition during the year		487,834	6,520,497
		10.1	15,140,978	14,653,144
	Development expenditure incurred			
	Opening balance		6,621,621	4,649,679
	Add: Incurred during the year		1,858,438	1,971,942
			8,480,059	6,621,621
	Borrowing costs related to development properties			
	Opening balance		1,387,153	1,226,698
	Add: Addition during the year	30	582,164	160,455
			1,969,317	1,387,153
			25,590,354	22,661,918
	Transferred to:			
	- property, plant and equipment	6.1	(68,545)	-
	- investment properties	7.2	(40,291)	-
	- cost of sales to date	10.1 & 27	(4,857,686)	(4,084,737)
	- development charges incurred and apportioned to date	27	(2,587,785)	(1,874,160)
			18,036,047	16,703,021

Notes To The Financial Statements

For The Year Ended June 30, 2019

- 10.1** The land under development properties having an area of 351.96 acre has been mortgaged/pledged with various financial institutions against financing facilities obtained (note 18).

	Note	2019 —(Rupees in '000)—	2018
11 TRADE DEBTS			
Secured, considered good			
Receivable against sales of plots and bungalows	11.3	543,482	1,217,772
Receivable against development charges incurred:			
- billed	11.1	138,002	123,623
- un-billed	11.2	108,011	128,518
		246,013	252,141
		789,495	1,469,913

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

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

11.3 As of June 30, 2019 and 2018, the ageing analysis of unimpaired trade debts are as follows:

	Past due but not impaired				
	Total	Neither past due nor impaired	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
			(Rupees)		
Receivable against sales of plots and bungalows:					
Related parties					
- Abdul Qadir	2,233	2,233	-	-	-
- Arif Habib Limited	495	-	-	-	495
	2,728	2,233	-	-	495
Other than related parties	540,754	-	157,887	229,743	153,124
	543,482	2,233	157,887	229,743	153,619
Receivable against development charges incurred:					
Related parties					
Billed					
- Nida Ahsan	129	129	-	-	-
- Arif Habib Limited	833	833	-	-	-
- Abdul Ghani	7,935	7,935	-	-	-
- Nooriabad Spinning Mills (Pvt) Ltd	349	349	-	-	-
Unbilled					
- Arif Habib	13,185	13,185	-	-	-
- Haji Abdul Ghani	2,173	2,173	-	-	-
	24,603	24,603	-	-	-
Other than related parties - billed and unbilled	221,409	83,407	138,002	-	-
	246,013	108,011	138,002	-	-
2019	789,495	110,244	295,889	229,743	153,619

Notes To The Financial Statements

For The Year Ended June 30, 2019

		Past due but not impaired			
	Total	Neither past due nor impaired	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
			(Rupees)		
Receivable against sales of plots and bungalows:					
Related parties	424,021	424,021	-	-	-
- Abdul Ghani	180,950	180,950	-	-	-
- Nida Ahsan	1,696	1,696	-	-	-
- Arif Habib Limited	606,667	606,667	-	-	-
	611,105	-	535,729	75,376	-
Other than related parties	1,217,772	606,667	535,729	75,376	-

Receivable against development charges incurred:

Related parties					
Billed					
- Arif Habib	1,070	1,070	-	-	-
- Nida Ahsan	72	72	-	-	-
- Arif Habib Limited	655	655	-	-	-
- Abdul Ghani	8,890	8,890	-	-	-
- Nooriabad Spinning Mills (Pvt) Ltd	350	350	-	-	-
Unbilled					
- Arif Habib	8,367	8,367	-	-	-
- Haji Abdul Ghani	49,772	49,772	-	-	-
	69,176	69,176	-	-	-
Other than related parties - billed and unbilled	182,965	61,489	121,476	-	-
	252,141	130,665	121,476	-	-
2018	1,469,913	737,332	657,205	75,376	-

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

	2019 —(Rupees in '000)—	2018
Haji Abdul Ghani	10,108	482,683
Nida Ahsan	129	181,022
Arif Habib	13,185	9,437
Arif Habib Limited	833	2,351
Nooriabad Spinning Mills (Pvt.) Ltd	349	349

Notes To The Financial Statements

For The Year Ended June 30, 2019

	Note	2019 —(Rupees in '000)—	2018
12 LOANS AND ADVANCES - Considered good			
Loans - Secured			
Executives	12.2	6,548	2,716
Employees		4,866	1,832
	12.1	11,414	4,548
Advances - Unsecured			
Suppliers		76,022	86,150
Contractors		100,626	99,597
Employees for expenses		6,274	9,873
Purchase of land	12.3	760,000	468,215
		942,922	663,835
		954,336	668,383
12.1	Represents interest free loans given to employees for the purchase of vehicles in accordance with the terms of the employment. These loans are repayable over the period of months and are secured against staff gratuity fund.		
12.2	The movement in loans to executives are as follows:		
	Note	2019 —(Rupees in '000)—	2018
Balance as of 01 July		2,716	928
Loans obtained during the year		12,481	6,550
Adjusted during the year		(8,649)	(4,762)
Balances as of 30 June		6,548	2,716
12.3	Represents advances (as partial payments) given for purchase of various land under the terms of agreement agreed between parties.		
13 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
		2019 —(Rupees in '000)—	2018
Trade deposits - Unsecured			
Considered good		3,345	3,345
- Security deposit with Sindh Building Control Authority		12,390	421
- Others		15,735	3,766
Considered doubtful			
- Guarantee margin		225	225
- Contractors		2,679	2,679
		2,904	2,904
Allowances for expected credit losses		(2,904)	(2,904)
		15,735	3,766
Prepayments			
Rent		1,655	924
Insurance		294	828
Others		2,593	1,620
		4,542	3,372
Other receivables - Unsecured			
Sales tax refundable - considered doubtful		4,703	4,703
Excise duty refundable - considered good		574	574
Others - considered good		726	10,245
		6,003	15,522
Allowances for expected credit losses		(4,703)	(4,703)
		21,577	17,957
13.1	Included herein Rs. 12.3 million deposited with Honorable High Court of Sindh in respect of labor case pending adjudication.		
13.2	Included herein receivables from the following related parties in respect of sponsorship fee:		

Notes To The Financial Statements

For The Year Ended June 30, 2019

- Fatima Fertilizer Company Limited
- Power Cement Limited
- Aisha Steel Mills Limited
- International Builders and Developers (Private) Limited
- Arif Habib Limited

2019
—(Rupees in '000)—

	2018
-	7,000
-	1,500
-	1,000
34	34
-	104
34	9,638

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

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

- Fatima Fertilizer Company Limited
- Power Cement Limited
- Aisha Steel Mills Limited
- International Builders and Developers (Private) Limited
- Arif Habib Limited

Note 2019
—(Rupees in '000)—

	2018
-	7,000
-	1,500
-	1,000
34	34
-	104
34	9,638

14 CASH AND BANK BALANCES

- Cash in hand
- Cheques in hand
- Cash at banks in:
- current accounts
- deposit accounts

14.1

6,929	7,077
19,198	82,353
3,945	3,311
26,679	13,687
30,624	16,998
56,751	106,428

14.1 These carry markup at the rate ranging between 7% to 10% per annum (2018: 5.5% to 7% per annum).

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019
— Number of Shares —

8,600,000	8,600,000	Ordinary shares of Rs.10 each Issued for cash
47,200,000	47,200,000	Issued under the financial restructuring arrangement
200,000	200,000	Bonus shares issued:
21,372,605	-	Opening
21,572,605	200,000	Issued during the year
		Closing
(54,268,643)	(54,268,643)	Shares cancelled due to merger
27,332,729	27,332,729	Shares issued in lieu of merger
176,432,216	87,390,414	Right shares issued:
-	89,041,802	Opening
176,432,216	176,432,216	Issued during the year
		Closing
61,661,453	61,629,104	Shares issued on conversion from preference shares
288,530,360	267,125,406	

2019
— Number of Shares —

86,000	86,000
472,000	472,000
2,000	2,000
213,726	-
215,726	2,000
(542,686)	(542,686)
273,327	273,327
1,764,322	873,904
-	890,418
1,764,322	1,764,322
616,615	616,291
2,885,304	2,671,254

Notes To The Financial Statements

For The Year Ended June 30, 2019

- 15.1 The holding of related parties / major shareholders of the Company holding ordinary shares as at June 30, 2019 are as follows:

	2019 -----% holding-----	2018	2019 ---(Rupees in '000)---	2018
Haji Abdul Ghani	14%	14%	415,736	368,276
Arif Habib Corporation Limited	7%	9%	202,694	249,350
Arif Habib Equity (Private) Limited	29%	29%	827,600	766,297
			1,446,030	1,383,923

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

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

	Note	2019 ----Number of Shares----	2018
Opening		61,629,104	40,596,528
Shares issued on conversion of preference shares during the year		32,349	21,032,576
Closing		61,661,453	61,629,104

16 RESERVES

Capital reserves

Tax holiday reserve

Share premium

Revenue reserve

General reserves

Un-appropriated profit

	Note	2019 ---(Rupees in '000)---	2018
Tax holiday reserve	16.1	11,966	11,966
Share premium	16.2	3,381,090	3,380,604
		3,393,056	3,392,570
General reserves	16.3	63,500	63,500
Un-appropriated profit		2,266,940	1,905,300
		2,330,440	1,968,800
		5,723,496	5,361,370

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

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

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

17 REVALUATION SURPLUS ON FREE-HOLD LAND

Balance as at July 01

Development properties

Property, plant and equipment

Surplus arising on revaluation of free-hold land during the year

Transfer to unappropriated profit on sale of development

properties during the year

Balance as at June 30

Represented by:

Development properties

Property, plant and equipment

	Note	2019 ---(Rupees in '000)---	2018
Balance as at July 01		4,734,306	5,080,286
Development properties		1,068,342	1,068,342
Property, plant and equipment		5,802,648	6,148,628
Surplus arising on revaluation of free-hold land during the year		3,057,091	-
Transfer to unappropriated profit on sale of development		(184,126)	(345,980)
properties during the year		8,675,613	5,802,648
Balance as at June 30		8,675,613	5,802,648
Development properties	6.1.1	4,470,037	4,734,306
Property, plant and equipment		4,205,576	1,068,342
		8,675,613	5,802,648

Notes To The Financial Statements

For The Year Ended June 30, 2019

	Note	2019 —(Rupees in '000)—	2018
18 LONG-TERM FINANCING - Secured			
Conventional			
Debt asset swap arrangement	18.1	64,167	106,042
Term finance certificates	18.2	345,000	517,500
Syndicated loan facility	18.3	496,250	498,750
Shariah Compliant			
Sukuk Certificates	18.4	2,978,112	-
Diminishing Musharakah	18.5	25,000	125,000
		3,908,529	1,247,292
Current maturity of long-term financing		(345,417)	(381,042)
		3,563,112	866,250
18.1	Accrued markup up to February 23, 2011 (effective date) amounting to Rs. 87.769 million plus the markup on the medium term finance facility for the grace period from February 23, 2011 to August 23, 2012 calculated at a fixed rate 15% equivalent to Rs. 273.497 million (total Rs. 361.266 million) was settled by the Company in kind through transferring equivalent value of its 75 acres land to the bank on August 23, 2012. On this transaction, transfer charges were borne by the bank and all legal expenses, documentation and related charges, government excise, levies and surcharge were paid by the Company. Under the said arrangement, the Company was required to buy back the land acquired by the bank on February 24, 2014, (i.e. after 3 years from the transaction date) at an acquisition cost of Rs. 361.26 million inflated at the rate of 12% with effect from February 23, 2011 plus transfer charges, legal charges etc. The Company was in negotiation with the Bank to settle the outstanding liability at Rs.106 million, and waive additional mark up of Rs.94 million on the overdue mark up, as it is not in accordance with prevailing banking regulations. During the year, the Company has reached a settlement with bank at an amount of Rs.195 million, out of which Rs. 128.33 million was paid during the year and the remaining amount was fully paid subsequent to year end. However, no objection certificate for release of charge against facility is yet to be issued.		
18.2	Represents privately placed Term Finance Certificates (TFCs) aggregating to Rs. 920.35 million issued by the Company for a period of 7 years for the development of housing project. These carry markup at the rate of 6 months KIBOR plus 2.5 percent per annum and is redeemable in four equal semi-annual installments of Rs.14.5 million and ten equal semi-annual installments of Rs. 86.25 million each. The facility is secured by way of equitable mortgage charge over land comprising of residential plots to maintain 25% margin over forced sale value (FSV) or 47% margin over market value of the security, whichever is higher.		
18.3	The Company had obtained syndicated loan facility for a period of six years from various commercial banks amounting to Rs. 800 million for the purpose of financing the construction of a gymkhana and a clubhouse at the Naya Nazimabad Housing Scheme. As of the reporting date, Rs. 300 million remained unutilised. This carries mark-up at the base rate of 3 months KIBOR plus 2.35 percent per annum with no floor or cap and to be paid in twenty quarterly repayments, whereas, the first installment became due after the end of the fifteenth month i.e. December 31, 2017. The facility is secured against an exclusive first mortgage / charge over the mortgaged property of 121 plots bearing survey # 43, 97 and 251 in Blocks F & G and one plot bearing survey # 199 situated at Naya Nazimabad, Deh, Manghopir, Gadap Town, Scheme 43, Karachi amounting to Rs. 1,066.66 million and is also secured by the personal guarantees of all sponsoring directors of the Company		
18.4	During the year, the Company has issued privately placed sukuk certificates aggregating to Rs. 2,993 million having face value of Rs.100,000/- each to eligible institutions / investors (i.e. the certificate holders or beneficiaries) for a period of 8 years (inclusive of 2 years grace period) to make payment of commercial land purchased and repayment of financing obtained for said purpose during the year ended June 30, 2018. These carry markup at the rate of 6 months KIBOR plus 1.75 percent per annum and are redeemable in 12 equal installments starting from April 04, 2021 till October 04, 2026. The Company is liable to pay annual trustee fee of Rs.0.75 million to Pak Brunei Investment Company Limited (the trustee) under the trust deed dated September 14, 2018. The facility is secured against 49 plots located at Tapo Manghopir, Taluka Gadap Town, District Karachi for the aggregated value of Rs. 5,250.91 million and other assets (i.e. stand-by letter of credits, collection account and sponsors support agreements). The Company has incurred transaction cost of Rs. 47.776 million to issue said certificates.		
18.5	The Company had obtained a financing facility in 2016 by entering into sale and diminishing musharakah agreement amounting to Rs. 200 million to facilitate construction of houses for the project. This carries mark-up at the rate of 3 months KIBOR plus 3% per annum (subject to floor and cap of 9% and 20%, respectively). The amount is payable in eight equal quarterly instalments of Rs. 25 million. The facility is secured against exclusive charge / mortgage over land bearing survey # 34, 36-45, 55, 59, 62-69, 72-77, 79-83, 85, 87-103, 127, 197-263, Deh Manghopir, Gadap Town, Scheme 43, Karachi having total market value of Rs. 334.95 million and forced sale value of Rs. 267.96 million as per valuation report dated June 10, 2016.		

Notes To The Financial Statements

For The Year Ended June 30, 2019

19 DEFERRED LIABILITY - GRATUITY

19.1 General description

General description of the approved funded gratuity scheme and accounting policy for recognizing actuarial gains and losses is disclosed in note 4.11 to the financial statements.

19.2 Principal actuarial assumptions

The latest actuarial valuation for defined benefit plan scheme was carried out as at June 30, 2019 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

		2019	2018
Discount rate %		14.25	9
Expected rate of increase in salary levels %		14.25	9
Expected rate of return on plan assets %		9.00	7.75
Average retirement age of the employee		60 years	60 years
		2019	2018
		—(Rupees in '000)—	
	Note		
19.3 Reconciliation of amount payable to defined benefit plan			
Present value of defined benefit obligation	19.4	38,367	29,519
Less: Fair value of plan assets	19.6	(4,563)	(5,328)
	19.5	33,804	24,191
19.4 Movement in present value of defined benefit obligation			
Present value of obligation as at July 1		29,519	21,125
Current service cost		8,315	6,421
Interest cost		2,529	1,553
Benefits paid		(2,588)	(1,320)
Benefits due but not paid		(258)	(857)
Actuarial loss on re-measurement of obligation		850	2,597
Present value of obligation as at June 30		38,367	29,519
19.5 Movement in payable to defined benefit plan			
Opening liability		24,191	15,928
Charge for year to profit or loss	19.8	10,364	7,572
Other comprehensive loss		1,837	2,011
Contributions to the fund		(2,588)	(1,320)
Closing liability		33,804	24,191
19.6 Movement in fair value of plan assets			
Fair value of plan assets as at July 1		5,328	5,197
Return on plan assets		480	403
Contributions		2,588	1,320
Benefits paid		(2,588)	(1,320)
Benefits due but not paid		(258)	(858)
Actuarial gain on re-measurement of plan assets		(987)	586
Fair value of plan assets as at June 30		4,563	5,328

Notes To The Financial Statements

For The Year Ended June 30, 2019

2019 2018
—(Rupees in '000)—

19.7 The plan assets comprise of bank balances only.

19.8 The amount recognized in profit or loss is as follows:

Current service cost	8,315	6,421
Interest cost on defined benefit obligation	2,529	1,554
Interest income on plan assets	(480)	(403)
	10,364	7,572

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

	2019	2018	2019	2018
	Actuarial loss on re-measurement of Plan assets		Obligation	
	Rupees in '000		Rupees in '000	
Experience adjustment	(987)	586	(850)	(2,597)

19.10 The plan exposes the company to the following risks:

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

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

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

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

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

Sensitivity analysis	Impact on defined benefit obligation		
	Change in assumption %	Increase in assumption Rupees in '000	Decrease in assumption Rupees in '000
Discount rate	1	35,751	(41,346)
Salary growth rate	1	41,318	(35,730)

19.12 The expected gratuity expense for the year ending June 30, 2020 works out to Rs. 14.899 million.

19.13 The weighted average duration of the defined benefit obligation at June 30, 2019 is 7 years (2018: 8 years).

Notes To The Financial Statements

For The Year Ended June 30, 2019

			2019 —(Rupees in '000)—	2018
20	TRADE AND OTHER PAYABLES	Note		
	Creditors	20.1	88,873	66,236
	Accrued liabilities		66,654	103,326
	Retention money		100,097	79,770
	Withholding tax payable		8,047	15,662
	Other payables:			
	- on cancellation of plots		7,881	8,812
	- on repurchase of land	20.2	249,785	1,836,173
			521,337	2,109,979
20.1	Included herein amount payable to the following related parties:			
	Safemix Concrete Limited		3,274	1,753
	Power Cement Limited		8,288	27,799
	Arif Habib Dolmen REIT Management Limited		2,977	2,977
			14,539	32,529
20.2	Included herein Rs. 249.78 million and Rs. Nil (2018: Rs.1,556 million and Rs. 161.995 million) against the repurchase of commercial land payable to Arif Habib Equity (Private) Limited and Haji Abdul Ghani respectively, (related parties).			

21 PREFERENCE SHARES

21.1 Issued, subscribed and paid-up preference shares

2019 — Number of Shares —	2018		2019 —Rupees in '000—	2018
45,150,200	45,150,200	12% Redeemable, cumulative and convertible preference shares of Rs.10 each	451,502	451,502
(45,099,200)	(45,018,200)	Shares cancelled on conversion into ordinary shares	(450,992)	(450,182)
51,000	132,000		510	1,320

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

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

21.3 During the year, 81,000 (2018: 45,018,200) preference shares were converted into 32,349 (2018: 21,032,576) ordinary shares at conversion price of 80% of the weighted average closing price of the ordinary shares quoted in the daily quotation of Pakistan Stock Exchange Limited during the three months immediately prior to the relevant conversion date in a ratio of aggregate face value of the preference shares plus accumulated dividends thereon to conversion price.

Notes To The Financial Statements

For The Year Ended June 30, 2019

	Note	2019 —(Rupees in '000)—	2018
22 ACCRUED MARK-UP			
Accrued markup on :			
Long-term financing		109,807	17,438
Short-term borrowings	22.1	61,758	49,734
		171,565	67,172

22.1 This includes markup payable to Arif Habib Corporation Limited - a related party amounting to Rs. 38.79 million (2018: Rs. 28.967 million).

	Note	2019 —(Rupees in '000)—	2018
23 CONTRACT LIABILITIES			
Advance from customers	23.1	1,256,407	676,176
Liability against performance obligation	23.2	584,227	494,436
		1,840,634	1,170,612
23.1 Advance from customers			
Advance against:			
- plots and bungalows	23.1.1	488,187	598,934
- flat sites and commercial	23.1.1	768,220	-
- development charges incurred		-	77,242
		1,256,407	676,176

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

	Note	2019 —(Rupees in '000)—	2018
Arif Habib Equity (Pvt) Limited		360,100	-
Haji Abdul Ghani		199,892	-
Nida Ahsan		-	33,330
Arif Habib		-	8,038
Arif Habib Limited		-	53,880
		559,992	95,248

23.2 Liability against performance obligation

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

	Note	2019 —(Rupees in '000)—	2018
24 SHORT-TERM BORROWINGS			
From related parties - unsecured			
Arif Habib Corporation Limited	24.1	10,067	1,468,000
Other than related parties			
Musharakah arrangement	24.2	300,000	300,000
Running finance under mark-up arrangements	24.3	1,175,536	597,856
		1,475,536	897,856
		1,485,603	2,365,856

Notes To The Financial Statements

For The Year Ended June 30, 2019

- 24.1** Represents financing facility availed from a related party to the extent of Rs. 2,231.55 million to finance the working capital and project requirement. The loan is repayable on demand and carries markup at the rate of 3 month's KIBOR plus 2.25 percent per annum.
- 24.2** Represents running musharakah facility from a commercial bank of Rs. 300 million for financing needs of the project. This carries markup rate of KIBOR plus 2.15 percent per annum and payable latest by December 31, 2019. The facility is secured by token mortgage of Rs. 0.1 million and remaining through equitable mortgage over specified piece of land with 30% margin and personal guarantees of the directors.
- 24.3** Represents running finance facility availed from a commercial bank of Rs. 600 million. This carries markup rate at 3 month's KIBOR plus 3.5 percent payable quarterly and is secured by token mortgage of Rs. 0.1 million and remaining as equitable mortgage of land of the Company and is also secured by personal guarantees of all sponsoring directors of the Company. As of reporting date, the facility is unutilised to the extent of Rs. 124.84 million.

25 CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 Existing business

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 an appeal effect order was issued for the tax year 2012 whereby, a demand of Rs. 6.64 million has been created and paid by the Company under protest. The Company, based on the opinion of its tax advisor, is confident that there will be no unfavourable outcome in above appeals. Accordingly, no provisions were made in these financial statements.
- 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 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 and the demand was enhanced from Rs. 220.22 million to Rs. 324.58 million for tax year 2013. Being aggrieved, the Company filed appeal before ATIR, which were adjudicated in favor of the Company during the year except for immaterial assessments. The Company, based on the opinion of its tax advisor, is confident of the favourable outcome. Accordingly, no provision has been made in these financial statements.
- 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 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 current year, the Company has adjusted its brought forward losses against taxable income and accordingly, current year provision is based on higher of Corporate Tax or ACT.

During the year, 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 Financial Statements

For The Year Ended June 30, 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 2014 to 2019 has been accounted for in these financial statements having an aggregate impact of Rs.111.686 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.
- 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 financial statements.

Legal and other contingencies

- h) As at June 30, 2019, several cases were filed against the Company before various court of laws relating to title / possession / encroachment of land, claims, settlements of dues, etc, the amount of which cannot be determined. The management, based on the opinion of the legal counsel expects that the outcome of all these cases will be in favour of the Company, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these financial statements.

25.1.2 Former business

As at June 30, 2019, there are several cases aggregating to Rs. 580.55 million which were filed on former Javedan Cement Limited (now Javedan Corporation Limited) relating to their former business (i.e. cement business operation) before various court of laws, which majorly pertains to the gross annual rental value, trade license fee, excise duty, title / possession / encroachment of leasehold land for mining purpose allotted to the Company, etc., which are still pending for decision at various forum. The management, based on the opinion of the legal counsels, expects that the outcome of all these cases will be in favour of the Company, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these financial statements.

- 25.1.3 Guarantees issued by the commercial banks on behalf of the Company amounting to Rs. 212.960 million (2018: Rs. 12.960 million).

25.2 Commitments	Note	2019	2018
		--- Rupees in '000 ---	
Capital commitments		1,391,673	1,589,007
Ijarah rentals	25.2.1	7,647	4,000

- 25.2.1 The Company has various ijarah agreements with a financial institution in respect of purchase of vehicles for a period upto four years and are payable in monthly installments latest by February 2022 and July 2024. Taxes and repairs are to be borne by the Company (lessee), however, major repairs and insurance costs are to be borne by the lessors. These payments are secured against promissory notes in favor of the lessors for the entire amount of the ijarah rentals and security deposits of Rs. 1.07 million. Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

	2019	2018
	--- Rupees in '000 ---	
Not later than one year	2,615	1,220
Later than one year but not later than five years	5,032	2,780
	7,647	4,000

Notes To The Financial Statements

For The Year Ended June 30, 2019

			2019 --- Rupees in '000 ---	2018
26	SALES - NET	Note		
	Plots		1,965,878	2,703,524
	Bungalows		700,719	916,017
			2,666,597	3,619,541
	Less:			
	Cancellation and forfeiture		(760,817)	(1,123,637)
	Trade discount		(6,766)	(16,745)
			(767,583)	(1,140,382)
			1,899,014	2,479,159
27	COST OF SALES			
	Cost of development properties sold:			
	- plots		170,697	321,638
	- bungalows		602,252	777,731
		10	772,949	1,099,369
	Development charges:			
	- incurred and apportioned to customers		713,625	614,729
	- reimbursable from customers		(713,625)	(614,729)
			-	-
			772,949	1,099,369
28	MARKETING AND SELLING EXPENSES			
	Sales promotions		23,013	12,760
	Exhibitions and events		24,660	47,273
	Commission		8,503	8,492
			56,176	68,525
29	ADMINISTRATIVE EXPENSES			
	Salaries, wages and other benefits	29.1	180,957	123,477
	Fees and subscriptions		16,919	10,234
	Depreciation	6.1	13,467	12,488
	Vehicle running		15,458	15,111
	Legal and professional		8,512	6,644
	Repair and maintenance		16,746	12,647
	Software license and maintenance		5,059	4,315
	Rent, rates and taxes		6,698	3,560
	Utilities		29,080	26,402
	Donation	29.2 & 29.3	20,014	5,098
	Communication		3,410	3,790
	Travelling and conveyance		1,388	1,350
	Ijarah rentals		1,599	743
	Insurance		6,183	5,714
	Printing and stationery		3,655	3,264
	Auditors' remuneration	29.4	2,418	1,799
	Entertainment		5,446	5,176
	Meetings and conventions		445	440
	Security		23,512	16,271
	Others		2,915	2,431
			363,881	260,954

Notes To The Financial Statements

For The Year Ended June 30, 2019

- 29.1** Included herein Rs.10.36 million (2018: Rs. 7.57 million) in respect of employees retirement benefits.
- 29.2** No director(s) or their spouse had any interest in any donees to which donations were made.
- 29.3** The Company has not made any donations higher of Rs.1 million or 10% of the donations during the current and prior years except as follows:

	Note	2019 --- Rupees in '000 ---	2018
Diamer Bhasha and Mohmand Dams Fund		10,000	-
HANDS		4,280	-
		14,280	-
29.4 Auditors' Remuneration			
EY Ford Rhodes			
Annual audit of financial statements		577	577
Review of half yearly financial statements		200	200
Code of Corporate Governance and other assurance service		758	139
		1,535	916
Reanda Haroon Zakaria & Company			
Annual audit of financial statements		577	577
Review of half yearly financial statements		200	200
Code of Corporate Governance and other assurance service		106	106
		883	883
		2,418	1,799
30 FINANCE COSTS / (INCOME)			
Dividend on preference shares	4.10	(35)	(59,044)
Mark-up on:			
- long-term financing	30.1	488,507	111,896
- short-term borrowings	30.1	207,027	92,840
- assets subject to finance lease	30.1	44	156
Bank and other charges		4,439	7,044
		699,982	152,892
Less: Borrowing cost capitalized in the cost of qualifying asset	10	(582,164)	(160,455)
		117,818	(7,563)
Average rate of capitalisation		11.89%	5.89%
30.1 Mark-up on:			
Interest bearing		408,670	199,204
Shariah compliant		286,907	5,688
		695,578	204,892

Notes To The Financial Statements

For The Year Ended June 30, 2019

	2019	2018
	--- Rupees in '000 ---	
31 OTHER INCOME		
Income from financial assets		
Mark-up on saving accounts	1,807	1,654
Income from non-financial assets		
Income from cancellation of bookings	2,571	3,121
Gain on disposal of property, plant and equipment	743	1,255
Transfer fees from plots and bungalows	64,960	16,907
Sponsorship income	-	8,500
Income from cricket ground	7,115	8,031
Rental income from investment properties	3,680	-
Remeasurement gain on investment properties	14,709	-
Others	12,689	3,235
	106,467	41,049
	108,274	42,703
32 TAXATION		
Current	113,589	30,865
Prior	(11,251)	-
Deferred	14,246	365,999
	116,584	396,864

32.1 Contingencies related to tax matters are disclosed in note 25.1.1 to these financial statements.

	2019	2018
	--- Rupees in '000 ---	
32.2 Tax reconciliation with accounting profit is as follows:		
Profit before taxation	696,464	1,100,577
Tax at the rate of 29% (2018: 30%)	201,975	330,173
Tax effect of income subject to lower tax rate	-	30,865
Tax effect of change in tax rate	1,057	25,621
Prior year tax	(11,251)	-
Tax effect of minimum tax adjustment	(75,058)	-
Others	(138)	10,205
	116,584	396,864
Average rate of tax	17%	36%

Notes To The Financial Statements

For The Year Ended June 30, 2019

33	EARNINGS PER SHARE	2019	2018
		--- Rupees in '000 ---	
			Restated
	Basic		
	Profit after tax (Rupees in '000)	579,880	703,713
	Weighted average number of ordinary shares	288,519,475	227,119,716
	Earnings per share - (In Rupees)	2.01	3.10
	Diluted		
	Profit attributable to ordinary shareholders (Rupees in '000)	579,845	644,669
	Weighted average number of ordinary shares in issue	288,519,475	227,119,716
	Adjustment for conversion of convertible preference share	22,602.69	48,068.00
	Weighted average number of ordinary shares for diluted earning per share	288,542,078	227,167,783.64
	Earnings per share - (In Rupees)	2.01	2.84

33.1 During the year, the Company issued 8% bonus shares (i.e. 8 ordinary shares for every 100 ordinary shares held), which has resulted in restatement of basic and diluted earnings per share for the year ended June 30, 2018.

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements are as follows:

	Chief Executive		Directors		Executives	
	2019	2018	2019	2018	2019	2018
	----- Rupees in '000 -----					
Managerial remuneration	10,287	8,127	-	-	40,550	30,185
Medical expenses	1,029	813	-	-	4,055	3,019
Allowances	760	1,270	-	-	8,505	7,195
Bonus	745	655	-	-	2,683	2,325
Retirement benefits	984	820	-	-	3,532	2,454
	13,805	11,685	-	-	59,325	45,178
Number of Persons	1	1	-	-	19	15

34.1 No remuneration is paid / payable to the directors of the Company for current and prior years, other than those disclosed in note 34.3 to these financial statements.

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

34.3 During the year, the Company has paid Rs. 0.42 million (2018: Rs. 0.44 million) to a non-executive Director on account of board meeting fees.

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining and appropriate mix between various sources of finance to minimize risks. Taken as a whole, the Company is

Notes To The Financial Statements

For The Year Ended June 30, 2019

exposed to market risk, credit risk, and liquidity risk. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2019. The policies for managing each of these risks are summarised below:

35.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. The sensitivity analyses in the following sections relate to the position as at June 30, 2019.

35.1.1 Interest rate risk

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

35.1.2 Interest rate sensitivity

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

	(Increase) / decrease in basis points	Effect on profit before tax (Rupees in '000)
2019	+100	(53,941)
	-100	53,941
2018	+100	(36,141)
	-100	36,141

35.1.3 Currency risk

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

35.1.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. As at reporting date, the Company is not exposed to equity price risk.

35.2 Credit risk

35.2.1 Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. The financial assets excludes statutory receivables / assets and includes trade debts, deposits, trade and other receivables, loans and cash and bank balances. Out of the total financial assets of Rs. 879 million (2018: Rs. 1,603 million), the financial assets which are subject to credit risk amounted to Rs. 846 million (2018: Rs. 1,513 million). The Company's credit risk is primarily attributable to its trade debts and bank balances. The Company has large number of customers, including corporate and individuals, due to large number and diversity of its customer base, concentration of credit risk with respect to trade debtors is limited.

The credit quality of financial assets that are past due but not impaired is disclosed in note 11.3 to these financial statements. As at reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

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

Notes To The Financial Statements

For The Year Ended June 30, 2019

	Note	2019 --- Rupees in '000 ---	2018
Long-term deposits	8	8,268	7,575
Trade debts	11	56,910	737,332
Loan to employees	12	11,414	4,548
Trade deposits and other receivables	13	11,758	14,585
Bank balances	14	49,822	99,351
		138,172	863,391

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

Bank Balances by short-term rating category	Rating Agency	2019 --- Rupees in '000 ---	2018
A-1	PACRA	1,289	147
A-1	JCR-VIS	954	1,964
A1+	PACRA	24,785	14,477
A-1+	JCR-VIS	1,417	410
A-3	JCR-VIS	2,179	-
		30,624	16,998

35.3 Liquidity risk

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

The table below summarises the maturity profile of the Company's financial liabilities at June 30, 2019 and 2018 based on contractual undiscounted payment dates and present market interest rates:

	2019					
	Carrying Amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
Financial liabilities						
Long-term financing	3,908,529	3,908,529	176,667	168,750	830,300	2,732,812
Trade and other payables	513,290	513,290	513,290	-	-	-
Short term borrowings	1,485,603	1,485,603	1,485,603	-	-	-
Accrued mark-up	171,565	171,565	171,565	-	-	-
Unpaid preference dividend	60	60	60	-	-	-
Unclaimed dividend	4,055	4,055	4,055	-	-	-
2019	6,083,102	6,083,102	2,351,240	168,750	830,300	2,732,812
	2018					
	Carrying Amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
Financial liabilities						
Long-term financing	1,247,292	1,247,292	215,520	190,520	841,252	-
Liabilities against assets subject to finance lease	945	945	945	-	-	-
Trade and other payables	2,094,317	2,094,317	2,094,317	-	-	-
Short term borrowings	2,365,856	2,365,856	2,365,856	-	-	-
Accrued mark-up	67,172	67,172	67,172	-	-	-
Unpaid preference dividend	157	157	157	-	-	-
Unclaimed dividend	4,062	4,062	4,062	-	-	-
2018	5,779,801	5,779,801	4,748,029	190,520	841,252	-

Notes To The Financial Statements

For The Year Ended June 30, 2019

35.4 Fair value of financial instruments

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

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

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

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

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

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

Level 1: Quoted market price.

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non- market observables)

The fair value hierarchy of free-hold land and investment properties is disclosed in notes 6.1.1 and 7.4 respectively to these financial statements.

35.5 Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximise shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2019.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and revenue reserves. The gearing ratio as at June 30, 2019 and 2018 are as follows:

	Note	2019 --- Rupees in '000 ---	2018
Long-term financing	18	3,908,529	1,248,237
Preference shares	21	510	1,320
Accrued mark-up	22	171,565	67,172
Short-term borrowings	24	1,485,603	2,365,856
Total debts		5,566,207	3,682,585
Less: Cash and bank balances	14	(56,751)	(106,428)
Net debts		5,509,456	3,576,157
Issued, subscribed and paid-up capital	15	2,885,304	2,671,254
Capital reserves	16	3,393,056	3,392,570
Revenue reserves	16	2,330,440	1,968,800
Revaluation surplus on free-hold land	17	8,675,613	5,802,648
Total equity		17,284,413	13,835,272
Total capital		22,793,869	17,411,429
Gearing ratio		24.17%	20.5%

Notes To The Financial Statements

For The Year Ended June 30, 2019

36 TRANSACTIONS WITH RELATED PARTIES

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

	Note	2019 --- Rupees in '000 ---	2018
Associates			
Arif Habib Corporation Limited			
Repurchase of commercial land		-	2,167,587
Payments made against the repurchase of commercial land		-	2,167,587
Advance received against subscription of right issue		-	386,172
Short-term borrowing obtained during the year	24.1	1,082,000	1,468,000
Short-term borrowing repaid during the year		2,539,933	-
Mark-up expense on short-term borrowing	30	106,036	46,995
Mark-up paid during the year		96,207	18,027
Dividend paid		15,021	33,334
Arif Habib Equity (Private) Limited			
Repurchase of commercial land	10	249,785	2,356,161
Payments made against the repurchase of commercial land		1,556,161	800,000
Advance paid against subscription of right issue		-	894,013
Advance paid against future purchase of commercial apartments	23.1.1	360,100	-
Dividend paid		45,595	127,716
Power Cement Limited			
Purchase of construction material		44,357	109,558
Payments made against the purchase of construction material		63,877	89,601
Safe Mix Concrete Limited			
Purchase of construction material		58,666	53,495
Payments made against the purchase of construction material		58,135	55,104
Arif Habib Limited			
Repurchase of commercial land		-	187,875
Payments made against the repurchase of commercial land		-	187,875
Sale of residential/commercial plots		105,886	280,440
Receipt against sale of residential/commercial plots		105,886	429,944
Haji Abdul Ghani - Associated person			
Repurchase of commercial land	10	26,896	582,070
Advance paid against future purchase of commercial apartments	23.1.1	11,000	420,073
Adjustment of amount payable as an advance for future purchase of commercial apartments	23.1.1	188,892	-
Sale of plots and bungalows		-	17,186
Receipt against sale of plots and bungalows		-	16,900
Advance received against subscription of right issue		-	363,786
Cancellation of sales during the year		503,773	-
Dividend paid		21,912	51,969

Notes To The Financial Statements

For The Year Ended June 30, 2019

	Note	2019 --- Rupees in '000 ---	2018
Key management personnel			
Arif Habib - Director			
Repurchase of commercial land		-	407,824
Payments made against the repurchase of commercial land		-	407,824
Sale of plots and bungalows		12,156	-
Advance received against subscription of right issue		-	179,443
Dividend paid		9,152	25,635
Abdul Qadir - Director			
Advance received against subscription of right issue		-	2
Sale of plots		3,400	-
Receipt against sale of plots		1,400	-
Samad A. Habib - Chief Executive			
Advance received against subscription of right issue		-	611
Other key management personnel (note 36.2)			
Salaries and other benefits		18,076	16,310
Post employment benefits		1,483	1,187
Close family member			
*Kashif Habib			
Sale of plots and bungalows		-	3,946
Receipt against sale of plots and bungalows		-	3,946
Advance received against subscription of right issue		-	47,910
Dividend paid		2,443	6,844
Nida Ahsan			
Sale of plots and bungalows		54,514	310,552
Receipt against sale of plots and bungalows		-	129,602
Cancellation of sales during the year	26	200,000	148,123
Post employment benefit plan			
Gratuity fund trust - contribution paid during the year	19	2,588	1,320
* He served as a director of the company uptill June 29, 2019			

36.1 All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The outstanding receivable and payable balances as of June 30, 2019 and 2018 are disclosed in their respective notes to these financial statements.

36.2 Comparative figures have been restated to reflect changes in the definition of key management personnel as per Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018.

37 INFORMATION ABOUT OPERATING SEGMENTS

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

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

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

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

Notes To The Financial Statements

For The Year Ended June 30, 2019

38 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. However, there are no material reclassifications to report except as follows. Following major reclassifications have been made during the year:

	Reclassified from	Reclassified to	Note	Rupees in 000
Statement of financial position	Development properties	Loans and advances	12	468,215
Statement of financial position	Advance from customers	Contract liabilities	23	676,176
Statement of financial position	Liability against performance obligation	Contract liabilities	23	494,436

39. GENERAL AND SUBSEQUENT EVENTS

39.1 Number of employees as at June 30, 2019 was 498 (2018: 487) and average number of employees during the year was 507 (2018: 417).

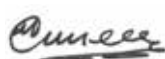
39.2 The Board of Directors of the Company in their meeting held on October 01, 2019 has recommended bonus issue of 10 shares for every 100 shares held amounting to Rs. 288.530 million on the existing paid up value of the Ordinary share capital for the approval of shareholders in the annual general meeting to be held on October 26, 2019

40 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on October 01, 2019 by the Board of Directors of the Company.



Chief Executive



Chief Financial Officer



Director

Pattern of share holding
Category wise list of shareholders
As at June 30, 2019

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
ABDUS SAMAD	1	56,529	0.02
MOHAMMAD KASHIF	1	4,435,103	1.54
HASSAN AYUB	1	7	0.00
ABDUL QADIR	1	162	0.00
MUHAMMAD SIDDIQ KHOKHAR 3058	1	71	0.00
ARIF HABIB	1	16,611,276	5.76
Associated Companies, undertakings and related parties			
ARIF HABIB CORPORATION LIMITED	1	20,269,408	7.03
ARIF HABIB EQUITY (PVT) LIMITED	2	82,760,046	28.68
Executives	1	13,713	0.00
Public Sector Companies and Corporations	2	14,747	0.01
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	8	21,124,358	7.32
Mutual Funds			
CDC - TRUSTEE AKD OPPORTUNITY FUND	1	7,563,520	2.62
MCBFSL - TRUSTEE AKD ISLAMIC STOCK FUND	1	895,400	0.31
General Public			
a. Local	3023	112,196,776	38.89
Foreign Investors	2	444,800	0.15
Others	38	22,144,444	7.67
Totals	3085	288,530,360	100.00

Share holders holding 5% or more	Shares Held	Percentage
ARIF HABIB EQUITY (PVT) LTD	82,760,046	28.68
ARIF HABIB CORPORATION LIMITED	20,269,408	7.03
ABDUL GHANI	36,835,163	12.77
SUMMIT BANK LIMITED	17,474,693	6.06
ARIF HABIB	16,611,276	5.76
SHUNAID QURESHI	19,030,486	6.60

Pattern of share holding

Category wise list of shareholders

As at June 30, 2019

# Of Shareholders	Shareholdings'Slab			Total Shares Held
1843	1	to	100	49,123
533	101	to	500	115,862
265	501	to	1000	179,820
247	1001	to	5000	470,594
61	5001	to	10000	389,231
27	10001	to	15000	314,077
16	15001	to	20000	264,085
5	20001	to	25000	113,580
8	25001	to	30000	221,350
5	30001	to	35000	161,960
5	35001	to	40000	188,400
1	40001	to	45000	40,523
5	45001	to	50000	244,500
2	50001	to	55000	106,920
1	55001	to	60000	56,529
2	60001	to	65000	130,000
1	65001	to	70000	65,340
2	70001	to	75000	144,260
1	80001	to	85000	81,000
2	85001	to	90000	176,580
1	105001	to	110000	108,000
1	110001	to	115000	111,780
1	125001	to	130000	129,600
2	130001	to	135000	266,220
1	165001	to	170000	167,940
1	170001	to	175000	172,800
1	180001	to	185000	182,790
1	185001	to	190000	189,000
1	190001	to	195000	190,280
2	215001	to	220000	435,240
1	220001	to	225000	220,949
1	240001	to	245000	241,380
1	260001	to	265000	263,250
1	265001	to	270000	270,000
3	320001	to	325000	972,000
1	350001	to	355000	351,000
1	400001	to	405000	405,000
1	475001	to	480000	476,000
1	485001	to	490000	489,000
1	535001	to	540000	539,920
1	565001	to	570000	567,880
1	655001	to	660000	657,660
1	835001	to	840000	838,080
1	895001	to	900000	895,400
1	900001	to	905000	902,880
1	1075001	to	1080000	1,080,000
1	1150001	to	1155000	1,150,422
1	1410001	to	1415000	1,411,020
1	2255001	to	2260000	2,259,040
1	2265001	to	2270000	2,268,000
1	2770001	to	2775000	2,771,080
1	3425001	to	3430000	3,427,920
1	3895001	to	3900000	3,896,640
1	4435001	to	4440000	4,435,103
1	4445001	to	4450000	4,446,666
1	4735001	to	4740000	4,738,393
1	5975001	to	5980000	5,976,864
1	7540001	to	7545000	7,543,168
1	7560001	to	7565000	7,563,520
1	10870001	to	10875000	10,870,346
1	10935001	to	10940000	10,936,540
1	13050001	to	13055000	13,053,622
1	13190001	to	13195000	13,193,648
1	16610001	to	16615000	16,611,276
1	17470001	to	17475000	17,474,693
1	18085001	to	18090000	18,087,669
1	18745001	to	18750000	18,747,494
1	20265001	to	20270000	20,269,408
1	82760001	to	82765000	82,760,045
3085				288,530,360

Electronic Credit Mandate (Mandatory)

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

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

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

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

Signature of member/shareholder

NOTE:

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

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

Form of Proxy

57th Annual General Meeting

The Company Secretary
Javedan Corporation Limited
Arif Habib Centre
23, M.T. Khan Road
Karachi.

I/we _____ of _____ being a member(s)
of Javedan Corporation Limited holding _____ ordinary shares as per
CDC A/c. No. _____ hereby appoint Mr./Mrs./Miss _____
_____ of (full address) _____
_____ or failing him/her
Mr./Mrs./Miss _____ of (full address) _____

(being member of the company) as my/our Proxy to attend, act vote for me/us and on my/our behalf at the Fifty Seven Annual General Meeting of the Company to be held on October 26, 2019 and/or any adjournment thereof.

Signed this _____ day of _____ 2019.

Witnesses:

1. Name : _____
Address : _____
CNIC No. : _____
Signature : _____

2. Name : _____
Address : _____
CNIC No. : _____
Signature : _____

Signature on
Rs. 5/-
Revenue Stamp

NOTES:

1. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
2. Proxy shall authenticate his/her identity by showing his/her original CNIC / passport and bring folio number at the time of attending the meeting.
3. In order to be effective, the proxy Form must be received at the office of our Registrar CDC Share Registrar Services Limited Share Registrar Department, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, not less than 48 hours before the meeting duly signed and stamped and witnessed by two persons with their signature, name, address and CNIC number given on the form.
4. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy Form.
5. In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted alongwith proxy Form.

پراکسی فارم

57th سالانہ جنرل اجلاس

میں مسٹی / مسماۃ _____ ساکن _____ ضلع _____

مسٹی / مسماۃ _____

ساکن _____ کو بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے

سالانہ اجلاس عام جو بتاریخ 26 اکتوبر، 2019 بوقت دن 10:45 بجے منعقد ہو رہا ہے اس میں یا اس کے

کسی ملتوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

دستخط: _____ بروز/بتاریخ _____ 2019

گواہان:

2

1

نام: _____

نام: _____

پتہ: _____

پتہ: _____

شناختی کارڈ نمبر: _____

شناختی کارڈ نمبر: _____

دستخط: _____

دستخط: _____

دستخط ۵ روپے
ریونیو اسٹیٹ

نوٹ:

• وہ رکن جسے یہ اجلاس یا اجلاس میں ووٹ کا حق حاصل ہے وہ کسی ناگزیر صورتحال میں اپنی جگہ کسی دوسرے (مخصوص) رکن کو یہ حق دے سکتا ہے کہ وہ رکن اُس کی پراکسی استعمال کرتے ہوئے، اُس کے بجائے اجلاس میں شریک ہو سکتا ہے، خطاب کر سکتا ہے یا ووٹ کا اندراج کر سکتا ہے۔

• پراکسی ثابت کرنے کے لئے اُسے اپنا اصل پاسپورٹ اور فوٹیو نمبر سے دکھانا لازمی ہے تاکہ اجلاس میں شرکت کی اجازت سے قبل اُس کی شناخت کی جاسکے۔

• منوثر بنانے کے لئے، پراکسی فارم ہمارے رجسٹرار کے دفتر (ایم/ایس) سینٹرل ڈیپوزیٹری کمپنی آف پاکستان، شیئر رجسٹرار ڈیپارٹمنٹ، سی ڈی سی ہاؤس، 99-B، ایس، ایم، سی، ایچ، ایس، شاہراہ فیصل، کراچی، پاکستان، میں اجلاس سے کم از کم 48 گھنٹے قبل وصول ہونا لازمی ہے۔ فارم میں تمام مطلوبہ معلومات، رکن کے دستخط اور مہر، نیز دو گواہان کی بنیادی معلومات یعنی نام پتے، دستخط اور شناختی کارڈ نمبر کا اندراج ضروری ہے۔

• انفرادی رکن کی صورت میں اصل اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول منسلک کرنا لازمی ہے۔

• پراکسی کے کارپوریٹ ہونے کی صورت میں بورڈ آف ڈائریکٹر کی قرارداد، پاور آف اٹارنی، شناختی کارڈ اور پاسپورٹ کی تصدیق شدہ نقول، پراکسی فارم کے ساتھ منسلک کرنا ضروری ہے۔

متعلقہ پدٹی سے لین دین متعلقہ ریگولیشنز کے عین مطابق انجام دیا گیا ہے اور متعلقہ نوٹس کے تحت مالیاتی گوشواروں میں ظاہر کر دیا گیا ہے۔

ریٹائرمنٹ کی مراعات میں سرمایہ کاری آپ کی کمپنی اپنے ایسے تمام تر اہل ملازمین کے لئے جنہوں نے کمپنی میں اپنی مقررہ کم سے کم مدت ملازمت پوری کر لی ہے، منظور شدہ گریجویٹی اسکیم کا انتظام کرتی ہے۔ گریجویٹی فنڈ میں سرمایہ کاری کا حجم 6.18 ملین روپے ہے۔

بعد از۔ بیلنس شیٹ واقعات بعد از اختتام سال اپنی ایک میٹنگ میں بورڈ آف ڈائریکٹرز نے مورخہ 26 اکتوبر 2019 کو منعقد کئے جانے والے سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری کی شرط پر ہر 100 شیئرز کی ملکیت کے عوض 10 عدد بونس شیئرز کے اجراء کی سفارش کی ہے۔ مورخہ 19 اکتوبر 2019 کو ممبرز کے رجسٹر میں شامل شیئر ہولڈرز بونس شیئرز کے لئے استحقاق کے حامل تصور کئے جائیں گے۔

انظہار تشکر بورڈ آف ڈائریکٹرز کی جانب سے جاویداں کارپوریشن لمیٹڈ کے لئے زیر جائزہ سال غیر معمولی بنانے کے لئے فراہم کردہ اعانت کے لئے اپنے تمام گاہکوں اور شیئر ہولڈرز کا تہہ دل سے ممنون و مشکور ہوں۔ ہم پر آپ کا غیر متزلزل اعتماد و بھروسہ ہمیں ممیز دے کر اپنے تمام اسٹیک ہولڈرز کے لئے طویل مدتی قدر تخلیق کرنے کے ہماری اولین مقصد کے حصول کے ساتھ ساتھ JCL کو سادھ اور بھروسہ جیتنے والی آرگنائزیشن اور اسے ایک برانڈ نام بنانے کے قابل بناتا ہے۔ میں اپنے ادارے کے بینکوں اور مالیاتی اداروں کا بھی شکریہ ادا کرنا چاہوں گا جو کمپنی کو یہ پروجیکٹ پیش کرنے اور اسے کامیاب بنانے انتہائی مدد و معاون اور اہم ثابت ہوئے ہیں۔ میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج سندھ بورڈ آف ریونیو، لیل ڈی اے، سندھ بلڈنگ کنزول اتھارٹی، انوار نمائٹل پروڈیکشن ایجنسی اور سب سے بڑھ کر حکومت سندھ کا بھی شکریہ ادا کرنا چاہوں گا جن کی اعانت کی بدولت یہ پروجیکٹ کامیاب ہوا ہے۔ ان کی محنت اور جفاکشی پر میں کمپنی کے تمام تر ملازمین کا تہہ دل سے ممنون ہوں۔ اللہ تعالیٰ ہمیں ہماری جدوجہد کا ثمر عطاء فرمائے۔ آمین۔

عارف حبیب

عارف حبیب
چیئرمین

صہ اے حبیب

صہ اے حبیب
چیف ایگزیکٹو

مورخہ 01 اکتوبر 2019

بورڈ کی ترکیب
بورڈ کی حالیہ ترکیب بمطابق ذیل ہے:-

(a) مرد 08

(b) خاتون 01

ترکیب

(a) انڈینڈنٹ ڈائریکٹر 03

(b) نان ایگزیکٹو ڈائریکٹر 05

(c) ایگزیکٹو ڈائریکٹر 01

بورڈ کی کمیٹیاں:

آڈٹ کمیٹی

مسٹر عبدالقادر سلطان چیئرمین

مسٹر محمد اعجاز ممبر

مسٹر کاشف جی ممبر

مسٹر عالمگیر شیخ ممبر

• مسٹر عالمگیر شیخ کا تقرر دوران سال مستعفی ہونے والے مسٹر کاشف حبیب کی جگہ آڈٹ کمیٹی کے ممبر کی حیثیت سے کیا گیا ہے۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

مسٹر سعید احمد چیئرمین

مسٹر عارف حبیب ممبر

مسٹر محمد اے حبیب ممبر

مسٹر محمد اعجاز ممبر

• بورڈ میں مسٹر سعید احمد کا تقرر بعد از سال مسٹر کاشف حبیب کی جگہ کیا گیا اور آپ کو ہیومن ریسورس اینڈ ریمونریشن کمیٹی کا چیئرمین مقرر کیا گیا۔

اندرونی انضباط

کمپنی نے اپنے اثاثوں کے تحفظ اور ریکارڈز کی درستگی اور قابل بھروسہ ہونے کی غرض سے ایک اندرونی مالیاتی انضباط کا ایک منوثر نظام وضع کیا ہے۔ ماہانہ رپورٹوں اور تجزیوں کے ذریعے سینئر انتظامیہ کمپنی کی مالیاتی کارکردگی کا جائزہ لیتی ہے جبکہ بورڈ بھی ہر ششماہی پر بہ ذات خود جائزہ لینا اور توقع کے برعکس کسی تبدیلی کے بارے میں چھان بین کرتا ہے۔ اندرونی انضباط کے طریقوں کے ساتھ ساتھ مقرر کردہ طریق کار کی تعمیل کا جائزہ لے کر اپنی دریا فتوں کی رپورٹ آڈٹ کمیٹی اور بورڈ کو پیش کرنے والا انٹرئل آڈٹ بھی تفصیلی جانچ پڑتال کا انعقاد کرتا ہے۔

ڈائریکٹرز کا تربیتی پروگرام

بورڈ ممبران کی اکثریت، کوڈ آف کارپوریٹ گورننس کے ریگولیشن 20 کے مطابق ڈائریکٹرز کے تربیتی پروگرام میں شرکت سے بریت کی غرض سے مطلوب تمام تر مقررہ قابلیت اور تجربے کی حامل ہے۔ تمام ڈائریکٹرز بحیثیت کارپوریٹ اداروں کے ڈائریکٹرز اپنے فرائض اور ذمہ داریوں سے بخوبی آگاہ ہیں۔

بیرونی آڈیٹرز

کمپنی کے مالیاتی گوشوارے برائے مالی سال جاریہ 2018-19 میسرز رینڈا ہارون ذکریا اینڈ کمپنی اور میسرز ای وائی فورڈ رھوڈز، چارٹرڈ اکاؤنٹینٹس نے آڈٹ کئے ہیں۔ یہ آڈیٹرز سالانہ اجلاس عام کے اختتام پر رینڈا ہو جائیں گے۔ اہل ہونے کے سبب انہوں نے دوبارہ تقرر کے لئے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی کی تجویز پر آئندہ سالانہ اجلاس عام میں ممبران کی منظوری کی شرط پر بورڈ نے میسرز رینڈا ہارون ذکریا اینڈ کمپنی اور میسرز ای وائی فورڈ رھوڈز، چارٹرڈ اکاؤنٹینٹس کی سفارش کی ہے۔

شیئرز کی ملکیت کا بیژن

کمپنیز ایکٹ 2017 کی دفعہ 227 (f) کی مطابقت میں 30 جون 2019 تک کمپنی کے شیئرز کی ملکیت کا بیژن رپورٹ ہذا کے ساتھ منسلک کیا گیا ہے۔

اسٹیک ہولڈرز کے لئے معلومات

گزشتہ برسوں کی اہم عملیاتی اور مالیاتی تفصیلات خلاصے کی صورت میں صفحہ نمبر 31 پر کر دی گئی ہیں۔

بورڈ کی جانب سے عرض ہے کہ JCL کے کھاتے مناسب طور سے مرتب کئے گئے ہیں اور موزوں ترین اکاؤنٹنگ پالیسیاں اختیار کرنے کے ساتھ ساتھ، ماسوائے مالیاتی گوشواروں کے نوٹ 2.5 میں مذکورہ تبدیلیوں کے، مالیاتی گوشوارے تیار کرنے میں ان پالیسیوں کا مستقل نفاذ کیا گیا ہے؛ اور اکاؤنٹنگ تخمینہ جات معقول اور پراحتیاط اندازوں پر مبنی ہیں۔ مالیاتی گوشواروں کی تیاری میں پاکستان میں رائج فنانشل رپورٹنگ کے عالمی معیارات کی تعمیل کی گئی ہے۔ اندرونی انضباط کا نظام اپنے ڈیزائن میں مضبوط ہے اور منوثر طور سے اس کے نفاذ کے ساتھ ساتھ اس کی مانیٹرنگ بھی کی گئی ہے۔ JCL کے مالیاتی گوشوارے اس کے معاملات، اس کے آپریشنز کے نتائج، نقدی کے بہاؤ اور لیکویڈٹی میں تبدیلیوں کی اسٹیٹمنٹ کی بے لاگ تصویر پیش کرتے ہیں۔ کسی قسم کے ٹیکسوں، ڈیوٹیوں، لیویز یا چارجز کے ضمن میں کوئی مادی ادائیگی واجب نہیں ہے۔

کوڈ کی تعمیل کے سلسلے میں بورڈ تصدیق کرتا ہے کہ JCL کے چلتے ہوئے کاروبار کی اہلیت میں کوئی شک و شبہ نہیں ہے اور یہ کہ کارپوریٹ گورننس کے بہترین معمولات سے کسی قسم کا مادی انحراف نہیں کیا گیا ہے ماسوائے ان کے جو اسٹیٹمنٹ آف کمپلائنس دودھ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 میں صراحت کردہ ہیں۔

بہتر کارپوریٹ گورننس، جائز اور شفاف معمولات کے ذریعے اعلیٰ تر مقام تک پہنچنا JCL کا ہمیشہ سے ح نگاہ رہا ہے۔

کمپنی کے شیئرز کی تجارت

30 جون 2019 کو محترمہ سال کے دوران ڈائریکٹرز، ان کے شریک حیات اور نابالغین نے کمپنی کے شیئرز کی تجارت نہیں کی ہے۔ ڈائریکٹرز کی جانب سے مقرر کردہ معیار کے مطابق سالانہ رپورٹ میں اصطلاح ”ایگزیکٹو“ ان ملازمین کے لئے مخصوص ہے جن کی سالانہ بنیادی تنخواہ 1.2 ملین روپے سے تجاوز کرتی ہو۔

بورڈ اور کمیٹیوں کے اجلاسوں میں ڈائریکٹرز کی حاضری

30 جون 2019 کو محترمہ سال کے دوران چار (04) بورڈ میٹنگز، چار (04) آڈٹ کمیٹی میٹنگز اور ایک (01) ہیومن ریسورس اینڈ ریسوزیشن کمیٹی میٹنگ کا انعقاد ہوا۔ ان میں ڈائریکٹرز کی حاضری کی صورت حال درج ذیل ہے:-

ڈائریکٹر کا نام	بورڈ میٹنگ	آڈٹ کمیٹی میٹنگ	HR&R کمیٹی میٹنگ
مسٹر عارف حبیب	4	کوئی نہیں	1
مسٹر صدائے حبیب	4	کوئی نہیں	1
مسٹر محمد اعجاز	2	2	1
مسٹر کاشف حبیب	4	4	کوئی نہیں
مسٹر عبدالقادر سلطان	4	3	کوئی نہیں
مسٹر فیصل بلوانی	3	کوئی نہیں	کوئی نہیں
مسٹر حسن ایوب	1	کوئی نہیں	کوئی نہیں
مسٹر عالمگیر شیخ	4	کوئی نہیں	کوئی نہیں
مسٹر صدیق کھوکھر	4	کوئی نہیں	کوئی نہیں
مس درخشاں ذویب	2	کوئی نہیں	کوئی نہیں
مسٹر سعید احمد	کوئی نہیں	کوئی نہیں	کوئی نہیں

- مس درخشاں 26 اکتوبر 2018 کو منعقدہ انتخابات میں مسٹر حسن ایوب کی جگہ بحیثیت ڈائریکٹر منتخب ہوئی ہیں۔
- مسٹر سعید احمد کا تقرر، بعد از سال مسٹر کاشف حبیب (جنہوں نے دوران سال استعفیٰ دیا) کی جگہ بورڈ آف ڈائریکٹرز میں کیا گیا ہے۔

ڈائریکٹرز کے معاوضے

نان ایگزیکٹو ڈائریکٹرز (بشمول انڈیپنڈنٹ ڈائریکٹرز) ماسوائے ان ڈائریکٹرز کے جو حالیہ طور پر عارف حبیب گروپ آف کمپنیز میں بحیثیت ایگزیکٹو ڈائریکٹرز خدمات انجام دے رہے ہیں، کو بورڈ اور اس کی کمیٹیوں کی میٹنگز میں شرکت کے عوض بورڈ کی جانب سے وقتاً فوقتاً منظور کردہ معاوضہ ادا کیا جاتا ہے۔

مزید یہ کہ بورڈ کسی نان ایگزیکٹو ڈائریکٹر کو جب اور جیسے کوئی اضافی ذمہ داری تفویض کرتا ہے، تو ایسے ڈائریکٹرز کو ادا کئے جانے والے معاوضے کا تعین بورڈ، انہیں تفویض کردہ کردار اور ذمہ داریوں کی مناسبت سے کرے گا۔

HANDS کے ساتھ اشتراک:- ملک میں تعلیم عام کرنے کی اہمیت تسلیم کرتے ہوئے JCL نے ایک فلاحی تنظیم ”ہینڈز“ کے اشتراک سے کراچی کے سرکاری اسکولوں کو اہانت فراہم کر رہی ہے۔ اس اشتراک کا مقصد چنیدہ سرکاری اسکولوں میں نہ صرف ابتدائی پرائمری کلاسوں میں تعلیم کا معیار بہتر بنانا ہے بلکہ والدین، برادریوں، لوکل گورنمنٹ اور تعلیمی اداروں کو تربیت فراہم کرنا بھی ہے تاکہ ان اسکولوں کو ماڈل لہجہ کی شیل کیمنسز بنایا جاسکے۔

اسپورٹس سرگرمیوں کو اپنا سرکنا:- آپ کی کمپنی اسپورٹس کی سہولیات پر خصوصی توجہ دیتی ہے اور اس مقصد کے لئے عالمی معیار کا کرکٹ، فٹ بال اور باسکٹ بال اسٹیڈیم تیار کیا ہے۔ اس کے علاوہ دیگر کھیلوں کے لئے بھی اسٹیڈیم زیر تعمیر ہے۔ زیر جائزہ سال کے دوران شہر میں اسپورٹس کی ترویج کی خاطر کمپنی نے نیا ناظم آباد کے علاوہ دیگر مقامات پر بھی متعدد ٹورنامنٹس اپنا سرکنا کئے ہیں۔ آپ کی کمپنی نوجوانوں کو صحتمند سرگرمیوں میں مصروف رکھنے کی غرض سے فٹ بال اور کرکٹ اکیڈمیز بھی چلاتی ہے۔

کریڈٹ ریٹنگ کمپنی کو JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) 4 مینٹنیٹی ریٹنگ AA-/A-1 ریٹنگ عطاء کی گئی ہے۔ اس ریٹنگ کی بنیاد پر کمپنی کا مستقبل ”مستحکم“ قرار دیا گیا ہے۔ یہ اعزاز آپ کی کمپنی کے مسلسل بڑھوتی کے کے ویژن کی تصدیق کرتا ہے اور امید ہے کہ کمپنی کی ساکھ مضبوط تر کرے گا۔

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

مارکیٹ کا جائزہ اور آئندہ مستقبل مارکیٹ کا جائزہ:- بلند و بالا عمارات پا عائد پابندی اٹھانے جانے کے باوجود پاکستان خصوصاً کراچی میں ریل اسٹیٹ انڈسٹری گزشتہ ایک برس یا 18 ماہ سے جود کا شکار ہے۔ معیشت کو دستاویزی بنانے کی حکومتی مہم، بڑھتی ہوئی شرح سود، جی ڈی پی کی شرح میں اضافے کا رکنا اور معاشی سرگرمیوں میں مجموعی طور سے کمی جیسے واقعات نے ریل اسٹیٹ انڈسٹری پر اچھا اثر نہیں ڈالا اور 30 جون 2019 کو اختتام پذیر ہونے والے سال کے دوران کوئی قابل ذکر پروجیکٹ پیش نہیں کیا جاسکا۔ لیکن کراچی شہر کی عمومی ریل اسٹیل مارکیٹ کے برعکس ”نیا ناظم آباد“ نئی پروجیکٹ گزشتہ تین برسوں سے غیر معمولی کارکردگی کا مظاہرہ کرتا چلا آ رہا ہے اور 30 جون 2019 کو اختتام پذیر ہونے والا سال بھی کچھ مختلف نہیں تھا۔ آپ کی کمپنی نے کامیابی سے نئے بلاکس کا آغاز کیا اور قیمتوں میں مسلسل اضافہ ہو رہا ہے چنانچہ چھ مئی مارکیٹ میں لین دین کی تعداد میں گزشتہ برس کی بہ نسبت اضافہ ریکارڈ کیا گیا جو ”نیا ناظم آباد“ کے گاہکوں اور یہاں سرمایہ کاری کرنے والوں کے بڑھتے ہوئے اعتماد اور بھروسے کا مظہر ہے۔ آنے والے دنوں میں جب ملکی معیشت اڑان بھرے گی تو توقع ہے کہ ریل اسٹیٹ سیکٹر پر بھی مثبت اثر پیدا ہوگا اور نیا ناظم آباد بدستور پھلتا پھولتا رہے گا۔

مستقبل کا منظر:- ملکی معیشت کرنٹ اکائونٹ کے علاوہ مالی اکائونٹ میں خسارے کا سامنا کر رہی ہے جس کے سبب 30 جون 2019 کو اختتام پذیر ہونے والے سال کے دوران سخت فیصلے لئے گئے ہیں جن کے باعث اگلے مالی سال کے دوران معیشت کو سنبھلنا چاہئے اور توقع ہے کہ جی ڈی پی میں اضافہ ہوگا اور سرمایہ کار کا اعتماد بحال ہوگا اور وسط مدت کے دوران بہتر معاشی سرگرمیاں دیکھنے میں آئیں گی۔ معیشت کی بہتر مجموعی صورتحال ریل اسٹیٹ سمیت ملکی صنعتوں پر مثبت اثرات مرتب کرے گی۔ مزید برآں 05 ملین مکانات کی تعمیر کا وفاقی حکومت کا فیصلہ بھی ریل اسٹیٹ سیٹر میں نئی توانائی پیدا کرے گا۔

کمپنی کی سطح پر جاری سہ ماہی میں فیزا 1 کی تکمیل اور بلاک 2 کے، اور فیل، کی شروعات کے بعد انتظامیہ کثیر الاستعمال ڈویلپمنٹ کی منصوبہ بندی کے کام سے جت گئی ہے جس میں FL سائٹ کے ساتھ ساتھ کمرشل سائٹ بھی شامل ہوگی اور انتظامیہ آئندہ مالی سال کی پہلی سہ ماہی کے دوران FL سائٹ پیش کرنے کا ارادہ رکھتی ہے۔ FL سائٹ اور کمرشل سائٹ قلیل سے اوسط مدت میں کمپنی میں تیزی لانے کا سبب بنیں گی۔ جیسا کہ پہلے بیان کیا جا چکا ہے کہ زیر تعمیر نیا ناظم آباد جیم خانہ کلب کراچی کے شہریوں کے لئے ایک پرکشش پیشکش ثابت ہوگا جو انہیں نیا ناظم آباد فیمیلی میں شمولیت کی ترغیب دلائے گا۔

نیا ناظم آباد پروجیکٹ کے ارد گرد بیرونی ترقی بھی یہاں کے رہائشیوں کے لئے سہولیات کے لحاظ سے پروجیکٹ کی قدر میں اہم کردار ادا کرے گی۔ نیا ناظم آباد کے باہر جاری ترقیاتی کاموں میں گرین لائن بی آر ٹی ایس شامل ہے تو یہ ہے کہ جو جلد ہی شروع کر دی جائیگی جس سے مرکز شہر اور کراچی کے اہم مقامات سے آنے اور واپس جانے میں آسانی ہوگی۔ وفاقی حکومت کی جانب سے منگھویر روڈ کی تعمیر بھی نیا ناظم آباد تک رسائی آسان تر بنائے گی اور منگھویر روڈ پر 66 انچ قطر کی ایم ایس پائپ لائن کی تنصیب اس علاقے میں پانی کی فراہمی کی صورتحال بہتر بنائے گی جبکہ مستقبل کی K4 واٹر ٹرانسمیشن لائن کے بھی اسی علاقے سے گزارے جانے کی توقع ہے۔ ان کے علاوہ آپ کی کمپنی نصرت بھٹو کالونی کے مقام پر ایک ہائی پاس تعمیر کروانے کی کوششیں بھی کر رہی ہے جو ایک اہم سنگ میل ثابت ہوگا۔ اس مقصد کے لئے اسکی ڈیزائننگ اور متعلقہ معاملات مکمل کئے جا چکے ہیں اور متعلقہ سرکاری اتھارٹیز/ايجنسیوں سے این او سی بھی حاصل کر لی گئی ہے اور انتظامیہ توقع کر رہی ہے کہ مذکورہ فلائی اوور کی تعمیر کا افتتاح اگلے مالی سال کی پہلی ششماہی کے دوران کر دیا جائے گا۔

یہ تمام بیرونی اور اندرونی ترقی آئندہ مہینوں اور برسوں میں پروجیکٹ کی قدر میں کئی گنا اضافے کا سبب بنیں گی جو نہ صرف کمپنی کے شیئر ہولڈرز بلکہ نیا ناظم آباد میں سرمایہ کاری کرنے والے عوام کو بھی بیش بہا منافع دلاوے گی۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک JCL پاکستان اسٹاک ایکچینج میں لسٹڈ ہے۔ کمپنی کا بورڈ کارپوریٹ گورننس کے کوڈ کی سختی سے تعمیل کے عہد پر کاربند ہیں اور آپریشنز اور کارکردگی کو مانیٹر کرنے، مالیاتی اور غیر مالیاتی معلومات کی درستگی، جامعیت اور شفافیت کی اپنی ذمہ داریوں سے بخوبی آگاہ ہیں۔

”نیا ناظم آباد“ کے دیگر پروجیکٹس

”نیا ناظم آباد“ جیم خانہ (کلب ہاؤس)

نیا ناظم آباد جیم خانہ جس میں ایک جدید ترین اور اپنی قسم کے واحد کلب ہاؤس کی سہولت کے علاوہ سروس سوسائٹس پر مشتمل آٹھ منزلہ عمارت بھی شامل ہیں زیر تعمیر ہے اور توقع ہے کہ اس کا افتتاح آئندہ مالی سال کے دوران کر دیا جائے گا۔ کلب ہاؤس میں جدت طراز ان ڈور اور آؤٹ ڈور اسپورٹس کی سہولیات، ریسٹوران اور اس کے ممبران کے لئے کئی دیگر سہولیات مہیا کی جائیں گی۔

میڈیکل سینٹر اور اسکول
میڈیکل سینٹر اور اسکول کی تعمیر و ترقی کا کام تیز رفتاری سے جاری ہے اور سال کے اختتام پر اسکول شروع ہو چکا ہے جبکہ میڈیکل سینٹر بھی آئندہ مالی سال میں کام شروع کر دے گا۔ یہ سہولیات ہمارے گاؤں کو نیا ناظم آباد میں رہائش اختیار کرنے میں اہم کردار ادا کریں گی۔

جامع مسجد اور دیگر مساجد
زیر جائزہ سال کے دوران بلاک سی، میں مسجد کی تعمیر کی منصوبہ بندی کی گئی جس کی تکمیل ریکارڈ مدت میں کی گئی اور اس کا افتتاح بروقت یعنی رمضان کے بابرکت مہینے میں کیا گیا۔ اس کے علاوہ جامع مسجد کی تعمیر و ترقی کا کام جاری ہے اور امید ہے کہ اس کا افتتاح آئندہ مالی سال میں کر دیا جائے گا۔

دیگر پروجیکٹس
نیا ناظم آباد کے رہائشیوں کی سہولت کے لئے کمپنی کی انتظامیہ نے کئی دیگر پروجیکٹس بھی شروع کئے ہیں جن میں منی مارٹ، کارنر کمرشل اینڈ سیلبریشن ہال شامل ہیں جو نیا ناظم آباد کے مکینوں کو زندگی کی بنیادی ضروری اشیاء مہیا کر رہے ہیں۔
یہ تمام سہولیات نیا ناظم آباد کمیونٹی کے طرز زندگی کو بہتر بنانے میں مدد دیں گی اور کمپنی کی انتظامیہ اپنے معزز گاہکوں اور یہاں کے باسیوں کو زیادہ سے زیادہ سہولیات بہم پہنچانے کی اپنی جدوجہد جاری رکھے گی اور اس مقصد کی خاطر تمام تر وسائل بہ روئے کار لائے گی۔

کارپوریٹ سوشل ریسپونسیبلٹی (CSR)
سماجی ذمہ داریوں کی ادائیگی میں آپ کی کمپنی ہمیشہ آگے آگے رہی ہے۔ اپنی اس روایت پر عمل پیرا رہتے ہوئے کمپنی نے دوران سال کمپنی نے درج ذیل سرگرمیوں میں حصہ لیا یا ان میں اپنا کردار ادا کرنے کا عہد کیا:

ماحولیات، صحت اور تحفظ
نیا ناظم آباد کی شجرکاری مہم:- پاکستان کے 71 ویں یوم آزادی کے موقع پر کمپنی نے نیا ناظم آباد میں شجرکاری مہم شروع کی اور اس مہم کے دوران 20,000 پودے لگائے گئے اور مزار قلد پر لگائے گئے ایک اسٹال کے ذریعے 1,000 مزید پودے عوام الناس میں تقسیم کئے گئے۔

کمپنی سبزہ زار پر خصوصی توجہ دیتی ہے اور اسے اپنے منصوبوں میں شامل کیا ہے جس کا ثبوت نیا ناظم آباد ہے۔ زیر جائزہ سال کے دوران کمپنی نے نیشنل فورم فور انوائرنمنٹ اینڈ ہیلتھ کی جانب سے منعقد کی گئیں متعدد تقریبات میں سرگرمی سے حصہ لیا ہے۔ سرسبز پاکستان کے ہمارے عہد کو تسلیم کرتے ہوئے مشہور ٹیلی ویژن جرنلسٹ اقرار الحسن نے نیا ناظم آباد میں ایک پودا لگایا۔ شجرکاری کی اس تقریب میں ان کے ساتھ جاویداں کارپوریشن لمیٹڈ کے سی ای او جناب عبدالصمد حبیب بھی موجود تھے جنہوں نے اس موقع پر نیا ناظم آباد کی جانب سے 14 اگست 2018 کو مزار قلد پر 1,000 پودے عوام میں تقسیم کرنے کا اعلان کیا تھا۔

NFEH ایوارڈ 2019:- کمپنی سبزہ زار قائم کرنے پر خصوصی توجہ دیتی ہے اور اس مقصد کی خاطر کمپنی، نیشنل فورم فور انوائرنمنٹ اینڈ ہیلتھ (NFEH) کی جانب سے منعقد کردہ متعدد تقریبات میں شرکت کر چکی ہے۔ چنانچہ اس کی خدمات کے اعتراف کے طور پر آپ کی کمپنی کو ”انوائرنمنٹ اینڈ ویسٹ مینجمنٹ/آری سائیکل“ کیلگری میں CSR ایوارڈ 2019 سے نوازا گیا۔ یہ ایوارڈ ایک پروکار تقریب میں آزاد کشمیر کے صدر جناب سردار مسعود خان نے پیش کیا۔

اپنے لوگوں کا تحفظ
خون عطیہ کرنے اور آگاہی مہمات:- آپ کی کمپنی نے ہمیشہ تسلیم کیا ہے کہ اس کے ساتھ منسلک کمیونٹیز اس کی ذمہ داری ہیں۔ اس ذمہ داری کی تکمیل کرتے ہوئے کمپنی نے حال ہی میں فاطمہ فاؤنڈیشن کے اشتراک سے خون عطیہ کرنے کی ایک مہم شروع کی جس میں کمپنی نے اسٹاف اراکین نے انتہائی جوش و جذبے کے ساتھ خون عطیہ کیا۔ زندگی بچانے والی ایسی سرگرمیوں میں آپ کی کمپنی آئندہ بھی پیش پیش رہے گی۔

اس کے علاوہ کمپنی نے ”بلڈ ڈیزیز آویرنس سیشن“ کا بھی انتظام کیا تاکہ اس جانب سے لاپرواہی برتنے کے خوف ناک نتائج سے عوام الناس کا آگاہی فراہم کی جاسکے۔ یہ سیشنز حسینی بلڈ بینک کی جانب سے منعقد کئے گئے جن میں کمپنی کے ملازمین کو خون کی خطرناک بیماریوں سے آگاہ کیا گیا۔

شمولیت قدر
ڈیم فنڈ میں عطیہ:- آپ کی کمپنی پوری طرح آگاہ ہے کہ پانی، پاکستان کا ایک اہم اثاثہ ہے۔ چنانچہ اس ضمن میں اپنی ذمہ داری پوری کرتے ہوئے کمپنی نے ڈیم فنڈ میں 10 ملین روپے کا عطیہ دیا ہے جس سے ڈیم کی تعمیر میں مدد ملے گی۔

ڈائریکٹرز رپورٹ

معزز شیئر ہولڈرز

کمپنی کے ڈائریکٹرز کی جانب سے آپ کی کمپنی کی سالانہ رپورٹ اور 30 جون 2019 کو اختتام پذیر ہونے والے مالی سال کے لئے آڈٹ شدہ مالیاتی گوشوارے ہمراہ آڈیٹرز رپورٹ آپ کی خدمت میں پیش کرتے ہوئے ہمیں دلی مسرت محسوس ہو رہی ہے۔

2018-2019 کا اجمالی جائزہ

30 جون 2019 کو ختم ہونے والا سال آپ کی کمپنی کے لئے ایک سنگ میل ثابت ہوا ہے جس میں ہم (آج تک) کل 4,000 یونٹس کا قبضہ اپنے کسٹمرز کو دے چکے ہیں۔ مزید برآں بلاک اے، بی، سی اور ڈی میں ترقیاتی کام بھی مکمل ہو چکا ہے اور بلاک ایم اور دیگر پروجیکٹس پر کام تیزی سے جاری ہے۔ یہی نہیں بلکہ گزشتہ سال ہمارے لئے خصوصی حیثیت رکھتا ہے کیونکہ اس دوران 400 سے زائد خاندان ”نیا ناظم آباد“ میں منتقل ہوئے اس طرح یہاں رہنے والوں کی کل تعداد لگ بھگ 500 خاندانوں تک پہنچ گئی ہے۔ اس کے ساتھ ساتھ ”نیا ناظم آباد“ کے پاسیوں کو پوٹیلٹی سروسز براہ راست بہم پہنچانے کی غرض سے کے الیکٹرک کے ساتھ معاہدہ SSGC کی منظوری بھی گزشتہ برس حاصل کر لی گئی ہے۔ ”نیا ناظم آباد“ کے تصور کو حقیقت کا روپ دھارتے ہوئے دیکھنا، دلی مسرت کا باعث بنا ہے۔ ان شاء اللہ ”نیا ناظم آباد“ پھیلتا پھولتا رہے گا۔

مالیاتی جائزہ

زیر جائزہ سال کے دوران کمپنی نے 1899.02 ملین روپے (جو 30 جون 2018 تک 2479.16 ملین روپے تھی) کی فروخت ریکارڈ کی جو گزشتہ برس کی اسی مدت کی فروخت کی بہ نسبت 23 فیصد کے ردوبدل کو ظاہر کرتی ہے۔ اس مدت کے دوران لاگت فروخت 772.95 ملین (30 جون 2018 تک 1099.37 ملین روپے) رہی۔ گزشتہ برس کی بہ نسبت اس سال خام منافع میں 18.4 فیصد کی کمی واقع ہوئی کیونکہ گزشتہ برسوں کے دوران کمپنی کی جانب سے پیش کئے گئے بلاکس میں فروخت کے لئے اس سال انویسٹری کی تعداد کم ہو گئی تھی۔ چنانچہ زیر جائزہ سال کے دوران کمپنی نے بلاک ’کے‘ اور ’ہیل‘ کا ایک حصہ فروخت کی غرض سے پیش کیا ہے۔ یہ واقعہ زیر جائزہ مدت کی دوسری سہ ماہی کے آخری نصف حصے کے دوران فروخت میں اضافے کی وجہ بند زیر جائزہ مالی سال کے دوران بعد از ٹیکس منافع (PAT) 579.88 ملین روپے ریکارڈ کیا گیا جو گزشتہ مالی سال کے دوران 703.71 ملین روپے رہا تھا۔ خام منافع میں 18 فیصد کی کمی کی بہ نسبت 10.3 فیصد کم ہونے والے خالص منافع کی وصولی کی وجہ زیر جائزہ مالی سال کے دوران ٹیکس اخراجات میں 258.43 ملین روپے کی کمی کا واقع ہونا ہے۔ اس سال کے دوران PAT کے سبب فی شیئر بنیادی کمائی (EPS) 3.10 روپے (ای اسٹیٹڈ) کی بہ نسبت 2.01 روپے فی شیئر رہی۔

مالیاتی نتائج کا خلاصہ درج ذیل ہے:

30 جون 2018	30 جون 2019	تفصیل
(ہزار روپے)		
2,479,158	1,899,014	خالص فروخت
(1,099,368)	(772,949)	لاگت فروخت
1,379,790	1,126,065	خام منافع
1,100,577	696,464	منافع قبل از ٹیکس
703,713	579,880	منافع بعد از ٹیکس
3.10	2.01	EPS (کمائی فی شیئر)۔ بنیادی (روپے)
2.84	2.01	EPS (کمائی فی شیئر)۔ ڈیلیوڈ (روپے)

جیسا کہ ذکر کیا جا چکا ہے کہ بلاک اے، بی، سی اور ڈی سمیت فیروز میں انفراسٹرکچر کی تیلری کا کام پایہ تکمیل تک پہنچ چکا ہے لہذا کمپنی نے اب اپنی توجہ بلاک ’ایم‘ اور ’ہیل‘ میں انفراسٹرکچر کی تکمیل اور دیگر جاری پروجیکٹس کی تکمیل پر مرکوز کر دی ہے۔ لگ بھگ 500 خاندان ”نیا ناظم آباد“ میں رہائش اختیار کر چکے ہیں اور بلاک اے، سی اور ڈی میں اچھی خاصی تعداد میں مکانات کی تعمیر جاری ہے یا پھر وہ منظوری کے مرحلے میں ہیں۔ آنے والے برسوں میں ”نیا ناظم آباد“ میں رہنے والوں کی تعداد میں تیزی سے اضافہ ہوگا۔








زیر جائزہ سال کے دوران ”نیا ناظم آباد“ کے مکینوں کو بجلی اور قدرتی گیس کی براہ راست فراہمی کی غرض سے کے الیکٹرک کے ساتھ ایک معاہدے پر دستخط کئے گئے جبکہ سوئی سدرن گیس کمپنی لمیٹڈ (SSGC) کی جانب سے بھی اس مقصد کے لئے منظوری حاصل کر لی گئی ہے۔ کے الیکٹرک کے معاہدے کے تحت جاری مالی سال کی پہلی ششماہی کے دوران ”نیا ناظم آباد“ کے مکینوں کو بجلی کے انفرای میٹرز کی فراہمی شروع ہو جائے گی جبکہ SSGC کی جانب سے گیس کی فراہمی آئندہ مالی سال میں شروع ہو جائے گی۔



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