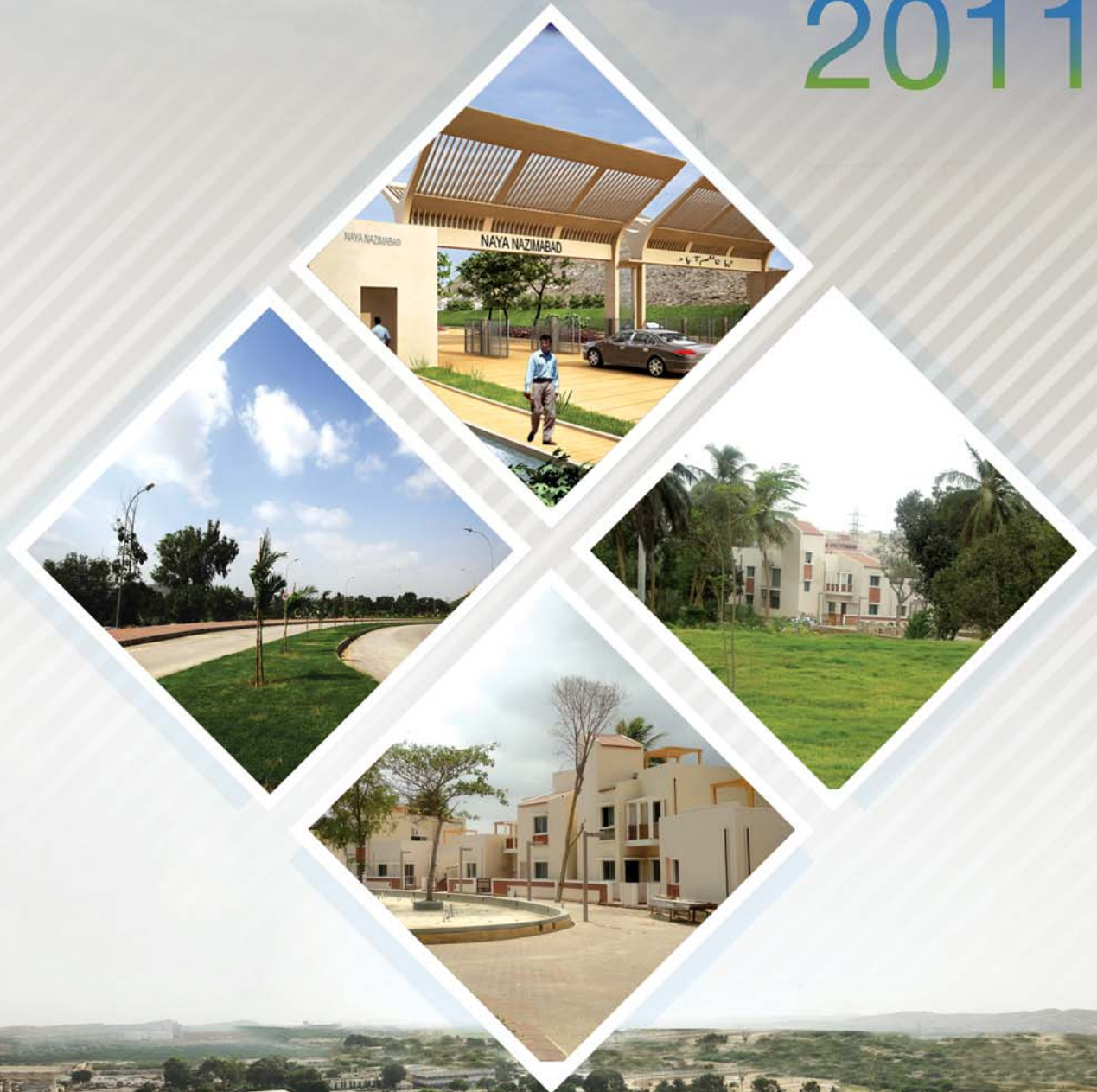




# Javedan Corporation Limited

(formerly Javedan Cement Limited)

Annual Report  
**2011**



## CONTENTS

	<b>Page</b>
Corporate Information	2
Vision and Mission Statement	3
Notice of Annual General Meeting	4
Directors' Review Report	5
Six Years at a Glance	9
Review report to the Members on Statement of Compliance with The Best Practices of Code of Corporate Governance	10
Statement of Compliance with the Best Practices of Code of Corporate Governance	11
Auditors' Report to the Members	13
Balance Sheet	15
Profit and Loss Account	16
Statement of Comprehensive Income	17
Cash Flow Statement	18
Statement of Changes in Equity	20
Notes to the Financial Statements	21
Pattern of Shareholding	56
Proxy Form	

## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	Arif Habib Samad A. Habib Aqeel Karim Dhedhi Iqbal Usman Kashif A.Habib Muhammad Ayub Muhammad Ejaz Rafiq Tumbi Shunaid Qureshi	Chairman Chief Executive Director Director Director Director Director Director Director
<b>CHIEF FINANCIAL OFFICER &amp; COMPANY SECRETARY</b>	Masoud Ali Khan	
<b>AUDIT COMMITTEE</b>	Iqbal Usman Kashif A.Habib Rafiq Tumbi S.M.Talha	Chairman Member Member Secretary
<b>AUDITORS</b>	Haroon Zakaria & Company	Chartered Accountants
<b>COST AUDITORS</b>	Siddiqi & Company	Cost & Management Accountants
<b>BANKERS</b>	Allied Bank Limited Al-Baraka Islamic Bank Askari Bank Limited Bank Al-Falah Limited BankIslami Pakistan Limited Faysal Bank Limited Habib Bank Limited KASB Bank Limited MCB Bank Limited Meezan Bank Limited National Bank of Pakistan NIB Bank Limited Silk Bank Limited Summit Bank Limited United Bank Limited	
<b>REGISTERED OFFICE</b>	2nd Floor, Pardesi House, Survey No. 2/1, R.Y.16, Old Queens Road, Karachi-74000 Tel : 92-21-111-111-224 Fax : 92-21-32470090 Website : www.jcl.com.pk	
<b>SHARE REGISTRAR</b>	Technology Trade (Pvt.) Ltd. Dagia House 241-C, PECHS, Block -2, Off. Shahrah-e-Quaideen, Karachi. Email : junaid.dagia@gmail.com mail@ttcl.com.pk	
<b>SITE LOCATION</b>	Manghopir, Karachi-75890 Tel : 92-21-36770141-36770142 Fax : 92-21-36770144	

## *Vision Statement*

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

## *Mission Statement*

- To become a profitable organization and exceeds the expectations of our customers and stakeholders by producing and marketing high quality products at competitive prices through concentration on quality, business value and fair play.
- To develop and promote the best use of human talent in a safe environment, as an equal opportunity employer while using advance technology for efficient and cost effective operations.



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 49th Annual General Meeting of Javedan Corporation Limited (formerly Javedan Cement Limited) will be held at Beach Luxury Hotel, Karachi on Saturday, October 29, 2011 at 08:00 p.m. to transact the following business:

### Ordinary Business

1. To confirm the minutes of Extra Ordinary General Meeting of the shareholders held on May 07, 2011.
2. To receive, consider and adopt annual audited financial statements for the year ended June 30, 2011 together with the Reports of the Auditors and Directors thereon.
3. To appoint Auditors for the year ending on June 30, 2011 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.



**By Order of the Board  
Masoud Ali Khan  
Company Secretary**

Karachi: October 08, 2011

### Notes:

1. Share transfer books will remain closed from October 23, 2011 to October 29, 2011 (both days inclusive).
2. All Members are entitled to attend and vote at the meeting. A member may appoint a proxy who needs to be a Member of the Company.
3. The instrument appointing the proxy and the other authority which it is signed, or a notarially certified copy thereof, must be lodged at the Company's Registered Office or Share Registrar's Office at least 48 hours before the time of the meeting.
4. Any change of address of Members should be notified immediately to the Company's Registered Office or Share Registrar's Office.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

### A. Attending the Meeting:

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

### B. For Appointing Proxies:

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

## DIRECTORS' REVIEW REPORT

The Directors of Javedan Corporation Limited are pleased to present herewith the annual report together with the Company's audited financial statements for the year ended June 30, 2011.

### BUSINESS STRATEGY

The Management has been working vigorously in accordance with the business diversification strategy for utilizing the Company's land for developing a housing scheme, "Naya Nazimabad", which will include built housing units, open plots, flat sites and commercial sites. Approval of Master Plan has already been obtained from Lyari Development Authority (LDA) for the housing scheme on Company's land & the process has also been initiated to seek approval from SBCA. The Company's highly qualified team of professionals is focused on the activities relating to development / construction, marketing / sales of this housing scheme.

### SALES AND COMMERCIAL OPERATIONS

There were no sales during the year, as the launch of the project is expected during the first half of the next financial year.

### OPERATIONAL AND FINANCIAL RESULTS

Following is the summary of comparative financial results:

Particulars	June 30, 2011	June 30, 2010
	(Rupees in thousand)	
Net Sales	-	610,134
Cost of sales	-	657,227
Gross (Loss) / Profit	-	(47,093)
Loss before taxation	<b>(558,491)</b>	(124,040)
Provision for taxation	<b>427,645</b>	(4,876)
Loss after taxation	<b>(130,846)</b>	(128,916)
EPS (in rupees)	<b>(2.25)</b>	(2.36)

### SETTLEMENT OF BANK LIABILITIES

The Company's management has successfully negotiated and finalized settlement of bank liabilities related to PPTFC's in principle. The actual transaction shall be executed in the first half of the next financial year.

### AUDITORS OBSERVATION ON THE FINANCIAL STATEMENTS

The auditors have placed matter of emphasis paragraph regarding preparation of financial statement on going concern basis. The Management is of the view that there is no significant doubt about the Company's ability to continue as going concern because the Company has no intention to wind up, as it has already embarked upon diversification strategy by switching over from cement manufacturing operations to Real Estate (Land) Development. Moreover, once the Company will start its Real Estate project and sales thereof, it will not face any cash flow problems. The Real Estate project will significantly beef up the Company's Cash Flows as compared to the cement manufacturing / selling operations. Considering these facts, these financial statements have been prepared on going concern basis.

## BOARD OF DIRECTORS AND THEIR ATTENDANCE

During the year under review, five meetings of the Board of Directors were held. Attendance by each Director is as follows: -

Name of Directors	No. of Meetings Attended
Arif Habib	4
Samad A. Habib	3
Aqeel Karim Dhedi	0
Aves Cochinwala	5
Ijaz Ahmed Zaidi	0
Iqbal Usman	3
Kashif A. Habib	2
Muhammad Ayub	4
Muhammad Ejaz	3
Rafiq Tumbi	3
Shunaid Qureshi	4

## AUDIT COMMITTEE

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

Mr. Iqbal Usman	Chairman	Non-Executive Director
Mr. Kashif Habib	Member	Non-Executive Director
Mr. Rafiq Tumbi	Member	Non-Executive Director

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

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

## FUTURE OUTLOOK

The Company & its management along with the support of its qualified human resources are working towards creating a model city where society's collective consciousness has transcended and is reflected by its physical environs. Naya Nazimabad is the inception of a thought based on social innovation, improving life and providing a haven for a bigger vision and a progressive middle class. The Project is based on a live, work & play concept and will contribute to the society by providing education, healthcare, physical fitness and employment opportunities to its habitants along with a peaceful living.

Some of the salient features of the Project include a walled community concept, a beautifully designed cricket stadium, uninterrupted supply of utilities, ample parking space, extremely wide roads & streets ensuring smooth traffic flow and round the clock security and vigilance using technology based solutions.

Necessary action plans, qualified Professionals & Contractors as well as systems have been put in place to ensure a highly successful launch of this Project. Construction of sales office and model houses at project site have been completed. Infrastructure work of phase I, including leveling, grading and landscaping of land around the sales centre has also been completed. The Project is ready to be launched during the first half of the next financial year.

The Management is confident that in addition to contributing to the society, this new business will generate additional income for the Company and its shareholders. To date the Company has met all the obligations to its lenders with the help of its sponsors who are fully committed to support the project.

### **AUDITORS**

The auditors, M/s. Haroon Zakaria & Company, Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as joint auditors of the Company along with one of the Big four firms of Chartered Accountants for the financial year 2011-2012 in the ensuing Annual General Meeting.

### **COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE**

In compliance with the Corporate and Financial Reporting Framework of the Code, we are pleased to state that:

- The financial statements prepared by the Management, present fairly the Company's state of affairs, the result of operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements except otherwise mentioned in the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards and International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern.
- The Company has not declared any dividend on account of loss suffered during the year and accumulated loss brought forward.
- Statements regarding the following are annexed:  
Key financial data for the last six years.  
Pattern of shareholding.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.



- The statutory payments on account of taxes, duties, levies and charges have been paid as per respective laws.
- The value of investment in respect of Gratuity Fund was amounting to Rs. 6.30 million.

### ACKNOWLEDGEMENT

The Company strongly believes that its success is driven by the commitment and dedication of its employees. We acknowledge the contribution of each and every member of the Company in areas of expertise. We would also like to express our thanks to the customers for their trust in our products and look forward to their continued patronage. We also thank our shareholders, banks and financial institutions for their support, guidance and confidence reposed in our enterprise and stand committed to do our best to ensure full reward of their investment in the coming years. May Allah bless us in our efforts. A'meen!

For and on behalf of the Board



**Samad A. Habib**  
Chief Executive

Karachi: October 07, 2011

## KEY FINANCIAL DATA 2011 AT A GLANCE

		2011	2010	2009	2008	2007	2006
Investment Measure							
<i>Ordinary Share Capital</i>	Rs/mn	581	581	291	291	560	560
<b>Reserves</b>	Rs/mn	(4,337)	(4,206)	(4,077)	(3,649)	(244)	(60)
[Reserves + Unappropriated Profit]							
<b>Ordinary Share Holder's Equity</b>	Rs/mn	(3,744)	(3,613)	(3,775)	(3,347)	316	500
[Ordinary Share Capital + Reserves + Unappropriated Profit]							
<b>Dividend On Ordinary Shares</b>	Rs/mn	-	-	-	-	-	318
<b>Dividend Per Ordinary Share</b>	Rs	-	-	-	-	-	5.68
[Total Dividend On Ordinary Shares/Number Of Ordinary Shares Issued]							
<b>(Loss)/ Profit Before Taxation</b>	Rs/mn	(558)	(124)	(370)	(3,408)	(178)	423
<b>(Loss)/ Profit After Taxation</b>	Rs/Mn	(131)	(129)	(428)	(3,393)	(90)	344
<b>Loss ( Earnings) Per Share Of Rs. 10</b>	Rs	(2.25)	(2.36)	(14.73)	(116.76)	(1.61)	6.15
[Profit After Taxation Attributable To Ordinary Share Holders/ Number Of Ordinary Shares Issued]							
<b>Measurement Of Financial Status</b>							
Current Assets To Current Liabilities	X:1	3.54	0.55	0.720	0.570	1.22	1.84
[Current Assets/(Current Liabilities-current Maturity Of Loang Term Loans)]							
<b>Debt Equity Ratio</b>	X:1	11.09	13.23	(29.27)	0.083	66.4	-
{Debt/Total Share Holder's Equity +Debt} {Debt= Loang Term Financing+ Current Maturity Of Loang Term Finance +Liabilities Against Subject To Finance Lease + Current Maturity Of Liabilities Against Assets Subject To Finance Lease}							
[Total Share Holders Equity = Issued, Subscribed And Paid-up Capital + Reserves+Unappropriated Profit]							
<b>Total Debt Ratio</b>	X:1	0.41	2.43	1.578	2.663	0.6	-
[Interest Bearing Debt/Total Assets]							
[Interest Bearing Debt = Long Term Loan + Long Term Financing+ Current Maturity Of Long Term Loans+Current Maturity Of Long Term Financing + Short Term Borrowings]							
<b>Sales</b>	Rs/Mn	-	610	1,622	1,185	1,107	1,727
<b>Cost Of Goods Sold As % Of Sales</b>	%	-	(108)	84.63	92	93	75
<b>(Loss)/Profit Before Taxation As % Of Sales</b>	%	-	(20)	(22.83)	(288)	(16)	24
<b>(Loss)/Profit After Taxation As % Of Sales</b>	%	-	(21)	(26.38)	(286)	(8)	20
<b>Asset Turnover</b>		-	0.06	0.28	0.86	0.9	1.8
[Sales/Total Assets]							

## REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **JAVEDAN CORPORATION LIMITED (formerly Javedan Cement Limited)** ('the Company') to comply with the Listing Regulations of the Karachi Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub-Regulation (xiii a) of Listing Regulation No. 35 (previously Regulation No. 37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated January 19, 2009 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price.

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 best practices contained in the Code of Corporate Governance as applicable to the Company the year ended June 30, 2011.

Karachi: October 08, 2011



**HAROON ZAKARIA & COMPANY**  
CHARTERED ACCOUNTANTS

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Karachi Stock Exchange (Guarantee) Limited 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 the Code in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board and at present the Board includes seven non-executive Directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, DFI or NBFIs or being a member of a Stock Exchange, has been declared as a defaulter by that Stock Exchange.
4. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by the directors and key employees of the Company.
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 material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), have been taken by the Board.
7. Out of five meetings of the Board during the year, four were presided over by the Chairman. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.
8. The Board has arranged an in-house orientation course in which directors have been provided with copy of "Role of Directors under the Companies Ordinance, 1984 And The Code Of Corporate Governance" issued by the Institute of Chartered Accountants of Pakistan. The directors are well conversant with their duties and responsibilities.
9. The Board has approved the appointment of CFO, Company Secretary and Head of Internal Audit. The Board has also approved the remuneration and terms and conditions of employment of CFO, Company Secretary and Head of Internal Audit, as determined by the CEO.
10. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
11. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

12. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
13. The Company has complied with all the corporate and financial reporting requirements of the Code.
14. The Board has formed an Audit Committee. It comprises of three members all of whom are Non-Executive Directors including the Chairman.
15. The meetings of the Audit Committee were held at least once in every quarter prior to approval of interim and final results of the Company. During the year four meetings of the Audit Committee were held. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
16. The Board has outsourced the internal audit function to a firm of chartered accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold share of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan.
18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. The related party transactions have been placed before the audit committee and approved by the Board of Directors with necessary justification for non arm's length transactions and pricing methods for transactions that were made on terms equivalent to those that prevail in the arm's length transactions only if such terms can be substantiated.
20. We confirm that all other material principles contained in the Code have been complied with.



**Samad A. Habib**  
Chief Executive

**Karachi: October 08, 2011**



## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of JAVEDAN CORPORATION LIMITED (Formerly Javedan Cement Limited) as at June 30, 2011, and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a. in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b. in our opinion :
  - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c. in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2011 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and
- d. in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

## AUDITORS' REPORT TO THE MEMBERS

### Emphasis of matters

Without qualifying our opinion, we draw attention to note 1.2 of the financial statements which indicates that the company incurred loss after taxation Rs.130.846 (June 30, 2010 : Rs.128.916) million and its accumulated losses stand at Rs.4,325.102 (June 30, 2010 : Rs.4,194.256) million. These conditions along with other matters set forth in note 1.2 indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and also discusses the reasons for preparing the financial report on going concern basis including the expectation of future profitability, restructuring of banking loans, financial support from sponsors and other matters.

Without further qualifying our opinion, we draw attention to the note 6 of the financial statements which explains in detail the reasons for departure from compliance of IAS 2 for fair presentation of its financial position and discloses the financial effect of the departure on each item in the financial statements had the compliance of IAS 2 been made.

Place: Karachi  
Dated: October 08, 2011

  
**HAROON ZAKARIA & COMPANY**  
Chartered Accountants  
Engagement Partner: Muhammad Haroon

**BALANCE SHEET  
AS AT JUNE 30, 2011**

	Notes	June 30, 2011	June 30, 2010
		Rupees in '000'	
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property and equipment	4	37,730	8,641,939
Deferred tax asset	5	427,869	-
Long term security deposits		2,798	2,970
		<u>468,397</u>	<u>8,644,909</u>
<b>Current Assets</b>			
Land for development	6	9,142,980	-
Stores and spares	7	-	21,869
Stock in trade	8	-	6,005
Trade debts	9	1,961	34,238
Advances	10	9,292	6,321
Deposits, prepayments and other receivables	11	33,595	677,212
Interest accrued		315	273
Tax refunds due from government	12	20,410	23,928
Cash and bank balances	13	10,901	81,770
		<u>9,219,454</u>	<u>851,616</u>
		<u>9,687,851</u>	<u>9,496,525</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Share capital	14	581,282	581,282
Reserves	15	(4,325,102)	(4,194,256)
		<u>(3,743,820)</u>	<u>(3,612,974)</u>
<b>Surplus on Revaluation of Freehold Land</b>	16	7,695,071	7,695,071
<b>Sponsors' Loan</b>	17	1,127,713	1,127,713
<b>Non - Current Liabilities</b>			
Long term finance	18	2,002,084	2,725,000
Liabilities against assets subject to finance leases	19	2,872	5,768
		<u>2,004,956</u>	<u>2,730,768</u>
<b>Current Liabilities</b>			
Short term borrowings	20	518,450	-
Trade and other payables	21	238,988	155,838
Mark-up accrued	22	414,364	219,738
Current maturity of non current liabilities	23	1,429,295	1,177,537
Unclaimed dividend		2,834	2,834
		<u>2,603,931</u>	<u>1,555,947</u>
<b>Contingencies and Commitments</b>	24	-	-
		<u>9,687,851</u>	<u>9,496,525</u>

The annexed notes form an integral part of these financial statements

  
CHIEF EXECUTIVE

  
DIRECTOR

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2011**

	Notes	June 30, 2011	June 30, 2010
		Rupees in '000'	
Sales - Net	25	-	610,134
Cost of goods sold	26	-	(657,227)
<b>Gross loss</b>		-	(47,093)
Distribution Costs	27	(204)	(9,260)
Administrative Expenses	28	(71,625)	(23,358)
<b>Loss from operation</b>		(71,829)	(79,711)
Finance Cost	29	(489,937)	(587,424)
Other operating income	30	4,072	543,095
Other operating expenses	31	(797)	-
<b>Loss before taxation</b>		(558,491)	(124,040)
Taxation	32	427,645	(4,876)
<b>Loss after taxation</b>		(130,846)	(128,916)
----- Rupees -----			
<b>Loss per share - Basic and Diluted</b>	33	(2.25)	(2.36)

The annexed notes form an integral part of these financial statements

  
CHIEF EXECUTIVE

  
DIRECTOR

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2011**

	Notes	June 30, 2011	June 30, 2010
		Rupees in '000'	
Loss after taxation		(130,846)	(128,916)
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(130,846)</u>	<u>(128,916)</u>

The annexed notes form an integral part of these financial statements

  
CHIEF EXECUTIVE

  
DIRECTOR



## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2011

June 30, 2011      June 30, 2010  
Rupees in '000'

### A. CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation	(558,491)	(124,040)
Adjustments for non-cash items and other charges:		
Depreciation	4,462	13,160
Finance cost	489,937	587,424
Interest income	(5,491)	(7,304)
Reversal of accrued liabilities	(5,173)	(8,194)
Reversal of provision for obsolescence	-	(1,189)
Stores and spares in transit-written off	-	534
Provision for write down of raw and packing material and stores and spares	-	3,167
Provision for bad debts	-	1,930
Gain on disposal of fixed assets and stores	(4,242)	(512,505)
Miscellaneous Income	(186)	-
Gain on Scrap Sale	(568)	-
Gain on sale of raw and packing material and stores - net	-	(6,546)
Net cash used in operating activities before working capital changes	(79,752)	(53,563)
Working capital changes		
(Increase)/ decrease in current assets		
Land for development	(529,475)	-
Stores and spares	21,869	29,562
Stock in trade	6,005	190,256
Trade debts	32,277	(26,225)
Advances	(2,971)	2,016
Deposits and prepayments and other receivables	643,617	(26,325)
Increase / (decrease) in current liabilities		
Unclaimed dividend	-	(1)
Trade and other payables	88,323	(53,410)
	259,645	115,873
Net cash generated from operations	179,893	62,310
Taxes refunded - net	3,294	6,985
Finance cost paid	(295,311)	(611,009)
Net cash used in operating activities	(112,124)	(541,714)

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2011**

June 30, 2011      June 30, 2010  
Rupees in '000'

**B. CASH FLOWS FROM INVESTING ACTIVITIES**

Fixed capital expenditure incurred	(9,176)	(165,721)
Expenditure on capital work in progress	(7,123)	-
Long term deposits refunded / (paid)	172	(724)
Proceeds from sale of fixed assets and stores	6,783	59,145
Proceeds from sale of scrap	568	-
Proceeds from miscellaneous Income	186	-
Interest received	5,449	7,346
Net cash used in investing activities	<u>(3,141)</u>	<u>(99,954)</u>

**C. CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from issue of right shares	-	290,641
(Repayment of) / Proceeds from term finance - net	(470,833)	250,000
Principal repayment of finance lease	(3,221)	(409)
Proceeds from Sponsors loan - net	-	175,422
Receipts / (repayment) of short term finance	518,450	(64,045)
Net cash generated from financing activities	<u>44,396</u>	<u>651,609</u>
Net (decrease) / increase in cash and cash equivalent (A+B+C)	(70,869)	9,941
Cash and cash equivalent at beginning of year	81,770	71,829
Cash and cash equivalent at end of year	<u>10,901</u>	<u>81,770</u>

The annexed notes form an integral part of these financial statements

  
CHIEF EXECUTIVE

  
DIRECTOR

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2011

	Share Capital	Reserves					Total
		Capital Reserves	Revenue			Total	
			General	Accumulated Losses	Sub Total		
Rupees in '000'							
Balance as at June 30, 2009	290,641	11,966	63,500	(4,140,806)	(4,077,306)	(4,065,340)	(3,774,699)
Total comprehensive loss for the year ended June 30, 2010	-	-	-	(128,916)	(128,916)	(128,916)	(128,916)
<hr/>							
Transaction with owners:							
Right shares issued during the year	290,641	-	-	-	-	-	290,641
Balance as at June 30, 2010	581,282	11,966	63,500	(4,269,722)	(4,206,222)	(4,194,256)	(3,612,974)
Total comprehensive loss for the year ended June 30, 2011	-	-	-	(130,846)	(130,846)	(130,846)	(130,846)
Balance as at June 30, 2011	<u>581,282</u>	<u>11,966</u>	<u>63,500</u>	<u>(4,400,568)</u>	<u>(4,337,068)</u>	<u>(4,325,102)</u>	<u>(3,743,820)</u>

The annexed notes form an integral part of these financial statements

  
CHIEF EXECUTIVE

  
DIRECTOR

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

### 1. STATUS AND NATURE OF BUSINESS

1.1. Javedan Corporation Limited (Formerly Javedan Cement Limited) (the Company) was incorporated in Pakistan on June 08, 1961, as a public limited company under the repealed Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on Karachi Stock Exchange. The company has ceased its cement business during the financial year ending June 30, 2010 and has decided to dispose off the freehold land by developing the housing schemes. During the year the company has also changed its name effective from June 08, 2011. Registered office of the Company is located at 2nd Floor, Pardesi House, Survey No. 2/1, R. Y. 16, Old Queens Road, Karachi.

1.2. During the current year, the Company has incurred loss after taxation of Rs.130.846 (2010 : Rs.128.916) million and its accumulated losses stand at Rs.4,325.102 (2010 : Rs.4,194.256) million eroding shareholder's equity to negative Rs.3,743.820 (2010 : Rs.3,612.974) million. The company could not start sale of housing schemes as per its plan although development work of these housing schemes is in progress. As a result, timely repayment of long term finance to banking companies could not be made. The success of business of constructing housing schemes for generating revenues is mainly dependent on timely availability of finance for its successful completion and timely realization of funds from their sales.

Due to these factors, material uncertainty exists which may cast significant doubt about the company's ability to continue as a going concern and the company may not be able to realize its assets and discharge the liabilities at the stated amounts.

However, the Company has strong financial support from its sponsors and is confident about the viability of the housing project which is expected to be launched in the following year after fulfillment of all necessary formalities. The company has entered into agreement with the banking companies according to which long term finance relating to TFCs alongwith outstanding markup has been rescheduled / settled in the form of Debt Swap / Asset Swap by selling land to them as fully disclosed in note 18.1 and 18.3. Moreover, the company has borrowed finance of Rs. 600 million from its related party. Revised projected cash flow statements indicate the adequate cash inflows to payoff the banking loans and land development expenditure. The company is also making arrangement to sell part of its land to REIT Scheme or Bulk buyer, which will attract immediate cash inflows. During the current year, the company has utilized the proceeds received from sale of plant and machinery with stores and spares, towards repayment of company's liabilities including banking loans. Moreover, the company is in the process of converting its sponsors' loan into preference shares to improve its debt equity ratio. Considering these mitigating factors these financial statements have been prepared on going concern basis.

### 2. BASIS OF PREPARATION

#### 2.1. Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards, except for the departure as disclosed in note 6 to the financial statements, as

applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

## **2.2. Basis of Measurement**

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed in these notes. Further, accrual basis of accounting is followed except for cash flow information.

## **2.3. Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani rupees, which is the Company's functional and presentation currency.

## **2.4. Critical Accounting Estimates and Judgments**

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows: -

### **a) Property and Equipment**

The Company estimates the rate of depreciation of property and equipment. Further, the Company review the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the



respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

**b) Land for development**

The Company reviews the net realizable value of land for development to assess any diminution in the carrying value. Any change in the estimates in future years might affect the carrying amount of land for development. Net realizable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

**c) Income Taxes**

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

**d) Receivable from customers**

The Company reviews its receivable from customers regularly to assess amount of any provision required against such balances.

**e) Staff retirement benefits**

Certain actuarial assumptions have been adopted for valuation of present value of defined benefit obligations.

**2.5. Standards or interpretations effective in financial year 2010-11 but not relevant to the Company**

The following standards and interpretation are effective for financial periods beginning on or after July 01, 2010 but are either not relevant or do not have any effect / material effect on the financial statements of the Company: -

IFRS 1	First time Adoption of International Financial Reporting Standards - Additional exemption for first time adopters (Amendments).
IFRS 1	First time adoption of International Financial Reporting Standards - Limited Exemption from Comparatives. IFRS 7 Disclosures for first time adopters.
IFRS 2	Group Cash-settled Share -based Payments Arrangements.
IAS 32	Financial Instruments: Presentation - Classification of Rights Issues (Amendments)
IFRIC 19	Extinguishing financial liabilities with equity instruments

**2.6. Standards, Interpretations and Amendments to approved accounting standards not yet effective**

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

<b>Standards or interpretation</b>	<b>(effective for annual periods beginning on or after)</b>
IAS 1 Presentation of financial statements-Amendments to revise the way other comprehensive income is presented.	July 01, 2012
IAS 1 Presentation of financial statements-Amendments to financial statements presentation and change in accounting policies.	January 01, 2013
IAS 12 Income tax (Amendment)-Deferred taxes: Recovery of underlying assets	January 01, 2012
IAS 16 Property, plant and equipment: Amendments to recognition and classification of spare parts and servicing equipment	January 01, 2013
IAS 19 Employees Benefits-Amended standard resulting from the post employment benefits and termination benefits plans	January 01, 2013
IAS 24 Related Party Disclosures (Revised)	January 01, 2011
IAS 32 Financial Instruments: Presentation - Interest, dividends, losses and gains	January 01, 2013
IFRS 7 Financial Instruments: Disclosures - Amendment enhancing disclosures about transfer of financial assets	July 01, 2011
IFRS 9 Financial Instruments	January 01, 2013
IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)	January 01, 2011

The Company expect that the adoption of the above standards and interpretation will not have any material impact on its financial statements in the period of initial application except for increase in disclosure requirement.

Further, the following new standard have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

<b>Standards or interpretation</b>	<b>(effective for annual periods beginning on or after)</b>
IFRS 10 Consolidated Financial Statements	January 01, 2013
IFRS 11 Joint Arrangements	January 01, 2013
IFRS 12 Disclosure of Interests in Entities	January 01, 2013
IFRS 13 Fair Value Measurement	January 01, 2013

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1. Property and equipment and depreciation

##### Owned

These are initially stated at cost. Subsequent to initial recognition, the cost of operating fixed assets is depreciated over the useful life of related assets under the reducing balance method using the rates mentioned in note-4. Depreciation is charged on assets from the date of use till the date of disposal or written off. Gains and losses on disposal of assets are included in income currently. Cost incurred to replace an item of property and equipment is capitalized and the asset so replaced is retired from use and its carrying value is derecognized. Normal repair and maintenance are charged to income as and when incurred.

The residual value and lives of tangible fixed assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

##### Leased

These are stated at lower of present value of minimum lease payments under the lease agreements and the fair value of assets acquired on lease. Aggregate amounts of obligations relating to assets subject to finance lease is accounted for at net present value of liabilities. Assets so acquired are amortized by applying reducing balance method at the rates specified in the relevant note. Depreciation is charged on additions during the year from the month of purchase while no depreciation is charged on disposal of assets from the month of disposal.

Financial charge is allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Amortization of leased assets is charged to current year's income as part of depreciation.

**3.1.1. Capital Work-in-Progress**

These are stated at cost and represents expenditure on fixed assets in course of construction and installation. These will be transferred to specific assets as and when they are ready for use.

**3.2. Stores and spares**

These are stated at lower of cost and net realisable value less impairment loss, if any. Cost is determined using moving average method. Stores and spares in transit are valued at invoice value plus other changes incurred thereon as on balance sheet date.

**3.3. Stock-in-trade**

These are valued at lower of cost and net realizable value. Cost is determined on weighted average basis. Net realizable value signifies the selling price less estimated cost necessarily to be incurred in order to make the sale.

**3.4. Land for development**

Land for development is recognized at lower of its carrying value or net realizable value(NRV).

Carrying value comprises of amount transferred from freehold land (fixed assets) at its book value plus cost incurred to date to develop it and purchase the additional land.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

**3.5. Trade debts and other receivables**

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost after deducting provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

**3.6. Advances, deposits and prepayments**

These are stated at cost.

**3.7. Trade and other payables**

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

### **3.8. Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances. The cash and cash equivalents are subject to insignificant risk of changes in value.

### **3.9. Employees Retirement Benefits**

#### **Defined benefit plan**

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 by the Company as on June 30, 2011, using the Projected Unit Credit Method. Any actuarial gain or loss arisen is recognised immediately.

#### **Compensated absences**

The Company accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences.

### **3.10 Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss account except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised there.

#### **Current**

Provision for current taxation is recognised in accordance with provisions of Income Tax Ordinance, 2001.

#### **Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their tax base, to the extent of probability that taxable profits will be available against which these deductible temporary differences can be utilized. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

The company recognizes a deferred tax asset only to the extent that it is probable that future taxable profit for the foreseeable future will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.11 Provisions

Provisions are recognized 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 can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### 3.12 Financial instruments

Financial instruments carried on the balance sheet date include advances, deposits prepayments, trade debts and other receivables, accrued markup on deposits, cash and bank balances, long term and short term finances, trade and other payables and accrued markup on short and long term finance.

#### Financial assets and liabilities

All the financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. These are initially measured at fair value, and subsequently measured at fair value or amortized cost as the case may be. Any gain / loss on de-recognition of the financial assets and liabilities is included in the profit / loss for the period to which it arises. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where 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 and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss.

#### Offsetting of financial assets and financial liabilities

Financial asset and financial liability is set off and the net amount is reported in the balance sheet if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on assets and charge on liability is also offset.

### 3.13 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the assets recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in profit and loss account.

**3.14 Revenue recognition**

Profit on bank deposits is recorded on accrual basis.

Gain on sale of fixed assets is recorded when title is transferred in favor of transferee.

Income from sale of stores and spares and raw material and scrap is recorded on dispatch of items to customers.

Miscellaneous income is recognised on occurrence of transactions.

**3.15 Related party transaction**

All transactions with related parties are priced on an arm's length basis. Prices for these transactions are determined on the basis of admissible valuation methods. However loans from sponsors are unsecured and interest free.

**3.16 Translation of foreign currencies**

Transaction in foreign currencies are recorded into rupees at the rates approximating those prevailing on the date of each transaction. Monetary assets and liabilities in foreign currencies are reported in rupees using the exchange rates approximating those prevailing on the balance sheet date. Exchange differences are included in income currently.

**3.17 Dividend distributions and appropriations**

Dividend distributions and appropriations is recognized as a liability in the period in which it is declared and approved.

**3.18 Borrowing Cost**

Borrowing costs relating to the acquisition, construction or production of a qualifying asset are recognised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which these are incurred.

**3.19 Earning (Loss) per share**

Earning (Loss) per share is calculated by dividing profit / (loss) after tax for the year by the weighted average number of shares outstanding during the year.



	Note	June 30, 2011	June 30, 2010
		Rupees in '000'	
<b>4. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets - tangible	4.1	<b>27,606</b>	8,414,121
Capital work-in-progress	4.4	<b>10,124</b>	227,818
		<b>37,730</b>	<b>8,641,939</b>

#### 4.1 Operating fixed assets - Tangible

Particulars	C o s t				Accumulated Depreciation						
	As on July 01, 2010	Additions	Disposals	Transfer to current assets	As at June 30, 2011	Rate %	As at July 01, 2010	Charge for the year	Disposals	As at June 30, 2011	Written down value as at June 30, 2011
	----- Rupees in '000' -----				----- Rupees in '000' -----						
<b>Owned</b>											
Free hold land	8,388,688	-	-	8,388,688	-	0	-	-	-	-	-
Lease-hold land and quarries	1,289	-	-	-	1,289	10	1,191	10	-	1,201	88
Buildings and roads on free-hold land	135,727	-	-	-	135,727	10	128,461	727	-	129,188	6,539
Buildings and roads on lease-hold land	1,171	-	-	-	1,171	10	1,100	7	-	1,107	64
Quarry and transport equipments	54,930	-	54,930	-	-	20	53,857	161	54,018	-	-
Furniture, fixtures and equipments	12,746	6,203	-	-	18,949	10 to 20	10,477	778	-	11,255	7,694
Vehicles	12,223	2,973	5,688	-	9,508	20	8,158	878	4,074	4,962	4,546
Other assets	12,629	-	83	-	12,546	10	10,462	216	68	10,610	1,936
<b>Leased</b>											
Vehicles	8,714	-	-	-	8,714	20	290	1,685	-	1,975	6,739
<b>June 30, 2011</b>	<b>8,628,117</b>	<b>9,176</b>	<b>60,701</b>	<b>8,388,688</b>	<b>187,904</b>		<b>213,996</b>	<b>4,462</b>	<b>58,160</b>	<b>160,298</b>	<b>27,606</b>

Particulars	C o s t				Accumulated Depreciation						
	As on July 01, 2009	Additions / Revaluation*	Disposals	Transfer to current assets	As at June 30, 2010	Rate %	As at July 01, 2009	Charge for the year	Disposals	As at June 30, 2010	Written down value as at June 30, 2010
	----- Rupees in '000' -----				----- Rupees in '000' -----						
<b>Owned</b>											
Free hold land	5,199,600	3,189,088	-	-	8,388,688	0	-	-	-	-	8,388,688
Lease-hold land and quarries	1,289	-	-	-	1,289	10	1,180	11	-	1,191	98
Buildings and roads on free-hold land	135,727	-	-	-	135,727	10	127,653	808	-	128,461	7,266
Buildings and roads on lease-hold land	1,171	-	-	-	1,171	10	1,092	8	-	1,100	71
Plant, machinery and equipments	782,027	-	782,027	-	-	10	682,356	9,968	692,324	-	-
Quarry and transport equipments	54,930	-	-	-	54,930	20	53,589	268	-	53,857	1,073
Furniture, fixtures and equipments	12,037	729	20	-	12,746	10 to 20	10,116	361	-	10,477	2,269
Vehicles	15,410	7,590	10,777	-	12,223	20	8,553	1,205	1,600	8,158	4,065
Other assets	12,629	-	-	-	12,629	10	10,221	241	-	10,462	2,167
<b>Leased</b>											
Vehicles	-	8,714	-	-	8,714	20	-	290	-	290	8,424
<b>June 30, 2010</b>	<b>6,214,820</b>	<b>3,206,121</b>	<b>792,824</b>		<b>8,628,117</b>		<b>894,760</b>	<b>13,160</b>	<b>693,924</b>	<b>213,996</b>	<b>8,414,121</b>

	Note	June 30, 2011	June 30, 2010
		Rupees in '000'	
<b>4.2 Depreciation is allocated as under:</b>			
Cost of goods sold	26	-	11,859
Distribution cost	27	-	129
Administrative expenses	28	<b>4,462</b>	805
Own excavation cost	26.1	-	367
		<u><b>4,462</b></u>	<u>13,160</u>

**4.3** The detail of property, plant and equipment having book value exceeding Rs.50,000/- disposed off during the year are as follows: -

Particulars	Cost	Written down value	Sale proceeds	Mode of disposal	Particulars of buyer
----- Rupees in '000' -----					
Quarry and transport	26,803	808	1,650	Negotiation	M/S Muhammad Tariq Traders
Vehicle	834	115	160	Transfer	M/s Al-Abbas Cement Industries Limited - related party
Vehicles	3,258	1,198	1,714	Negotiation	Mr. Mustaqeem

### 4.3.1 Reconciliation of carrying Amount of Operating Fixed Assets - Tangible

2011							
Description	Opening net book value as on July 01, 2010	Additions	Transfers	Disposals at cost	Depreciation on disposals	Depreciation Charge	Closing Book Value as at June 30, 2011
----- Rupees -----							
<b>Owned</b>							
Free hold land	8,388,688	-	(8,388,688)	-	-	-	-
Lease-hold land and quarries	98	-	-	-	-	10	88
Buildings and roads on free-hold land	7,266	-	-	-	-	727	6,539
Buildings and roads on lease-hold land	71	-	-	-	-	7	64
Quarry and transport equipments	1,073	-	-	54,930	54,018	161	-
Furniture, fixtures and equipments	2,269	6,203	-	-	-	778	7,694
Vehicles	4,065	2,973	-	5,688	4,074	878	4,546
Other assets	2,167	-	-	83	68	216	1,936
<b>Leased</b>							
Vehicles	8,424	-	-	-	-	1,685	6,739
	<b>8,414,121</b>	<b>9,176</b>	<b>(8,388,688)</b>	<b>60,701</b>	<b>58,160</b>	<b>4,462</b>	<b>27,606</b>
2010							
Description	Opening net book value as on July 01, 2009	Additions / Revaluation*		Disposals at cost	Depreciation on disposals	Depreciation Charge	Closing Book Value as at June 30, 2010
----- Rupees -----							
<b>Owned</b>							
Free hold land	5,199,600	3,189,088		-	-	-	8,388,688
Lease-hold land and quarries	109	-		-	-	11	98
Buildings and roads on free-hold land	8,074	-		-	-	808	7,266
Buildings and roads on lease-hold land	79	-		-	-	8	71
Plant, machinery and equipments	99,671	-		782,027	692,324	9,968	-
Quarry and transport equipments	1,341	-		-	-	268	1,073
Furniture, fixtures and equipments	1,921	729		20	-	361	2,269
Vehicles	6,857	7,590		10,777	1,600	1,205	4,065
Other assets	2,408	-		-	-	241	2,167
<b>Leased</b>							
Vehicles	-	8,714		-	-	290	8,424
	<b>5,320,060</b>	<b>3,206,121</b>		<b>792,824</b>	<b>693,924</b>	<b>13,160</b>	<b>8,414,121</b>

Had there been no revaluation, the status of revalued free hold land would have been at cost amounting to Rs.693.617 million.

	Note	June 30, 2011	June 30, 2010
		Rupees in '000'	
<b>4.4 Capital work-in-progress</b>			
Civil work	4.4.1	10,124	3,001
Land development	4.4.2	-	224,817
		<u>10,124</u>	<u>227,818</u>
<b>4.4.1 Civil work</b>			
Balance as at July 01		3,001	-
Additions during the year		7,123	3,001
		<u>10,124</u>	<u>3,001</u>
<b>4.4.2 Land development</b>			
Balance as at July 01		224,817	-
(Transfer) / additions during the year	6	(224,817)	224,817
		<u>-</u>	<u>224,817</u>
<b>5. DEFERRED TAX ASSET</b>			
This comprises of the following: -			
<b>Taxable temporary differences</b>			
Accelerated depreciation for tax purposes		(698)	(906)
Assets subject to finance lease		(2,359)	(2,948)
		<u>(3,057)</u>	<u>(3,854)</u>
<b>Deductible temporary differences</b>			
Provision for obsolete stores and advances		-	11,869
Liabilities subject to finance lease		1,779	2,907
Provision for bad debts		676	676
Employees Gratuity Fund Trust - related party		(2,299)	326
Minimum tax impact		9,583	9,359
Assessed tax losses		855,737	616,809
		<u>865,476</u>	<u>641,946</u>
		<u>862,419</u>	<u>638,092</u>
Less: Deferred tax asset not recognised	5.1	434,550	638,092
		<u>427,869</u>	<u>-</u>

5.1. Deferred tax asset has been recognized on the ground that future taxable profits will be available to adjust the assessed tax losses on transfer of the company's land against settlement of bank loan which has been fully explained in note 18.1 and 18.3 and on expected sales of land based on ongoing negotiations with the prospective buyers.

	Note	June 30, 2011	June 30, 2010
		Rupees in '000'	
<b>6. LAND FOR DEVELOPMENT</b>			
Transfer from Property and equipment	4.1	8,388,688	-
Land purchased during the year - at cost		<u>160,219</u>	<u>-</u>
		8,548,907	-
Land development expenditure			
- incurred during the year		251,109	-
- transferred from CWIP	4.4.2	224,817	-
		475,926	
Related borrowing costs		118,147	
		<u>9,142,980</u>	<u>-</u>

**6.1** Since the company has changed its business and has decided to generate revenues by selling its freehold land after developing it into different housing schemes. Accordingly, freehold land has been reclassified as inventory of the company by transferring from property and equipment and is disclosed at its carrying value. IAS 2 requires that inventory should be valued at lower of cost or net realizable value. The management of the company is of the view that the land was purchased many years ago at very low cost of Rs. 693.617 million and it would be misleading to disclose land in accordance with IAS 2, therefore, it has been stated at its carrying value to present fairly the entity's financial position and financial performance for stakeholders and users of financial statements.

Had the land for development been valued in accordance with IAS 2, the financial impact on the financial statements would have been as follows: -

	Note	June 30, 2011	June 30, 2010
		Rupees in '000'	
Increase in loss for the year		(7,695,071)	-
Decrease in current assets		(7,695,071)	-
Increase in accumulated losses		(7,695,071)	-
Increase in negative equity		(7,695,071)	-
Increase in loss per share	Rs.	(132.38)	-

**7. STORES AND SPARES**

Stores	7.1	-	23,951
Spares		-	99,568
Stores and spares in transit		-	534
		-	<u>124,053</u>
Provision for obsolescence		-	(33,911)
Stores and spares in transit-written off		-	(534)
		-	<u>89,608</u>
Disposal	30.2	-	(67,739)
		-	<u>21,869</u>

	Note	June 30, 2011	June 30, 2010
		Rupees in '000'	
<b>7.1. Stores</b>			
Gross value		-	24,107
Less: Provision for write-down to		-	(156)
Less: net realizable value		-	23,951
<b>8. STOCK IN TRADE</b>			
Raw and packing materials	8.1	-	6,005
8.1. Raw and packing materials			
Gross value		-	9,016
Less: Provision for write-down to		-	(3,011)
Less: net realizable value		-	6,005
<b>9. TRADE DEBTS</b>			
<b>- Considered Good</b>			
<b>Related parties</b>			
Al-Abbas Cement Industries		-	29,760
Others		1,961	4,478
		1,961	34,238
Considered doubtful - others		1,930	1,930
		3,891	36,168
Provision against debts considered doubtful	28	(1,930)	(1,930)
		1,961	34,238
<b>10. ADVANCES</b>			
Considered good			
Advances to suppliers		633	1,162
Advances to contractors		8,366	3,451
Advances against services and expenses		293	1,517
Advances to employees		-	191
		9,292	6,321
Considered doubtful			
Advances to suppliers		147	147
Advances to contractors		411	411
		558	558
Provision against advances considered doubtful		(558)	(558)
		-	-
		9,292	6,321

	Note	June 30, 2011	June 30, 2010
		Rupees in '000'	
<b>11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
<b>Deposits</b>			
Guarantee margin	11.1.	13,844	13,844
With contractors		6,175	4,195
Others		391	466
		<u>20,410</u>	<u>18,505</u>
<b>Prepayments</b>			
Prepaid rent and insurance		541	390
<b>Other receivables - considered good</b>			
Related parties			
International Builders and Developers (Pvt) Limited		524	216
Al-Abbas Cement Industries Limited		2,000	6,661
Al Abbas Sugar Mills Limited		-	389
Thatta Cement Company Limited		3,551	12,709
Employees Gratuity Fund Trust	21.1	6,569	-
<b>Others</b>			
against sale of raw materials		-	18,342
against sale of plant and machinery with stores and spares	11.2	-	620,000
		<u>12,644</u>	<u>658,317</u>
		<u>33,595</u>	<u>677,212</u>

11.1 It includes deposit of Rs.12.169 (2010 : Rs.12.169) million which carries mark-up @ 10% to 12.5% per annum.

11.2 The amount has been fully received during the current financial year.

## 12. TAX REFUNDS DUE FROM GOVERNMENT

Income Tax		10,261	21,866
Excise Duty		574	574
Sales Tax		9,575	1,488
		<u>20,410</u>	<u>23,928</u>

## 13. CASH AND BANK BALANCES

Cash in hand		271	181
Cash at banks - in local currency			
Current accounts		1,937	3,375
Deposit accounts	13.1	8,693	78,214
		<u>10,630</u>	<u>81,589</u>
		<u>10,901</u>	<u>81,770</u>

13.1 This carries markup at a rate ranging from 9 to 10 percent per annum payable on half yearly basis.



**14. SHARE CAPITAL**

2011 (Number of Shares)	2010	Note	June 30, 2011 Rupees in '000'	June 30, 2010
120,000,000	70,000,000	<b>Authorised capital</b> Ordinary shares of Rs.10 each	1,200,000	700,000
<u>120,000,000</u>	-	12% Redeemable, cumulative and convertible preference shares of Rs.10 each	<u>1,200,000</u>	-
<u>240,000,000</u>	<u>70,000,000</u>	14.1	<u>2,400,000</u>	<u>700,000</u>
8,600,000	8,600,000	Issued, subscribed and paid-up capital Issued for cash	86,000	86,000
47,200,000	47,200,000	Issued under the financial restructuring arrangement	472,000	472,000
200,000	200,000	Issued as fully paid bonus shares	2,000	2,000
(54,268,643)	(54,268,643)	Shares cancelled due to merger	(542,686)	(542,686)
27,332,729	27,332,729	Shares issued in lieu of merger	273,327	273,327
29,064,086	29,064,086	Right shares issued	290,641	290,641
<u>58,128,172</u>	<u>58,128,172</u>		<u>581,282</u>	<u>581,282</u>

**14.1** During the year, the company has increased its authorized capital by 170,000,000 shares of Rs.10 each, the break up of which is as follows:

	Number of Shares
Ordinary shares	50,000,000
12% Redeemable, cumulative and convertible preference shares	120,000,000
	<u>170,000,000</u>

	2011 (Number of Shares)	2010
<b>14.2 Reconciliation of the number of shares</b>		
Opening balance	58,128,172	29,064,086
Right issue during the year	14.2.1 -	29,064,086
Closing balance	14.2.2 <u>58,128,172</u>	<u>58,128,172</u>

**14.2.1** In the year 2010, company had issued right shares at the ratio of 1 : 1 which were fully subscribed.

**14.2.2** It includes 12,038,484 (2010 : 12,154,434) ordinary shares of Rs.10 each held by the associated undertaking of the company.

14.3 Ordinary shareholders are entitled to attend and vote on company meetings and are also entitled to any disbursements made by the Company.

	Note	June 30, 2011	June 30, 2010
		Rupees in '000'	
<b>15. RESERVES</b>			
<b>Capital Reserve</b>			
Tax holiday reserve		11,966	11,966
<b>Revenue Reserve</b>			
General reserve - for future contingencies and dividends		63,500	63,500
Accumulated losses		(4,400,568)	(4,269,722)
		<u>(4,337,068)</u>	<u>(4,206,222)</u>
		<u>(4,325,102)</u>	<u>(4,194,256)</u>
<b>16. SURPLUS ON REVALUATION OF FREEHOLD LAND</b>			
Opening balance as at July 1		7,695,071	4,505,983
Surplus relating to the land revalued during the year		-	3,189,088
	16.1	<u>7,695,071</u>	<u>7,695,071</u>

16.1 The company has carried out revaluation of its free hold land from M/s. Joseph Lobo (Pvt.) Limited on June 25, 2010, who determined the fair value of freehold land under market value basis, amounting to Rs.8.389 billion resulting a surplus on revaluation amounting to Rs.3.189 billion. Earlier the Company had revalued its freehold land from M/s. Younus Mirza and Company on January 5, 2009, who determined the fair value of freehold land under market value basis amounting to Rs.5.200 billion resulting a surplus on revaluation amounting to Rs.4.506 billion.

Although the freehold land has been reclassified as inventory in the current assets of the company, the surplus on revaluation of freehold land has been retained because of the restriction as per section 235 of Companies Ordinance 1984, and will be transferred to equity as and when realized on sale of freehold land.

## 17. SPONSORS' LOAN

This represents un-secured interest free loans from Sponsors. The company is in the process of obtaining approval from SECP for issuance of 12% redeemable, cumulative and convertible preference shares of Rs. 10 each to convert the sponsors' loan into equity.

	Note	June 30, 2011	June 30, 2010
Rupees in '000'			
<b>18. LONG TERM FINANCE</b>			
<b>Redeemable Capital - Secured</b>			
<b>Allied Bank Limited</b>			
- Term Finance Certificates - I		218,750	250,000
- Term Finance Certificates - II & III		1,006,250	1,150,000
	18.1	<u>1,225,000</u>	<u>1,400,000</u>
<b>National Bank of Pakistan</b>			
- Term Finance Certificates - I		218,750	250,000
- Term Finance Certificates - II & III		1,006,250	1,150,000
	18.2	<u>1,225,000</u>	<u>1,400,000</u>
<b>Faysal Bank Limited</b>			
- Term Finance Certificates - I		109,375	125,000
- Term Finance Certificates - II & III		503,125	575,000
	18.3	<u>612,500</u>	<u>700,000</u>
		<u>3,062,500</u>	<u>3,500,000</u>
Current and over due portion shown under current liabilities		<u>(1,312,500)</u>	<u>(875,000)</u>
		<u>1,750,000</u>	<u>2,625,000</u>
Term loans - secured			
- from a banking company	18.4	116,667	150,000
- from a banking company	18.5	250,000	250,000
		366,667	400,000
Current and over due portion shown under current liabilities		<u>(114,583)</u>	<u>(300,000)</u>
		<u>252,084</u>	<u>100,000</u>
		<u>2,002,084</u>	<u>2,725,000</u>

**18.1** This represents privately placed Term Finance Certificates (TFCs) issued by the Company to Allied Bank Limited having a face value of Rs.100,000 each. The TFCs carry markup at the rate of 6 months KIBOR + 2.5% per annum subject to a floor rate of 7.5% and cap rate of 17.5%. Principal amount is repayable in 7 equal semi-annual installment of Rs.175 million each. The TFCs are secured against first pari passu hypothecation charge on all present and future assets and first pari passu equitable mortgage charge on 910 acre land of the Company.

Subsequent to year end, as per agreement between the company and Allied Bank Limited following revised settlement terms in respect of TFC's through debt /asset swap have been agreed subject to fulfillment of necessary conditions and legal formalities.

a) The revised name of the facility will be "Medium term finance facility".

- b) Accrued markup upto February 23, 2011 (effective date) amounting to Rs. 87.769 million plus the markup on the facility for the grace period from February 23, 2011 to August 23, 2012 calculated at fixed rate 15% equivalent to Rs. 273.497 will be settled by the company in kind through transferring equivalent value of its 75 acres land to the bank. Transfer charges shall be borne by the bank. All legal expenses, documentation and related charges, government excise, levies and surcharge shall be paid by the company.
- c) The principal amount of TFC's will repaid as follows:
  - i) Three half yearly installments of Rs.8.333 million each commencing from August 23, 2011.
  - ii) Six half yearly installments of Rs.200 million each commencing from February 23, 2013 to August 22, 2015.
- d) Markup on the facility will be charged at 6 months KIBOR + 1% per annum after grace period. In case company fails to pay the principal installments on the respective date, mark up at the rate of 6 months KIBOR + 5% will be charged on each such principal installment for the delayed period.
- e) The company would be required to buy back the land acquired by the bank after 3 years from effective date i.e. February 23, 2014 at land acquisition cost of Rs. 361.266 million plus acquisition cost, transfer charges, legal charges etc inflated at the rate of 12% with effect from February 23, 2011.
- f) The facility will be secured by equitable mortgage on 243.5 Acres of company's land and irrevocable and unconditional undertakings by sponsors to inject additional equity or extend subordinated loan to ensure timely repayment of all financial obligations of the company.

**18.2** This represents privately placed Term Finance Certificates (TFCs) issued by the Company to National Bank of Pakistan having a face value of Rs.100,000 each. The TFCs carry markup at the rate of 6 months KIBOR + 2.5% per annum subject to a floor rate of 7.5% and cap rate of 17.5%. Principal amount is repayable in 7 equal semi-annual installment of Rs.175 million each. The TFCs are secured against first pari passu hypothecation charge on all present and future assets and first pari passu equitable mortgage charge on 910 acre land of the Company.

As at June 30, 2011, the agreement between the company and the bank is in process for rescheduling / settlement of its outstanding principal and accrued markup.

**18.3** This represents privately placed Term Finance Certificates (TFCs) issued by the Company to Faysal Bank Limited having a face value of Rs.100,000 each. The TFCs carry markup at the rate of 6 months KIBOR + 2.5% per annum subject to a floor rate of 7.5% and cap rate of 17.5%. Principal amount is repayable in 7 equal semi-annual installment of Rs.87.5 million each. The TFCs are secured against first pari passu hypothecation charge on all present and future assets and first pari passu equitable mortgage charge on 910 acre land of the Company.

Subsequent to year end, as per agreement between the company and Faysal Bank Limited following revised settlement terms in respect of TFC's through debt /asset swap have been agreed subject to fulfillment of necessary conditions and legal formalities.

The outstanding principal amount of TFCs and accrued markup thereon amounting to Rs.612.5 million and Rs.73.700 million respectively as at June 30, 2011 (total settlement amount of Rs.686.2 million) will be settled by the company in kind through transferring equivalent value of its 159.2 acres land to the bank. Transfer charges shall be borne by the bank. All legal expenses, documentation and related charges, government excise, levies and surcharge shall be paid by the company.

The company will be required to buy back the transferred land at settlement amount (inflated at 6 months KIBOR + 1% per annum to be reset semi annually effective from July 01, 2011) as per following milestone dates:

% of Land	Milestone Date
24	June 30, 2014
38	June 30, 2016
38	June 30, 2018

**18.4** This loan has been sanctioned by KASB Bank Limited to the Company. It carries mark up at the rate of 3 months KIBOR + 2.5% payable quarterly. The outstanding loan is repayable in 7 quarterly installment of Rs.16.67 million each. It has been secured by way of first pari passu charge over the Company's fixed assets (land of 19 acres).

**18.5** This loan has been sanctioned by BankIslami Pakistan Limited to the Company, for the development of land. It carries mark up at the rate of 3 months KIBOR + 2.5% (with semi annually rests). The loan is repayable in 8 quarterly installments commencing from June 2012. It has been secured by way of ranking charge on 49.30 acres of company land situated at Manghopir.

## 19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES

This represents finances obtained under the lease arrangement for vehicles. The total minimum lease payments are payable in 36 monthly installments. The internal rate of return is 16.89%.

The amount of future payments for the lease and the period in which these payments will become due are: -

Note	June 30, 2011	June 30, 2010
	Rupees in '000'	
<b>Minimum lease payments</b>		
Upto one year	2,905	2,905
More than 1 year but not later than 5 years	3,144	6,049
	<u>6,049</u>	<u>8,954</u>
<b>Finance charges not yet due</b>		
Upto one year	693	368
More than 1 year but not later than 5 years	272	281
	<u>965</u>	<u>649</u>
<b>Present value of minimum lease payments</b>		
Upto one year	2,212	2,537
More than 1 year but not later than 5 years	2,872	5,768
	<u>5,084</u>	<u>8,305</u>
<b>Current portion shown under current liabilities</b>	<u>(2,212)</u>	<u>(2,537)</u>
	<u>2,872</u>	<u>5,768</u>

	Note	June 30, 2011	June 30, 2010
		Rupees in '000'	
<b>20. SHORT TERM BORROWINGS</b>			
Secured - from related party Short term loan	20.1	<u>518,450</u>	<u>-</u>

**20.1** This loan was sanctioned by Arif Habib Corporation Limited to the Company. It carries mark up at the rate of 3 months KIBOR + 3%. The loan is repayable through single bullet payment payable after six months of final drawdown date which is September 15, 2011 as per agreement. The loan is secured against the security of REIT units to be issued by the borrower to the lender or such security as may be agreed between the parties.

## 21. TRADE AND OTHER PAYABLES

Creditors		536	2,890
Advance from customers		371	6,033
Employees Gratuity Fund Trust - related party	21.1	-	931
Accrued liabilities		66,046	133,808
Retention money payable		9,069	4,240
Royalty and excise duty payable on excavation		10	17
Sales tax payable		-	326
Excise duty payable		-	7,135
Withholding tax payable		2,737	458
Payable against purchase of freehold land		160,219	-
		<u>238,988</u>	<u>155,838</u>

### 21.1 Employees Gratuity Fund Trust - related party

#### a) The amount recognized in the balance sheet are as follows:

Present value of defined benefits obligation	3,229	2,723
Add: Benefits payable to out going members	-	7,220
Add: Payable to Employees Gratuity fund trust against loan recoveries	-	318
Less: Fair value of plan assets	(9,798)	(9,330)
Recognized (asset /) liabilities as at June 30	<u>(6,569)</u>	<u>931</u>
Present value of defined benefits obligation Opening balance	2,723	13,164
Current service cost for the year	1,445	2,502
Interest cost for the year	327	1,580
Benefits due but not paid	-	(7,220)
Benefits paid during the year	(866)	(6,924)
Actuarial (gain) / loss	(400)	(379)
	<u>3,229</u>	<u>2,723</u>

**b) Changes in fair value of plan assets**

Opening balance	9,330	7,567
Expected return on plan assets	1,120	908
Contribution during the year	7,740	7,229
Benefits paid during the year	(8,086)	(6,924)
Actuarial gain /(loss)	(306)	550
	<u>9,798</u>	<u>9,330</u>

**c) Change in actuarial gains/(losses)**

Net (loss)/ gain arising during the year	94	929
Credited to the profit and loss account	(94)	(929)
	<u>-</u>	<u>-</u>

**d) The amount charged in profit and loss account are as follows:**

Current service cost	1,445	2,502
Interest cost	327	1,580
Expected return on plan assets	(1,120)	(908)
Net actuarial gain recognized in the year	(94)	(929)
	<u>558</u>	<u>2,245</u>

**e) The charge for the year has been allocated as follows:**

Cost of goods sold	26.3	-	1,728
Distribution cost	27.1	-	135
Administrative expenses	28.1	558	382
		<u>558</u>	<u>2,245</u>

**f) Actual return on plan assets**

Expected return on plan assets	1,120	908
Actuarial gain/ (loss) on plan assets	(306)	550
	<u>814</u>	<u>1,458</u>

**g) The principal actuarial assumptions used for the purpose of the valuation were as follows:**

	2011 %	2010 %
Rate of salary increase	14.00%	12.00%
Rate of return	14.00%	12.00%
Discount rate	14.00%	12.00%

**h) Average expected remaining working period of employees**      **5 years**      5 years

**i) Expected charge for the year ended June 30, 2012 is Rs.1.134 million.**

**j) Present value of defined benefits obligations and fair value of plant assets: -**



	2011	2010	2009	2008	2007
	----- Rupees in Thousands -----				
Present value of defined obligations at the end of the year	3,229	2,722	13,164	8,455	N/A
Fair value of plan assets at the end of the year	9,798	9,330	7,567	5,105	N/A
Surplus / (deficit) in the plan	<u>6,569</u>	<u>6,608</u>	<u>(5,597)</u>	<u>(3,350)</u>	<u>N/A</u>

**i) Experience adjustments**

Experience adjustment arising on plan liabilities (gains) / losses	(400)	(379)	(536)	1,863	N/A
Experience adjustment arising on plan assets gains / (losses)	(306)	550	(122)	268	N/A

**22. MARK-UP ACCRUED**

Long term finance					
Term finance certificates				374,319	210,412
Term loans				15,650	9,326
Short term borrowings - related party				24,395	-
				<u>414,364</u>	<u>219,738</u>

**23. CURRENT MATURITY OF NON CURRENT LIABILITIES**

Term Finance Certificates	18	1,312,500	875,000
Term Loans	18	114,583	300,000
Liabilities against assets subject to finance leases	19	2,212	2,537
		<u>1,429,295</u>	<u>1,177,537</u>

**24. CONTINGENCIES AND COMMITMENTS**

**24.1 Contingencies**

- Guarantees issued by commercial banks on behalf of the Company amounting to Rs. 73.884 million (June 30, 2010 : Rs.73.844 million ).
- In 2003 the company received Form PT13 from Excise and Taxation Officers, assessing authority DDO Property Tax (O) Division demanding Gross Annual Rental Value (GARV) amounting to Rs.28.078 million U/S 9(b) of the Urban Immoveable Property Tax Act, 1958. The Company filed objections with the concerned authority with the view that Company factory does not fall with in the jurisdiction of Deputy District Officers (Property Tax) (O) Division and proposed assignment made in respect of Company factory is without jurisdiction. The concerned authority reduced the GARV to Rs.5.722 million and thereafter, issue a show cause notice regarding outstanding amount including penalty which comes to aggregate amounting to Rs.7.108 million. The Company has filed Constitution Petition in the Honorable High Court of Sindh. The case is still pending. The management of the company is confident that the case will be decided in favour of the Company on the reason mentioned above. Hence no provision is made in these financial statements.

- c) Town Municipal Administration Gadap, Karachi sent a notice requiring the company to get a Trade License and deposit Rs.8.625 million as Trade License fee for the year 2001 to 2006. The company filed a Constitution Petition before the High Court of Sindh to declare that respondents have no jurisdiction to impose and recover Trade License fee on the ground that the Province of Sindh City District Government and Town Municipal Administration Gadap, can not legally impose the Trade License fee in the absence of Bye-laws required to be framed under the Provision of Section 192 of Sindh Local Government Ordinance 2001. The case is still pending. The lawyer of the Company is confident that case will be decided in the favor of the company and hence no provision is made in these financial statement.
- d) From 1993-94 to 1998-99 the excise duty was levied and recovered from the Company being wrongly work out on retail price based on the misinterpretation of sub section 2 of section 4 of the Central Excise Act, 1944 by Central Board of Revenue. Such erroneous basis of working of excise duty has been held, being without lawful authority, by the Honorable Supreme Court of Pakistan as per its judgment dated February 15, 2007 in the civil appeal Nos. 1388 & 1389 of 2002, civil appeal Nos. 410 to 418 of 2005, civil appeal No. 266 of 2006, civil appeal No. 267 of 2006 and civil appeal No. 395 of 2006. Accordingly, the Company has filed an application to the Collector of Federal Excise and Sales Tax to refund the excess excise duty amounting to Rs.564.813 million. The case is pending before Collector. The management is confident that the final out come of the case will be favourable to the Company.
- e) Company is defendant in lawsuit filed by Karachi Water and Sewerage Board (KWSB) for claim of Rs.7.816 million (2010 : Rs.7.816 million) as Conservancy charges. The decree was granted in favor of the Company by the Sindh High Court. The petition was lodged with the Supreme Court by the KWSB for grant of leave to appeal against the Company, Government of Pakistan and City district Government, Karachi. Company's legal counsel expect outcome in favor of the Company on the grounds that Company has its own arrangements for the disposal of sewerage water and is not dependent on the infrastructure of KWSB. The Honourable Supreme Court of Pakistan has ordered the deposit of bank guarantee amounting to Rs.12.619 million which is duly furnished by the Company. The case is pending with Honourable Supreme Court of Pakistan. The Management expects that the decision will be in favour of the Company.
- f) Company is party to various cases for different pieces of land. These cases pertain to title, possession as well as pertains to encroachment of land. The company's legal Counsel could not determine the financial impact of these cases at this stage, however, expect outcome in favor of the Company. Considering the limitations attached relating to the estimation of financial impact and further considering expectation of favorable outcome, no provision has been made in these financial statements.

	Note	June 30, 2011	June 30, 2010
		Rupees in '000'	
<b>24.2 Commitments</b>			
Capital Commitments			
Land for development and civil works		214,376	1,500
Purchase of accounting software and related hardware		<u>1,000</u>	<u>12,750</u>
		<u><b>215,376</b></u>	<u><b>14,250</b></u>

	Note	June 30, 2011	June 30, 2010
		Rupees in '000'	
<b>25. SALES - NET</b>			
<b>Gross sales</b>			
Local		-	829,524
Export		-	13,858
		-	843,382
<b>Less:</b>			
Sales tax		-	113,593
Excise duty		-	118,485
Rebate and discount on sales		-	1,170
		-	233,248
		-	610,134
<b>26. COST OF GOODS SOLD</b>			
Raw materials consumed	26.1	-	63,604
Packing materials consumed	26.2	-	39,057
Stores and spares consumed		-	16,685
Utilities		-	107,607
Rent, rates and taxes		-	267
Fuel		-	184,509
Salaries, wages and other benefits	26.3	-	68,632
Insurance		-	3,570
Repairs and maintenance		-	13,312
Security Service Charges		-	8,860
Vehicle running expenses		-	2,028
Depreciation	4.2	-	11,859
Other expenses		-	1,887
		-	521,877
<b>Work in process</b>			
Opening balance		-	32,448
Clinker purchase		-	48,471
Closing balance		-	-
		-	80,919
<b>Cost of goods manufactured</b>		-	602,796
<b>Finished goods</b>			
Opening balance		-	54,431
Closing balance		-	-
		-	54,431
		-	657,227
<b>26.1 Raw materials consumed</b>			
Opening stock		3,147	89,390
Transfer / Purchases		-	5,741
Own excavation cost	26.1.1	-	16,690
		3,147	111,821
Cost of sale of raw material	30.1	(3,147)	(45,070)
Closing stock		-	(3,147)
		-	63,604

26.1.1. This includes depreciation charged amounting to Rs. Nil (2010 : Rs.367) thousands (refer note-4.2).

	Note	June 30, 2011	June 30, 2010
Rupees in '000'			
<b>26.2 Packing materials consumed</b>			
Opening stock		2,859	19,992
Purchases		-	26,264
		<u>2,859</u>	<u>46,256</u>
Cost of sale of packing material	30.1	(2,275)	(4,340)
Inventory written off		(584)	-
Closing stock		-	(2,859)
		<u>-</u>	<u>39,057</u>

**26.3** This includes an amount of Rs. Nil (2010 : Rs.1,728) thousands in respect of employees retirement benefits.

## 27. DISTRIBUTION COSTS

Salaries, wages and other benefits	27.1	-	3,325
Export logistic and related charges		-	3,236
Marking fee		-	634
Communication		-	39
Entertainment		-	144
Repairs and maintenance		-	909
Depreciation	4.2	-	129
Advertisement		204	529
Others		-	315
		<u>204</u>	<u>9,260</u>

**27.1** This includes an amount of Rs. Nil (2010 : Rs.135) thousands in respect of employees retirement benefits.

## 28. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits	28.1	20,794	10,441
Printing and stationary		383	275
Traveling and conveyance		115	225
Communication		229	500
Legal and professional charges		1,854	2,475
Auditors' remuneration	28.2	645	643
Rent, rates and taxes		556	472
Utilities	28.3	24,343	73
Repairs and maintenance		1,209	24
Depreciation	4.2	4,462	805
Fee and subscription		7,133	4,503
Meeting and conventions		743	23
Vehicle running expenses		788	327
Entertainment		214	141
Donation	28.4	4,803	436
Provision for bad debts	9	-	1,930
Penalty		-	50
Insurance		2,311	15
General expenses		1,043	-
		<u>71,625</u>	<u>23,358</u>

**28.1** This includes an amount of Rs. 558 (2010 : Rs.382) thousands in respect of employees retirement benefits.

	Note	June 30, 2011	June 30, 2010
Rupees in '000'			
<b>28.2 Auditors Remuneration</b>			
<b>Statutory auditors (Haroon Zakaria &amp; Co.)</b>			
Audit fee		350	300
Review fee		75	65
Other certification charges		140	90
<b>Internal auditors (Munif Ziaudin Junaidy &amp; Co.)</b>			
Remuneration		80	88
<b>Cost auditors (Siddiqui &amp; Co.)</b>			
Cost audit fee		-	100
		<u>645</u>	<u>643</u>

**28.3** This includes surcharge amounting to Rs.20.427 million paid to the Sui Southern Gas Company Limited on delayed payments of gas bills.

**28.4** None of the directors or their spouses have any interest in the donees of above donations.

## 29. FINANCE COST

Markup on long term finance		455,034	577,169
Markup on short term borrowings - related party		-	7,064
Markup on finance lease		1,161	75
Discounting charges on usance inland letter of credit		30,383	-
Bank charges and commission		3,359	3,116
		<u>489,937</u>	<u>587,424</u>

## 30. OTHER OPERATING INCOME

### Income from other financial assets

Profit on deposits		5,491	7,304
--------------------	--	-------	-------

### Income from non financial assets

(Loss on) / Income from sale of raw and packing material and stores - net	30.1	(11,588)	6,546
Reversal of accrued liabilities		5,173	8,194
Reversal of provision for obsolescence	-	1,189	
Gain on sale of operating fixed assets and stores	30.2	4,242	512,505
Sale of scrap	30.3	568	7,153
Miscellaneous		186	204
		<u>4,072</u>	<u>543,095</u>

### 30.1 Income from sale of raw and packing material and stores

Gross sales		17,299	93,210
Less: Sales tax		(1,680)	(7,757)
: Special excise duty		(49)	(85)
Net sales		<u>15,570</u>	<u>85,368</u>
Less: Related cost			
: Raw materials	26.1	3,147	45,070
: Packing materials	26.2	2,275	4,340
: Stores and spares		21,736	29,412
		<u>27,158</u>	<u>78,822</u>
		<u>(11,588)</u>	<u>6,546</u>

	Note	June 30, 2011	June 30, 2010
		Rupees in '000'	
<b>30.2 Gain on sale of operating fixed assets and stores</b>			
Sale value of other operating fixed assets and stores		6,783	679,144
<b>Carrying value</b>			
Operating fixed assets	30.2.1	2,541	98,900
Stores and spares	7	-	67,739
		<u>(2,541)</u>	<u>(166,639)</u>
		<u>4,242</u>	<u>512,505</u>
<b>30.2.1 Carrying value of operating fixed assets</b>			
Cost	4.1	60,701	792,824
Accumulated depreciation	4.1	<u>(58,160)</u>	<u>(693,924)</u>
		<u>2,541</u>	<u>98,900</u>

30.3 This includes sale of scrap to related party amounting to Rs. Nil (2010 : Rs.4.004) thousands.

### 31. OTHER OPERATING EXPENSES

Write off of			
-Stores and spares		213	-
-Stock in trade		584	-
		<u>797</u>	<u>-</u>

### 32. TAXATION

Current year		224	3,492
Prior year		-	1,384
		<u>224</u>	<u>4,876</u>
Deferred		<u>(427,869)</u>	<u>-</u>
		<u>(427,645)</u>	<u>4,876</u>

32.1 Income Tax assessments of the Company have been finalized upto and including the tax year 2010. However the Commissioner of Income Tax may at any time during a period of five years from the date of filing of return may select the deemed assessment for audit.

32.2 Since the Company is not liable to pay any current tax because of tax loss for the current financial year, therefore, no numerical tax reconciliation has been given. Current year tax charge is the minimum tax chargeable u/s 113 of Income Tax Ordinance, 2001.

### 33. LOSS PER SHARE

- Basic and Diluted

Loss after taxation		<u>(130,846)</u>	<u>(128,916)</u>
Weighted average numbers of ordinary shares		<u>58,128,172</u>	<u>54,640,482</u>
Loss per share - Basic and Diluted	Rs.	<u>(2.25)</u>	<u>(2.36)</u>

33.1 There are no dilutive potential ordinary shares outstanding as at June 30, 2011 (2010 : Rs. Nil)

#### 34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive	
	2011	2010	2011	2010
	----- Rupees in Thousands -----			
Managerial remuneration	776	-	10,522	6,044
Allowances	-	-	510	19
Housing	-	-	-	1,021
Medical expenses	78	-	1,052	604
Utilities	-	-	156	227
	<u>854</u>	<u>-</u>	<u>12,240</u>	<u>7,915</u>
Number of Persons	<u>1</u>	<u>-</u>	<u>5</u>	<u>7</u>

The Company also provides to chief executive and executives with free use of Company maintained cars.

The directors have not drawn any remuneration from the Company.

Note	June 30, 2011	June 30, 2010
	Rupees in '000'	

#### 35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

##### 35.1 Loans and receivables

- Long term security deposit	2,074	2,246
- Trade debts	1,961	34,238
- Advances to employees	-	191
- Deposits and other receivables	32,663	672,161
- Interest accrued	315	273
- Cash and bank balances	10,901	81,770
	<u>47,914</u>	<u>790,879</u>

##### 35.2 Financial liabilities at amortized cost

- Long-term financing - long term and current portion	3,429,167	3,900,000
- Liabilities against assets subject to finance lease long term and current portion	5,084	8,305
- Sponsor's loan	1,127,713	1,127,713
- Short-term borrowings	518,450	-
- Trade and other payables	236,241	147,902
- Unclaimed dividend	2,834	2,834
- Mark-up accrued	414,364	219,738
	<u>5,733,853</u>	<u>5,406,492</u>



35.3 The Company has exposures to the following risks from its use of financial instruments: -

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

### 35.4 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties fail completely to perform as contracted. Out of total financial assets of Rs.47.914 million (2010 : Rs.790.879 million), the financial assets which are subject to credit risk amounted to Rs.47.643 million (2010 : Rs.790.698 million).

The carrying amount of financial assets represents the maximum credit exposure, the maximum exposure to credit risk at the reporting date is: -

	Note	June 30, 2011	June 30, 2010
Rupees in '000'			
Long term security deposits		2,074	2,246
Trade debts		1,961	34,238
Advances to employees		-	191
Trade deposits and other receivables		32,663	672,161
Interest accrued		315	273
Bank balances		10,630	81,589
		<u>47,643</u>	<u>790,698</u>

35.4.1 The maximum exposure to credit risk for trade debts and other receivables is from Thatta Cement Limited and Employees Gratuity Fund Trust (related parties) amounting to Rs. 4.051 and Rs.6.569 million respectively. (2010 : Al-Abbas Cement Industries Limited Rs.43.099 and Transworld Traders Rs.620 million).

### 35.4.2 Impairment losses

The aging of trade debts and other receivables at the balance sheet date was: -

	2011		2010	
	Gross	Impairment	Gross	Impairment
Rupees in '000'				
Not past due	-	-	623,995	-
Past due 1-90 days	2,000	-	19,128	-
Past due 91-180 days	-	-	46,837	-
Past due 181-365 days	6,569	-	2,091	-
More than one year	8,466	1,930	2,434	1,930
	<u>17,035</u>	<u>1,930</u>	694,485	1,930



### 35.6 Market Risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will effect the Company's income.

#### 35.6.1 Foreign currency risk

Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Company is not exposed to foreign currency risk as at year end there are no financial assets and liabilities.

#### 35.6.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows: -

	2011 (Percentage)	2010
<b>Variable Rate Instruments</b>		
Financial Liabilities		
- Long term and short term loans	16.23%	15.04%
- Liabilities against assets subject to finance lease	16.89%	6.00%
Average rate	16.56%	10.52%

#### Cash flow sensitivity

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit and equity for the year by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on same basis for 2010.

	2011 Profit and Loss 100 bp Increase	2010 (Decrease)
<b>As at June 30, 2011</b>		
Cash flow Sensitivity	<u>29,381</u>	<u>(29,584)</u>
<b>As at June 30, 2010</b>		
Cash flow Sensitivity	<u>55,839</u>	<u>(55,839)</u>

### 35.7 Risk management policies

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

### 35.8 Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensurating to the circumstances.

Consistent with others in the industry, the company monitors capital on the basis of the its gearing ratio. This is calculated as net debt divided by total capital plus net debt. Net debt is calculated as total borrowings from financial institutions less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus sponsors' loan subordinate to equity and net debt.

	Note	June 30, 2011	June 30, 2010
Rupees in '000'			
The calculation as follows: -			
Total borrowings		3,952,701	3,908,305
Less: Cash and bank balances		10,901	81,770
Net debt		3,941,800	3,826,535
Total equity		(2,616,107)	(2,485,261)
Total Capital		1,325,693	1,341,274
Gearing ratio (times)		2.973	2.853

### 36 PRODUCTION CAPACITY

	2011	2010
M. Tons		
Installed capacity per annum	-	600,000
<b>Actual production:</b>		
Ordinary Portland Cement	-	92,826
Blast Furnace Cement	-	43,576
Sulphate Resisting Cement	-	12,596
	-	148,998

The company has ceased its cement manufacturing operations and disposed off cement plant and machinery.

### 37 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise companies with common directorship, directors, key management personnel, associated undertaking and other entities having interest in the Company that gives them significant influence over the Company balances at year end with related parties are disclosed in relevant notes to the financial statements. Remuneration to chief executive, directors and executives is disclosed in note 34. Details of transactions with related parties during the year are as follows: -

	June 30, 2011	June 30, 2010
	<b>Rupees in '000'</b>	
<b>Associated companies</b>		
Purchase of clinker - Gross	-	64,181
Sale of cement - Gross	-	115,242
Purchase of stores and spares - Gross	-	282
<b>Associated companies</b>		
Sales of stores and spares - Gross	<b>2,208</b>	27,451
Sale of vehicle and equipment	<b>548</b>	1,592
Purchase of vehicle	<b>621</b>	-
Sale of raw material - Gross	<b>6,404</b>	9,606
Common share expenses	<b>216</b>	1,200
<b>Other related parties</b>		
Receipt of sponsors' loan	<b>215,000</b>	246,437
Repayments of sponsors' loan	<b>215,000</b>	71,015
Repayment / receipt of running finance from a banking company	-	64,045
Mark-up paid on running finance from a banking company	-	8,059
Receipt of running finance from Arif Habib Corporation Limited	<b>616,000</b>	-
Repayment of running finance to Arif Habib Corporation Limited	<b>97,550</b>	-
Paid on behalf of a related party	<b>308</b>	133
Paid to Employees Gratuity Fund Trust	<b>7,740</b>	7,229

### 38 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment. The company has changed its business from cement to housing schemes which has not yet started, therefore only comparative figures are presented below.

- 38.1 Revenue from sale of cement represents Nil % (2010 : 95%) of the gross sales of the Company.
- 38.2 Nil % (2010 : 98%) of the gross sales of the Company are made to customers located in Pakistan.
- 38.3 All non-current assets of the Company at 30 June 2011 are located in Pakistan.
- 38.4 One customer of the Company accounts for Nil % (2010 : 36%) of gross sales of the Company for the year.

### 39 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the Board of Directors and were authorized for issue on October 07, 2011.

### 40 GENERAL

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

  
CHIEF EXECUTIVE

  
DIRECTOR

**PATTERN OF SHARE HOLDINGS  
AS AT JUNE 30, 2011**

Number of Sharholders	Shareholding		Total Number of Shares held
	From	To	
1663	1	100	53,471
492	101	500	106,133
87	501	1000	63,718
60	1001	5000	133,039
1	5001	10000	39,607
1	10001	15000	13,555
1	15001	20000	18,202
1	20001	25000	24,800
1	30001	35000	31,264
1	60001	65000	64,543
1	70001	75000	71,000
1	195001	200000	200,000
1	220001	225000	221,677
1	315001	3200003	316,255
1	600001	605000	602,456
1	765001	770000	765,551
1	945001	950000	950,000
1	990001	995000	992,500
1	2505001	2510000	2,507,500
1	2730001	2735000	2,733,273
1	3915001	3920000	3,915,318
1	4730001	4735000	4,733,817
1	5060001	5065000	5,063,000
1	6150001	6155000	6,152,768
1	7955001	7960000	7,959,783
1	8355001	8360000	8,356,559
1	12040000	12040000	12,038,483
<b>2,331</b>			<b>58,128,172</b>

## CATEGORIES OF SHAREHOLDERS

Shareholders Category	Number of Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	20,082,134.00	34.5500
Associated Companies, undertaking and related parties	12,038,484.00	20.7100
NIT and ICP	13,755.00	0.0237
Banks Development Financial Institutions, Non Banking Financial Institutions	5,134,816.00	8.8400
Insurance Companies	118.00	0.0002
Modarabas and Matual fund	NIL	NIL
Shareholder`s holding 10%	34,507,593.00	59.3650
General Public		
a) Local	9,755,037.00	16.7800
b) Foreign	NIL	NIL
Others	11,103,828.00	19.1000

**DETAIL OF SHAREHOLDERS CATEGORIES  
AS AT JUNE 30, 2011**

S.No.	Categories of Shareholders	Number of Shares	Percentage
<b>1</b>	<b>Associated Companies, Undertaking and Related Parties</b>	<b>12,038,484</b>	<b>20.7100</b>
	M/s. Arif Habib Equity (Pvt) Limited	1	-
	M/s. Arif Habib Equity (Pvt) Ltd.	12,038,483	20.7100
<b>2</b>	<b>NIT and ICP</b>	<b>13,755</b>	<b>0.0237</b>
	IDBP (ICP Unit)	200	0.0003
	National Bank of Pakistan	13,555	0.0233
<b>3</b>	<b>Directors, CEO and their spouses and minor children</b>	<b>20,082,134</b>	<b>34.5500</b>
	Arif Habib	602,456	1.0360
	Aqeel Karim Dedhi	4,733,818	8.1450
	Mohammad Ayub Younus	6,152,770	10.5840
	Mohammad Iqbal	2,733,274	4.7000
	Mohammad Rafiq	31,264	0.0540
	Shunaid Qureshi	5,828,552	10.0300
<b>4</b>	<b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b>	<b>5,134,816</b>	<b>8.8400</b>
	Bank Al-Falah - Karachi Stock Exchange	221,677	0.3810
	M/s. Australasia Bank Ltd.	4,100	0.0071
	MCB Bank Ltd.	1,200	0.0021
	Commerce Bank Ltd.	11	0.0000
	Pak Libya Holding Company (Pvt.) Ltd.	992,500	1.7080
	Bank of Bhawalpur Ltd.	10	0.0000
	Summit Bank Ltd.	3,915,318	6.7350
<b>5</b>	<b>Insurance Companies</b>	<b>118</b>	<b>0.0002</b>
	Pakistan Reinsurance Company Limited	118	0.0002
<b>6</b>	<b>Shareholders holding ten percent or more voting interede in the company</b>	<b>34,507,593</b>	<b>59.3650</b>
	Arif Habib Limited	8,356,559	14.3760
	M/s. Arif Habib Equity (Pvt) Ltd.	12,038,483	20.7100
	Mr. Haji Abdul Ghani	7,959,783	13.6930
	Mr. M.Ayub Younus Adhi	6,152,768	10.5850



## FORM OF PROXY

I/We \_\_\_\_\_  
( Name )

of \_\_\_\_\_  
( Address )

being a member(s) of JAVEDAN CORPORATION LIMITED (formerly Javedan Cement Limited)  
and a holder of \_\_\_\_\_  
( Number of Shares )

Ordinary Shares as per Registered Folio No./CDC Participant's ID and Account No \_\_\_\_\_  
hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
( Address )

or failing him \_\_\_\_\_  
of \_\_\_\_\_  
(Address )

who is also a member of JAVEDAN CORPORATION LIMITED (formerly Javedan Cement Limited) vide registered  
Folio No./CDC Participant's ID and Account No. \_\_\_\_\_, as my / our  
Proxy to vote for me / us and on my / our behalf at the 49th Annual General Meeting of the Company to be held  
on October 29, 2011 at Beach Luxury Hotel, Karachi, on Saturday at 8:00 p.m. and any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Signature of Witness:

Name \_\_\_\_\_

Address \_\_\_\_\_

Signature across Rs. 5/-  
Revenue Stamp

### IMPORTANT.

1. This Form of proxy duly completed must be deposited at our Share Registrar Office M/s. Technology Trade (Pvt) Ltd., Dagia House, 241-C, Block - 2, P.E.C.H.S, off Shahrah-e-Quaideen, Karachi.
2. A Proxy should also be a shareholder of the Company

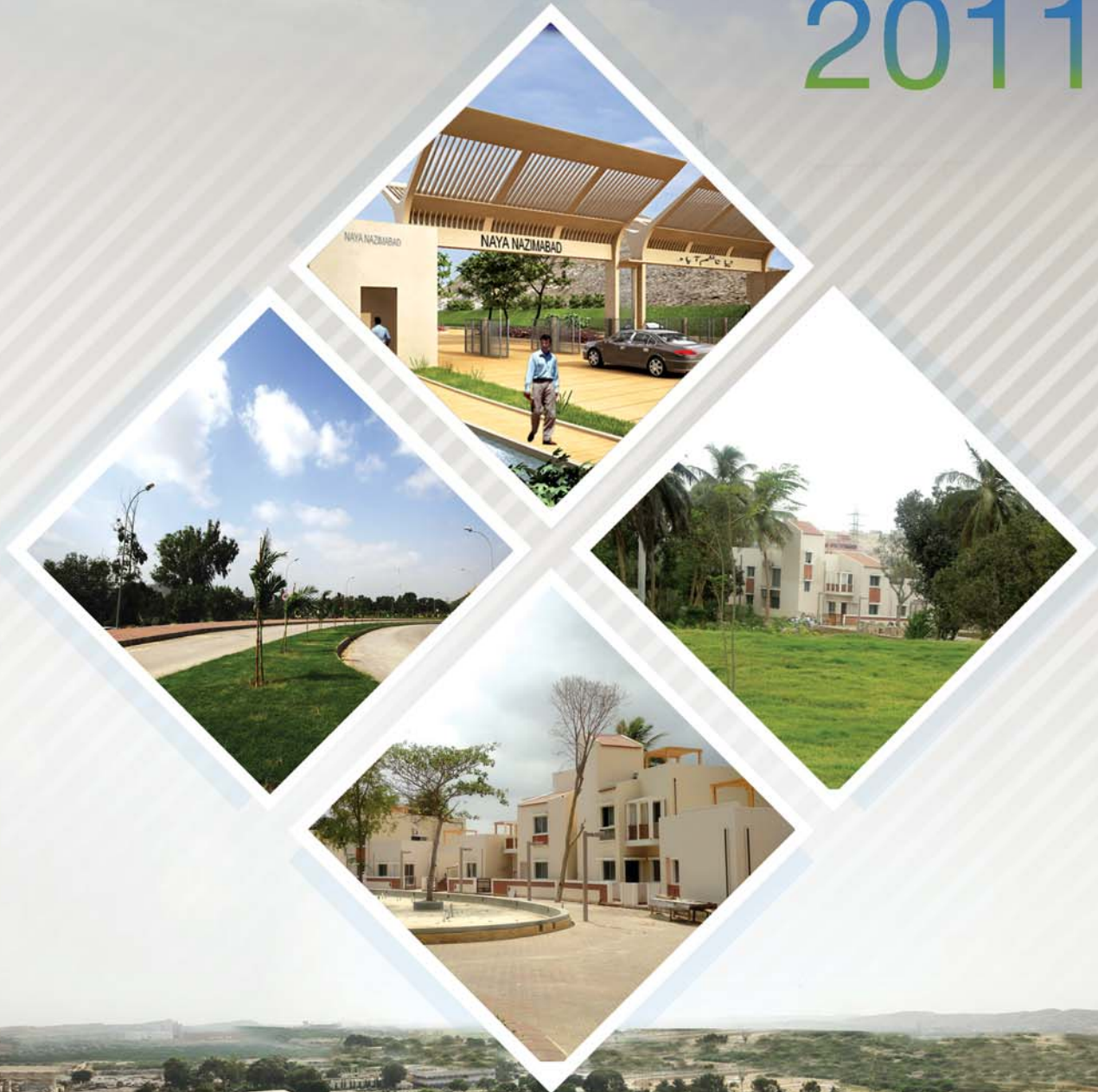




# Javedan Corporation Limited

(formerly Javedan Cement Limited)

Annual Report  
**2011**



*If undelivered please return to:*  
**Javedan Corporation Limited**  
(formerly Javedan Cement Limited)  
**Manghopir Road, Karachi-75890**