better life
BETTER FUTURE

JAVEDAN
CORPORATION LIMITED

Annual Report **2023**

JAVEDAN
CORPORATION LIMITED

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NAYA NAZIMABAD

Company INFORMATION

Board of Directors

Arif Habib	Chairman
Abdus Samad Habib	CEO/Director
Muhammad Ejaz	Director
Kashif Habib	Director
Javed Kureishi	Director
Abdullah Ghaffar	Director
Alamgir A. Shaikh	Director
Abdul Qadir Sultan	Director
Darakshan Zohaib	Director

Chief Financial Officer & Company Secretary
Muneer Gader

Audit Committee

Abdullah Ghaffar	Chairman
Kashif Habib	Member
Muhammad Ejaz	Member
Abdul Qadir Sultan	Member

HR & Remuneration Committee

Javed Kureishi	Chairman
Arif Habib	Member
Muhammad Ejaz	Member
Abdus Samad Habib	Member

Auditors
Yousuf Adil
Chartered Accountants

Reanda Haroon Zakaria and Co.
Chartered Accountants

Bankers
Al Baraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
BankIslami Pakistan Limited
Bank of Punjab
Dubai Islamic Bank
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Sindh Bank Limited
Summit Bank Limited
United Bank Limited
Faysal Bank Limited
Meezan Bank Limited
Industrial & Commercial Bank of China

Registered Office
Arif Habib Center,
23, M.T.Khan Road, Karachi Pakistan - 74000,
Tel : +92 21 32460717-19
Fax: 32466824
Website: www.jcl.com.pk

Site Office:
Naya Nazimabad
Manghopir Road
Karachi – 75890
Phones: +92 21 36770141-42
Website: www.nayanazimabad.com

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

OUR VISION

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

OUR MISSION

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

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

Core Values & CODE OF CONDUCT

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

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

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

Responsibilities
To Our Employees:

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

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

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

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

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

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

Compliance with Applicable Laws and Regulation
The company ensures compliance to all applicable laws and regulations and discharge all legal responsibilities diligently.

Internal control and financial reporting
We have implemented a very sound and reliable internal control system in our organization, which is well understood by all of our employees and practice dealing with us. Financial planning is a core activity of our system through which we ensure efficient and effective utilization of financial and human resources.

Board of DIRECTORS PROFILE

Mr. Arif Habib
Chairman

Mr. Arif Habib is the Chairman of Arif Habib Group and Chief Executive of Arif Habib Corporation Limited, the holding company of Arif Habib Group. He is also the Chairman of Fatima Fertilizer Company Limited, Aisha Steel Mills Limited, Javedan Corporation Limited, Sachal Energy Development (Pvt.) Limited and Arif Habib Dolmen REIT Management Limited.

Mr. Arif Habib remained the elected President/Chairman of Karachi Stock Exchange for six times in the past and was a Founding Member and Chairman of the Central Depository Company of Pakistan Limited. He has served as a Member of the Privatisation Commission, Board of Investment, Tariff Reforms Commission and Securities & Exchange Ordinance Review Committee. He has been a member of the Prime Minister's Economic Advisory Council (EAC) and the Think-Tank constituted by the Prime Minister on COVID-19 related economic issues. He has also remained a member of the Prime Minister's Task Force on attracting Foreign Direct Investment (FDI) and a member of Advisory Committee of Planning Commission.

Mr. Habib participates significantly in welfare activities. He remains one of the directors of Pakistan Centre for Philanthropy (PCP), Habib University Foundation, Karachi Education Initiative (KSBL), Arif Habib Foundation and Naya Nazimabad Foundation as well as trustee of Memon Health & Education Foundation (MMI).

CORPORATE RESPONSIBILITIES AS CHAIRMAN

- Fatima Fertilizer Company Limited
- Fatimafert Limited
- Sachal Energy Development (Private) Limited
- Aisha Steel Mills Limited
- Arif Habib Dolmen REIT Management Limited / (Dolmen City REIT)
- Arif Habib Development and Engineering Consultants (Private) Limited (formerly known as Arif Habib Real Estate Development Company (Private) Limited)
- Sapphire Bay Development Company Limited
- Arif Habib Foundation
- Naya Nazimabad Foundation
- Black Gold Power Limited
- Essa Textile and Commodities (Pvt.) Limited

AS DIRECTOR

- Arif Habib Equity (Private) Limited
- Arif Habib Consultancy (Private) Limited
- Fatima Cement Limited
- International Builders and Developers (Private) Limited
- NCEL Building Management Limited
- Pakarab Energy Limited
- Pakistan Business Council
- Pakistan Engineering Company Limited
- Pakistan Opportunities Limited

AS HONORARY TRUSTEE/DIRECTOR

- Fatimid Foundation
- Habib University Foundation
- Karachi Education Initiative
- Memon Education Board
- Memon Health and Education Foundation
- Pakistan Centre for Philanthropy

Mr. Samad A. Habib
Chief Executive

Starting his career at Arif Habib Corporation Limited, Mr Samad Habib developed his experience in sales, marketing and corporate activities working his way up through various executive positions.

In 2004, Mr Samad Habib joined Arif Habib Limited leading the company as its Chairman and Chief Executive. He played a key role in shaping the strategic direction of the company where he specialized in capital market operations and corporate finance. Several noteworthy Initial Public Offerings (IPOs) and successful private placements took place under his stewardship, showcasing his exceptional financial acumen and deep market insight.

Mr Samad Habib transitioned to Javedan Corporation Limited, in 2011, as the driving force behind the transformation of a dilapidated cement plant to a vibrant living community, Naya Nazimabad. Mr Samad Habib has been pivotal to advancing positive societal change, providing the city's middle class an elevated standard of living. His dedication, passion for social betterment and optimism are set to further transform the area with the largest commercial precinct development in the city presently under planning.

In 2019, Mr. Samad Habib took on the role of CEO at Safemix Concrete. Guided by his strategic acumen, Safemix Concrete has undergone a remarkable transformation from a lossmaking entity to a profitable enterprise.

CORPORATE RESPONSIBILITIES

Safemix Concrete Limited (Chief Executive)

AS CHAIRMAN

NN Maintenance Company (Private) Limited

AS DIRECTOR

- Aisha Steel Mills Limited
- Arif Habib Dolmen REIT Management Limited
- Arif Habib Equity (Pvt.) Limited
- Arif Habib Foundation
- Arif Habib Development and Engineering Consultants (Private) Limited (formerly known as Arif Habib Real Estate Development Company (Private) Limited)
- Black Gold Power Limited
- Nooriabad Spinning Mills (Pvt.) Limited
- Memon Health and Education Foundation
- Pakistan Opportunities Limited
- Power Cement Limited
- Rotocast Engineering Company (Pvt.) Limited
- Sapphire Bay Development Company Limited
- Sukh Chayn Gardens (Pvt.) Ltd
- Sachal Energy Development (pvt.) Limited
- Biomasdar Pakistan Limited

Mr. Muhammad Ejaz
Director

Muhammad Ejaz is the founding Chief Executive of Arif Habib Dolmen REIT Management Limited, Pakistan's pioneering REIT Management company. He has been associated with Arif Habib Group since 2008 and sits on the board of several group companies. He has spear headed several group projects when these were at a critical stage during their execution.

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

Ejaz did his graduation in Computer Science from FAST, ICS and did MBA in Banking and Finance from IBA, Karachi where he has also served as a visiting faculty member. He has also conducted programs at NIBAF–SBP and IBP. He is a Certified Director and also a Certified Financial Risk Manager.

He actively participates in the group's CSR initiatives especially those which render services in the fields of health and education with emphasis on female literacy.

CORPORATE RESPONSIBILITIES

- Arif Habib Dolmen REIT Management Limited (Chief Executive)
- Sapphire Bay Development Company Limited (Chief Executive)

AS DIRECTOR

- Arif Habib Development and Engineering Consultants (Private) Limited (formerly known as Arif Habib Real Estate Development Company (Private) Limited)
- Sachal Energy Development (Pvt.) Limited

Mr.Kashif A.Habib
Director

Mr. Kashif A. Habib is the Chief Executive of Power Cement Limited. As a member of the Institute of Chartered Accountants of Pakistan (ICAP) he completed his articleship from A.F. Ferguson & Co. (a member firm of Price Waterhouse Coopers) gaining invaluable insight across sectors, catering to clients across the Financial, Manufacturing, and Services industries.

He has to his credit four years of experience in Arif Habib Corporation Limited as well as over a decade's experience as an Executive Director in cement and fertilizer companies of the group. This exposure not only enriched his understanding of diverse corporate dynamics but also enabled him to refine his strategic decision-making capabilities.

Kashif is deeply committed to enhancing the country's energy landscape. He remains engaged with experts to establish renewable energy as a viable and readily available solution, benefiting not only industries but also the public at large.

CORPORATE RESPONSIBILITIES

- Power Cement Limited (Chief Executive)

AS DIRECTOR

- Aisha Steel Mills Limited
- Fatima Fertilizer Company Limited
- Arif Habib Equity (Private) Limited
- Arif Habib Foundation
- Arif Habib Development and Engineering Consultants (Private) Limited (formerly known as Arif Habib Real Estate Development Company (Private) Limited) Services (Pvt.) Limited
- Black Gold Power Limited
- Essa Textile And Commodities (Private) Limited
- Fatimafert Limited
- Fatima Cement Limited
- Fatima Packaging Limited
- Nooriabad Spinning Mills (Pvt.) Limited
- Pakarab Fertilizers Limited
- Rotocast Engineering Company (Pvt.) Limited
- Safemix Concrete Limited
- Siddqsons Energy Limited
- Sachal Energy Development (Pvt.) Limited
- Biomasdar Pakistan Limited
- Pakistan Opportunities Limited

Mr.Javed Kureishi
Director

Mr. Kureishi is a career banker with a rich and diverse experience of more than 34 years with Citibank both in Pakistan and across 5 countries in Europe, the Middle East, Africa and Asia, where he worked for 9 years. His various roles have included Senior leadership roles in Country Management, Risk, Corporate and Institutional Banking, strategy, and managing Multinational Subsidiaries and Public Sector businesses at the country and regional levels. Mr. Kureishi is presently working for the International Finance Corporation (IFC) as a consultant responsible for business development. He has a BA (Hons) from the University of Sussex UK.

Aside from his professional career, Mr. Kureishi has also been a keen cricketer. He played first-class cricket for PIA and Karachi in 1977-81 and for Sussex Under 25 during 1982-84. He was also the captain of Pakistan Under 19 cricket team on its tour of India and Sri Lanka in 1978-79. Mr. Kureishi has also been a University level field hockey player. His other interests include Reading and Music.

As Director

- Pakistan Veterans Cricket Association
- Pakistan Stock Exchange Limited
- Pakistan Corporate Restructuring Company Limited
- Fauji Foods Limited
  Sindh Infrastructure Development Company Limited
- Tricon Boston Consulting Corporation Pvt. Ltd.
- Samba Bank Limited

Mr. Abdullah Ghaffar
Director

Mr. Ghaffar is a career financial services professional with an experience of over 35 years across various functions including Retail Banking, Corporate Banking, Capital Markets, Cash Management, Islamic Products & Services, and Information Technology.

His last banking position was with Al Baraka Bank Pakistan Limited as a SEVP / Group Head for 'Corporate & Investment Banking'. He has previously held leadership positions in leading financial institutions such as United Bank Limited (Head of Islamic Banking) and Standard Chartered Bank (Associate Director – Islamic Banking).

Mr. Ghaffar graduated from the Institute of Business Administration (IBA), Karachi with an MBA and subsequently completed professional training in Islamic Banking from Darul-Uloom, Korangi, and SBP-NIBAF. He is also a certified Director from the Lahore University of Management Science.

Mr. Abdul Qadir Sultan
Director

Mr. Abdul Qadir Sultan is a Qualified Chartered Accountant from the Institute of Chartered Accountants of Pakistan (ICAP). He is currently working as the Chief Compliance and Risk Officer at SadaPay, one of Pakistan's fastest growing fintechs. The Company is funded by notable VCs including New York-based Recharge Capital, Kingsway Capital, Raptor Group, and others.

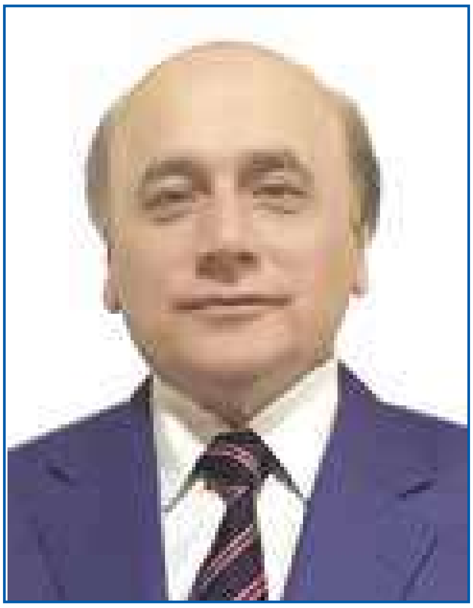
He completed his articleship from A.F.Ferguson & Co. one of the finest accountancy firms in Pakistan. He has a working experience of over 18 years in various diversified capacities. His last assignment was as the Head of Compliance and Risk Governance at Bank Alfalah Limited.

He is a certified director from ICAP and holds a diploma in Islamic Finance from CIMA (UK).

Mr. Sultan takes keen interest in the promotion of education, trade and industry and strongly advocates these causes through various professional, corporate and trade platforms.

Mrs. Darakshan Zohaib
Director

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



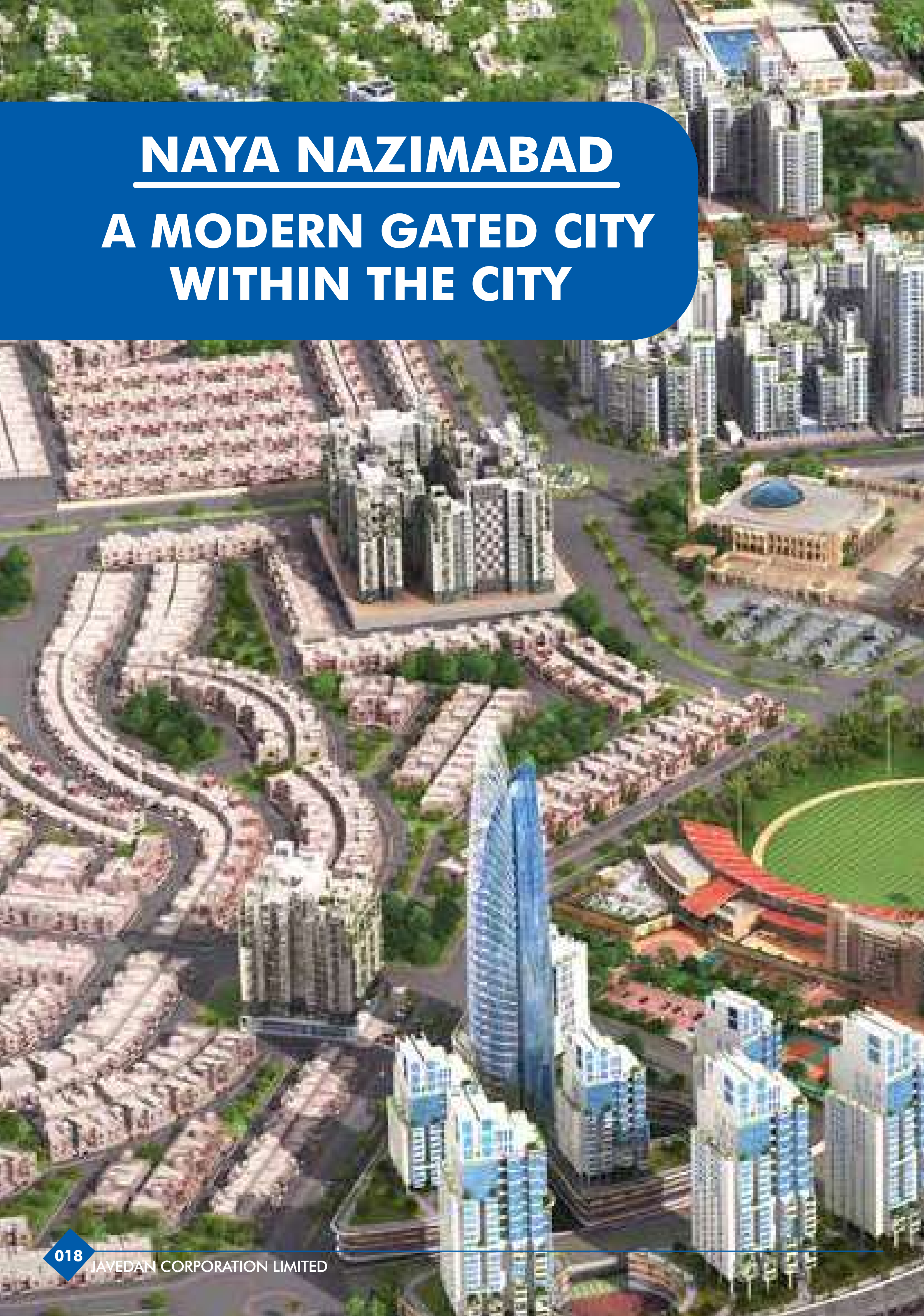
Mr. Alamgir Sheikh
Director

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

NAYA NAZIMABAD AT A GLANCE

NAYA NAZIMABAD

A MODERN GATED CITY WITHIN THE CITY



NAYA NAZIMABAD GYMKHANA

- *It is spread over 11 acres comprising of cricket stadium, club house and a hotel tower. The total built-up area of club house and hotel tower is 400,000 sq ft.*

- *Club House includes international standard sports facilities (ready to host local and international sporting events) entertainment, recreational and health facilities.*

- *Hotel tower has 52 service suits and business center to provide hospitality services with a professional facilities management to cater needs of guests from all walk of life.*

- *Club House has been designed by leading Architect ARCOP and its is one of finest Gymkhana in the city.*

- *The work is near completion and club membership applications are open for public.*

GLOBE RESIDENCY APARTMENT

- *Globe Residency Apartments (first series of apartments) were launched in November 2021 subsequently transferred under Globe Residency REIT. Launch of apartments received exceptionally well by the market 780 apartment units has been booked i.e. 83% of apartments launched.*
- *Meezan Bank has entered into Musharka with Globe Residency REIT for the construction and subsequent sale of three towers i.e. 408 apartment units under the REIT on Profit or Loss basis.*
- *Globe Residency REIT became first developmental REIT to be listed on Pakistan Stock Exchange in December 2022.*
- *Globe Residency REIT declared cash dividend of PKR 3.0 per unit i.e. 30% in its first year of listing.*
- *The construction on all 9 towers have commenced and ongoing as per schedule with target completion timeline of November 2025.*

RAHAT RESIDENCY APARTMENTS

- *Rahat Residency I was the first commercial project launched in Naya Nazimabad. 100% Retail space has been booked with handover planned for 2nd quarter of FY 23-24.*

- *Rahat Residency I apartments were launched earlier in the current calendar year and 44% of apartment units has been booked.*

- *Rahat Residency II situated in Block D has been launched in September 2023. During Pre-Launch 50% Retail space and 25% apartment units has been booked.*

- *Construction on Rahat Residency I is progressing as per schedule with handover planned for 2025 and construction work of Rahat Residency II shall be commenced soon.*

SIGNATURE RESIDENCY APARTMENTS

- Signature Tower Block A was launched earlier in the current calendar year in January 2023 and subsequently transferred into Signature Residency REIT.
- Signature Tower Block A has been popular, and 75% of apartment units has been booked.
- Construction work has already commended with sub-structure near completion. Hand over is planned for 2026.

NAYA NAZIMABAD FLYOVER

- *Flyover connecting Naya Nazimabad directly to North Nazimabad by passing traffic and corridor congestion.*
- *A 4-lane flyover with a total length of 1600 meters is under construction with a completion timeline of 31st March 2024.*
- *It will significantly improve access to the project for residents and visitors.*

NAYA NAZIMABAD HOSPITAL

- *After successful launch of Ali Habib Medical Center in 2021, the work on Naya Nazimabad Hospital had also commenced during FY 21-22 and is ongoing as per schedule.*
- *It will be a full-scale tertiary level hospital with an ultimate capacity of 500 beds. The first phase completion is targeted within next one year.*

NAYA NAZIMABAD DEVELOPMENT

NOTICE OF 61ST ANNUAL GENERAL MEETING

NOTICE OF 61ST ANNUAL GENERAL MEETING

Notice is hereby given that Sixty One Annual General Meeting of the shareholders of Javedan Corporation Limited (the Company) will be held on Friday, October 27, 2023 at 04:30 p.m. at Naya Nazimabad Gymkhana, Naya Nazimabad, Manghopir Road, Karachi to transact the following business

ORDINARY BUSINESS

1. To confirm minutes of the 60th Annual General Meeting held on October 27, 2022.

2. To receive, consider and adopt annual audited financial statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2023, together with the Audited Consolidated Financial Statement of the Company and the Auditors' Report thereon for the year ended June 30, 2023.

3. To appoint Auditors and fix their remuneration for the year ending June 30, 2024. The Board of Directors have recommended for reappointment of M/s. Yousuf Adil Chartered Accountants and M/s. Reanda Haroon Zakaria & Co., Chartered Accountants as external auditors.

4. To consider and approve final cash dividend for the year ended June 30, 2023 @ 60% i.e at PKR 6 per ordinary share as recommended by the Board of Directors.

SPECIAL BUSINESS

5. To authorize the Board of Directors of the Company to approve those transactions with Related Parties (if executed) during the financial year ending June 30, 2024 which require approval of shareholders u/s 207 and / or 208 of the companies Act, 2017, by passing the following special resolution with or without modification:

   RESOLVED THAT
   The Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2024.

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

6. To consider and if deemed fit, to pass the following Special Resolutions with or without modification(s):

   Investment in Associated Companies & Associated Undertakings

   RESOLVED THAT
   the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, for the following limits of investments / additional investments in associated companies and associated undertakings for a period upto next annual general meeting, and subject to the terms and conditions as mentioned in the Annexure-B of Statement under Section 134(3)."

FURTHER RESOLVED THAT
the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for renewal of following equity investments limits in associated companies and associated undertakings as are also mentioned in the Annexure-C of Statement under Section 134(3) against which approval had been sought in previous general meeting(s), upto unutilized amount, and for a period upto next annual general meeting, which shall be renewable in next annual general meeting(s) for further period(s)."

FURTHER RESOLVED THAT
the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for renewal of following sanctioned limits of loans and or advances and or running finance and or guarantees and or third-party collateral in associated companies and associated undertakings, for which approval has been sought in previous general meeting(s), as mentioned in detail in the Annexure-C of statement under Section 134(3), whereas the renewal of limits will be in the nature of loan and/or advance and/or running finance and/or guarantee for a period upto next annual general meeting, unless specifically approved for a longer period, and shall be renewable in next annual general meeting(s) for further period(s) as specified.

S.No	Name of Associated Companies & Associated Undertakings	Proposed Fresh Investment		Renewal Requested	
		Equity	Loans / Advances / Guarantee	Unutilized Equity portion	Sanctioned Loan/ Advance/ Guarantee
		PKR in million		PKR in million	
1	Aisha Steel Mills Limited	-	-	500	1,000
2	Power Cement Limited	-	-	500	1,000
3	Arif Habib Limited	-	-	500	2,000
4	Fatima Fertilizer Limited	500	-	500	-
5	Sapphire Bay Islamic Development REIT		-	3,864	3,000
6	Gymkhana Apartment REIT	-	-	4,867.50	2,840
7	Globe Residency REIT	-	3,500	1,499	-
8	Signature Residency REIT	132.5	660	-	-
9	Naya Nazimabad Apartment REIT	-	-	3,562	4,000

FURTHER RESOLVED THAT
The Chief Executive and/or any two directors jointly and/or any one director and Chief Financial Officer / Company Secretary jointly, be and are hereby authorized to take and do, and/or cause to be taken or done, any/all necessary actions, deeds `and things which are or may be necessary for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential to the investment of the Company's funds as above, as and when required at the time of investment, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.

7. To approve circulation of the Annual Audited Financial Statements (including Balance Sheet, Profit and Loss Account, Auditor's Report, Director's Report and other reports contained therein) to Members of the Company through QR enabled code and weblink, by passing the following resolution with or without modification:

RESOLVED THAT
as allowed by the Securities and Exchange Commission of Pakistan vide S.R.O. 389(I)/2023 dated 21st March 2023, circulation of Annual Audited Financial Statements of the Company to Members through QR enabled code and weblink instead of CD/DVD/USB be and is hereby approved.

ANY OTHER BUSINESS

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

   A statement under section 134(3) of the Companies Act 2017 pertaining to the special business is being sent to the shareholders along with this notice.

By Order of the Board
Muneer Gader
Company Secretary

Karachi
Dated: October 06, 2023

NOTES:

1. The share transfer books of the Company will remain closed from October 20, 2023 to October 27, 2023 (both days inclusive). Transfer received in order at the office of our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400 at the close of the business on Thursday, October 19, 2023, will be considered in time for the determination of entitlement of shareholders, cash dividend to ordinary shareholders, to attend and vote at the meeting.

2. A member entitled to attend and vote at the meeting may appoint another person as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.

3. Procedure including the guidelines as laid down in Circular No. I - Reference No. 3 (5-A) Misc / ARO / LES / 96 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan:

i. Members, proxies or nominees shall authenticate their identity by showing their original national identity card or original passport and bring their folio numbers at the time of attending the meeting
ii. In the case of corporate entity, Board of Directors' resolution / power of attorney and attested copy of the CNIC or passport of the nominee shall also be produced (unless provided earlier) at the time of meeting
iii. In order to be effective, the proxy forms must be received at the office of our registrar not later than 48 hours before the meeting, duly signed and stamped and witnessed by two persons with their names, address, CNIC numbers and signatures
iv. In the case of individuals, attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form
v. In the case of proxy by a corporate entity, Board of Directors resolution / power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy form

4. Online Participation in the Annual General Meeting

In pursuance of SECP's Circular No. 4 dated February 15, 2021, pertaining to Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector, the shareholders shall be entitled to attend the proceedings of the AGM through online means using a video link facility, Zoom application or other electronic means for the safety and well-being of the valued shareholders and the general public.

Accordingly, the company intends to convene the AGM with minimum physical interaction with shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies.

Therefore, the company has made arrangements to ensure that all participants including shareholders, can also participate in the AGM proceeding via video link. Hence, those members who desire online participation in the AGM are requested to register themselves by sending an email along with following particulars and valid copy of both sides of their CNIC at muhammad.adnan@jcl.com.pk with subject of "Registration for JCL AGM 2023" not less than 48 hours before the time of meeting:

Name of Shareholder	CNIC No	Folio No / CDC Account No	Cell No	Email Address

Video Link to join the AGM will be shared with only those members whose emails, containing all the required and correct particulars are received at above mentioned email address.

5. Notice to Shareholders for provision of CNIC and other details

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

6. Payment of Cash Dividend through Electronic Mode (Mandatory)

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

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

7. E-Voting / Postal Ballot

Members are hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 read with Sections 143-144 of the Companies Act, 2017 and SRO 2192(1)/2022 dated 5th December 2022, members will be allowed to exercise their right to vote for the special business(es) in accordance with the conditions mentioned therein. Following options are being provided to members for voting:

i) E-Voting Procedure

(a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on 19th October 2023.

(b) The web address, login details and password will be communicated to members via email. The security codes will be communicated to members through SMS and email from web portal of the e-voting service provider.

(c) Identity of the members intending to cast vote through E-Voting shall be authenticated through electronic signature or authentication for login.

(d) E-Voting lines will start from 24th October 2023, 9:00 a.m. and shall close on 26th October 2023 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

ii) Postal Ballot

(a) Members may alternatively opt for voting through postal ballot. Ballot Paper shall also be available for download from the website of the Company at www.jcl.com.pk or use the same published in newspapers.

(b) The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Registered Address through post at Arif Habib Centre, 23 M. T. Khan Road, Karachi (Attention of the Company Secretary) OR through the registered email address of shareholder at muhammad.adnan@jcl.com.pk with subject of 'Postal Ballot for jcl AGM 2023' by Thursday, 26th October 2023 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC. A postal ballot received after this time / date shall not be considered for voting.

(c) Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.

Note :
In accordance with the Regulation 11 of the Companies (Postal Ballot) Regulations, 2018, the Board of the Company has appointed M/s. Reanda Haroon Zakaria & Co. Chartered Accountants, (a QCR rated audit firm) to act as the Scrutinizer of the Company for the special business to be transacted in the meeting (Agenda # 5 pertaining to approval for Investments in associates under section 199 of the Companies Act, 2017), and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

8. Provision of Video Link Facility

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

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

9. Distribution of Annual Report

The Annual Report of the Company for the year ended June 30, 2023 has been placed on the Company's website at the given link: http://jcl.com.pk/financial-statements.

Further, Annual Report of the Company for the year ended June 30, 2023 is dispatched to the shareholders through CD. However, if a shareholder, in addition, requests for hard copy of Annual Report, the same shall be provided free of cost within seven days of receipt of such request. For convenience of shareholders, a "Standard Request Form for provision of Annual Report" has also been made available on the Company's website www.jcl.com.pk

10. Deposit of Physical shares in CDC Accounts

As per Section 72 of the Companies Act 2017 every exiting company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP within a period not exceeding four years from the commencement of the Companies Act 2017 i.e. 30th May 2017. The shareholders having physical shareholding are requested to open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into scrip less form.

11. Unclaimed Dividend

Shareholders, who by any reason, could not claim their previous dividends are advised to contact our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi, to collect/enquire about their unclaimed dividend, if any. The details of the dividend declared by the Company which have remained due for more than three years are available on the Company's website

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business given in Agenda item No. 5, 6 and 7 of the Notice to be transacted at the Annual General Meeting of the Company. Directors of the Company have no interest in the special business except in their capacity as director / shareholder.

ANNEXURE A

AUTHORIZATION FOR THE BOARD OF DIRECTORS TO APPROVE THOSE TRANSACTIONS WITH RELATED PARTIES (IF EXECUTED) DURING THE FINANCIAL YEAR ENDING 30TH JUNE 2023 WHICH REQUIRE APPROVAL OF SHAREHOLDERS U/S 207 AND / OR 208 OF THE COMPANIES ACT, 2017

The Company shall be conducting transactions with its related parties during the year ending 30th June 2024 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. Being the directors of a real estate builder and developer Company, many Directors may be deemed to be treated as interested in transactions with related parties due to their common directorships and/or shareholding. In order to promote good corporate governance and transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis, including transactions (if executed) triggering approval of shareholders u/s 207 and / or 208 of the Companies Act, 2017, for the year ending 30th June 2024, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next Annual General Meeting for their formal approval/ratification. The Directors are interested in the resolution only to the extent of their shareholding and / or common directorships in such related parties.

ANNEXURE-B

INVESTMENTS IN ASSOCIATED COMPANIES & ASSOCIATED UNDERTAKINGS

The Board of Directors of the Company has approved the specific limits for equity investments and investment in form of loans and/or advances and/or running finance and/or corporate guarantee and/or third party collateral along with other particulars for investments in the following associated companies and associated undertakings, subject to the consent of members under Section 199 of the Companies Act, 2017 / Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017. The Board of Directors do hereby undertake / certify that necessary due diligence for the following proposed investments have been carried out. The principal purpose of this special resolution is to make the Company in a ready position to capitalize on the investment opportunities as and when they arrive. It is prudent that the Company should be able to make the investment at the right time when the opportunity is available, and the limit shall be valid till the holding of next annual general meeting with the option of renewal thereon.

Ref. No.	Requirement	Information
Information required to be disclosed as per Regulation 3(1)(a):		
i	Name of associated company or associated undertaking	**Fatima Fertilizer ("FFL")**
ii	Basis of relationship	An associated undertaking due to common directorship
iii	Earnings per share (Basic) for the last three years	Year 2022: 6.73 Year 2021: 8.80 Year 2020: 6.32
iv	Break-up value of share, based on the latest audited financial statements	PKR 50.91 per share as at 31st Dec 2022
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	31st Dec 2022 (PKR in Thousand) Non-Current Asset 119,766,292 Current Asset 102,734,706 Equity 106,926,356 Non-Current Liabilities 35,325,404 Current Liabilities 80,249,238 Operating Revenue 28,827,482 Profit before tax 30,786,389 Profit after tax 14,139,151
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, prescribed details thereof	Not applicable
vii	Maximum amount of investment to be made	Following limits are requested for approval: - Renewal requested of unutilized limit of PKR 500 million is requested for approval in equity securities. - Fresh limit of PKR 500 million is requested for approval in equity securities; and After approval of renewal and fresh limit approval following will be available limits for investment: - Equity securities PKR 1,000 million.
viii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns on investment by capturing the opportunities on the right time. Approval of limit shall remain valid for a period up to next annual general meeting and shall be renewable thereon for further period(s).
ix	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds • Justification for investment through borrowing • Detail of collateral, guarantees provided and assets pledged for obtaining such funds • Cost benefit analysis	The investment may be made from Company's own available liquidity and/or credit lines. • Higher rate of return • Pledge of listed securities and / or charge over assets of the Company, if and where needed. • Company's average borrowing cost is 3MK/6MK + 1.33% and the Company expects to earn over and above the average borrowing cost.
x	Salient feature of agreements (if any) with associated company or associated undertaking with regards to proposed investment	There is no agreement to date

Ref. No.	Requirement	Information
xi	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the company have no interest in the investee company except in their capacity as sponsor / director / shareholder of associated company
xii	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	Performance of FFL can be referred in Point III to V above.
xiii	Any other important details necessary for the members to understand the transaction	None
Information required to be disclosed as per Regulation 3(1)(b):		
xiv	Maximum price at which securities will be acquired	At par/premium/negotiated price prevailing on the date of transaction/investment
xv	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not applicable
xvi	Maximum number of securities to be acquired	No. of securities purchasable under approved limit in accordance with / based on Sr. Nos. VII & XIV
xvii	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil After: Increase in securities / percentage in accordance with Sr. Nos. VII, XIV and XVI.
xviii	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	As at 05th October 2023: Current price per share: Rs. 29.20 Weighted average market price per share of preceding twelve weeks: 27.90
xix	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Not applicable

Ref. No.	Requirement	Information
Information required to be disclosed as per Regulation 3(1)(a):		
i	Name of associated company or associated undertaking	Globe Residency REIT ("GRR")
ii	Basis of relationship	GRR is managed by Arif Habib Dolmen REIT Management Limited and company has common directorship with REIT management company.
iii	Earnings per share (Basic) for the last three years	Year 2022: 2.45
iv	Break-up value of share, based on the latest audited financial statements	PKR 11.32 per share as at 30th June 2022
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	30th June 2022 (PKR in Thousand) Non-Current Asset 20,070 Current Asset 4,029,743 Equity 1,584,407 Non-Current Liabilities 1,900,000 Current Liabilities 565,406 Operating Revenue 417,029 Profit before tax 412,162 Profit after tax 342,360
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, prescribed details thereof	Not applicable

Ref. No.	Requirement	Information
vii	Maximum amount of investment to be made	Following limits are requested for approval: - Renewal requested of unutilized limit of PKR 1,498.8 million is requested for approval in equity securities. - Fresh Limit of PKR 3,500 million is requested for approval in form of loan and or advances and or running finance and or guarantee and or third-party collateral. After approval of renewal and fresh limit approval following will be available limits for investment: - Equity securities PKR 1,499 million. - Loan PKR 3,500 million.
viii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns on investment by capturing the opportunities on the right time. Approval of limit shall remain valid for a period up to next annual general meeting and shall be renewable thereon for further period(s).
ix	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds • Justification for investment through borrowing • Detail of collateral, guarantees provided and assets pledged for obtaining such funds • Cost benefit analysis	The investment may be made from Company's own available liquidity and/or credit lines. • Higher rate of return • Pledge of listed securities and / or charge over assets of the Company, if and where needed. • Company's average borrowing cost is 3MK/6MK + 1.33% and the Company expects to earn over and above the average borrowing cost.
x	Salient feature of agreements (if any) with associated company or associated undertaking with regards to proposed investment	There is no agreement to date
xi	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the company have no interest in the investee company except in their capacity as sponsor / director / shareholder of associated undertaking or its REIT management company.
xii	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	Performance of GRR can be referred in Point III to V above.
xiii	Any other important details necessary for the members to understand the transaction	None
Information required to be disclosed as per Regulation 3(1)(c):		
xiv	Category-wise amount of investment	Limit of PKR 3,500 million is requested for approval as loans / advances / Guarantee / running finance / third party collateral at the discretion of the Company. The investment upto PKR 3,500 million may be made in form of loan, advances, running finance, guarantee, third party collateral at the discretion of the Company but the total shall not exceed the approved limit
xv	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant	Company's average borrowing cost is 3MK/6MK + 1.33%.

Ref. No.	Requirement	Information
	period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	
xvi	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	Negotiable: in line with prevailing commercial rates for similar facilities and will be decided at the time of extending the facility.
xvii	Particulars of collateral or security to be obtained in relation to the proposed investment	As investee is a Group Company, no collateral is required.
xviii	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
xix	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Facilities extended in the nature of Running Finance / Advance shall be for a period of one year and renewable in next general meeting for further period (s) of one year (s). Facility extended in term loan and or guarantee and or third-party collateral shall be for a period as agreed at the time of disbursement, and the portion of facility to the extent of disbursement of term loan shall be exhausted and shall not be renewable in next annual general meeting.

Ref. No.	Requirement	Information
Information required to be disclosed as per Regulation 3(1)(a):		
i	Name of associated company or associated undertaking	**Signature Residency REIT** Note: In 60th Annual general meeting investment limit approval was sought for Gymkhana Apartment REIT amounting to PKR 5,000,000,000 and PKR 3,500,000,000 in Equity and loans/advances/guarantee/third party collateral. During the year a separate REIT namely Signature Residency REIT was formed out of cluster of land proposed under Gymkhana Apartment REIT. The company had invested 132,500,000 as equity and 660,000,000 as loans/advances/guarantee/third party collateral in signature residency REIT. Accordingly approval from general meeting is being sought and renewal requested under Gymkhana Apartment REIT is net off investment already made in Signature Residency REIT.
ii	Basis of relationship	SRR is managed by Arif Habib Dolmen REIT Management Limited and company has common directorship with REIT management company.
iii	Earnings per share (Basic) for the last three years	The REIT has been incorporated in FY 2023 as it has been its first year. Therefore, this information is not applicable.
iv	Break-up value of share, based on the latest audited financial statements.	The REIT has been incorporated in FY 2023 as it has been its first year. Therefore, this information is not applicable.

Ref. No.	Requirement	Information
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	The REIT has been incorporated in FY 2023 as it has been its first year. Therefore, this information is not applicable.
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information namely, i) Description of the project and its history since conceptualization; ii) Starting date and expected date of completion of work; iii) Time by which such project will become commercially operational iv) Expected time by which the project shall start paying return on investment; and v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.	The Company has formed a Developmental REIT "Signature Residency REIT". The REIT includeS two commercial sites (high residential tower / apartment building and Shops) situated in Naya Nazimabad. The plots are situated in Block A and B in Naya Nazimabad. The total land size is 4,088 sq yds. The REIT will develop/construct high rise residential tower / apartment buildings and Shops The REIT was already formed by in 1st quarter of FY 22-23. The project horizon will be four to five years. The REIT is operational. REIT shall tentatively generate return from 3rd year onwards from launch. The investment will be in from non-cash consideration.
vii	Maximum amount of investment to be made	Following limits are requested for approval: - Fresh limit of PKR 132.5 million is requested for approval in equity securities; and - Fresh Limit of PKR 660 million is requested for approval in form of loan and or advances and or running finance and or guarantee and or third-party collateral.
viii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns on investment by capturing the opportunities on the right time. Approval of limit shall remain valid for a period upto next annual general meeting, and shall be renewable thereon for further period(s).
ix	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds • Justification for investment through borrowing • Detail of collateral, guarantees provided and assets pledged for obtaining such funds • Cost benefit analysis	The investment may be made from Company's own available liquidity and/or credit lines. • Higher rate of return • Pledge of listed securities and / or charge over assets of the Company, if and where needed. • Company's average borrowing cost is 3MK/6MK + 1.33% and the Company expects to earn over and above the average borrowing cost.
x	Salient feature of agreements (if any) with associated company or associated undertaking with regards to proposed investment	Unit Subscription agreement has been entered.
xi	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the company have no interest in the investee company except in their capacity as sponsor / director / shareholder of associated undertaking or its REIT management company.

Ref. No.	Requirement	Information
xii	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	-Not applicable
xiii	Any other important details necessary for the members to understand the transaction	None
Information required to be disclosed as per Regulation 3(1)(b):		
xiv	Maximum price at which securities will be acquired	At par/premium/negotiated price prevailing on the date of transaction/investment
xv	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not applicable
xvi	Maximum number of securities to be acquired	No. of securities purchasable under approved limit in accordance with / based on Sr. Nos. VII & XIV
xvii	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil After: Increase in securities / percentage in accordance with Sr. Nos. VII, XIV and XVI.
xviii	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Not applicable
xix	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Regulation 5(1) of Companies (Investment in associated Companies & Associated undertakings) Regulations 2017 provides that in case of investment in un-listed securities of an associated company or undertaking, the fair value for such security shall be determined based on the generally accepted valuation techniques and latest financial statement of the associated company. The initial investment or subscription in units will be at par/face value i.e., PKR 10 per unit.
Information required to be disclosed as per Regulation 3(1)(c):		
xiv	Category-wise amount of investment	Fresh limit of PKR 660 million is requested for approval as loans / advances / guarantee or third party collateral running finance at the discretion of the Company. The investment upto PKR 660 million may be made in form of loans / advances / guarantee or third party collateral at the discretion of the Company but the total shall not exceed the approved limit.
xv	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Company's average borrowing cost is 3MK/6MK + 1.33%.
xvi	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	Negotiable: in line with prevailing commercial rates for similar facilities and will be decided at the time of extending the facility.

Ref. No.	Requirement	Information
xvii	Particulars of collateral or security to be obtained in relation to the proposed investment	As investee is a Group Company, no collateral is required.
xviii	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
xix	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Facilities extended in the nature of Running Finance / Advance shall be for a period of one year and renewable in next general meeting for further period (s) of one year (s). Facility extended in term loan and or guarantee and or third-party collateral shall be for a period as agreed at the time of disbursement, and the portion of facility to the extent of disbursement of term loan shall be exhausted and shall not be renewable in next annual general meeting.

Following directors of the company have no interest in the investee companies except as follows:

Mr. Arif Habib	• Director and or Share holder of Fatima Fertilizer Limited (direct holding or indirect holding) • Director and or Shareholder of Arif Habib Dolmen REIT Management Limited (the REIT Management Company) of following REITs ➢ Signature Residency REIT ➢ Globe Residency REIT
Mr. Muhammad Ejaz	• Chief Executive of Arif Habib Dolmen REIT Management Limited (the REIT Management Company) of following REITs ➢ Signature Residency REIT ➢ Globe Residency REIT
Mr. Samad A. Habib	• Director and or Shareholder of Arif Habib Dolmen REIT Management Limited (the REIT Management Company) of following REITs ➢ Signature Residency REIT ➢ Globe Residency REIT

ANNEXURE C

Statement u/s 134(3) of Companies Act 2017 in compliance with Regulation 4(2) of Companies (Investment in Associated Companies & Associated Undertakings) Regulations, 2017 for decision to make investment under the authority of resolution passed earlier pursuant to provisions of Section 199 of Companies Act 2017 is not implemented fully or partially:

The Company in its previous general meetings had sought approvals under section 199 of the Companies Act, 2017 for investments in the following Associated Companies and Associated Undertakings in which investment has not been made so far, either fully or partially. Approval of renewal of unutilised portion of equity investments and sanctioned limit of (loans and or advances and or running finance and or third-party collateral and or guarantee) are also hereby sought for the companies, in which directors of the company have no interest except in their capacity as director / shareholder, as per following details for a period upto next annual general meeting, unless specifically approved for a longer period in 60th AGM held in 2022, the already approved respective limits for (loans and or advances and or running finance and or third-party collateral and or guarantee) were approved to be consolidated, and accordingly the Company may utilise the consolidated limit at its discretion for extending (loans and or advances and or running finance and or third-party collateral and or guarantee); provided that sum of respective natures of investments so extended does not exceed the already approved investment limit in the aggregate:

Name of associated company / undertaking: Aisha Steels Mills Limited

S. No	Description	Equity Securities		Loans / Advances / Running Finance / Guarantee	
a)	Total investment approved	500,000,000		1,000,000,000	
b)	Amount of investment made to date	-		-	
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time: and	Waiting for an appropriate time in the interest of the shareholders for utilization of approved limit,		Facility is in nature of loans/advances/running finance/guarantee and will be availed by the associated company as per requirement and Company will utilize based on the need and in the interest of shareholders.	
d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	**2022**	**2021**	**2022**	**2021**
i	Earnings per share – basic	1.27	8.19	1.27	8.19
ii	Net Profit	1,146,113,000	6,368,348,000	1,146,113,000	6,368,348,000
iii	Shareholders' Equity	14,035,553,000	14,466,584,000	14,035,553,000	14,466,584,000
iv	Total Assets	46,804,817,000	36,523,517,000	46,804,817,000	36,523,517,000
v	Break -up Value	15.18	20.39	15.18	20.39
	Renewal in Previous Limits Requested for Portion I.E	Unutilized: 500,000,000		Sanctioned: 1,000,000,000	

Name of associated company / undertaking: Power Cement Limited

S. No	Description	Equity Securities		Loans / Advances / Running Finance / Guarantee	
a)	Total investment approved	500,000,000		1,000,000,000	
b)	Amount of investment made to date	-		-	
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time: and	Waiting for an appropriate time in the interest of the shareholders for utilization of approved limit,		Facility is in nature of loans/advances/running finance/guarantee and will be availed by the associated company as per requirement and Company will utilize base d on the need and in the interest of shareholders.	
d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	**2022**	**2021**	**2022**	**2021**
i	(Loss)/Earnings per share – basic & diluted	(0.62)	0.17	(0.62)	0.17
ii	Net Profit	(443,946,000)	358,359,000	(443,946,000)	358,359,000
iii	Shareholders' Equity	17,283,455,000	10,744,915,000	17,283,455,000	10,744,915,000
iv	Total Assets	46,448,732,000	45,491,678,000	46,448,732,000	45,491,678,000
v	Break -up Value	13.09	8.21	13.09	8.21
	Renewal in Previous Limits Requested for Portion I.E	Unutilized: 500,000,000		Sanctioned: 1,000,000,000	

Name of associated company / undertaking: Arif Habib Limited

S. No	Description	Equity Securities		Loans / Advances / Running Finance / Guarantee	
a)	Total investment approved	500,000,000		2,000,000,000	
b)	Amount of investment made to date	-		1,550,000,000	
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time: and	Waiting for an appropriate time in the interest of the shareholders for utilization of approved limit,		Facility is in nature of loans/advances/running finance/guarantee and will be availed by the associated company as per requirement and Company will utilize based on the need and in the interest of shareholders.	
d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	**2022**	**2021**	**2022**	**2021**
i	Earnings per share – basic & diluted	12.65	31.89	12.65	12.65
ii	Net Profit	826,551,794	2,084,005,193	826,551,794	826,551,794
iii	Shareholders' Equity	5,201,620,184	4,995,383,370	5,201,620,184	5,201,620,184
iv	Total Assets	8,985,828,345	8,471,502,159	8,985,828,345	8,985,828,345
v	Break -up Value	84	80	84	80
	Renewal in Previous Limits Requested for Portion I.E	Unutilized: 500,000,000		Sanctioned: 2,000,000,000	

Name of associated company / undertaking: Fatima Fertilizer Company Limited

S. No	Description	Equity Securities		Loans / Advances / Running Finance / Guarantee	
a)	Total investment approved	500,000,000		N/A	
b)	Amount of investment made to date	-		N/A	
c)	Reasons for not having made complete investment so far where resolution required it to be implem ented in specified time: and	Waiting for an appropriate time in the interest of the shareholders for utilization of approved limit,		N/A	
d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	**2022**	2021	**2022**	2021
i	Earnings per share – basic & diluted	6.73	8.80	6.73	8.80
ii	Net Profit	14,139,151,000	18,474,266,000	14,139,151,000	18,474,266,000
iii	Shareholders' Equity	106,926,356,000	100,263,440,000	106,926,356,000	100,263,440,000
iv	Total Assets	222,500,998,000	184,893,349,000	222,500,998,000	184,893,349,000
v	Break -up Value	51.91	47.74	51.91	47.74
	Renewal in Previous Limits Requested for Portion I.E	Unutilized: 500,000,000		N/A	

Name of associated company / undertaking: Sapphire Bay Islamic Developmental REIT

S. No	Description	Equity Securities	Loans / Advances / Running Finance / Guarantee
a)	Total investment approved	6,000,000,000	3,000,000,000
b)	Amount of investment made to date	2,135,696,630	-
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time: and	Unutilized limit of investment will be made as project will progress ahead and investment requirement is needed.	Facility is in nature of loans/advances/running finance/guarantee and will be availed by the associated company as per requirement and Company will utilize based on the need and in the interest of shareholders.
d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	N/A	N/A
i	Earnings per share – basic & diluted	N/A	N/A
-ii	Net Profit	N/A	N/A
iii	Shareholders' Equity	N/A	N/A
iv	Total Assets	N/A	N/A
v	Break -up Value	N/A	N/A
	Renewal in Previous Limits Requested for Portion I.E	Unutilized: 3,864,303,370	Sanctioned: 3,000,000,000

Name of associated company / undertaking: **Gymkhana Apartment REIT**

S. No	Description	Equity Securities	Loans / Advances / Running Finance / Guarantee
a)	Total investment approved	5,000,000,000	3,500,000,000
b)	Amount of investment made to date	132,500,000	660,000,000
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time: and	Waiting for an appropriate time in the interest of the shareholders for utilization of approved limit,	Facility is in nature of loans/advances/running finance/guarantee and will be availed by the associated company as per requirement and Company will utilize based on the need and in the interest of shareholders.
d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	N/A	N/A
i	Earnings per share – basic & diluted	N/A	N/A
ii	Net Profit	N/A	N/A
iii	Shareholders' Equity	N/A	N/A
iv	Total Assets	N/A	N/A
v	Break -up Value	N/A	N/A
	Renewal in Previous Limits Requested for Portion I.E	Unutilized: 4,867,500,000	Sanctioned: 2,840,000,000

Name of associated company / undertaking: **Globe Residency REIT**

S. No	Description	Equity Securities	Loans / Advances / Running Finance / Guarantee
a)	Total investment approved	3,000,000,000	N/A
b)	Amount of investment made to date	1,501,200,000	N/A
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time: and	Waiting for an appropriate time in the interest of the shareholders for utilization of approved limit,	N/A
d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	30 June 2022	N/A
i	Earnings per share – basic & diluted	2.45	N/A
ii	Net Profit	342,360,000	N/A
iii	Shareholders' Equity	1,584,407,000	N/A
iv	Total Assets	4,049,813,000	N/A
v	Break -up Value	11.32	N/A
	Renewal in Previous Limits Requested for Portion I.E	Unutilized: 1,498,800,000	N/A

Name of associated company / undertaking: **Naya Nazimabad Apartment REIT**

S. No	Description	Equity Securities	Loans / Advances / Running Finance / Guarantee
a)	Total investment approved	6,500,000,000	4,000,000,000
b)	Amount of investment made to date	2,937,500,000	-
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time: and	Waiting for an appropriate time in the interest of the shareholders for utilization of approved limit,	Facility is in nature of loans/advances/running finance/guarantee and will be availed by the associated company as per requirement and Company will utilize based on the need and in the interest of shareholders.
d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	30 June 2022	30 June 2022
i	Earnings per share – basic & diluted	N/A	N/A
ii	Net Profit	N/A	N/A
iii	Shareholders' Equity	N/A	N/A
iv	Total Asse ts	N/A	N/A
v	Break -up Value	N/A	N/A
	Renewal in Previous Limits Requested for Portion I.E	Unutilized: 3,562,000,000	Sanctioned: 4,000,000,000

ANNEXURE-D

CIRCULATION OF ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH QR ENABLED CODE AND WEBLINK

Through its Notification bearing No. S.R.O 389(I)/2023 dated 21st March 2023, subject to conditions mentioned therein, SECP has allowed circulation of Annual Audited Financial Statements by the companies to its members through QR enabled code and weblink instead of CD/DVD/USB. In view of technological advancements and old technology becoming obsolete, Members are requested to authorize the same by approving the agenda.

However, if a shareholder, in addition, requests for complete financial statements with relevant documents in hard copy, the same shall be provided free of cost within seven days of receipt of such request. For convenience of shareholders, a "Standard Request Form for provision of Annual Audited Accounts" has also been made available on the Company's website (http://www.Jcl.com.pk/).

Review Report By The Chairman

Review Report By The Chairman

During the year under review, the Board of Directors (the Board) of JCL has performed their duties diligently in upholding the best interest of the shareholders of the Company and has managed the affairs of the Company in an effective and efficient manner.

The Board has exercised its powers and has performed its duties as stated in the Companies Act, 2017 ("Act"), the Code of Corporate Governance Regulation, 2019 ("Code"), and the Rule Book of the Pakistan Stock Exchange (the Rule Book) where the Company is listed.

The Board during the year ended 30th June 2023 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

- The Board has ensured that the Board and its committees have an adequate representation of non-executive and independent directors, as required by the Code, and that members of the Board and its respective committees have the requisite skill, experience, and knowledge required to manage the Company's affairs;

- The Board has placed an Audit Committee and a Human Resource and Remuneration Committee, approved their terms of references, and allocated adequate resources to ensure that the committees carry out their duties diligently in accordance with the Act and the Code;

- The Board has developed and put in place the rigorous mechanism for an annual evaluation of its own performances as well as the performance of its committees and individual directors on an annual basis. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically;

- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner;

- The Board has ensured that all meetings of the Board and its committees were held with the requisite quorum, all decisions were made through Board resolution, and that all meetings (including committees) were appropriately recorded and maintained, in compliance with the requirement of the Act and the Code;

- The Board of Directors has established a code of conduct that outlines the professional standards and corporate principles to which the Company adheres, as well as essential policies for the smooth operation of the Company;

- The Board has actively participated in the strategic planning process, enterprise risk management system, policy formulation, and the financial structure, monitoring, and approval;

- All significant issues were submitted to the Board or its committees during the year in order to strengthen and formalize corporate decision-making, and particularly all related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;

- The Board has ensured that an effective internal control system is in place and that it is continuously assessed through a self-assessment mechanism supported by internal audit activities;

- The Board has prepared and approved the director's report and has ensured that it is published with the Company's quarterly and annual financial statements and that the content of the director's report is in accordance with the requirement of the Act, the Code, and related guidelines;

- The Board has ensured the hiring, evaluation, and compensation of the Chief Executive and other key executives including the Chief Financial Officer, Company Secretary, and Head of Internal Audit;

- The Board has ensured that adequate information is shared among its members in a timely manner and that members are kept up to date on events between meetings; and

- The Board has exercised its powers in light of the power assigned to the Board in accordance with the Act, the Code, and related guidelines applicable to the Company, and the Board has always prioritized Compliance with all the applicable laws and regulations in terms of their conduct as directors and exercising their powers and decision making.

The evaluation of the Board's performance is assessed based on those key areas where the Board requires clarity in order to provide high-level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment, and the competitive context in which the Company operates; the risk faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of JCL has played a key role in ensuring that the Company objectives are achieved through a joint effort with the management team and guidance and oversight by the Board and its members.

-sd-

Arif Habib
Chairman

Date: September 23, 2023.

REPORT OF THE AUDIT COMMITTEE

Report Of The Audit Committee

The Audit Committee of Javedan Corporation Limited is appointed by the Board and has four (4) non-executive directors, out of which Chairman is an independent director. The committee as a whole possess significant economic, financial and business acumen. During the year, four meetings of the Audit Committee were held. The external auditors of the company also attended meetings when issues related to annual audited financial statements and auditors report thereon was discussed.

The Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30, 2023 and reports that:

1. The Company has adhered in full, without any material departure, of the listing regulations of the Pakistan Stock Exchange, Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company's Code of Conduct and Values and the international best practices of governance throughout the year.

2. The Company has issued a "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" which has also been reviewed and certified by the External Auditors of the Company.

3. The Company's Code of Conduct has been disseminated and placed on Company's website.

4. The Audit Committee reviewed quarterly, half-yearly and annual financial statements of the Company and recommended for approval of the Board of Directors. It has also reviewed preliminary announcements of results prior to publication and the internal audit reports.

5. The CEO and the CFO have endorsed the standalone as well as consolidated financial statements of the Company and the Board of Directors' Report. They acknowledge their responsibility for true and fair presentation of the Company's financial statements, accuracy of reporting, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the company.

6. Audit Committee understand that the management has applied appropriate accounting policies consistently except for the changes, if any, which have been appropriately disclosed in the financial statements. Further Audit Committee understands that Management has prepared financial statements for the year under review under as per accounting and reporting standard applicable in Pakistan

7. Audit Committee understand that Accounting estimates used by management in preparation of financial statement are based on reasonable and prudent judgment. Further management has given an understanding to the audit committee that proper and adequate accounting records have been maintained by the Company in accordance with the applicable laws.

8. The Audit Committee has reviewed the related party transactions and recommended the same for approval from the Board of Directors.

9. Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company's shares, prior to each Board meeting involving announcement of interim/final results, distribution of dividend to the shareholders or communication of any other business decision, which could materially affect the market share price of the Company.

10. All direct or indirect trading and holdings of Company's shares by Directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction, which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding.

11. The statutory and regulatory obligations and requirements of best practices of governance have been met.

12. The Committee members carried out the Annual Evaluation of the Board Audit Committee in terms of board structure, Strategy, Decision Making, Internal Controls and Risk Management.

13. The Committee regularly reviews the mechanism for employees and management to report concerns to the Audit Committee and ensures that any allegations are scrutinized seriously

Internal Audit Function

14. The Board Audit Committee has effectively implemented the internal control framework through an in-house Internal Audit function, which is independent of the External Audit function. The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.

15. The Board Audit Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the Company and the shareholders wealth through effective financial, operational and compliance controls and risk management at all levels within the Company.

16. The Internal Audit Department carried out independent audits in accordance with an internal audit plan which was approved by the Board Audit Committee. Further, the Board Audit Committee has reviewed material Internal Audit findings and management's response thereto, taking appropriate action or bringing the matters to the Board'0s attention where required.

17. The Head of Internal Audit has direct access to the Chairman of the Board Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.

18. Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

External Auditors

19. The external auditors of the Company, M/s Yousuf Adil, Chartered Accountants and M/s Reanda Haroon Zakaria, Chartered Accountants, have completed their audit assignment of the standalone and consolidated financial statements and the "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" of the Company for the year ended June 30, 2023 and shall retire on the conclusion of the 61st Annual General Meeting.

20. M/s. Yousuf Adil, Chartered Accountants and M/s Reanda Haroon Zakaria, Chartered Accountants have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and they are registered with Audit Oversight Board of Pakistan. The firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP and have indicated their willingness to continue as auditors for the year ended June 30, 2023.

-sd-

Abdullah Ghaffar
CHAIRMAN AUDIT COMMITTEE

Date: September 23, 2023.

DIRECTORS' REPORT

Directors' Report

Dear Shareholders

On behalf of the Board of Directors of the Company, we are pleased to present herewith the Director's Report along with the audited unconsolidated and consolidated financial statements for the financial year ended June 30, 2023, together with auditors' report thereon.

2022-2023 at a Glance

Financial Year 22-23 has remained exceptionally successful for your Company, wherein the Company has achieved its highest-ever sales and recorded an impressive profit after tax.

One of the key highlights of this year was the successful completion of the Globe Residency REIT transactions. This journey began with the highly successful launch of Globe Residency Apartments in November 2021. Subsequently, in March 2022, the project transitioned into the REIT Scheme. Globe Residency REIT, attained a milestone by becoming the first listed developmental REIT on the Pakistan Stock Exchange on December 28, 2022.

As part of the Company's strategic decision to undertake mix-use development projects under the REIT model, we introduced the "Signature Tower" project, which has also been transferred into the "Signature Residency REIT." Additionally, several land parcels have been successfully sold to REITs, with participation from both the Company and other investors.

These REIT projected have not only allowed us to realize gains on land but have also positioned us to receive development profits in the form of dividends over the next 4 to 6 years.

Progress on two key development projects, the Naya Nazimabad Flyover and Naya Nazimabad Gymkhana, has been in accordance with our planned schedule. As of now, 75% of the physical work on the Flyover has been completed, with a targeted project completion date set for March 2024. Meanwhile, the Naya Nazimabad Gymkhana is in its final stages, and we anticipate commencing club facilities in the near future. An active membership drive is currently underway.

Moreover, we have successfully transferred possession of Block M to the allottees.

Financial Review

During the financial year (on an unconsolidated basis) the Company recorded sale of PKR 16,827 million as compared to PKR 5,009 million in the corresponding period last year representing an increase of 236%. The Cost of sales for the period was recorded at PKR 7,794 million as compared to PKR 2,594 million in the corresponding period. The gross profit over the year increased by 274% amounting to PKR 6,618 million. The administrative expenses for the period remained at PKR 481 million representing increase of 4.9% over the corresponding period. The finance cost for the year remained at PKR 336 million as compared to PKR 67 million. Other Income earned for the year is PKR 379 million as compared to PKR 303 million in corresponding period last year resulting in positive increase of 25%. During the period the construction work continued on Flyover project and during the period the Company incurred cost of PKR 1,235 million. The profit before tax and profit after tax for the period remained at PKR 6,966 million and 6,741 million respectively. The PBT & PAT increased by 297% and 348% respectively over the corresponding period last year. This translated into earning per share (basic & diluted) of Rs 17.70 as compared to Rs. 3.95 over the corresponding period.

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

Particulars	30 June 2023	30 June 2022
	(Rupees in thousands)	
Net Sales	16,827,214	5,009,539
Cost of sales	(7,793,730)	(2,594,266)
Gross Profit	9,033,484	2,415,273
Profit before taxation	6,966,690	1,756,491
Profit after taxation	6,741,951	1,505,145
EPS - Basic (in rupees)	17.70	3.95
EPS - Dilute (in rupees)	17.70	3.95

On a consolidated basis revenue of JCL for the year ended 30 June 2023 is PKR 11,188 million as compared to PKR 4,469 million in the corresponding period. The profit from continuing operation remained at PKR 2,961 million and from discontinued operation at PKR 5,239 million translating into EPS Rs. 21.02.

Future Outlook:

The Company foresees the Naya Nazimabad Gymkhana and apartment projects under REIT to be driving forces for the Company in the upcoming 3 to 5 years.

The operational commencement of Naya Nazimabad Gymkhana is projected for the 2nd Quarter of FY 23-24, with a surge in club membership sales expected once it becomes fully operational. Meanwhile, our various apartment projects under different REITs are progressing through different stages of their life cycles, with a steady dividend stream anticipated to materialize in the next couple of years.

Recent inflation, interest rates hike, increase in cost of construction and overall slowdown in economy over the last 12 twelve months remains a concern. However, projects launched within the last six months, including "Signature Tower" and "Rahat Residency I & II," have garnered positive market reception, demonstrating resilience amidst the prevailing market dynamics. We remain confident that project-specific milestones, including the completion of value-addition projects like the Flyover, will enable the Company to navigate through this challenging period.

Corporate Social Responsibility (CSR)

The Company is cognizant of its social responsibility towards the nation. As a responsible corporate citizen, the Company has contributed to different social segments with the objective of improving quality of life in the country. In this regard, the company works with many reputable organizations and NGOs in Pakistan.

Javedan Corporation Limited contributes to Pakistan Association of the Blind (PAB) which is a national organization of visually working for their welfare, rehabilitation, health, education, and employment.

Javedan Corporation Limited sponsors to various organizations whose main activities include support in education, skill development, monthly ration assistance, marriage, medical and hospitalization as well as financial aid for housing.

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

Credit Rating

The Company has been assigned entity ratings of ‘A+/A-1’ (A Plus/A-One) by VIS Credit Rating Company Ltd. The outlook on the assigned ratings is ‘Stable’. Such credit rating shows high credit quality in the long-term whereas high certainty of timely payments in the short-term. This certification underscores the Management vision for continuous growth and is expected to provide further confidence to the market.
Memberships

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

Corporate and Financial Reporting Framework

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

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

In compliance with the Code, the Board hereby reaffirm that there is no doubt about JCL's ability to continue as a going concern and that there has been no material departure from the best practices of corporate governance except for disclosed in Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019.

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

Trading in Company's Shares

During the year ended June 30, 2023, the directors, executives and their spouses and minor children have not traded in the shares of the Company.

Directors' Attendance at Board and its Committee Meeting

During the year ended 30 June 2023, Six (06) Board Meetings. Five (05) Audit Committee Meetings and One (1) Human Resource & Remuneration Committee Meeting were held. Attendance by director were as follows

Name of Director	Board Meeting		Audit Committee		HR & R Committee	
	Held	Attended	Held	Attended	Held	Attended
Mr Arif Habib	6	6	N/A	N/A	1	1
Mr Samad A. Habib	6	5	5	4*	1	1
Mr Muhammad Ejaz	6	5	5	5	1	1
Mr Abdul Qadir Sultan	6	6	5	5	N/A	
Mr. Alamgir Sheikh	6	4	N/A	N/A	N/A	
Ms. Darakshan Zohaib	6	5	N/A	N/A	N/A	
Mr. Abdullah Ghaffar	6	6	5	5	N/A	
Mr. Javed Kureishi	6	4	N/A	N/A	1	1
Mr. Kashif A.Habib	6	6	5	5	N/A	

* By Invitation

Directors' Remuneration

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

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

Composition of the Board

The current composition of the board is as follows:-

Total Number of Directors:

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

Composition:

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

Committees of the Board:

Audit Committee

(a)	Mr. Abdullah Ghaffar	Chairman
(b)	Mr. Muhammad Ejaz	Member
(c)	Mr. Kashif A. Habib	Member
(d)	Mr. Abdul Qadir Sultan	Member

Human Resource & Remuneration Committee

(a)	Mr. Javed Kureishi	Chairman
(b)	Mr. Arif Habib	Member
(c)	Mr. Samad A. Habib	Member
(d)	Mr. Muhammad Ejaz	Member

Internal Control

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

Director's Training Program

The Board has duly complied with the Directors' Training Program requirement and the criteria as prescribed in the Listed Companies Corporate Governance Regulations, 2019.

External Auditors

The financial statements of the company for the year ended June 30, 2023 were audited by M/s. Reanda Haroon Zakaria & Co., Chartered Accountants and M/s Yousuf Adil Chartered Accountants. The auditors will retire at the end of the 61st Annual General Meeting. Being eligible, M/s. Reanda Haroon Zakaria & Co., Chartered Accountants and M/s Yousuf Adil Chartered Accountants have offered themselves for re-appointment.

The Board has recommended the appointment of M/s. Reanda Haroon Zakaria & Co., Chartered Accountants and M/s. Yousuf Adil, Chartered Accountants as auditors for the ending June 30, 2024, on recommendation of Audit Committee, subject to approval of the members in the forthcoming Annual General Meeting.

Pattern of Shareholding

Pattern of shareholding of the Company in accordance with the Section 227 (2)(f) of the Companies Act, 2017 as at June 30, 2023 is annexed to this report.

Information to Stakeholders

Key Operating and financial data of previous years has been summarized and presented at Page No. 62

Post Balance Sheet Events

The Board of Directors have declared and approved an interim cash dividend of Rs. 6/- per share amounting to Rs. 2,285,162,682 at its meeting held on September 23, 2023. These unconsolidated financial statements do not reflect the said appropriation.

Related Party Transaction

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

Investment in Retirement Benefits

The company operates an approved funded gratuity scheme for all its eligible employees who have completed their minimum qualifying period of service with the company. The value of the investments of the gratuity fund is Rs.2.281 million.

Acknowledgements

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

Abdus Samad Habib
Chief Executive

Arif Habib
Chairman

Dated: September 23, 2023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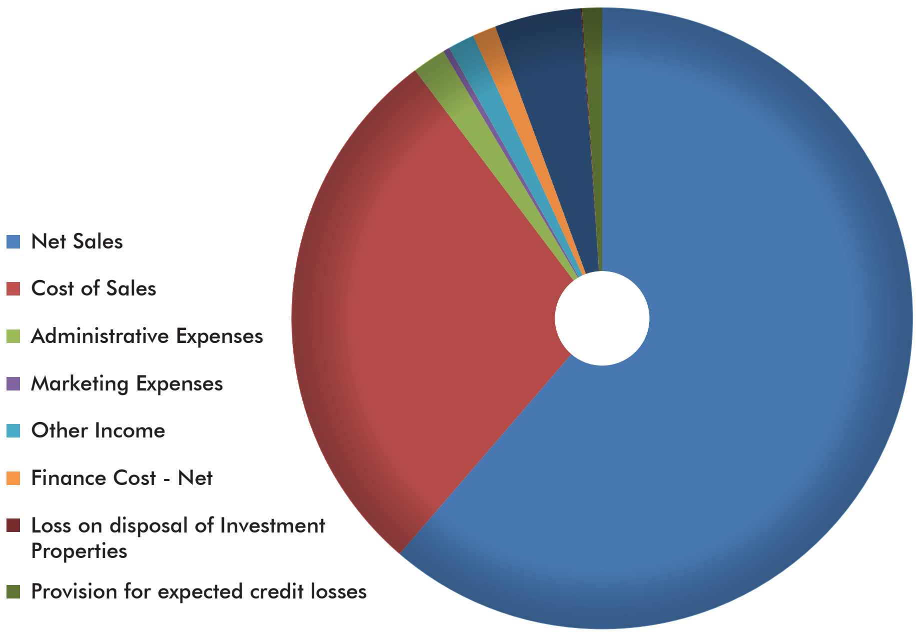
FINANCIAL HIGHLIGHTS

Performance Review Report

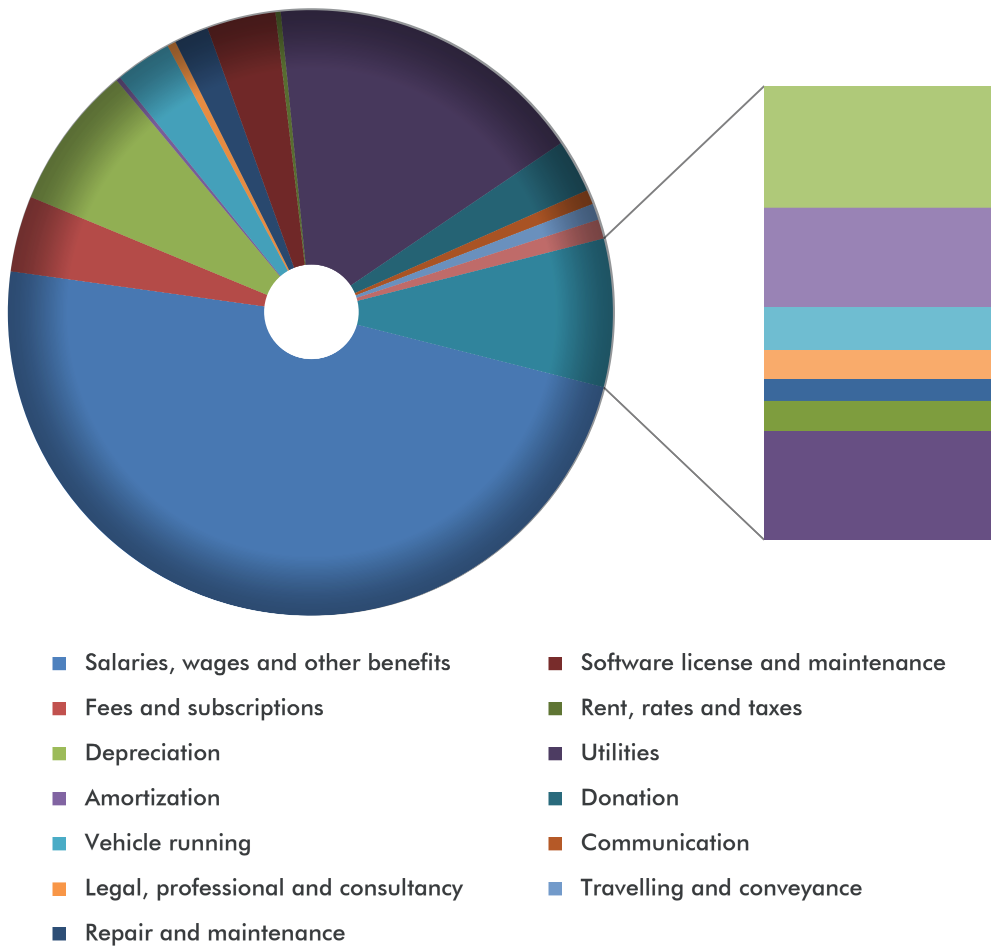
		2023	2022	2021	2020	2019	2018
Investment measure							
Ordinary Share Capital	Rs./Mn	**3,808**	3,808	3,174	3,174	2,885	2,671
Reserves	Rs./Mn	**13,295**	7,153	6,216	5,804	5,723	5,361
Surplus on revaluation of land	Rs./Mn	**8,817**	8,394	8,462	8,544	8,675	5,803
Ordinary Share holder's Equity	Rs./Mn	**25,921**	19,355	17,852	17,523	17,284	13,835
Cash Dividend on Ordinary Shares	Rs./Mn	**2,285**	1,523	-	-	-	187
Cash Dividend per Ordinary Shares	Rs.	**6.00**	4.00	-	-	-	0.7
Bonus on Ordinary Shares	Rs./Mn	**-**	-	634	-	288	213
Bonus per Ordinary Shares	%	**0%**	0%	20%	0%	10%	8%
Profit before Taxation	Rs./Mn	**6,966**	1,756	370	409	696	1,101
Profit after Taxation	Rs./Mn	**6,741**	1,505	331	236	579	704
Earning per share (Basic)	Rs.	**17.70**	3.95	1.04	0.75	1.83	3.35
Measure of financial Status							
Current Ratio	X:1	**4.30**	3.84	4.07	3.94	4.51	3.10
Debt Equity Ratio	X:1	**0.29**	0.39	0.38	0.29	0.31	0.26
Total Debt Ratio	X:1	**0.40**	0.42	0.36	0.20	0.21	0.34
Sales	Rs./Mn	**16,827**	4,343	1,047	1,643	1,899	2,479
Cost of Goods Sold as % of Sales	%	**46.31%**	44.37%	25.29%	43.12%	40.70%	44.34%
Profit before Taxation as % of Sales	%	**41.40%**	40.43%	35.35%	24.91%	40.53%	44.39%
Profit after Taxation as % of Sales	%	**40.06%**	34.65%	31.63%	14.40%	33.24%	28.39%

JCL A BIRD'S EYE VIEW

Operating Revenue & Expenses

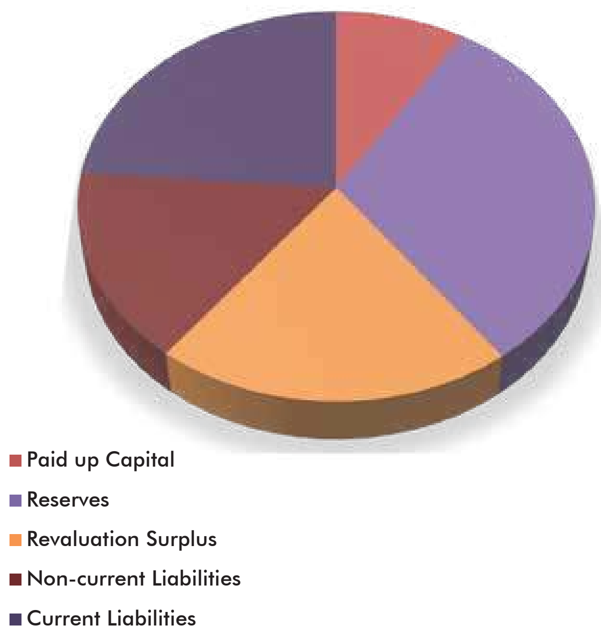


Administrative Expense

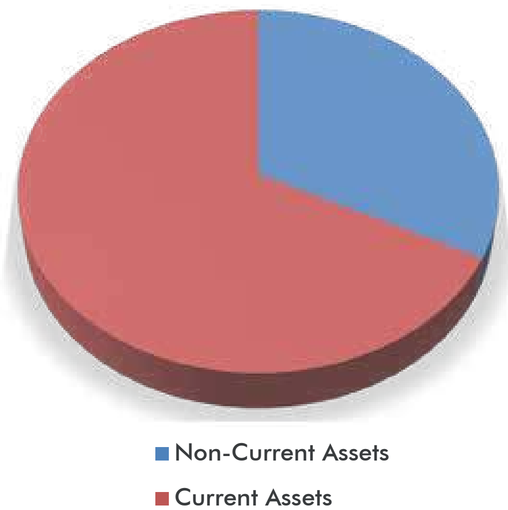


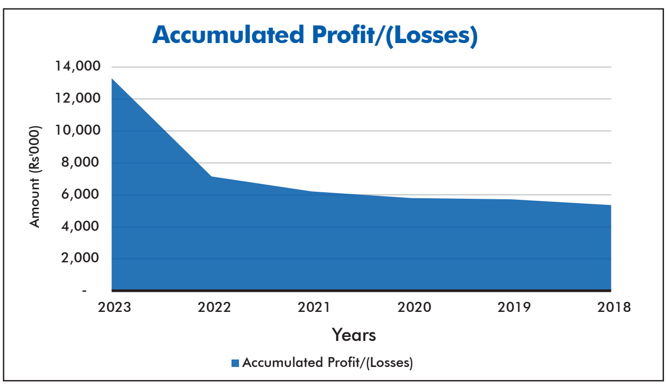
GRAPHICAL REPRESENTATION

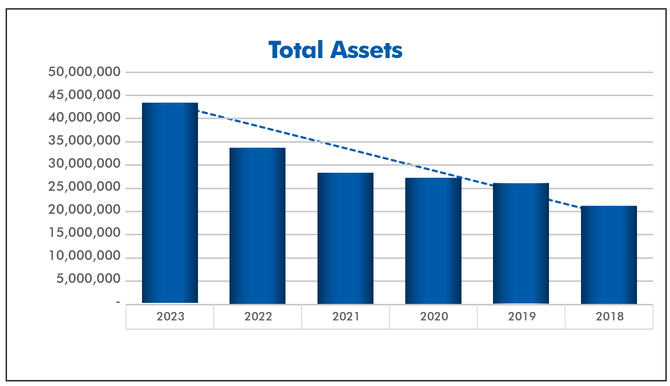
Equity & Liabilities

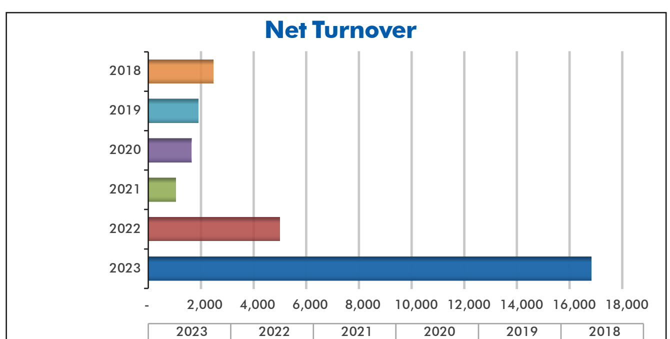


Current & Non-Current Liabilities





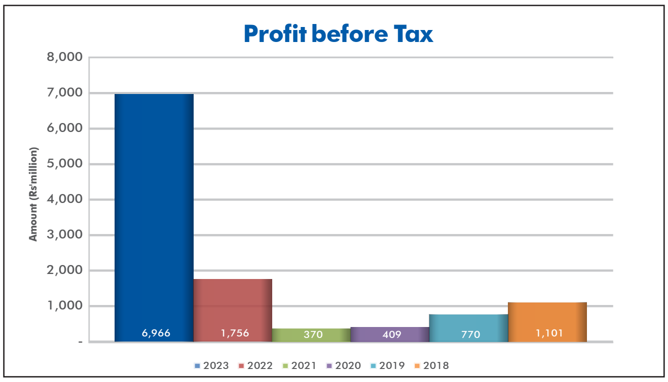


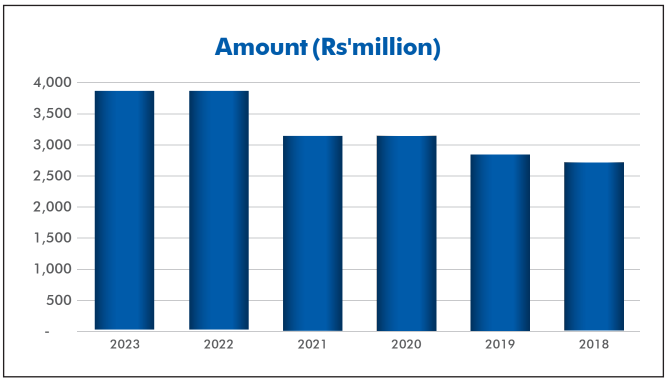


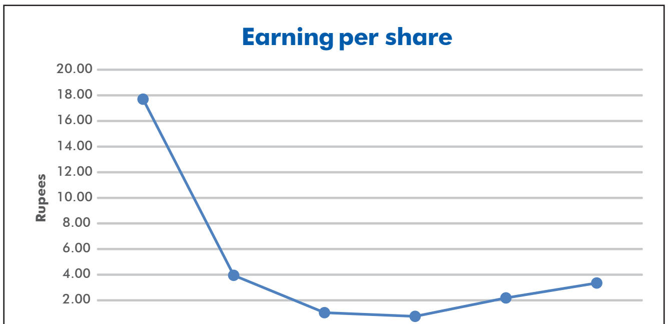
	2023	2022	2021	2020	2019	2018
Amount (Rs'million)	16,827	5,009	1,047	1,643	1,899	2,479

Sales ('million)

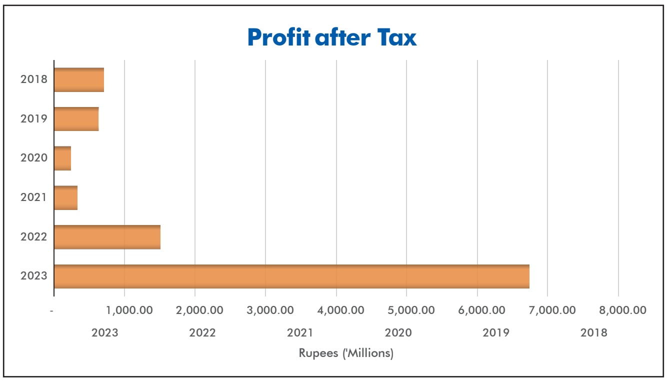
GRAPHICAL REPRESENTATION

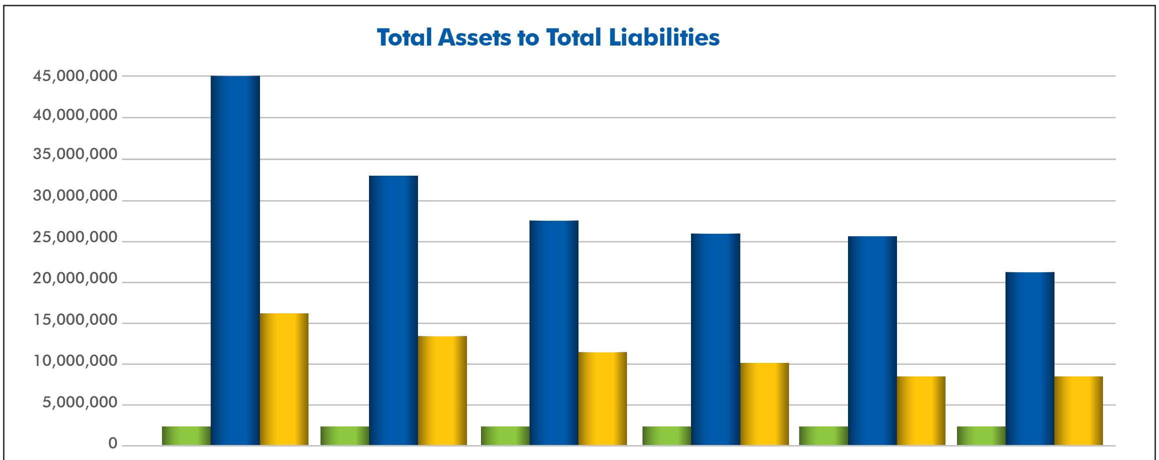






	2023	2022	2021	2020	2019	2018
Rupees	17.70	3.95	1.04	0.75	2.19	3.35





	1	2	3	4	5	6
Years	2023	2022	2021	2020	2019	2018

Horizontal Analysis of the Financial Statements

Statement of Financial Position	2023		2022		2021		2020		2019		2018	
Assets	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
Non - Currrent Assets	13,880,215	51%	9,171,477	33%	6,898,846	6%	6,530,822	18%	5,545,588	199%	1,855,949	-9%
Currrent Assets	29,002,931	20%	24,089,168	14%	21,100,098	8%	19,624,147	-1%	19,737,486	4%	18,984,539	53%
Total Assets	**42,883,146**	**29%**	**33,260,645**	**19%**	**27,998,944**	**7%**	**26,154,969**	**3%**	**25,283,074**	**21%**	**20,840,488**	**44%**
Equity and Liabilities												
Shareholders' Equity	25,921,679	34%	19,354,900	8%	17,852,266	2%	17,523,410	1%	17,284,413	25%	13,835,272	41%
Non - Current Liabilities	6,744,035	-12%	7,637,072	54%	4,955,741	36%	3,646,553	1%	3,596,916	304%	890,441	-26%
Current Liabilities	10,217,432	63%	6,268,673	21%	5,190,937	4%	4,985,006	13%	4,401,745	-28%	6,114,775	77%
Total Equity and Liabilities	**42,883,146**	**29%**	**33,260,645**	**19%**	**27,998,944**	**7%**	**26,154,969**	**3%**	**25,283,074**	**21%**	**20,840,488**	**44%**
Statement of Profit and Loss												
Revenue	16,827,214	287%	4,342,710	315%	1,047,286	-36%	1,643,274	-13%	1,899,014	-23%	2,479,158	0%
Cost of Sales	(7,793,730)	304%	(1,927,437)	628%	(264,909)	-63%	(708,637)	-8%	(772,949)	-30%	(1,099,368)	85%
Gross profit / (loss)	**9,033,484**	**274%**	**2,415,273**	**209%**	**782,377**	**-16%**	**934,637**	**-17%**	**1,126,065**	**-18%**	**1,379,790**	**-26%**
Marketing and selling expenses	(92,599)	182%	(32,855)	-7%	(35,368)	-33%	(52,939)	-6%	(56,176)	-18%	(68,525)	-44%
Administrative expenses	(481,367)	5%	(457,561)	9%	(420,399)	9%	(385,643)	6%	(363,881)	39%	(260,954)	22%
Flyover cost	(1,235,066)	100%	(404,312)	100%	-	0%	-	0%	-	0%	-	0%
Finance (costs) / income	(336,730)	179%	(120,512)	12%	(107,220)	-48%	(207,560)	76%	(117,818)	-1658%	7,563	-104%
Other income	379,145	6%	356,458	136%	150,781	25%	120,835	12%	108,274	154%	42,703	42%
Loss on disposal of Investment Properties	(16,266)	100%	-	0%	-	0%	-	0%	-	0%	-	
Provision for expected credit losses	(283,911)	100%	-	0%	-	0%	-	0%	-	0%	-	
Profit before taxation	**6,966,690**	**297%**	**1,756,491**	**375%**	**370,171**	**-10%**	**409,330**	**-41%**	**696,464**	**-37%**	**1,100,577**	**-21%**
Taxation	(224,739)	-11%	(251,346)	546%	(38,931)	-77%	(172,630)	48%	(116,584)	-71%	(396,864)	0%
Profit for the year	**6,741,951**	**348%**	**1,505,145**	**354%**	**331,240**	**40%**	**236,700**	**-59%**	**579,880**	**-18%**	**703,713**	**-29%**

Vertical Analysis of the Financial Statements

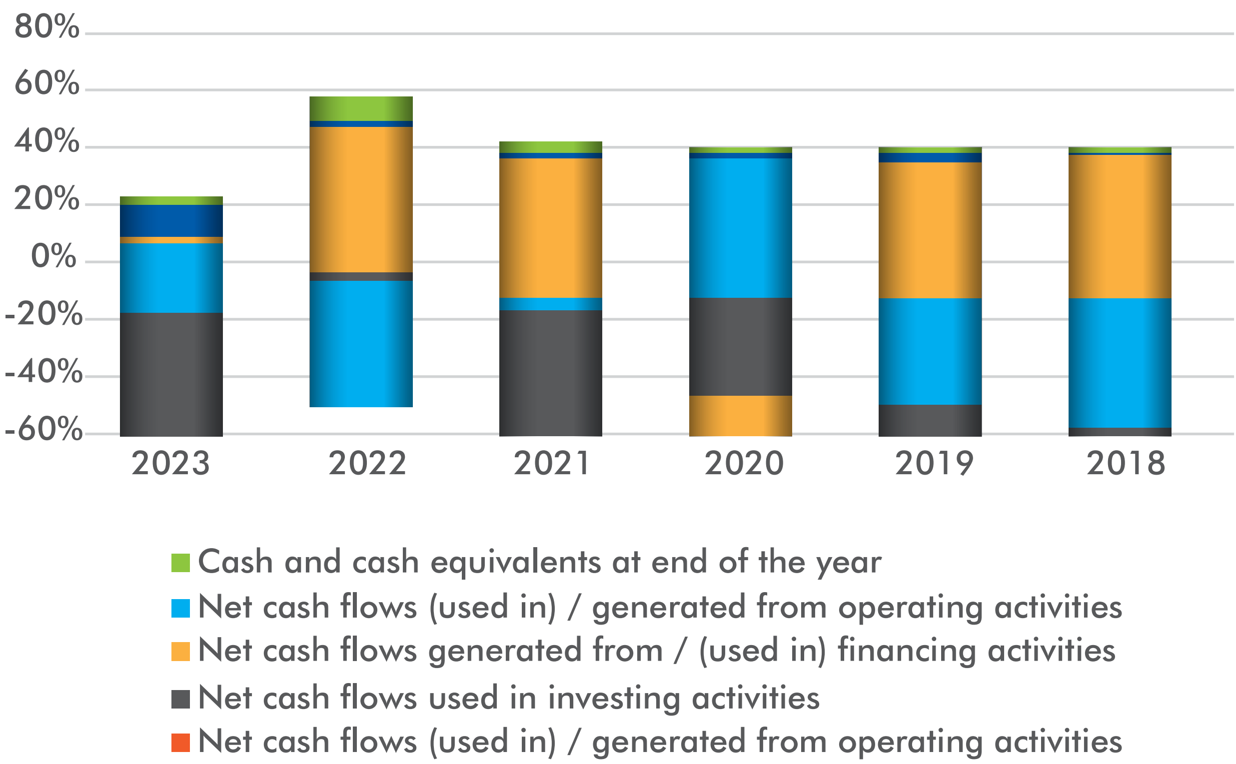
Statement of Financial Position	2023		2022		2021		2020		2019		2018	
Assets	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
Non - Currrent Assets	13,880,215	42%	9,171,477	28%	6,898,846	21%	6,530,822	23%	5,545,588	21%	1,855,949	7%
Currrent Assets	29,002,931	87%	24,089,168	72%	21,100,098	63%	19,624,147	70%	19,737,486	75%	18,984,539	75%
Total Assets	**42,883,146**	**100%**	**33,260,645**	**100%**	**27,998,944**	**100%**	**26,154,969**	**100%**	**25,283,074**	**100%**	**20,840,488**	**100%**
Equity and Liabilities												
Shareholders' Equity	25,921,679	78%	19,354,900	58%	17,852,266	54%	17,523,410	63%	17,284,413	66%	13,835,272	55%
Non - Current Liabilities	6,744,035	20%	7,637,072	23%	4,955,741	15%	3,646,553	13%	3,596,916	14%	890,441	4%
Current Liabilities	10,217,432	31%	6,268,673	19%	5,190,937	16%	4,985,006	18%	4,401,745	17%	6,114,775	24%
Total Equity and Liabilities	**42,883,146**	**100%**	**33,260,645**	**100%**	**27,998,944**	**100%**	**26,154,969**	**100%**	**25,283,074**	**100%**	**20,840,488**	**100%**
Statement of Profit and Loss												
Revenue	16,827,214	100%	4,342,710	100%	1,047,286	100%	1,643,274	100%	1,899,014	100%	2,479,158	100%
Cost of Sales	(7,793,730)	-179%	(1,927,437)	-44%	(264,909)	-6%	(708,637)	-16%	(772,949)	-18%	(1,099,368)	-25%
Gross profit / (loss)	**9,033,484**	**208%**	**2,415,273**	**56%**	**782,377**	**18%**	**934,637**	**22%**	**1,126,065**	**26%**	**1,379,790**	**32%**
Marketing and selling expenses	(92,599)	-2%	(32,855)	-1%	(35,368)	-1%	(52,939)	-1%	(56,176)	-1%	(68,525)	-2%
Administrative expenses	(481,367)	-11%	(457,561)	-11%	(420,399)	-10%	(385,643)	-9%	(363,881)	-8%	(260,954)	-6%
Flyover cost	(1,235,066)	-28%	(404,312)	-9%	-	0%	-	0%	-	0%	-	0%
Finance (costs) / income	(336,730)	-8%	(120,512)	-3%	(107,220)	-2%	(207,560)	-5%	(117,818)	-3%	7,563	0%
Other income	379,145	9%	356,458	8%	150,781	3%	120,835	3%	108,274	2%	42,703	1%
Loss on disposal of Investment Properties	(16,266)	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Provision for expected credit losses	(283,911)	-7%	-	0%	-	0%	-	0%	-	0%	-	0%
Profit before taxation	**6,966,690**	**160%**	**1,756,491**	**40%**	**370,171**	**9%**	**409,330**	**9%**	**696,464**	**16%**	**1,100,577**	**25%**
Taxation	(224,739)	-5%	(251,346)	-6%	(38,931)	-1%	(172,630)	-4%	(116,584)	-3%	(396,864)	-9%
Profit for the year	**6,741,951**	**155%**	**1,505,145**	**35%**	**331,240**	**8%**	**236,700**	**5%**	**579,880**	**13%**	**703,713**	**16%**

Summary of Cash Flows Statement

Year ended 30th June

	2023	2022	2021	2020	2019	2018
Net cash flows (used in) / generated from operating activities	3,291,366	(3,750,280)	(167,060)	1,431,082	(1,248,892)	(4,160,136)
Net cash flows used in investing activities	(4,937,464)	505,029	(1,575,461)	(1,003,586)	(393,384)	(199,091)
Net cash flows generated from / (used in) financing activities	82,596	4,738,371	1,835,309	(424,338)	1,592,599	4,440,253
Cash and cash equivalents at beginning of the year	1,645,816	152,696	59,908	56,750	106,428	25,402
Cash and cash equivalents at end of the year	82,314	1,645,816	152,696	59,908	56,751	106,428

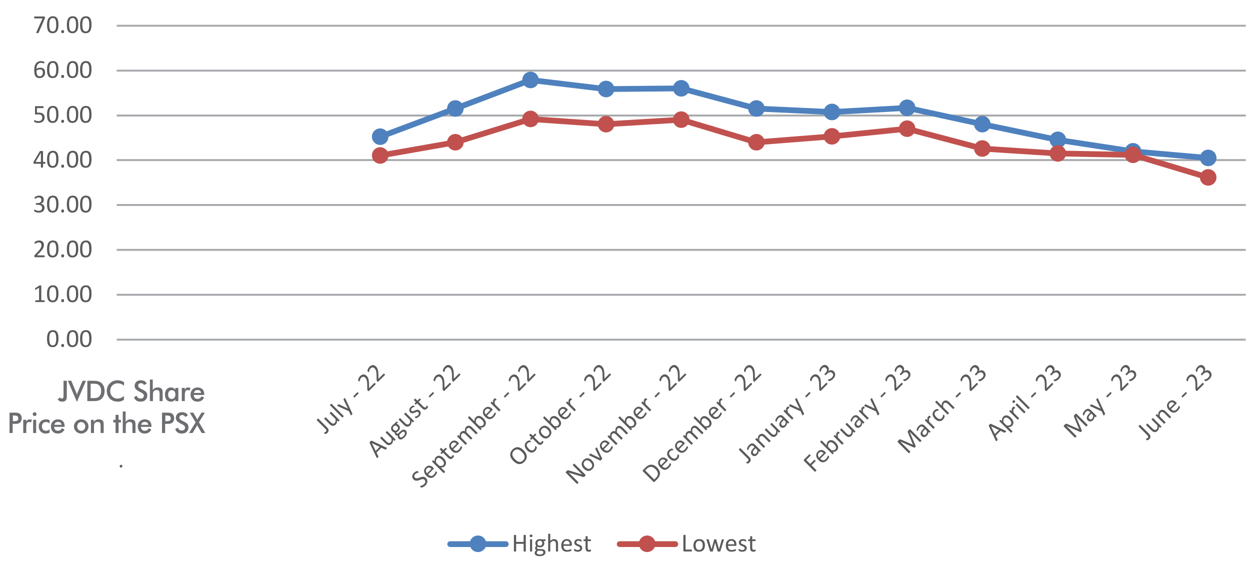
Summary of Cash Flow Statement



Share Price / Volume Analysis

Month	Highest	Lowest
JVDC Share Price on the PSX		
July - 22	45.19	41.00
August - 22	51.55	44.00
September - 22	57.85	49.20
October - 22	55.84	48.01
November - 22	56.00	49.01
December - 22	51.50	44.00
January - 23	50.70	45.30
February - 23	51.70	47.00
March - 23	47.99	42.56
April - 23	44.49	41.53
May - 23	42.00	41.20
June - 23	40.49	36.15
	57.85	36.15

Share Price movement at PSX during FY 2023



INDEPENDENT AUDITORS REVIEW REPORT & STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019

Yousuf Adil
Chartered Accountants
Cavish Court, A-35,
Block 7 & 8 KCHSU,
Shahrah-e-Faisal, Karachi.

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

Independent Auditor's Review Report

To the members of Javedan Corporation Limited

Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Javedan Corporation Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of Regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Yousuf Adil
Chartered Accountants

Karachi

Date: October 04, 2023

UDIN: CR2023100919tiG3ayvL

Reanda Haroon Zakaria & Co.
Chartered Accountants

UDIN: CR202310147WrI8VUhHx

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019.

Year ended 30 June 2023

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance Regulations, 2019 (the Regulation) in the following manner:

1. The total number of directors are 09 (nine) as per the following:

Male	Female
8	1

2. The composition of the Board is as follows:

Category	Names
Independent Director	Mr. Alamgir Sheikh Mr. Abdullah Ghaffar Mr. Javed Kureishi
Executive Director	Mr. Samad A. Habib
Non-Executive Directors	Mr. Arif Habib – Chairman Mr. Muhammad Kashif Mr. Muhammad Ejaz Mr. Abdul Qadir Sultan
Female Director	Ms. Darakshan Zohaib (Non-Executive Director)

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the date of approval or updating has been maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Companies Act 2017 ("Act") and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Six board members have attained Directors' Training Program and one director is exempt from attaining Directors' Training Program requirement as per the criteria as prescribed in the Listed Companies Corporate Governance Regulations, 2019.

10. The Board has approved appointment of CFO, Company Secretary and Head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. No new appointments were made during the year.

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

Audit Committee	Mr. Abdullah Ghaffar - Chairman Mr. Abdul Qadir Sultan – Member Mr. Muhammad Ejaz – Member Mr. Muhammad Kashif – Member
HR and Remuneration Committee	Mr. Javed Kureishi – Chairman Mr. Arif Habib – Member Mr. Abdus Samad A. Habib - Member Mr. Muhammad Ejaz – Member

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.

14. The frequency of meetings of the Committees were as per following:

Name of Committee	Frequency of Meeting
Audit Committee	5 meetings were held during the year. The meetings of the Audit Committee are held on a quarterly basis.
HR and Remuneration Committee	1 meeting was held during the year.

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with the requirement, other than regulations 3,6,7,8,27,32,33 and 36 are below:

Regulation	Explanation
Regulation 24	Regulation 24 of Regulations states that the same person shall not simultaneously hold office of Chief Financial Officer and the Company Secretary of a listed Company. The Board is of the opinion the person is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles simultaneously. In addition, it is a cost effective measure and in the best interest of Company and the shareholders.

For and behalf of the Board.

Arif Habib
Chairman

Date: September 23, 2023

INDEPENDENT AUDITORS' REPORT OF UNCONSOLIDATED FINANCIAL STATEMENTS

Yousuf Adil
Chartered Accountants
Cavish Court, A-35,
Block 7 & 8 KCHSU,
Shahrah-e-Faisal, Karachi.

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

INDEPENDENT AUDITORS' REPORT

To the members of Javedan Corporation Limited

Report on review of Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Javedan Corporation Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Yousuf Adil Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shahrah-e-Faisal, Karachi.	Reanda Haroon Zakaria & Co. Chartered Accountants M1-M4, Progressive Plaza Beaumont Road Karachi

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
1. Contingencies	
(Refer notes 30.1.1 (a) to the accompanying unconsolidated financial statements) The Company has contingent liabilities in respect of income tax matters, which are pending adjudication at various levels with the taxation authorities, courts and other legal forums.	Our audit procedures in respect of tax contingencies included, amongst others, we obtained and checked details of the pending tax related matters and discussed the same with the Company's management.
Key audit matter	
Contingencies require management to make judgements and estimates in relation to the interpretation of tax laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgements and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income tax a key audit matter.	We checked the correspondence of the Company with the relevant authorities, tax advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved. We obtained and checked confirmations from the Company's external tax advisors for their views on the probable outcome of the open tax assessments and other tax related contingencies. We involved internal specialists to assess management's conclusions on contingent matters and to evaluate the consistency of such conclusions with the views of the external legal / tax advisors engaged by the Company. We also evaluated the adequacy of disclosures made in respect of tax contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.
2. Revenue Recognition	
(Refer notes 4.3(ii), 4.17.1 and 31) The Company earns revenue from sale of units which includes open plots, bungalows, flat and commercial sites of the housing scheme 'Naya Nazimabad. The recognition of revenue relating to each type of sale depends on the nature of contractual arrangements with the customers. Revenue is recorded in accordance with the requirements of IFRS 15 which provides a comprehensive model of revenue recognition and requires the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying the model to contracts with customers.	We performed a range of audit procedures in relation to revenue including the following: • Evaluated the appropriateness of the Company's revenue recognition accounting policy. • Obtained understanding of design and evaluate implementation of controls designed to check that revenue is recognised in the appropriate accounting period and based on transfer of control of goods to the customer. • Performed testing of sales transactions on a sample basis to check that the related revenues are recorded appropriately at the correct quantity and price when control of goods has been transferred to the customer.

Key audit matter	How the matter was addressed in our audit
During the year, the Company reported a revenue of Rs. 16,827 million, which includes a significant portion of sales amounting to Rs. 8,227 million made to the related parties in the ordinary course of business under the contractual arrangements. We identified revenue recognition as a key audit matter due to significant increase in revenue during the year and involvement of related parties.	• Performed sales cut-off procedures by agreeing sample of transactions occurred on and around the year end to the evidence of deliveries to check that sales are recorded in the correct accounting period. • Considered the adequacy of the disclosures in respect of revenues in accordance with the applicable financial reporting standards. • For related party sales transactions, we reviewed agreements and minutes of Board of Directors for approval of said transactions. We involved our external experts to assess the reasonableness of selling prices.
3. Valuation of development properties	
(Refer note 12 to the accompanying financial statements) The Company's development properties ('DP') acquired or being constructed for sale in ordinary course of business constitutes the 'Naya Nazimabad' Project which is located in Karachi, principally comprising open plots, bungalows, etc. As of June 30, 2023, DP amounted to Rs. 15,280 million and constitutes 34% of the total assets of the Company and is measured at the lower of cost or net realizable value (NRV). Due to its materiality and significance in terms of judgements and estimates involved in capitalization of cost incurred as a part of Project and valuation of underlying DP, we have considered this a key audit matter.	Our audit procedures amongst others included, review of controls around the valuation of DP by testing the underlying cost calculation; physical inspection of the Project site to ascertain the condition and existence of development properties, assessing the basis and appropriateness for cost capitalised in accordance with the applicable financial reporting standards. • We also tested the development expenditure incurred and capitalized during the year from agreements, invoices and related documents supporting various components of the Project costs and checked related approvals. We also reviewed the minutes of the meetings at the Board level to identify any indicators of adjustments. • We assessed the reasonableness of the selling price used in the assessment of NRV of DP and compared with the cost on sample basis to ascertain the recording of DP at lower of cost or NRV. • We also reviewed the related disclosures in accordance with the applicable financial reporting standards.

Yousuf Adil
Chartered Accountants
Cavish Court, A-35,
Block 7 & 8 KCHSU,
Shahrah-e-Faisal, Karachi.

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

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the unconsolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under Zakat and ushr ordinance 1980 was deducted by the company and deposited in the central zakat fund established under 7 of that ordinance.

Other matter

The annual financial statements of the Company for the year ended June 30, 2022 were audited by EY Ford Rhodes, Chartered Accountants and Reanda Haroon Zakaria & Company, Chartered Accountants, who expressed an unmodified opinion on October 06, 2022.

The engagement partners on the audit resulting in this independent auditor's report are Mr. Nadeem Yousuf Adil (Yousuf Adil, Chartered Accountants) and Mr. Farhan Ahmed Memon (Reanda Haroon Zakaria & Company, Chartered Accountants).

Yousuf Adil

Yousuf Adil
Chartered Accountants

Reanda Haroon Zakaria

Reanda Haroon Zakaria & Co.
Chartered Accountants

Karachi

Date: October 04, 2023

UDIN: AR2023100916ezNop3P4

UDIN: AR202310147hoxywmOZL

UNCONSOLIDATED FINANCIAL STATEMENTS

Javedan Corporation Limited
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		------ (Rupees in '000) ------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**8,754,790**	6,924,951
Intangible assets	7	**2,013**	3,163
Investment properties	8	**553,126**	719,991
Long-term deposits	9	**11,719**	13,372
Long-term investments	10	**2,422,870**	1,510,000
Advance against issuance of units	11	**2,135,697**	-
		13,880,215	9,171,477
CURRENT ASSETS			
Development properties	12	**15,280,241**	19,499,396
Trade debts	13	**10,696,779**	1,040,253
Loans and advances	14	**832,370**	1,554,349
Trade deposits, prepayments and other receivables	15	**396,724**	335,572
Short-term investments	16	**1,713,721**	13,000
Unclaimed deposits	17	**782**	782
Cash and bank balances	18	**82,314**	1,645,816
		29,002,931	24,089,168
TOTAL ASSETS		**42,883,146**	33,260,645
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
390,000,000 (2022: 390,000,000) ordinary shares of Rs.10/- each		**3,900,000**	3,900,000
Issued, subscribed and paid-up capital	19	**3,808,604**	3,808,604
Capital reserves	20	**2,758,293**	2,758,293
Revenue reserves	20	**10,537,427**	4,393,813
Other component of equity - revaluation surplus on lands	21	**8,817,355**	8,394,190
		25,921,679	19,354,900
NON-CURRENT LIABILITIES			
Long-term financings	22	**6,625,235**	7,537,129
Deferred grant	23	**42,119**	33,754
Deferred tax liability		**-**	-
Deferred liability - gratuity	24	**76,681**	66,189
		6,744,035	7,637,072
CURRENT LIABILITIES			
Trade and other payables	25	**2,523,422**	706,633
Preference shares	26	**505**	505
Accrued mark-up	27	**448,334**	191,321
Contract liabilities	28	**633,841**	1,091,250
Advance against sale of investment properties		**-**	176,673
Short-term borrowings	29	**4,080,997**	1,833,164
Current maturity of non-current liabilities	22 & 23	**2,348,539**	2,116,734
Taxation - net		**174,947**	147,901
Unpaid preference dividend		**303**	242
Unclaimed dividend		**6,544**	4,250
		10,217,432	6,268,673
TOTAL EQUITY AND LIABILITIES		**42,883,146**	33,260,645
CONTINGENCIES AND COMMITMENTS	30		

The annexed notes from 1 to 47 form an integral part of these financial statements.

Chief Financial Officer | **Chief Executive Officer** | **Director**

Javedan Corporation Limited
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------ (Rupees in '000) ------	
Revenue from contracts with customers - Net	31	**16,827,214**	5,009,539
Cost of sales	32	**(7,793,730)**	(2,594,266)
Gross profit		**9,033,484**	2,415,273
Marketing and selling expenses	33	**(92,599)**	(32,855)
Flyover cost	34	**(1,235,066)**	(404,312)
Administrative expenses	35	**(481,367)**	(457,561)
Finance costs - Net	36	**(336,730)**	(67,737)
Other income - Net	37	**379,145**	303,683
Loss on disposal of Investment Properties		**(16,266)**	-
Allowance for expected credit loss		**(283,911)**	-
Profit before taxation		**6,966,690**	1,756,491
Taxation	38	**(224,739)**	(251,346)
Profit for the year		**6,741,951**	1,505,145

	Note	2023	2022
Earnings per share		------ (Rupees in '000) ------	
Basic	39	**17.70**	3.95
Diluted	39	**17.70**	3.95

The annexed notes from 1 to 47 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

Javedan Corporation Limited
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------ (Rupees in '000) ------	
Profit for the year		**6,741,951**	1,505,145
Other comprehensive income, net of tax			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):			
Actuarial loss on remeasurement of defined benefit obligation	24.9	**(757)**	(1,000)
Revaluation surplus on land		**1,349,027**	-
Total comprehensive income for the year, net of tax		**8,090,221**	1,504,145

The annexed notes from 1 to 47 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive Officer	Director

Javedan Corporation Limited

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Other component of equity	Total Equity
		Share premium	Tax holiday reserve	General	Unappropri-ated profits	Revaluation surplus on lands	
	------ (Rupees in '000) ------						
Balance as at June 30, 2021	3,173,837	3,381,094	11,966	63,500	2,760,090	8,461,779	17,852,266
Issuance of 20% ordinary bonus shares for the year ended June 30, 2021 (i.e. 1 share for every 5 shares held)	634,767	(634,767)	-	-	-	-	-
Cost on issuance of Shares	-	-	-	-	(1,511)	-	(1,511)
Profit for the year	-	-	-	-	1,505,145	-	1,505,145
Other comprehensive loss, net of tax	-	-	-	-	(1,000)	-	(1,000)
Total comprehensive income, net of tax	-	-	-	-	1,504,145	-	1,504,145
Revaluation surplus on lands realised on account of sale of development properties	-	-	-	-	67,589	(67,589)	-
Balance as at June 30, 2022	**3,808,604**	**2,746,327**	**11,966**	**63,500**	**4,330,313**	**8,394,190**	**19,354,900**
Profit for the year	**-**	**-**	**-**	**-**	**6,741,951**	**-**	**6,741,951**
Other comprehensive loss, net of tax	**-**	**-**	**-**	**-**	**(757)**	**1,349,027**	**1,348,270**
Total comprehensive income, net of tax	**-**	**-**	**-**	**-**	**6,741,194**	**1,349,027**	**8,090,221**
Revaluation surplus on lands realised on account of sale of development properties	**-**	**-**	**-**	**-**	**925,862**	**(925,862)**	**-**
Interim dividend @ 40 percent on ordinary shares for the year ended june 30, 2022	**-**	**-**	**-**	**-**	**(1,523,442)**	**-**	**(1,523,442)**
Balance as at June 30, 2023	**3,808,604**	**2,746,327**	**11,966**	**63,500**	**10,473,927**	**8,817,356**	**25,921,679**

The annexed notes from 1 to 47 form an integral part of these financial statements.

Chief Financial Officer | **Chief Executive Officer** | **Director**

Javedan Corporation Limited
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------ (Rupees in '000) ------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**6,966,690**	1,756,491
Adjustments for non-cash items:			
Depreciation	6.1	**37,009**	28,138
Amortization	35	**1,150**	1,150
Provision for gratuity	24.8	**19,119**	15,100
Remeasurement gain on investment properties	8.2	**(28,576)**	(88,625)
Loss on disposal of investment properties		**16,266**	-
Allowance for expected credit loss		**283,911**	-
Finance costs		**330,474**	111,803
Amortisation of deferred grant	36	**(27,635)**	(20,862)
Remeasurement loss / (gain) on investment designated at FVTPL		**(139,169)**	2,237
Mark-up on saving accounts	37	**(11,300)**	(32,702)
Sale to Global Residency REIT for non-cash consideration	10	**-**	(1,400,000)
Operating profit before working capital changes		**7,447,939**	372,730
(Increase) / decrease in current assets			
Development properties		**4,219,155**	(608,039)
Trade debts		**(9,656,526)**	(772,390)
Loans and advances		**721,979**	(1,260,960)
Trade deposits and other receivables		**(370,970)**	(163,487)
Unclaimed deposits		**-**	(782)
		(5,086,362)	(2,805,658)
(Decrease) / increase in current liabilities			
Trade and other payables		**1,816,789**	(255,841)
Contract liabilities		**(457,409)**	(1,000,721)
Advance against sale of investment properties		**(176,673)**	128,327
		1,182,707	(1,128,235)
Cash flows (used in) / generated from operations		**3,544,284**	(3,561,163)
(Payments) / receipts for:			
Income taxes		**(171,786)**	(172,507)
Finance costs		**(73,399)**	(12,435)
Gratuity	24.6	**(9,386)**	(119)
Long-term deposits		**1,653**	(4,056)
		(252,918)	(189,117)
Net cash flows (used in) / generated from operating activities		**3,291,366**	(3,750,280)
CASH FLOWS FROM INVESTING ACTIVITIES *			
Additions to property, plant and equipment	6.1 & 6.2	**(4,363,111)**	(709,253)
Sale proceeds from disposal of property, plant and equipment		**3,845,291**	15
Sale proceeds from disposal of investment properties		**179,175**	-
Advance against issuance of units		**(2,135,697)**	-
Sale proceeds from disposal of subsidiary company	10	**1,400,000**	-
Investment in subsidiary company		**-**	(100,000)
Investment in debt instruments	10	**(2,173,701)**	-
Mark-up on saving accounts received	37	**11,300**	32,702
Short-term investments - net		**(1,700,721)**	1,281,565
Net cash flows generated from / (used in) investing activities		**(4,937,464)**	505,029

Javedan Corporation Limited
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------ (Rupees in '000) ------	
CASH FLOWS FROM FINANCING ACTIVITIES *			
Cost on issuance of bonus shares		-	(1,511)
Dividend paid		(1,521,148)	(9)
Long-term financings – net		(644,089)	3,811,686
Short-term borrowings – net		2,247,833	928,205
Net cash flows generated from financing activities		82,596	4,738,371
Net increase / (decrease) in cash and cash equivalents		(1,563,502)	1,493,120
Cash and cash equivalents at beginning of the year	18	1,645,816	152,696
Cash and cash equivalents at end of the year	18	82,314	1,645,816

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

The annexed notes from 1 to 47 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive Officer** **Director**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1. STATUS AND NATURE OF BUSINESS

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

1.2 The Company has ceased its cement business since July 01, 2010 and the management has developed business diversification strategy for utilizing the Company's land having area of 1,367 acres for developing a housing scheme, "Naya Nazimabad", that includes bungalows, open plots, flat sites and commercial sites. The Company's layout plan of the project was approved by Lyari Development Authority (LDA) vide letter number LDA/PP/2010/255 on March 02, 2011, revised master plan approved vide letter No CTP/LDA/112 on June 19, 2013 and revised master plan layout approved vide letter no LDA/TP/2022/98 on June 24, 2022 and has obtained No Objection Certificate from Sindh Building Control Authority (SBCA) having NOC # SBCA/D.D(D-II)/985/ADV-503/2011 on November 12, 2011, revised NOC # SBCA/DD(D-II)/985 & 991/ADV-584/2013 and revise NOC # SBCA/DD(PSA-C)/155/Revised/Adv-236/2023 on January 16, 2023. The Company is also the member of Association of Builders and Developers of Pakistan (ABAD).

1.3 These financial statements are the separate financial statements of the Company in which the investment in subsidaries are stated at cost less accumulated impairment losses, if any. As of June 30, 2023, the Company has investments in following subsidiaries:

	% of holding
- NN Maintenance Company (Private) Limited (NNMC)	100%
- Sapphire Bay Development Company Limited (SBDCL)	100%

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

Location	Address
Registered office	Arif Habib Centre, 23, M.T Khan Road, Karachi
Naya Nazimabad Project	Naya Nazimabad, Deh, Manghopir road, Gadap town, Scheme #43, Karachi
Naya Nazimabad Sales Center	Naya Nazimabad, Deh, Manghopir road, Gadap town, Scheme #43, Karachi

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF PREPARATION

3.1 Basis of measurement

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

- recognition of certain employees' retirement benefits at present value (Note 24);
- lands (i.e. freehold and leasehold) classified under property, plant and equipment at revalued amount (Note 6.1.1);
- investment properties at fair value (Note 8.3) ; and
- equity instruments designated at fair value through profit or loss (Note 16.4).

3.2 Functional and presentation currency

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

4. STANDARDS, AMENDMENTS, INTERPRETATIONS AND IMPROVEMENTS

4.1 Amendments, interpretations and improvements to approved accounting standards and the framework for financial reporting that became effective during the year

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and the framework for financial reporting which became effective for the current year:

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Amendments)

IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of the above amendments to the approved accounting standards did not have any material impact on the Company's unconsolidated financial statements.

4.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The adoption of the above amendments to the approved accounting standards did not have any material impact on the Company's unconsolidated financial statements.

Amendment or Improvements		Effective date (annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 01, 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	January 01, 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2024
IAS 1	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023

Amendment or Improvements		Effective date (annual periods beginning on or after)
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

Improvements to accounting standards issued by the IASB (2018-2020 cycle)

IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
IFRS 16	Leases: Lease incentives	January 01, 2022
IAS 41	Agriculture – Taxation in fair value measurements	January 01, 2022

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

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application

Standards		IASB effective date (annual periods begin-ning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

4.3 Significant accounting judgments, estimates and assumptions

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

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

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

(ii) Revenue recognition

The Company assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Company has assessed that based on the sale and purchase agreements entered into with customers, where contracts are entered into to provide real estate assets to customer, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. In these circumstances, the Company recognises revenue over time, whereas, if this is not the case revenue is recognised at a point in time. In cases where the Company determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer. The Company determines the transaction price in respect of each of its contracts with customers and in making such judgment the Company assess the impact of any variable consideration in the contract (if any), due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

(iii) Development properties

The Company reviews the net realisable value of development properties to assess any diminution in the respective carrying values. Net realizable value (NRV) for completed development property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for property in the same geographical market serving the same real estate segment. NRV in respect of development property under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

(iv) Recognition of tax and deferred tax

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

Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The management consider tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4.4 Property, plant and equipment

4.4.1 Owned

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

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

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

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

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

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

4.4.2 Capital work-in-progress

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

4.4.3 Revaluation surplus on lands

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

An annual transfer from the asset revaluation surplus to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

4.5 Intangible assets

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

4.6 Investment properties

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

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

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

4.7 Investment in subsidiaries

Investment in subsidiaries are stated at cost less accumulated impairment losses, if any.

4.8 Right-of-use assets and leases liabilities

4.8.1 Company as a lessee

The Company assess at contract inception whether a contract is, or contain a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Company recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets. As of reporting date, the Company has no contractual arrangement in place as a lessee.

i) Right-of-use assets

The Company recognises right-of-use assets (ROU assets) at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, if any, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under its lease arrangements to lease the assets for additional terms under the contracts. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Any change is accounted for change in estimate and applied prospectively with corresponding change in ROU assets and lease liabilities.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.8.2 Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

4.9 Development properties

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

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

When a development property is sold, the carrying amount of the development property is recognized as an expense in the period in which the related revenue is recognized.

The cost of sales recognised in profit or loss is determined with reference to the directly and indirectly attributable costs incurred on the plots, bungalows, flats and commercial sites sold and any non-specific costs based on the total area of land sold for plots, bungalows, flats and commercial sites in relation to total area of land of the project (i.e. 1,367 acres). The development charges are recognised in profit or loss on the basis of reimbursable development costs recoverable to date from customers on plots / bungalows sold apportioned to total area of land sold in relation to total area of land. Development charges not recoverable from customers are borne by the Company and charged to profit or loss in the year, in which these are incurred. However if non-recoverable development charges are subsequently recovered from future sales to customers, the same will be credited to profit or loss.

4.10 Financial instruments

4.10.1 Financial assets

4.10.1.1 Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost, if any (except for financial assets at fair value through profit or loss, in which case, transaction cost is charged to profit or loss). Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

4.10.1.2 Subsequent measurement

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

a) Financial assets at amortised cost (debt instruments)

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

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

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

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

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

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

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

The Company does not have any debt instruments at fair value through OCI investments during the current and last year and as of reporting date.

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

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

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

The Company does not have any equity investments during the current and last year and as of reporting date.

d) Financial assets at fair value through profit or loss

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

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

4.10.1.3 Derecognition

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

- the rights to receive cash flows from the asset have expired; or

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

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

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

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

4.10.1.4 Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Company applies a simplified approach in calculating ECLs for its trade debts. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Trade debts are secured against goods sold and have low credit risk.

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

4.10.2 Financial liabilities

4.10.2.1 Initial recognition and measurement

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

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

4.10.2.2 Subsequent measurement

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

a) Financial liabilities at fair value through profit or loss

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

b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Amortised cost is the amount at which the financial liability is measured at initial recognition minus the principal repayments minus the cumulative amortisation using the EIR of any difference between that initial amount and the maturity amount. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

4.10.2.3 Derecognition

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

4.10.2.4 Offsetting of financial instruments

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

4.11 Impairment of non-financial assets

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

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

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

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

4.12 Cash and cash equivalents

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

4.13 Preference shares

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

4.14 Employees retirement benefits

4.14.1 Defined benefit plan - gratuity

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

4.14.2 Compensated absences

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

4.15 Borrowing costs

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

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

4.16 Taxation

Current

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

Deferred

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

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

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

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

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

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

4.17 Revenue recognition

4.17.1 Revenue from contracts with customers

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

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

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance obligation completed to date.

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

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

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

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

4.17.2 Other revenues

Revenue from other sources is recognized on the following basis:

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

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

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

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

v) Other income (i.e. transfer fee, cancellation fees, income from cricket ground, etc.), if any, recognised on accrual basis.

4.18 Provisions

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

4.19 Ijarah agreements

Payments made under ijarah arrangements / agreements are charged to the profit or loss on a straight line basis over the ijarah term.

4.20 Foreign currency translations

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

4.21 Dividend and appropriation to reserves

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

4.22 Earnings per share

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

4.23 Government grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant related to an expense item, it is recognised in the statement of profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

4.24 Segment reporting

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

5. DETAILS OF RELATED PARTIES

Name of related parties	%age holding	Basis of relationship
NN Maintenance Company (Private) Limited	100	Subsidiary
Sapphire Bay Development Company Limited	100	Subsidiary
Aisha Steel Mills Limited	-	Common directorship
Arif Habib Consultancy (Private) Limited	-	Common directorship
Black Gold Power Limited	-	Common directorship
Fatima Fertilizer Company Limited	-	Common directorship
Karachi Sports Foundation	-	Common directorship
Sachal Energy Development (Private) Limited	-	Common directorship
AH Aviation (Private) Limited	-	Common directorship
Arif Habib Corporation Limited	-	Common directorship
International Builders and Developers (Private) Limited	-	Common directorship
NCEL Building Management Limited	-	Common directorship
Pakarab Energy Limited	-	Common directorship
Pakistan Business Council	-	Common directorship
Pakistan Engineering Company Limited	-	Common directorship
Pakistan Opportunities Limited	-	Common directorship
Fatimid Foundation	-	Common directorship
Fatima Packaging Limited	-	Common directorship
Habib University Foundation	-	Common directorship
Karachi Education Initiative	-	Common directorship
Pakistan Centre for Philanthropy	-	Common directorship
Arif Habib Equity (Private) Limited	-	Common directorship
MCB-Arif Habib Savings & Investments Limited	-	Common directorship
Nooriabad Spinning Mills (Private) Limited	-	Common directorship
Parkview Company Limited	-	Common directorship
Rotocast Engineering Company (Private) Limited	-	Common directorship
Sukh Chayn Gardens (Private) Limited	-	Common directorship
Safemix Concrete Limited	-	Common directorship
Arif Habib Foundation	-	Common directorship
Fatimafert Limited	-	Common directorship
Fatima Cement Limited	-	Common directorship
Memon Health and Education Foundation	-	Common directorship
Pakarab Fertilizers Limited	-	Common directorship
REMMCO Builders & Developers Limited	-	Common directorship
Siddiqsons Energy Limited	-	Common directorship
Arif Habib Dolmen REIT Management Limited	-	Common directorship
Arif Habib Real Estate Services (Private) Limited	-	Common directorship
Power Cement Limited	-	Common directorship
Arif Habib Limited	-	Common directorship
Go Real Estate	-	Associated person, major shareholder
Mr. Haji Abdul Ghani	-	Associated person, major shareholder
Miss. Nida Ahsan	-	Close family member
Mr. Samad A. Habib - Chief Executive	-	Key management personnel

Name of related parties	%age holding	Basis of relationship
Mr. Arif Habib - Chairman	-	Key management personnel
Mr. Muhammad Ejaz - Director	-	Key management personnel
Mr. Abdullah Ghaffar - Director	-	Key management personnel
Miss. Darakshan Zohaib - Director	-	Key management personnel
Mr. Abdul Qadir - Director	-	Key management personnel
Mr. Alamgir A.Sheikh - Director	-	Key management personnel
Mr. Javed Kureishi - Director	-	Key management personnel
Mr. Kashif A. Habib - Director	-	Key management personnel
Mr. Muneer Gadar - CFO & Company Secretary	-	Key management personnel
JCL Gratuity Fund Trust	-	Employees' Gratuity Fund

6. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		------ (Rupees in '000) ------	
Operating fixed assets	6.1	**5,670,733**	4,949,610
Capital work-in-progess	6.2	**3,084,057**	1,975,341
		8,754,790	6,924,951

6.1 Operating fixed assets - owned

Particulars	Cost / Revaluation Amount: As at July 01, 2022	Additions/ revaluation	Transfers	Disposals / Reversal ***	As at June 30, 2023	Accumulated Depreciation: As at July 01, 2022	Charge for the year	Disposals	As at June 30, 2023	Revalued Amount / Written Down Value As At June 30, 2023	RATE
	------------- (Rupees in '000) -------------										%
Free-hold land (notes 6.1.1 and 6.1.2)	541,599	-	-	417,709	123,890	-	-	-	-	123,890	-
Lease-hold land (notes 6.1.1 and 6.1.2)	2,722,117	4,042,936	231,105	2,175,318	4,820,840	-	-	-	-	4,820,840	-
Other land (note 6.1.4)	1,381,814	-	294,973	1,252,264	424,523	-	-	-	-	424,523	-
Buildings on lease-hold land	40,619	-	-	-	40,619	25,180	1,552	-	26,732	13,887	10
Buildings on other land	137,803	5,378	-	-	143,181	18,092	12,016	-	30,108	113,073	10
Recreational facilities (note 6.1.5)	108,460	2,181	-	-	110,641	5,423	5,161	-	10,584	100,057	5
Furniture and fixtures	17,240	6,274	-	-	23,514	10,383	1,911	-	12,294	11,220	20
Office equipment	57,633	2,262	-	-	59,895	34,849	5,178	-	40,027	19,868	10 - 33
Medical equipment	5,147	388	-	-	5,535	985	116	-	1,101	4,434	10 - 33
Computer equipment	34,089	3,910	-	-	37,999	24,847	4,272	-	29,119	8,880	33
Vehicles	56,150	14,016	-	-	70,166	33,302	6,803	-	40,105	30,061	20
2023	5,102,671	4,077,345	526,078	3,845,291	5,860,803	153,061	37,009	-	190,070	5,670,733	

Particulars	Cost / Revaluation Amount: As At July 01, 2021	Additions	Disposals	As At June 30, 2022	Accumulated Depreciation: As At July 01, 2021	Charge For The Year	Disposals	As At June 30, 2022	Revalued Amount / Written Down Value As At June 30, 2022	Rate
	------------- (Rupees in '000) -------------									%
Free-hold land (notes 6.1.1 and 6.1.2)	541,599	-	-	541,599	-	-	-	-	541,599	-
Lease-hold land (notes 6.1.1 and 6.1.2)	2,722,117	-	-	2,722,117	-	-	-	-	2,722,117	-
Other land (note 6.1.4)	1,379,356	2,458	-	1,381,814	-	-	-	-	1,381,814	-
Buildings on lease-hold land	40,619	-	-	40,619	23,458	1,722	-	25,180	15,439	10
Buildings on other land	63,383	74,420*	-	137,803	12,371	5,721	-	18,092	119,710	10
Recreational facilities (note 6.1.5)	-	108,460*	-	108,460	-	5,423	-	5,423	103,037	5
Furniture and fixtures	15,562	1,678	-	17,240	8,910	1,473	-	10,383	6,857	20
Office equipment	54,348	3,323	38	57,633	29,008	5,864	23	34,849	22,784	10 - 33
Medical equipment	4,957	190	-	5,147	946	39	-	985	4,162	10 - 33
Computer equipment	27,723	6,366	-	34,089	20,823	4,024	-	24,847	9,242	33
Vehicles	46,290	9,860	-	56,150	29,430	3,872	-	33,302	22,848	20
2022	4,895,954	206,755	38	5,102,671	124,946	28,138	23	153,061	4,949,610	
		182,880*								

* Represent the transfer from capital work-in-progress.

** Represents land transferred (i.e. amenities) from development properties to property, plant and equipment (note 12).

*** Represents land transferred to development properties.

6.1.1 During the year, the Company has appointed an independent valuer M/s Asif Associates (Private) Limited to carry out a revaluation exercise of its leasehold land which has resulted in net surplus of Rs. 2,601 million (note 21).

The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. The fair value of said lands falls under level 3 of fair value hierarchy (i.e. significant observable inputs).

6.1.2 The forced sale value of leasehold land are Rs. 3,856 million based on the latest revaluation carried out by an independent valuer on June 30, 2023, respectively.

6.1.3 The immovable assets (i.e. free-hold, leasehold land and other land) of the Company as at June 30, 2023 have an net area of 100.31 acres free-hold land, leasehold land and other land respectively, located at Naya Nazimabad, Deh, Manghopir, Gadap Town, Scheme 43, Karachi, and is used by the Company for business purposes.

6.1.4 Land classified as 'Other land' are amenity plots (i.e. land for construction of mosques and Public Building).

6.1.5 Recreational facilities are cricket and football ground.

6.1.6 The depreciation charge for the year has been allocated to administrative expenses.

6.2 Capital work-in-progress

	Note	2023	2022
		------ (Rupees in '000) ------	
Opening		**1,975,341**	1,472,843
Additions		**1,108,716**	685,378
Transfer to operating fixed assets		**-**	(182,880)
Closing	6.2.1	**3,084,057**	1,975,341

6.2.1 The details of capital work-in-progress are as under:

	2023	2022
Gymkhana (club house)	**2,212,165**	1,605,623
Jama masjid	**388,579**	304,839
Hospital	**483,313**	64,879
	3,084,057	1,975,341

7. INTANGIBLE ASSETS

	Cost			Rate	Accumulated Amortization			Net Book Value
	As At July 1, 2022	Addition During The Year	As At June 30, 2023		As At July 1, 2022	Charge During The Year	As At June 30, 2023	As At June 30, 2023
	------------ (Rupees in '000) ------------			%	------------ (Rupees in '000) ------------			
Software - 2023	**5,751**	**-**	**5,751**	**20**	**2,588**	**1,150**	**3,738**	**2,013**
Software - 2022	5,751	-	5,751	20	1,438	1,150	2,588	3,163

8. INVESTMENT PROPERTIES

	Note	2023	2022
		------ (Rupees in '000) ------	
Investment property - completed	8.2	**553,126**	719,991

8.1 Investment properties comprise of various properties having aggregated area of 104,813 square yards (2022: 366,851 square yards) situated at Deh Manghopir and other locations in Karachi (note 8.5).

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

	Note	2023	2022
		------ (Rupees in '000) ------	
As at July 01		**719,991**	631,366
Disposal during the year		**(195,441)**	-
Remeasurement gain	8.3	**28,576**	88,625
As at June 30		**553,126**	719,991

8.2.1 During the year, the Company has disposed off properties bearing survey no. 86, 87, 88, 89, 62 , 77, 78, 80 and 81 having aggregate area of 51.42 acres, and carrying value of Rs. 195.44 million at a sale consideration of Rs.179.172 million.

8.3 An independent valuation was carried out by the Company through an independent professional valuer M/s Asif Associates (Private) Limited on June 30, 2023 and the fair value of Rs.553 million (2022: Rs.719 million) was determined with reference to market based evidence, active market prices and relevant information. Accordingly, the fair value adjustment of Rs. 28.57 million (2022: Rs. 88.62 million) is recognised in profit or loss. The fair value of investment property falls under level 2 of fair value hierarchy (i.e. significant observable inputs).

8.4 The aggregated forced sale value of investment properties as per the latest valuation reports are Rs. 443 million (2022: Rs. 580 million).

8.5 The details of investment properties as of June 30, 2023 are as follows:

S.No	Location of investment properties	Land area
1.	Survey No 85 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	12 acres and 10 ghuntas
2.	Survey no 79 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	04 acres and 36 ghuntas
3.	Plots No 27-C to 36-C at N.C-1 Deh Orangi Town District West Karachi.	4,949 sq yds
4.	Plots No 11-C to 16- C at N.C-1 Deh Orangi Town District West Karachi.	3,385 sq yds
5.	Plots No 17-C to 26- C at N.C-1 Deh Orangi Town District West Karachi.	5,010 sq yds
6.	Plot No D-24 Survey No 32 situated at Deh Manghopir District West Karachi.	2,123 sq yds
7.	N.C. 182, Deh Khari Lakhi, Anwer Shamim Road, North Nazimabad, District Central, Karachi.	9,680 sq yds

	Note	2023	2022
9. LONG-TERM DEPOSITS		------ (Rupees in '000)	------
Utilities		**4,701**	4,701
Rent		**500**	500
Lease deposits		**5,802**	7,455
Others		**716**	716
		11,719	13,372
10. LONG-TERM INVESTMENTS			
Investment in subsidiaries at cost			
- NN Maintenance Company (Private) Limited - subsidiary company	10.1	**10,000**	10,000
- Sapphire Bay Development Company Limited - subsidiary company	10.2	**100,000**	100,000
- Globe Residency REIT	10.3	**-**	1,400,000
		110,000	1,510,000
Debt Instruments - designated at fair value through profit or loss - Naya Nazimabad Apartment REIT			
Carrying Amount		**2,173,750**	-
Appreciation on remeasurement of investment		**139,120**	-
	10.4	**2,312,870**	-
		2,422,870	1,510,000

10.1 Represents investment of 1 million ordinary shares having face value of Rs. 10 each made by the Company in year 2020, in a wholly owned subsidiary namely NN Maintenance Company (Private) Limited.The principal activities of the subsidiary is to carry out maintenance, other related business and work of development at Naya Nazimabad project of the Company. The subsidiary company commenced its operational activities effective from January 2020.

10.2 Represent investment of 1 million ordinary shares having face value of Rs. 10 each aggregating to Rs. 10 million, in a wholly owned subsidiary namely Sapphire Bay Development Company Limited. The subsidiary company has yet to commence its operational activities. In-addition, the company has also given advance of Rs. 90 million on account of future issuance of ordinary shares.

10.3 The Board of Directors and shareholders of the Company in their meeting held on August 27, 2022 and September 21, 2022 respectively, resolved to sale or otherwise disposing of up to 100% units of the GRR [a wholly owned subsidiary], including by way of Offer for Sale through Pakistan Stock Exchange, after obtaining all requisite regulatory approvals in accordance with the applicable laws, rules, and regulations.

10.4 The Company has sold land measuring 46,597 square yards to NN Apartment REIT (NNAR, a REIT Scheme) for consideration in cash of Rs 2,887 million and in form of units of NNAR of Rs 2,937 million having face value of Rs. 10 each. During the year the company has sold units to Arif Habib Corporation Limited and Arif Habib Limited at face value of Rs. 485.75 million and 278 million (No. of Units 48,575,000 and 27,800,000 respectively).

NNAR is a limited life (indicatively 7 years), within which it will construct and sell the residential and commercial properties on this land. Thereafter, it will be liquidated and the leftover assets will be distributed to the unitholders. In the context of limited life entities, the ownership interests by default meet the financial liability definition of IAS 32, as there is a present obligation of the entity to deliver the cash to the owners upon liquidation and the liquidation is certain to occur and beyond the control of parties to the instrument. Considering this, the management has classified it as debt instrument. Further, since the contractual terms of the instrument do not give rise to, on specified dates, cash flows that are solely payments of principal and interest on the principal amount outstanding, the investment is classified at fair value through profit or loss."

11. ADVANCE AGAINST ISSUANCE OF UNITS

The Company paid advance of Rs. 2,135 million to Sapphire Bay Islamic Development REIT against issuance of its units. As per agreement, executed on November 18, 2021 (effective date), RUDA offered 2,000 acres of land to 17 consortium parties. The Company, based on this agreement and equity amount holding percentage, plays a lead role in this project.

12. DEVELOPMENT PROPERTIES

	Note	2023	2022
		------ (Rupees in '000) ------	
Land			
Opening balance		**16,441,918**	15,031,918
Add: Additions during the year		**1,199,382**	1,410,000
		17,641,300	16,441,918
Development expenditure incurred			
Opening balance		**12,028,016**	10,938,044
Add: Incurred during the year		**1,583,527**	1,089,972
		13,611,543	12,028,016
Borrowing costs related to development properties			
Opening balance		**3,388,027**	2,683,235
Add: Additions during the year	36	**1,317,464**	704,792
		4,705,491	3,388,027
		35,958,334	31,857,961
Transferred to:			
- property, plant and equipment		**(597,080)**	(71,003)
- investment properties		**(40,291)**	(40,291)
- cost of sales to date	32	**(14,362,775)**	(7,576,888)
- development charges incurred and apportioned to date	32	**(5,677,947)**	(4,670,383)
		15,280,241	19,499,396

12.1 The land under development properties having an area of 425.55 acre has been mortgaged / pledged with various financial institutions against financing facilities obtained.

13. TRADE DEBTS

	Note	2023	2022
		------ (Rupees in '000) ------	
Secured, considered good			
Receivable against:			
- sales of plots and bungalows	13.1	**9,906,180**	795,171
- utilities infrastructure charges		**172,391**	1,913
- development charges incurred:			
- billed	13.2	**191,831**	49,597
- un-billed	13.3	**426,377**	193,572
		618,208	243,169
		10,696,779	1,040,253

13.1 This includes:

- Rs. 250 million, receivable from Globe Residency REIT (GRR), a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited, (a related party) on account of sale of land.

- Sale consideration receivable Rs.2,887 million from Naya Nazimabad Apartment REIT (REIT Scheme) against land measuring 46,597 sq. yds. This REIT Scheme is managed by Arif Habib Dolmen REIT Management Limited, a related party.

- Sale consideration receivable Rs.3,727 million from Gymkhana Apartment REIT (REIT Scheme) against land measuring 29,818 sq. yds. This REIT Scheme is managed by Arif Habib Dolmen REIT Management Limited, a related party.
- Sale consideration receivable Rs. 2,304 million from Parkview Apartment REIT (REIT Scheme) against land measuring 23,094 sq. yds. This REIT Scheme is managed by Arif Habib Dolmen REIT Management Limited, a related party.

- Sale consideration receivable Rs. 619.600 million from Signature Residency REIT (REIT Scheme) against land measuring 4,088 sq. yds.

- Sale consideration receivable Rs. 3.412 million from Abdul Ghani against land measuring 14,092 sq. yds.

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

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

13.4 As of June 30, 2023 and 2022, the ageing analysis of unimpaired trade debts are as follows:

			Past due but not impaired		
	Total	Neither past due nor impaired	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
Sales of plots and bungalows:					
Related party					
Globe Residency REIT	250,000	250,000	-	-	-
Gymkhana Apartment REIT	3,727,250	3,727,250	-	-	-
Parkview Apartment REIT	2,304,900	2,304,900	-	-	-
NN Apartment REIT	2,887,125	2,887,125	-	-	-
Signature Residency REIT	619,600	-	619,600	-	-
Abdul Ghani	3,412	-	3,412	-	-
Other than related parties	113,893	32,075	27,563	-	54,255
	9,906,180	9,201,350	650,575	-	54,255
Utilities infrastructure charges					
Other than related parties	172,391	-	172,391	-	-
	172,391	-	172,391	-	-
Development charges incurred:					
Other than related parties - billed and unbilled	618,208	426,377	191,831	-	-
2023	10,696,779	9,627,727	1,014,797	-	54,255

	Total	Neither past due nor impaired	Past due but not impaired > 30 days upto 120 days	Past due but not impaired > 121 days upto 180 days	Past due but not impaired 180 days and above
Sales of plots and bungalows:					
Related party					
Globe Residency REIT	700,000	700,000	-	-	-
Other than related parties	95,171	16,186	2,784	3,417	72,784
	795,171	716,186	2,784	3,417	72,784
Utilities infrastructure charges					
Other than related parties	1,913	-	1,913	-	-
	1,913	-	1,913	-	-
Development charges incurred:					
Related parties					
Unbilled					
- Arif Habib	400	400	-	-	-
- Arif Habib Equity (Pvt) Limited	3,385	3,385	-	-	-
- Arif Habib Limited	7,370	7,370	-	-	-
- Nida Ahsan	1,539	1,539	-	-	-
- Abdul Ghani	3,071	3,071	-	-	-
	15,765	15,765	-	-	-
Other than related parties - billed and unbilled	227,404	188,705	38,699	-	-
	243,169	204,470	38,699	-	-
2022	1,040,253	920,256	43,397	3,417	72,784

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

	2023	2022
	------ (Rupees in '000) ------	
Haji Abdul Ghani	**3,412**	3,604
Nida Ahsan	**-**	1,539
Arif Habib	**-**	1,194
Arif Habib Limited	**-**	8,060
Go Real state	**-**	4,524
Gymkhana Apartment REIT	**3,727,250**	-
Parkview Apartment REIT	**2,304,900**	-
NN Apartment REIT	**2,887,125**	-
Signature Residency REIT	**619,600**	-
Global Residency REIT	**250,000**	700,000

14. LOANS AND ADVANCES - Considered good

	Note	2023	2022
		------ (Rupees in '000) ------	
Loans - secured			
Executives		**5,871**	7,339
Employees		**1,736**	2,466
	14.1 &14.2	**7,607**	9,805
Loans - unsecured			
Loan to a related party - Arif Habib Limited	14.4	**-**	800,000
Advances - unsecured			
Suppliers	14.5	**489,951**	544,566
Contractors		**194,195**	180,821
Employees for expenses		**1,467**	5,007
Purchase of properties	14.3	**139,150**	14,150
		824,763	744,544
		832,370	1,554,349

14.1 Represents interest free loans given to employees for various reasons in accordance with the terms of the employment. These loans are repayable within twelve months and are secured against staff gratuity fund.

14.2 The movement in loans to employees and executives are as follows:

	2023	2022
	------ (Rupees in '000) ------	
Balance as of 01 July	**9,805**	8,043
Loans obtained during the year	**9,585**	16,845
Adjusted during the year	**(11,783)**	(15,083)
Balances as of 30 June	**7,607**	9,805

14.3 Represents advances (as partial payments) given for purchase of various properties under the terms of agreement agreed between the Company and third parties.

14.4 During the year, the related party has repaid the facility.

14.5 Included herein advances to related parties for purchase of cement and concrete, as follows:

	2023	2022
	------ (Rupees in '000) ------	
- Safemix Concrete Limited	**83,469**	133,313
- Power Cement Limited	**-**	30,501
	83,469	163,814

15. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2023	2022
		------ (Rupees in '000) ------	
Trade deposits - Unsecured			
Considered good			
- Security deposit with Sindh Building Control Authority		**3,345**	3,345
- Others	15.1	**14,723**	12,409
		18,068	15,754
Considered doubtful			
- Guarantee margin		**225**	225
- Contractors		**2,680**	2,680
		2,905	2,905
Allowances for expected credit losses		**(2,905)**	(2,905)
		18,068	15,754
Prepayments			
Rent		**-**	664
Insurance		**1,365**	849
Others		**4,214**	5,178
		5,579	6,691
Other receivables - Unsecured			
Sales tax refundable - considered doubtful		**4,703**	4,703
Excise duty refundable - considered good		**574**	574
Receivable from related parties - considered good	15.2 & 15.3 & 15.4	**636,538**	310,941
Others - considered good		**19,876**	1,612
		661,691	317,830
Allowances for expected credit losses		**(288,614)**	(4,703)
		373,077	313,127
		396,724	335,572

15.1 Included herein Rs. 14.7 million deposited with Honorable High Court of Sindh in respect of labor case pending adjudication.

15.2 Included herein receivables from related parties, as follows:

	Note	2023	2022
		------ (Rupees in '000) ------	
- NN Maintenance Company (Private) Limited - subsidiary company	15.2.1	**477,847**	297,729
- International Builders and Developers (Private) Limited - associate		**280**	187
- Rahat Residency REIT		**14,745**	9,512
- Haji Abdul Ghani		**369**	369
- Naya Nazimabad apartment REIT		**49,153**	3,144
- Gymkhana apartment REIT		**6,023**	-
- Parkview apartment REIT		**5,910**	-
- Meezan Centre apartment REIT		**3,263**	-
- Globe Residency REIT		**18,150**	-
- Sapphire Bay Development Company Limited		**2,299**	-
- Arif Habib Engineering and development consultants (Pvt) Limited		**58,500**	-
	15.3	**636,538**	310,941

15.2.1 These are net of Rs. 33.527 million payable to the subsidiary company on account of group relief availed by the Company in tax year 2022, in accordance with the provisions of the Income Tax Ordinance, 2001. The above finance has been provided to the subsidiary to support working capital requirements.

15.3 These are past due but not impaired.

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

	Note	2023	2022
		------ (Rupees in '000) ------	
- NN Maintenance Company (Private) Limited - subsidiary company		477,847	297,729
- International Builders and Developers (Private) Limited - associate		280	187
- Arif Habib Limited - associates		-	9,512
- Naya Nazimabad apartment REIT		49,153	3,144
- Haji Abdul Ghani		369	369
		527,649	310,941

16. SHORT-TERM INVESTMENTS

	Note	2023	2022
At amortized cost			
Term deposit receipts (TDRs)	16.1	13,000	13,000
Designated at fair value through profit or loss			
Equity instruments	16.3 & 16.4	126,316	-
Debt securities at fair value through profit or loss			
Investment in Unquoted TFCs of:			
- Term Finance Certificate of Commercial Bank I	16.5	844,730	-
- Term Finance Certificate of Commercial Bank II	16.6	729,675	-
		1,713,721	13,000

16.1 This carries mark-up at 7.4 to 9% (2022: 7.4% to 9%) having maturity upto one year i.e. latest by April 05, 2024.

16.2 As of June 30, 2023, the details of equity instruments designated at FVTPL held by the Company are as follows:

Company name	Number of shares		Fair value	
	2023	2022	2023	2022
			----- (Rupees in '000) -----	
Globe Residency REIT	9,200,000	-	126,316	-
	9,200,000	-	126,316	-

16.3 The movement of equity instruments is as follows:

	Note	2023	2022
		------ (Rupees in '000) ------	
Balance as at July 01		**-**	1,229,052
Cost of investments made		**101,200**	-
Investment dispose off during the year		**-**	(1,229,052)
Unrealized gain for the year - net	37	**25,116**	-
Balance as at June 30		**126,316**	-

16.4 The fair value of equity instruments desiganted at FVTPL falls under Level 1 of the fair value hierarchy (i.e. quoted market prices).

16.5 This represents the investment in 8,500 Term Finance Certificates (TFCs) having face value of Rs. 100,000/- each. These TFCs have been issued by the Commercial Bank carry interest at the rate of 6 month average KIBOR + 2% per annum (payable semi-annually).

16.6 This represents the investment in 150,000 Term Finance Certificates (TFCs) having face value of Rs. 5,000/- each. These TFCs have been issued by the Commercial Bank carry interest at the rate of 6 month average KIBOR + 2% per annum (payable semi-annually).

17. UNCLAIMED DEPOSITS

Represents amount withheld and transferred to the State Bank of Pakistan as per Section 31 of the Banking Companies Ordinance, 1962, since no transaction has taken place in the Company's bank account for a period of ten years.

18. CASH AND BANK BALANCES

	Note	2023	2022
		------ (Rupees in '000) ------	
Cash in hand		**14,066**	32,676
Cheques in hand		**2,600**	4,606
Cash at banks in:			
- current accounts		**62,529**	1,070,108
- deposit accounts	18.1	**3,119**	538,426
		65,648	1,608,534
		82,314	1,645,816

18.1 These carry markup at the rate ranging between 12 percent to 19 percent per annum (2022: 5.3 percent to 10.25 percent per annum).

19. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2023	2022		Note	2023	2022
------ (Rupees in '000) ------				------ (Rupees in '000) ------	
		Ordinary shares of Rs.10 each			
8,600,000	8,600,000	Issued for cash		**86,000**	86,000
47,200,000	47,200,000	Issued under the financial restructuring arrangement		**472,000**	472,000
		Bonus shares issued:			
113,902,382	50,425,641	Opening		**1,139,023**	504,256
-	63,476,741	Issued during the year		**-**	634,767
113,902,382	113,902,382	Closing		**1,139,023**	1,139,023
(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
176,432,216	176,432,216	Right shares issued		**1,764,322**	1,764,322
61,661,763	61,661,763	Shares issued on conversion from preference shares	19.3	**616,618**	616,618
380,860,447	380,860,447			**3,808,604**	3,808,604

19.1 The major shareholders of the Company as at June 30, 2023 and June 30, 2022 are as follows:

	2023	2022	2023	2022
	----- % holding -----		----- (Rupees in '000) -----	
Haji Abdul Ghani	**12%**	12%	**451,973**	451,973
Arif Habib Corporation Limited	**10%**	10%	**380,611**	380,611
Arif Habib Equity (Private) Limited	**29%**	29%	**1,092,432**	1,092,433
			1,925,016	1,925,016

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

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

	2023	2022	2023	2022
	----- Number of Shares -----		----- (Rupees in '000) -----	
Opening	**61,661,763**	61,661,763	**616,618**	616,618
Shares issued on conversion of preference shares during the year	**-**	-	**-**	-
Closing	**61,661,763**	61,661,763	**616,618**	616,618

20. RESERVES

	Note	2023	2022
		------ (Rupees in '000) ------	
Capital reserves			
Tax holiday reserve	20.1	**11,966**	11,966
Share premium	20.2	**2,746,326**	2,746,327
		2,758,292	2,758,293
Revenue reserve			
General reserves	20.3	**63,500**	63,500
Un-appropriated profits		**10,473,927**	4,330,313
		10,537,427	4,393,813
		13,295,719	7,152,106

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

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

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

21. REVALUATION SURPLUS ON LANDS

	Note	2023	2022
		------ (Rupees in '000) ------	
Balance as at July 01:			
Development properties		**4,186,359**	4,256,203
Property, plant and equipment		**4,207,831**	4,205,576
		8,394,190	8,461,779
Surplus arising on revaluation of lands during the year		**1,349,027**	-
Transfer to unappropriated profit on sale of development		**(925,862)**	(67,589)
Balance as at June 30		**8,817,355**	8,394,190
Represented by:			
Development properties		**4,133,524**	4,186,359
Property, plant and equipment	6.1.1	**4,683,831**	4,207,831
		8,817,355	8,394,190

22. LONG-TERM FINANCINGS - Secured

	Note	2023	2022
		------ (Rupees in '000) ------	
Term finance loan II	22.1	**375,200**	510,231
Term finance loan III	22.2	**2,292,061**	1,988,589
Term finance loan IV	22.3	**1,000,000**	1,000,000
SBP-Refinance Scheme	22.4	**-**	13,547
Sukuk certificates	22.5	**1,742,333**	2,238,642
Diminishing musharakah I	22.6	**535,714**	750,000
Diminishing musharakah II	22.7	**810,530**	996,415
Diminishing musharakah III	22.8	**1,000,000**	1,000,000
Diminishing musharakah IV	22.9	**-**	700,000
Islamic refinance facility	22.10	**289,064**	391,567
Term finance loan V	22.11	**900,000**	-
		8,944,902	9,588,991
Current maturity of long-term financings		**(2,319,667)**	(2,051,862)
		6,625,235	7,537,129

22.1 Represent term finance facility amounting to Rs. 550 million from a commercial bank, for a period of 5 years to finance the ongoing infrastructure development of Naya Nazimabad Housing project. It carries mark-up at the rate of 3 months KIBOR plus 2 percent per annum and is redeemable after twelve months grace period, in 16 equal quarterly installment latest by February 01, 2026. The facility is secured by equitable mortgage charge over land of Rs. 785.714 million bearing survey nos. 205 to 229 at Deh Manghopir, Gadap Town, Naya Nazimabad with at least 30% margin and personal guarantee of related parties. The Company has incurred transaction cost of Rs. 9.323 million to obtain said financing.

22.2 The Company has obtained term finance facility of Rs. 2,500 million from a commercial bank for the completion of under construction projects. It carries mark-up at the rate of 6 months KIBOR plus 1 percent per annum and is repayable in 10 semi-annual installment with 12 months grace period. The facility is secured by equitable mortgage charge over land at project site with 30% margin over market value / with 20% margin over forced sales value, whichever is higher. The Company has incurred transaction cost of Rs.12.5 million to obtain said financing.

22.3 The Company has obtained term finance facility of Rs. 1,000 million from a commercial bank for the completion of under construction projects. It carries mark-up at the rate of 6 months KIBOR plus 1 percent per annum and is repayable in 03 semi-annual installment with 18 months grace period. The facility is secured by equitable mortgage charge over land at project site with 25% margin over market value. The facility is secured by equitable mortgage charge over land of Rs. 1,333.334 million located at Block H and Block Q, Naya Nazimabad Karachi.

22.4 The company has fully repaid the principal during the year.

22.5 The Company has issued privately placed sukuk certificates aggregating to Rs. 2,993 million having face value of Rs.100,000/- each to eligible institutions / investors (i.e. the certificate holders or beneficiaries) for a period of 8 years (inclusive of 2 years grace period) to make payment of commercial land purchased in the year 2018. These carry markup at the rate of 6 months KIBOR plus 1.75 percent per annum and are redeemable in 12 equal installments starting from April 04, 2021 till October 04, 2026. The Company is liable to pay annual trustee fee of Rs.0.75 million to Pak Brunei Investment Company Limited (the trustee) under the trust deed dated September 14, 2018.The facility is secured by equitable mortgage charge over land of Rs. 4,285.714 million against 49 plots located at Tapo Manghopir, Taluka Gadap Town, District Karachi and other assets (i.e. stand-by letter of credits, collection account and sponsors support agreements). The Company has incurred transaction cost of Rs. 47.776 million to obtain said financing.

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

22.7 The Company has obtained diminishing musharaka facility of Rs. 1,000 million from a commercial bank to finance the ongoing infrastructure development of Naya Nazimabad. This loan is repayable in 5 years with 12 months grace period. It carries mark-up at the rate of 3 month KIBOR plus 1.10 percent per annum. The musharaka units are to be purchased by September 2026. The facility is secured by equitable mortgage charge and registered mortgage over land at project site, first exclusive charge with 25% margin on property having market value and forced sales value of Rs. 1,558 million and Rs. 1,247 million respectively and personal guarantee of director of the Company. The Company has incurred transaction cost of Rs. 5 million to obtain said facility.

22.8 The Company has obtained diminishing musharaka facility of Rs. 1,000 million from a commercial bank to finance the ongoing infrastructure development of Naya Nazimabad project. The loan is repayable in 5 years with eighteen months grace period. It carries mark-up at the rate of 3 month KIBOR plus 1 percent per annum. The musharaka units are to be purchased by December 2026. The facility is secured by equitable mortgage charge and registered mortgage over land at project site with 43.18% margin and personal guarantee of directors of the Company along with personal net worth statement amounting to Rs. 1,333.34 million.

22.9 The company has fully repaid the principal during the year.

22.10 The Company has obtained long-term financing from a commercial bank having a limit of Rs 1,000 million under Islamic Refinance facility for combating COVID-19 by State Bank of Pakistan. It carries a flat mark-up at the rate of 3 percent per annum with no floor or cap and is repayable in 18 quarterly installments commencing from April 2022 discounted at effective rate of interests at 6.65% percent per annum. The differential mark-up has been recognised as government grant which will be amortised to interest income over the period of the facility. The facility is secured by equitable mortgage charge over land at project site with market value of Rs. 1,336 million with 25% margin. As of the reporting date, the Company has drawdown Rs. 450 million.

In addition, the Company has obtained diminishing musharaka facility of Rs. 550 million for a period of 10 years to the SBP refinance facility. It carries markup mark-up rate of 3 month KIBOR plus 1.00% per annum and is repayable in 20 equal quarterly installment. As of the reporting date, the said facility remains fully unutilised.

22.11 The Company has obtained a term finance facility of Rs. 900 million from a commercial bank to finance the ongoing infrastructure development including utility (electricity) infrastructure development of Block A, C and D of Naya Nazimabad project. The loan is repayable in bullet payment at maturity. It carries mark-up at the rate of 6 month KIBOR plus 1 percent per annum. The facility is secured by equitable mortgage charge over land.

23. DEFERRED GRANT

	Note	2023	2022
		------ (Rupees in '000) ------	
As at July 1, 2022		**98,626**	1,783
Recognised during the year		**-**	117,705
Released to profit or loss		**(27,635)**	(20,862)
As at June 30, 2023	23.1	**70,991**	98,626
Current portion shown under current liabilities		**28,872**	64,872
Non-current portion		**42,119**	33,754
		70,991	98,626

23.1 This includes a grant of Rs. 40 million in relation to the construction of Jama Masjid (Block D) in prior year by Company.

24. DEFERRED LIABILITY - GRATUITY

24.1 General description

As stated in note 5.13 to these financial statements, the Company operates a retirement benefit plan (the Plan) namely approved funded gratuity scheme for all its permanent employees to provide post retirement benefits to all full-time management staff employees. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2023.

Plan assets held in trust are governed by local regulations which mainly includes repealed Trust Act 1882 (now Sindh Trusts Act, 2020), Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment and funding decisions and contribution schedules lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

24.2 Principal actuarial assumptions

The latest actuarial valuation for defined benefit plan scheme was carried out as at June 30, 2023 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

	2023	2022
Discount rate %	**16.25**	13.25
Expected rate of increase in salary levels %	**16.25**	13.25
Expected rate of return on plan assets %	**8.11%**	8.11%
Average retirement age of the employee	**60 years**	60 years

24.3 Reconciliation of amount payable to defined benefit plan

	Note	2023	2022
		------ (Rupees in '000) ------	
Present value of defined benefit obligation	24.4	**73,730**	61,273
Less: Fair value of plan assets	24.6	**(280)**	(2,279)
Payable		**3,231**	7,195
	24.5	**76,681**	66,189

		Note	2023	2022
			------ (Rupees in '000) ------	
24.4	**Movement in present value of defined benefit obligation**			
	Present value of obligation as at July 1		**61,273**	53,920
	Current service cost		**11,925**	10,386
	Interest cost		**7,682**	5,016
	Benefits paid		**(5,851)**	(1,516)
	Liability transferred from other group company		**-**	-
	Liability transferred to other group company		**(715)**	-
	Benefits due but not paid		**(736)**	(6,011)
	Actuarial loss on re-measurement of obligation		**152**	(522)
	Present value of obligation as at June 30		**73,730**	61,273
24.5	**Movement in payable to defined benefit plan**			
	Opening liability		**66,189**	50,207
	Charge for year to profit or loss	24.8	**19,118**	15,100
	Other comprehensive loss / (gain)	24.9	**757**	1,000
	Net liability transferred from / (to) other group company		**(715)**	-
	Contributions to the fund		**(8,668)**	(118)
	Closing liability		**76,681**	66,189
24.6	**Movement in fair value of plan assets**			
	Fair value of plan assets as at July 1		**2,279**	3,713
	Contributions		**8,668**	118
	Interest Income on plan assets		**489**	301
	Benefits paid		**(10,553)**	(1,516)
	Benefits due but not paid		**-**	-
	Adjustment of opening payable		**-**	1,186
	Return on plan assets excluding interest income		**(605)**	(1,522)
	Fair value of plan assets as at June 30		**280**	2,279

24.7 The plan assets comprise of bank balances only.

		2023	2022
24.8	**Expense recognised in profit or loss**		
	Current service cost	**11,925**	10,386
	Interest cost on defined benefit obligation	**7,682**	5,015
	Interest income on plan assets	**(489)**	(301)
		19,118	15,100
24.9	Actuarial loss / (gain) on re-measurement of plan assets / obligation comprise of:		
	Actuarial losses / (gains) from changes in demographic assumptions	**-**	-
	Actuarial losses / (gains) from changes in financial assumptions	**134**	-
	Experience adjustments	**18**	(522)
		152	(522)
	Return on plan assets excluding interest income	**605**	1,522
	Total remeasurements chargeable in other comprehensive income	**757**	1,000

24.10 The plan exposes the company to the following risks:

Mortality risk: Mortality rates are based on State Life Corporation (SLIC 2001-2005) ultimate mortality rates with 1 year setback as per recommendation of Pakistan Society of Actuaries "PSOA".

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

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

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

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

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	%	------ (Rupees in '000) ------	
Sensitivity analysis			
Discount rate	1	68,678	(79,443)
Salary growth rate	1	79,432	(68,599)

24.12 The expected gratuity expense for the year ending June 30, 2024 works out to Rs. 25.459 million.

24.13 The weighted average duration of the defined benefit obligation at June 30, 2023 is 7 years (2022: 7 years).

25. TRADE AND OTHER PAYABLES

	Note	2023	2022
		------ (Rupees in '000) ------	
Creditors	25.1	125,669	60,769
Accrued liabilities		98,694	74,137
Retention money		206,295	119,009
Withholding tax payable		33,685	16,694
Other payables:			
- on cancellation of plots		8,917	8,917
- against other projects		1,746,626	20,770
- against broker market		67,400	-
- non-violation charges		88,669	86,030
- Globe Residency REIT		-	320,307
- Signature Residency REIT		147,467	-
		2,523,422	706,633

25.1 Included herein amount payable to the following related parties:

	2023	2022
	------ (Rupees in '000) ------	
Arif Habib Dolmen REIT Management Limited	-	2,977
Rotocast Engineering Company (Private) Limited	-	124
	-	3,101

26. PREFERENCE SHARES

26.1 Issued, subscribed and paid-up preference shares

2023	2022		2023	2022
------ (Rupees in '000) ------			------ (Rupees in '000) ------	
45,150,200	45,150,200	Preference shares of Rs.10 each	**451,502**	451,502
(45,099,700)	(45,099,700)	Shares cancelled on conversion into ordinary shares	**(450,997)**	(450,997)
50,500	50,500		**505**	505

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

- The shares were issued under the provision of Section 86 of the repealed Companies Ordinance, 1984 (the repealed Ordinance) read with Section 90 of the repealed Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.

- The financial capital of the Company and the issue of the shares were duly approved by the shareholders.

- Dividend on the shares is appropriation of profit both under the repealed ordinance (now Act) and the tax laws.

- The preference shareholders have the right to convert these shares into ordinary shares.

27. ACCRUED MARK-UP

	Note	2023	2022
		------ (Rupees in '000) ------	
Accrued markup on :			
- long-term financings		**255,149**	156,886
- short-term borrowings	27.1	**193,185**	34,435
		448,334	191,321

27.1 This includes markup payable to Arif Habib Corporation Limited, Arif Habib, Arif Habib Limited and Haji Abdul Ghani - related parties of Rs. 28.618 million,Rs.57.403 million, Rs.2.071 million, and Rs. 0.76 million (2022: Rs. Nil million, 0.8 million, 7 million and Rs.0.76 million).

28. CONTRACT LIABILITIES

	Note	2023	2022
		------ (Rupees in '000) ------	
Advance from customers	28.1	**60,192**	822,860
Liability against performance obligation	28.2	**448,649**	268,390
Advance against Club house Membersip		**125,000**	-
	28.1.1	**633,841**	1,091,250

28.1 Advance from customers

	2023	2022
Advance against:		
- plots and bungalows	**45,238**	51,516
- flats and commercial sites	**14,954**	771,344
	60,192	822,860

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

	2023	2022
	------ (Rupees in '000) ------	
Arif Habib Equity (Private) Limited	**-**	415,095
Haji Abdul Ghani	**-**	139,724
Arif Habib	**-**	78,117
Go Real Estate	**-**	14,326
	-	647,262

28.2 Liability against performance obligation

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

29. SHORT-TERM BORROWINGS - Secured

	Note	2023	2022
		------ (Rupees in '000) ------	
Musharakah arrangement	29.1	**300,000**	300,000
Running finance under mark-up arrangements	29.2	**1,400,155**	599,736
Running finance under mark-up arrangements	29.3	**1,134,067**	933,428
From related parties - unsecured			
Sapphire Bay Development Company Limited (SBDCL)	29.4	**180,524**	-
Arif Habib Corporation Limited (AHCL)	29.5	**614,250**	-
Arif Habib Limited (AHL)	29.6	**352,000**	-
Arif Habib (AH)	29.7	**100,000**	-
		4,080,996	1,833,164

29.1 Represents running musharakah facility from a commercial bank of Rs. 300 million for financing needs of the project. This carries markup rate of KIBOR plus 2.15 percent per annum and renewal of the facility is under process and the extension period has been granted by the commercial bank.The facility is secured by token mortgage of Rs. 0.1 million and remaining through equitable mortgage charge over specified piece of land with 30% margin and personal guarantees of the directors.

29.2 Represents running finance facility availed from a commercial bank of Rs. 600 million (2022: Rs. 600 million). This carries markup rate at 3 months KIBOR plus 2.5 percent payable quarterly and is secured by token mortgage of Rs. 0.1 million and remaining as equitable mortgage charge of land of the Company and is also secured by personal guarantees of all sponsoring directors of the Company. As of reporting date, the facility is unutilised to the extent of Rs. 39.968 million (2022: Rs. 0.264 million). It includes Rs. 839 million of book overdraft.

29.3 During the year, the Company has obtained running finance facility availed from a commercial bank of Rs. 1,000 million. This carries markup rate at 3 months KIBOR plus 2.5 percent payable quarterly and is secured as equitable mortgage charge over fixed assets amounting to Rs. 1,333.33 million (inclusive of 25% margin) of the Company and is also secured by personal guarantees of sponsoring director of the Company. As of reporting date, the facility is fully utilizied. It includes Rs. 134 million of book overdraft.

29.4 Represents financing facility availed from a related party to finance the working capital and project requirement. The loan is repayable on demand and carries markup at the rate of 3 month's KIBOR plus 1.80 percent per annum.

29.5 Represents financing facility availed from a related party to finance the working capital and project requirement. The loan is repayable on demand and carries markup at the rate of 3 month's KIBOR plus 1.80 percent per annum.

29.6 Represents financing facility availed from a related party to finance the working capital and project requirement. The loan is repayable on demand and carries markup at the rate of 3 month's KIBOR plus 1.75 percent per annum.

29.7 Represents financing facility availed from a related party to finance the working capital and project requirement. The loan is repayable on demand and carries markup at the rate of 3 month's KIBOR plus 1.80 percent per annum.

30. CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

30.1.1 Existing business

a) Tax related contingencies

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

ii) In year 2017, taxation authorities issued an assessment order in respect of tax year 2011 and made certain disallowances and additions resulting in a reduction in loss for the year from Rs. 1,497.06 million to Rs. 147.48 million. Being aggrieved, the Company filed appeals against these order before CIR(A), however, the CIR(A) upheld the assessment order. The Company later filed appeal before ATIR which is pending adjudication. The Company, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Company. Accordingly, no provisions were made in these financial statements.

iii) In year 2018, the deemed assessment orders for the tax years 2013 and 2017 were amended by the taxation authorities creating a demand of Rs. 220.22 million and Rs. 486.162 million, respectively. The Company later filed appeal before CIR(A), which was disposed off in year 2020 and the demand was enhanced from Rs. 220.22 million to Rs. 324.58 million for tax year 2013. Being aggrieved, the Company filed appeal before ATIR, which were adjudicated in favor of the Company in year 2020 except for immaterial assessments. The Company, based on the opinion of its tax advisor, is confident of the favourable outcome. Accordingly, no provision has been made in these financial statements.

iv) In year 2021, the taxation authorities issued an assessment order in respect of tax year 2015 and made certain disallowances and additions resulting in a tax demand of Rs. 527.15 million. Being aggrieved, the Company filed appeals against this order before CIR(A). The Company, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Company. Accordingly, no provisions were made in these financial statements.

v) In year 2019, the taxation authorities issued an assessment order in respect of tax year 2018 and made certain disallowances and additions resulting in the tax demand of Rs. 658.81 million. Being aggrieved, the Company filed appeals against these order before CIR(A). In year 2021, CIR(A) remanded back the appeal to the relevant Commissioner. Later the Company filed appear before ATIR which is pending adjudication. The Company, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Company. Accordingly, no provisions were made in these financial statements.

vi) Alternate Corporate Tax (ACT) was applicable on the Company at rate of 17% of accounting income after certain adjustments as mentioned in Section 113(c) of the Income Tax Ordinance, 2001 through Finance Act 2014. Accordingly, the Company had made a provision for ACT for the year ended June 30, 2014 but obtained stay order from the Honourable High Court of Sindh (SHC) against applicability of ACT since tax year 2015 based on the grounds of brought forward losses. Later, the Company had reversed provision previously created of Rs. 131.273 million relating to prior years. Accordingly, the tax provision based on ACT having an aggregated impact of Rs.761.07 million has not been accounted for in these financial statements, instead the Company continues to record the tax provision based on minimum tax under Section 113 of the Income Tax Ordinance, 2001 upto tax year 2018. In year 2019, the Company had adjusted its brought forward losses against taxable income and accordingly, provision for the tax year 2019 and onwards are based on higher of Corporate Tax or ACT.

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

vii) The Company has filed constitutional petition before the High Court of Sindh (SHC) vide Constitutional Petition No. 2564 of 2014 dated May 15, 2014 challenging vires of Workers Welfare Ordinance, 1971. SHC has admitted constitutional petition for regular hearing and issued interim stay order from recovery of Workers' Welfare Fund (WWF) impugned demand by Federal Board of Revenue for the tax year 2013. The management, based on the opinion of the tax advisor, is expecting favourable outcome on the said matter. Accordingly, no liability for WWF since 2014 to 30 June 2023 has been accounted for in these financial statements having an aggregate impact of Rs.155.244 million (2022: Rs. 155.244 million).

viii) The Company has filed a constitutional petition D-4971 of 2017 dated July 28, 2017 in Honorable High Court of Sindh (SHC) against imposition of tax on undistributed profits under Section 5A of Income Tax Ordinance, 2001. The management is confident of the favourable outcome of this petition, as stay has been granted on similar petitions filed by other companies. Although, the Company has complied with the requirements related to distribution of profits for the years but the petition in this regarding is still pending before SHC.

b) Other contingencies

i) As at June 30, 2023, several cases were filed against the Company before various court of laws relating to title / possession / encroachment of land, claims, settlements of dues, etc, the amount of which cannot be determined. The management, based on the opinion of the legal counsel expects that the outcome of all these cases will be in favour of the Company, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these financial statements.

ii) Guarantees issued by the commercial banks on behalf of the Company of Rs. 404.39 million (2022: Rs. 441.35 million).

30.1.2 Former business

As at June 30, 2023, there are several cases aggregating to Rs. 15.73 million (2022: Rs. 15.73 million) which were filed on former Javedan Cement Limited (now Javedan Corporation Limited) relating to their former business (i.e. cement business operation) before various court of laws, which majorly pertains to the gross annual rental value, trade license fee, excise duty, title / possession / encroachment of leasehold land for mining purpose allotted to the Company, etc., which are still pending for decision at various forum. The management, based on the opinion of the legal counsels, expects that the outcome of all these cases will be in favour of the Company, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these financial statements.

30.2 Commitments

	Note	2023	2022
		------ (Rupees in '000) ------	
Capital commitments		**2,740,848**	2,580,588
Ijarah rentals	30.2.1	**17,902**	24,355

30.2.1 The Company has various ijarah agreements with a financial institution in respect of purchase of vehicles for a period upto five years and are payable in monthly installments latest by April 2027. Taxes and repairs are to be borne by the Company (lessee), however, major repairs and insurance costs are to be borne by the lessors. These payments are secured against promissory notes in favor of the lessors for the entire amount of the ijarah rentals and security deposits of Rs. 7.503 million (2022: Rs. 7.503 million). Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

	2023	2022
	------ (Rupees in '000) ------	
Not later than one year	6,447	6,762
Later than one year but not later than five years	11,455	17,593
	17,902	24,355

31. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	2023	2022
Local sales, at a point in time		
Plots	15,382,767	4,377,069
Bungalows	464,810	15,970
	15,847,577	4,393,039
Development and utility charges reimbursable from customers	1,007,843	666,829
Cancellation and forfeiture	(28,160)	(50,329)
Trade discount	(46)	-
	(28,206)	(50,329)
	16,827,214	5,009,539

31.1 Revenue recognised during the year that was included in the contract liabilities at the beginning of year amounted to Rs. 45.360 million (2022: Rs. 900.310 million).

32. COST OF SALES

	Note	2023	2022
		------ (Rupees in '000) ------	
Cost of development properties sold:			
- plots		6,286,405	2,011,647
- bungalows		499,482	2,996
	12	6,785,887	2,014,643
Development charges:			
- Development and utility charges incurred and apportioned to customers		1,007,843	579,623
		7,793,730	2,594,266

33. MARKETING AND SELLING EXPENSES

	2023	2022
Sales promotions	38,870	11,376
Exhibitions and events	46,786	20,913
Commission	6,943	566
	92,599	32,855

34. FLYOVER COST

The company has obtained permission from government of Sindh to construct flyover connecting Manghopir road with North Nazimabad and beyond to the project sites. In this regard, the Company has incurred expenditure of Rs 1,265 million during the year

35. ADMINISTRATIVE EXPENSES

	Note	2023	2022
		------ (Rupees in '000) ------	
Salaries, wages and other benefits	35.1	**232,222**	213,057
Fees and subscriptions		**19,525**	25,241
Depreciation	6.1	**37,009**	28,138
Amortization		**1,150**	1,150
Vehicle running		**14,477**	11,210
Legal, professional and consultancy		**2,190**	7,668
Repair and maintenance		**8,864**	12,086
Software license and maintenance		**17,707**	14,897
Rent, rates and taxes		**1,328**	1,101
Utilities		**82,291**	60,728
Donation	35.2	**13,655**	12,596
Communication		**3,749**	4,523
Travelling and conveyance		**4,201**	2,000
Ijarah rentals		**4,970**	5,768
Insurance		**10,210**	6,319
Printing and stationery		**8,359**	6,687
Auditors' remuneration	35.3	**3,589**	3,639
Entertainment		**2,416**	1,672
Meetings and conventions		**1,800**	700
Security		**11**	80
Caretaking charges		**2,544**	5,780
Others		**9,100**	32,521
		481,367	457,561

35.1 Included herein Rs. 19.18 million (2022: Rs.15.100 million) in respect of employees retirement benefits.

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

35.3 Auditors' Remuneration

EY Ford Rhodes

	2023	2022
	------ (Rupees in '000) ------	
Annual audit of financial statements		
- standalone	-	750
- consolidation	-	300
Review of half yearly financial statements	-	200
Code of Corporate Governance and other assurance services	-	925
Out of pocket expense	-	109
	-	2,284

	Note	2023	2022
		------ (Rupees in '000) ------	
Yousuf Adil			
Annual audit of financial statements			
- standalone		**750**	-
- consolidation		**300**	-
Review of half yearly financial statements		**200**	-
Code of Corporate Governance and other assurance services		**875**	-
Out of pocket expense		**109**	-
		2,234	-
Reanda Haroon Zakaria & Company			
Annual audit of financial statements			
- standalone		**750**	750
- consolidation		**230**	230
Review of half yearly financial statements		**200**	200
Code of Corporate Governance		**125**	125
Out of pocket expense		**50**	50
		1,355	1,355
		3,589	3,639

36. FINANCE COSTS - Net

	Note	2023	2022
Dividend on preference shares	4.13	**61**	61
Mark-up on:			
- long-term financings		**1,719,314**	838,727
- short-term borrowings		**404,425**	59,777
		2,123,739	898,504
Bank and other charges		**6,256**	8,709
		2,130,056	907,274
Less: Borrowing cost capitalized in the cost of qualifying asset		**(1,499,157)**	(786,762)
Finance Cost		**630,899**	120,512
Mark-up Income on loans and advances		**282,869**	20,073
Mark-up on saving accounts		**11,300**	32,702
Finance Income		**294,169**	52,775
Finance Costs - Net		**336,730**	67,737

	Note	2023	2022
		------ (Rupees in '000) ------	
37. OTHER INCOME - Net			
Income from financial assets			
Remeasurement (loss)/gain on investment designated at FVTPL	10	**139,169**	(2,237)
		139,169	(2,237)
Income from non-financial assets			
Transfer Fees		**77,530**	152,478
Rental income from sport facilities		**34,625**	15,169
Rental income from investment properties		**34,612**	18,495
Remeasurement gain on investment properties	8.2	**28,576**	88,625
Amortisation of deferred grant		**27,635**	20,862
Others		**36,998**	10,291
		239,976	305,920
		379,145	303,683

38. TAXATION

	Note	2023	2022
Current	38.1	**253,104**	182,343
Prior		**(28,365)**	69,707
Deferred		**-**	(704)
		224,739	251,346

38.1 The assessments of the Company for and upto tax year 2022 have been completed or deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001 except for contingencies related to tax matters as disclosed in note 30.1.1 to these financial statements.

In previous year June 30, 2022, the Company has registered itself in Section 100D Special provisions relating to builders and developers with effect from July 1, 2020. However, the normal tax regime has been followed in the audit for the year ending June 30, 2021 therefore prior tax charge has been calculated with respect to excess tax.

The Company filed its return in the month of December 2021 under section 100D and 11th Schedule with effect from July 1, 2020 estimating total liability of project in 3 years at Rs. 348.480 million out of which Rs. 116.16 million will be charged every year.

39. EARNINGS PER SHARE

Basic

	2023	2022
Profit after tax (Rupees in '000)	**6,741,951**	1,505,145
Weighted average number of ordinary shares (In numbers)	**380,860,447**	380,860,447
Earnings per share (In Rupees)	**17.70**	3.95

	2023	2022
	------ (Rupees in '000) ------	
Diluted		
Profit attributable to ordinary shareholders (Rupees in '000)	**6,741,994**	1,505,145
Weighted average number of ordinary shares in issue (In numbers)	**380,860,447**	380,860,447
Adjustment for conversion of convertible preference share (In numbers)	**15,524**	16,739
Weighted average number of ordinary shares for diluted earning per share (In numbers)	**380,875,971**	380,877,186
Earnings per share - (In Rupees)	**17.70**	3.95

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40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements are as follows:

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Managerial remuneration	**11,808**	12,881	**-**	-	**65,862**	57,648
Medical	**1,808**	1,288	**-**	-	**6,600**	5,765
Fuel allowance	**1,174**	701	**-**	-	**8,542**	6,624
Mobile allowance	**-**	-	**-**	-	**923**	930
Lease rentals	**-**	-	**-**	-	**3,179**	4,382
House rent	**-**	-	**-**	-	**2,048**	517
Special allowance	**945**	-	**-**	-	**3,234**	951
Drivers allowance	**-**	-	**-**	-	**300**	300
Utility Allowance	**-**	-	**-**	-	**280**	-
Conveyance Allowance	**-**	-	**-**	-	**631**	-
Internet allowance	**-**	-	**-**	-	**71**	-
Meal allowance	**-**	-	**-**	-	**84**	-
Bonus	**984**	-	**-**	-	**5,489**	-
	16,718	14,870	**-**	-	**97,242**	77,117
Number of Persons	**1**	1	**-**	-	**35**	27

40.1 No remuneration is paid / payable to the directors of the Company for current and prior years, other than those disclosed in note 40.3 to these financial statements.

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

40.3 During the year, the Company has paid Rs. 1.80 million (2022: Rs. 0.81 million) to a non-executive Director on account of board meeting fees.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining and appropriate mix between various sources of finance to minimize risks. Taken as a whole, the Company is exposed to market risk, credit risk, and liquidity risk. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2023. The policies for managing each of these risks are summarised below:

41.1 Financial assets and liabilities are carried at amortised cost except for short-term investments of Rs.Nil (2022: Rs. Nil million) carried at fair value through profit or loss and their respective maturities are as follows:

	Interest bearing			Non-Interest bearing			Total
	Maturity upto one year	Maturity after one year but less than five years	Total	Maturity upto one year	Maturity after one year but less than five years	Total	
	------ (Rupees in '000) ------						
Financial assets							
Long-term deposits	-	-	-	-	11,719	11,719	11,719
Long-term investment	-	-	-	-	2,422,870	2,422,870	2,422,870
Trade debts	-	-	-	10,696,779	-	10,696,779	10,696,779
Loans	-	-	-	7,607	-	7,607	7,607
Trade deposits and other receivables	-	-	-	390,571	-	390,571	390,571
Short-term investments	13,000	-	13,000	126,316	-	126,316	139,316
Cash and bank balances	3,119	-	3,119	79,195	-	79,195	82,314
2023	16,119	-	16,119	11,300,468	2,434,589	13,735,057	13,751,176
Financial liabilities							
Long-term financings	2,319,667	6,625,235	8,944,902	-	-	-	8,944,902
Trade and other payables	-	-	-	2,489,737	-	2,489,737	2,489,737
Accrued mark-up	448,334	-	448,334	-	-	-	448,334
Short-term borrowings	4,080,996	-	4,080,996	-	-	-	4,080,996
Unpaid preference dividend	-	-	-	303	-	303	303
Unclaimed dividend	6,544	-	6,544	-	-	-	6,544
2023	6,855,541	6,625,235	13,480,776	2,490,040	-	2,490,040	15,970,816

	Interest bearing			Non-Interest bearing			Total
	Maturity upto one year	Maturity after one year but less than five years	Total	Maturity upto one year	Maturity after one year but less than five years	Total	
	------ (Rupees in '000) ------						
Financial assets							
Long-term deposits	-	-	-	-	13,372	13,372	13,372
Long-term investment	-	-	-	-	1,510,000	1,510,000	1,510,000
Trade debts	-	-	-	1,040,253	-	1,040,253	1,040,253
Loans	-	-	-	809,805	-	809,805	809,805
Trade deposits and other receivables	-	-	-	328,307	-	328,307	328,307
Short-term investments	13,000	-	13,000	-	-	-	13,000
Cash and bank balances	538,426	-	538,426	1,107,390	-	1,107,390	1,645,816
2022	551,426	-	551,426	3,285,755	1,523,372	4,809,127	5,360,553
Financial liabilities							
Long-term financings	2,051,862	7,537,129	9,588,991	-	-	-	9,588,991
Trade and other payables	-	-	-	689,939	-	689,939	689,939
Accrued mark-up	191,321	-	191,321	-	-	-	191,321
Short-term borrowings	1,833,164	-	1,833,164	-	-	-	1,833,164
Unpaid preference dividend	-	-	-	242	-	242	242
Unclaimed dividend	4,250	-	4,250	-	-	-	4,250
2022	4,080,597	7,537,129	11,617,726	690,181	-	690,181	12,307,907

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values.

41.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. The sensitivity analyses in the following sections relate to the position as at June 30, 2023.

41.2.1 Interest rate risk

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

41.2.2 Interest rate sensitivity

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

	(Increase) / decrease in basis points	Effect on profit before tax
		(Rupees in '000)
2023	**+10%**	**(1,295,491)**
	+10%	**1,295,491**
2022	+10%	(1,132,353)
	+10%	1,132,353

41.2.3 Currency risk

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

41.2.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. As at reporting date, the Company is not exposed to equity price risk, as disclosed in (note 16).

41.3 Credit risk

41.3.1 Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. The financial assets excludes statutory receivables / assets and includes investments, trade debts, deposits, other receivables, loans and cash and bank balances at amortized cost. Out of the total financial assets of Rs. 16,627.242 million (2022: Rs.5,358.863 million), the financial assets which are subject to credit risk amounted to Rs. 13,832 million (2022: Rs.5,201.984 million). The Company's credit risk is primarily attributable to its trade debts and bank balances. The Company has large number of customers, including corporate and individuals, due to large number and diversity of its customer base, concentration of credit risk with respect to trade debtors is limited.

The credit quality of financial assets that are past due but not impaired is disclosed in note 13.4 to these financial statements. As at reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

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

	Note	2023	2022
		------ (Rupees in '000) ------	
Long-term deposits	9	**11,719**	13,372
Long-term investment	10	**2,422,870**	1,510,000
Trade debts	13	**10,642,524**	920,656
Loan to employees and related party	14	**7,607**	808,115
Trade deposits and other receivables	15	**390,571**	328,307
Short-term investments	16	**1,713,721**	13,000
Bank balances	18	**65,648**	1,608,534
		15,254,660	5,201,984

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

Bank Balances by short-term rating category	Rating Agency	2023	2022
		------ (Rupees in '000) ------	
A-1	PACRA	**15**	117
A-1	VIS	**47,468**	688
A-1+	PACRA	**23,155**	1,452,878
A-1+	VIS	**2**	147,335
A-3	VIS	**(4,993)**	7,516
		65,647	1,608,534

41.4 Liquidity risk

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

The table below summarizes the maturity profile of the Company's financial liabilities at amortized cost at June 30, 2023 and 2022 based on contractual undiscounted payment dates and present market interest rates:

	2023					
	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
	---------------- (Rupees in '000) ----------------					
Financial liabilities						
Long-term financings	**8,944,902**	**8,944,902**	**551,552**	**1,768,115**	**2,219,667**	**4,405,568**
Trade and other payables	**2,489,737**	**2,489,737**	**2,489,737**	**-**	**-**	**-**
Accrued mark-up	**448,334**	**448,334**	**448,334**	**-**	**-**	**-**
Short term borrowings	**4,080,997**	**4,080,997**	**4,080,997**	**-**	**-**	**-**
Unpaid preference dividend	**303**	**303**	**303**	**-**	**-**	**-**
Unclaimed dividend	**6,544**	**6,544**	**6,544**	**-**	**-**	**-**
	15,970,817	**15,970,817**	**7,577,467**	**1,768,115**	**2,219,667**	**4,405,568**

	2022					
	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
	---------------- (Rupees in '000) ----------------					
Financial liabilities						
Long-term financings	9,588,991	9,588,991	551,552	1,500,310	2,219,667	5,317,462
Trade and other payables	689,939	689,939	689,939	-	-	-
Accrued mark-up	191,321	191,321	191,321	-	-	-
Short term borrowings	1,833,164	1,833,164	1,833,164	-	-	-
Unpaid preference dividend	242	242	242	-	-	-
Unclaimed dividend	4,250	4,250	4,250	-	-	-
	12,307,907	12,307,907	3,270,468	1,500,310	2,219,667	5,317,462

41.5 Fair value of financial instruments

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

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

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

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

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

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

Level 1: Quoted market price.
Level 2: Valuation techniques (market observable)
Level 3: Valuation techniques (non - market observables)

The fair value hierarchy of assets are disclosed in these financial statements as follows:

	Note
- Lands under property, plant and equipment	6.1.1
- Lands under investment properties	8.3
- Equity instruments designated at FVTPL	16.4

41.5.1 The Company held the following financial instruments measured at fair value:

	Total	Level 1	Level 3	Level 3
Financial assets - Designated at FVTPL				
June 30, 2023	**4,013,591**	**126,316**	**1,574,405**	**2,312,870**
June 30, 2022	-	-	-	-

Description of unobservable inputs to valuation

The significant unobservable inputs used in fair value measurement categorised within Level 3 of the fair value hirarchy, as at June 30, 2023 as shown below:

	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Unquoted units Naya Nazimabad Apartment REIT	Discount rate	20.73% -22.73%	2% increase in the discount rate to 22.73% could result in decrease in fair value by PKR 277.73 million.

41.6 Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2023.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and revenue reserves. The gearing ratio as at June 30, 2023 and 2022 are as follows:

	Note	2023	2022
		------ (Rupees in '000) ------	
Long-term financings	22	**8,944,902**	9,588,991
Preference shares	26	**505**	505
Accrued mark-up	27	**448,334**	191,321
Short-term borrowings	29	**4,080,996**	1,833,164
Total debts		**13,474,737**	11,613,981
Less: Cash and bank balances	18	**(82,314)**	(1,645,816)
Net debts		**13,392,423**	9,968,165
Issued, subscribed and paid-up capital	19	**3,808,604**	3,808,604
Capital reserves	20	**2,758,292**	2,758,293
Revenue reserves	20	**10,537,427**	4,393,813
Other component of equity - revaluation surplus on lands	21	**8,817,355**	8,394,190
Total equity		**25,921,678**	19,354,900
Total capital		**39,314,101**	29,323,065
Gearing ratio		**34.07%**	33.99%

42. TRANSACTIONS WITH RELATED PARTIES

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

	2023	2022
	------ (Rupees in '000) ------	
Subsidiary Companies		
NN Maintenance Company (Private) Ltd [NNMC]		
Expenses incurred on behalf of NNMC by the Company	**354,885**	258,414
Amount paid by NNMC to the Company	**151,427**	90,900
Expenses incurred by NNMC on behalf of the Company	**23,340**	42,650
Sapphire Bay Development Company Limited [SBDCL]		
Investment made during the period	**-**	10,000
Advance against future issuance of shares	**-**	90,000
Short term borrowing from SBDCL	**180,524**	-
Markup income received on advance against issuance of Shares	**25,498**	-
Markup expense on loan received from SBDCL	**23,203**	
Expenses incurred on behalf of SBDCL by the Company	**4**	1,106

	2023	2022
	------ (Rupees in '000) ------	
Associates - Common directorship		
Globe Residency REIT		
Receipts against sale of land	**450,000**	-
Advances received against sale of apartments / Sale of wastage steel	**29,944**	-
Expenses incurred on behalf of GRR by the Company	**48,970**	-
Signature Residency REIT [SRR]		
Sale of plots	**817,600**	-
Advances received against sale of apartments	**179,843**	-
Expenses incurred on behalf of SRR by the Company	**32,376**	-
Gymkhana Apartment REIT [GAR]		
Sale of plots	**3,727,250**	-
Expenses incurred on behalf of GAR by the Company	**6,023**	-
Park view Apartment REIT [PVAR]		
Sale of plots	**2,304,900**	-
Expenses incurred on behalf of PVAR by the Company	**5,909**	-
Arif Habib Corporation Limited		
Short-term borrowing obtained during the period	**1,100,000**	-
Sale of Units of NN Apartment REIT	**485,750**	
Markup expense on short term-borrowing	**36,114**	-
Markup paid during the period	**7,496**	2,723
Arif Habib Equity (Pvt) Limited		
Sale of plots	**605,156**	454,920
Advance adjusted against sale of plots	**402,093**	454,920
Advance received against purchase of commercial sites	**203,063**	216,883
Development charges billed	**13,000**	55,080
Development charges received	**13,000**	55,080
Arif Habib Limited		
Sale of plots	**-**	-
Purchase of plots	**-**	1,410,000
Paid against purchase of plots	**-**	1,410,000
Short-term borrowing extended during the period	**750,000**	1,780,000
Re-Payment of Short-term borrowing extended during the period	**1,550,000**	980,000
Short-term borrowing obtained during the period	**630,000**	380,000
Sale of Units of NN Apartment REIT	**278,000**	-
Short-term borrowing repaid during the period	**-**	380,000
Markup expense on short term-borrowing obtained during the period	**2,071**	10,637
Markup income on short-term-borrowing extended during the period	**246,778**	20,091
Markup income received on short-term-borrowing extended during the period	**246,778**	17,012
Purchase of Term Finance Certificates	**1,602,317**	-

	2023	2022
	------ (Rupees in '000) ------	
Power Cement Limited		
Advance against construction material	-	48,000
Advance adjusted	48,000	-
Purchase of construction material	102,349	37,699
Paid against the purchase of construction material	59,481	23,341
Safe Mix Concrete Limited		
Advance against construction material	-	140,000
Advance adjusted against concrete for hospital	54,338	-
Purchase of construction material	34,806	30,528
Paid against the purchase of construction material	32,733	24,227
Associates - Common directorship		
Rotocast Engineering Co. (Private) Limited		
Services received during the year	1,623	843
Paid against services received	1,494	819
Rent prepaid during the year	1,328	1,207
Rent expense charged during the year	1,328	1,207
Other Services	36	1,109
International Builders and Developers (Private) Limited		
Expenses incurred by the Company on behalf of International Builders and Developers (Private) Limited	94	187
Associated persons		
Haji Abdul Ghani		
Sale of plots	214,133	156,100
Advance adjusted against sale of plots	130,691	156,100
Advance against Club house Membership	40,000	-
Received against purchase of commercial site	80,000	-
Development charges billed	4,200	18,900
Development charges received	4,200	18,900
Associates		
Go Real Estate		
Development charges received	-	14,326
Key management personnel (Other than CEO - Note 40)		
Arif Habib - Director		
Advance received against purchase of commercial sites	-	183,117
Sale of plots	558,087	93,660
Advance adjusted against sale of plots	75,317	93,660
Advance against Club house Membership	31,000	-
Development charges billed	2,800	11,340
Development charges received	2,800	11,340
Short-term loans received during the year	2,430,000	1,575,000
Short-term loans paid during the year	2,330,000	1,575,000
Mark-up expense on short term-borrowing	56,509	894

	Note	2023	2022
		------ (Rupees in '000) ------	
Post employment benefit plan			
Gratuity fund trust - contribution paid during the year	24	**8,668**	118

42.1 The outstanding receivable and payable balances as of June 30, 2023 and 2022 are disclosed in their respective notes to these financial statements.

43. INFORMATION ABOUT OPERATING SEGMENTS

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

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

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

44. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions.

45. GENERAL

45.1 Number of employees as at June 30, 2023 was 234 (2022: 229) and average number of employees during the year was 229 (2022: 221).

46. SUBSEQUENT EVENT

In its meeting held on September 23, 2023, the Board of Directors of the Company proposed a final cash dividend of Rs. 06 (six) per share amounting to Rs. 2,285,162,682/- . The aforementioned proposed entitlement are to be approved by the members of the Company in their Annual General Meeting (AGM) scheduled to be held on October 27, 2023. These unconsolidated financial statements do not reflect the said appropriation.

47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 04, 2023 by the Board of Directors of the Company.

Chief Financial Officer	Chief Executive Officer	Director

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INDEPENDENT AUDITORS' REPORT OF CONSOLIDATED FINANCIAL STATEMENTS

Yousuf Adil
Chartered Accountants
Cavish Court, A-35,
Block 7 & 8 KCHSU,
Shahrah-e-Faisal, Karachi.

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

INDEPENDENT AUDITORS' REPORT

To the members of Javedan Corporation Limited

Opinion

We have audited the annexed consolidated financial statements of Javedan Corporation Limited and its subsidiary companies (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Yousuf Adil Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shahrah-e-Faisal, Karachi.	Reanda Haroon Zakaria & Co. Chartered Accountants M1-M4, Progressive Plaza Beaumont Road Karachi

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
1. Contingencies	
(Refer notes 31.1.1 (a) to the accompanying consolidated financial statements) The Group has contingent liabilities in respect of income tax matters, which are pending adjudication at various levels with the taxation authorities, courts and other legal forums. Contingencies require management to make judgements and estimates in relation to the interpretation of tax laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Group for disclosure and recognition and measurement of any provisions that may be required against such contingencies. Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgements and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income tax a key audit matter.	Our audit procedures in respect of tax contingencies included, amongst others, we obtained and checked details of the pending tax related matters and discussed the same with the Group's management. We checked the correspondence of the Group with the relevant authorities, tax advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved. We obtained and checked confirmations from the Group's external tax advisors for their views on the probable outcome of the open tax assessments and other tax related contingencies. We involved internal specialists to assess management's conclusions on contingent matters and to evaluate the consistency of such conclusions with the views of the external legal / tax advisors engaged by the Group. We also evaluated the adequacy of disclosures made in respect of tax contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.
2. Revenue Recognition	
(Refer notes 5.3(ii), 5.17.1 and 32) The Group earns revenue from sale of units which includes open plots, bungalows, flat and commercial sites of the housing scheme 'Naya Nazimabad. The recognition of revenue relating to each type of sale depends on the nature of contractual arrangements with the customers. Revenue is recorded in accordance with the requirements of IFRS 15 which provides a comprehensive model of revenue recognition and requires the Group to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying the model to contracts with customers. During the year, the Group reported a revenue of	We performed a range of audit procedures in relation to revenue including the following: • Evaluated the appropriateness of the Group's revenue recognition accounting policy. • Obtained understanding of design and evaluate implementation of controls designed to check that revenue is recognised in the appropriate accounting period and based on transfer of control of goods to the customer. • Performed testing of sales transactions on a sample basis to check that the related revenues are recorded appropriately at the correct quantity and price when control of goods has been transferred to the customer.

Key audit matter	How the matter was addressed in our audit
Rs. 11,187 million, which includes a significant portion of sales amounting to Rs. 8,227 million made to the related parties in the ordinary course of business under the contractual arrangements. We identified revenue recognition as a key audit matter due to significant increase in revenue during the year and involvement of related parties.	• Performed sales cut-off procedures by agreeing sample of transactions occurred on and around the year end to the evidence of deliveries to check that sales are recorded in the correct accounting period. • Considered the adequacy of the disclosures in respect of revenues in accordance with the applicable financial reporting standards. • For related party sales transactions, we reviewed agreements and minutes of Board of Directors for approval of said transactions. We involved our external experts to assess the reasonableness of selling prices.
3. Valuation of development properties	
(Refer note 13 to the accompanying financial statements) The Group's development properties ('DP') acquired or being constructed for sale in ordinary course of business constitutes the 'Naya Nazimabad' Project which is located in Karachi, principally comprising open plots, bungalows, etc. As of June 30, 2023, DP amounted to Rs. 15,280 million and constitutes 35% of the total assets of the Group and is measured at the lower of cost or net realizable value (NRV). Due to its materiality and significance in terms of judgements and estimates involved in capitalization of cost incurred as a part of Project and valuation of underlying DP, we have considered this a key audit matter	Our audit procedures amongst others included, review of controls around the valuation of DP by testing the underlying cost calculation; physical inspection of the Project site to ascertain the condition and existence of development properties, assessing the basis and appropriateness for cost capitalised in accordance with the applicable financial reporting standards. • We also tested the development expenditure incurred and capitalized during the year from agreements, invoices and related documents supporting various components of the Project costs and checked related approvals. We also reviewed the minutes of the meetings at the Board level to identify any indicators of adjustments. • We assessed the reasonableness of the selling price used in the assessment of NRV of DP and compared with the cost on sample basis to ascertain the recording of DP at lower of cost or NRV. • We also reviewed the related disclosures in accordance with the applicable financial reporting standards.

Yousuf Adil
Chartered Accountants
Cavish Court, A-35,
Block 7 & 8 KCHSU,
Shahrah-e-Faisal, Karachi.

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

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The annual financial statements of the Group for the year ended June 30, 2022 were audited by EY Ford Rhodes, Chartered Accountants and Reanda Haroon Zakaria & Company, Chartered Accountants, who expressed an unmodified opinion on October 06, 2022.

The engagement partners on the audit resulting in this independent auditor's report are Mr. Nadeem Yousuf Adil (Yousuf Adil, Chartered Accountants) and Mr. Farhan Ahmed Memon (Reanda Haroon Zakaria & Company, Chartered Accountants).

Yousuf Adil

Reanda Haroon Zakaria

Yousuf Adil
Chartered Accountants

Reanda Haroon Zakaria & Co.
Chartered Accountants

Karachi

Date: October 04, 2023

UDIN: AR202310091umIMkhWgj

UDIN: AR202310147Zm5VU6dp7

CONSOLIDATED FINANCIAL STATEMENTS

Javedan Corporation Limited
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		------ (Rupees in '000) ------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	**8,756,588**	6,927,174
Intangible assets	8	**2,013**	3,163
Investment properties	9	**553,126**	719,991
Long-term deposits	10	**11,719**	13,372
Contract cost assets		**-**	19,467
Long-term investments	11	**2,312,870**	-
Advance against issuance of units	12	**2,135,697**	-
Deferred tax assets - net		**52,847**	36,445
		13,824,860	7,719,612
CURRENT ASSETS			
Development properties	13	**15,280,240**	20,554,417
Trade debts	14	**10,814,366**	408,936
Contract cost assets		**-**	8,849
Contract assets		**-**	916,202
Loans and advances	15	**847,072**	1,883,787
Trade deposits, prepayments and other receivables	16	**1,105,846**	146,207
Short-term investments	17	**1,713,721**	13,000
Unclaimed deposits	18	**782**	782
Cash and bank balances	19	**124,116**	2,767,443
		29,886,143	26,699,623
TOTAL ASSETS		**43,711,003**	34,419,235
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
390,000,000 (2022: 390,000,000) ordinary shares of Rs.10/- each		**3,900,000**	3,900,000
Issued, subscribed and paid-up capital	20	**3,808,604**	3,808,604
Capital reserves	21	**2,758,293**	2,758,293
Revenue reserves	21	**10,594,568**	3,185,502
Other component of equity - revaluation surplus on lands	22	**8,817,355**	8,394,190
		25,978,820	18,146,589
NON-CURRENT LIABILITIES			
Long-term financings	23	**6,625,235**	8,937,129
Deferred grant	24	**42,119**	33,754
Deferred tax liability		**-**	-
Deferred liability - gratuity	25	**83,380**	69,441
		6,750,734	9,040,324
CURRENT LIABILITIES			
Trade and other payables	26	**3,458,357**	1,546,333
Preference shares	27	**505**	505
Accrued mark-up	28	**448,334**	205,809
Contract liabilities	29	**634,239**	1,158,000
Advance against sale of investment properties		**-**	176,676
Short-term borrowings	30	**3,900,472**	1,833,164
Current maturity of non-current liabilities	23 & 24	**2,348,539**	2,116,734
Taxation - net		**184,156**	190,609
Unpaid preference dividend		**303**	242
Unclaimed dividend		**6,544**	4,250
		10,981,449	7,232,322
TOTAL EQUITY AND LIABILITIES		**43,711,003**	34,419,235
CONTINGENCIES AND COMMITMENTS	31		

The annexed notes from 1 to 49 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive Officer	Director

Javedan Corporation Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------ (Rupees in '000) ------	
Revenue from contracts with customers - Net	32	**11,187,446**	4,468,680
Cost of sales	33	**(6,420,139)**	(2,864,710)
Gross profit		**4,767,307**	1,603,970
Marketing and selling expenses	34	**(92,600)**	(188,535)
Flyover cost	35	**(1,235,066)**	(404,312)
Administrative expenses	36	**(562,516)**	(607,488)
Finance costs - Net	37	**(280,842)**	(19,642)
Other income - Net	38	**381,360**	303,976
Loss on disposal of Investment Properties		**(16,266)**	-
Profit from continuing operation before taxation		**2,961,377**	687,969
Taxation	39	**(192,850)**	(299,712)
Profit from continuing operation after taxation		**2,768,527**	388,257
Profit from discontinued operation after taxation	40	**243,044**	-
Gain on disposal of subsidiaries	40	**4,995,946**	-
		5,238,990	-
Net Income		**8,007,517**	388,257

	Note	2023	2022
		------ (Rupees in '000) ------	
Earnings per share - basic & diluted			
from continuing operation	41.1	**7.27**	1.02
from discontinued operation	41.2	**13.76**	-
Total earnings per share		**21.02**	1.02

The annexed notes from 1 to 49 form an integral part of these financial statements.

Chief Financial Officer | Chief Executive Officer | Director

Javedan Corporation Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------ (Rupees in '000) ------	
Profit for the year		**2,768,527**	388,257
Other comprehensive income, net of tax			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):			
Actuarial loss on remeasurement of defined benefit obligation	25.9	**(873)**	(89)
Revaluation surplus on land		**1,349,027**	-
Total comprehensive income for the year, net of tax		**4,116,681**	388,168

The annexed notes from 1 to 49 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive Officer	Director

Javedan Corporation Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Other component of equity	Total Equity
		Share premium	Tax holiday reserve	General	Unappropri-ated profits	Revaluation surplus on lands	
	------ (Rupees in '000) ------						
Balance as at June 30, 2021	3,173,837	3,381,094	11,966	63,500	2,667,758	8,461,779	17,759,934
Issuance of 20% ordinary bonus shares for the year ended June 30, 2021 (i.e. 1 share for every 5 shares held)	634,767	(634,767)	-	-	-	-	-
Cost on issuance of Shares	-	-	-	-	(1,511)	-	(1,511)
Profit for the year	-	-	-	-	388,257	-	388,257
Other comprehensive loss, net of tax	-	-	-	-	(89)	-	(89)
Total comprehensive income, net of tax	-	-	-	-	388,168	-	388,168
Revaluation surplus on lands realised on account of sale of development properties	-	-	-	-	67,589	(67,589)	-
Balance as at June 30, 2022	**3,808,604**	**2,746,327**	**11,966**	**63,500**	**3,122,004**	**8,394,190**	**18,146,589**
Profit for the year	**-**	**-**	**-**	**-**	**8,007,517**	**-**	**8,007,517**
Other comprehensive loss, net of tax	**-**	**-**	**-**	**-**	**(873)**	**1,349,027**	**1,348,154**
Total comprehensive income, net of tax	**-**	**-**	**-**	**-**	**8,006,644**	**1,349,027**	**9,355,671**
Revaluation surplus on lands realised on account of sale of development properties	**-**	**-**	**-**	**-**	**925,862**	**(925,862)**	**-**
Interim dividend @ 40 percent on ordinary shares for the year ended June 30, 2022	**-**	**-**	**-**	**-**	**(1,523,442)**	**-**	**(1,523,442)**
Balance as at June 30, 2023	**3,808,604**	**2,746,327**	**11,966**	**63,500**	**10,531,068**	**8,817,355**	**25,978,820**

The annexed notes from 1 to 49 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive Officer	Director

Javedan Corporation Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------ (Rupees in '000) ------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**2,961,377**	687,969
Profit before taxation - discontinuing operations net of income tax		**5,238,990**	-
Adjustments for non-cash items:			
Depreciation	7.1	**37,652**	28,895
Amortization	36	**1,150**	1,150
Provision for gratuity	25.8	**19,119**	17,161
Remeasurement gain on investment properties	9.2	**(28,576)**	(88,625)
Loss on disposal of investment properties		**16,266**	-
Finance costs		**274,562**	111,803
Amortisation of deferred grant	36	**(27,635)**	20,862
Remeasurement loss / (gain) on investment designated at FVTPL		**(139,120)**	2,237
Mark-up on saving accounts	38	**(69,508)**	(84,985)
Operating profit before working capital changes		**8,284,277**	696,467
(Increase) / decrease in current assets			
Development properties		**5,274,177**	(1,324,878)
Trade debts		**(10,405,430)**	(79,561)
Contract cost assets		**8,849**	(8,849)
Contract assets		**916,202**	(916,202)
Loans and advances		**1,036,715**	(1,586,433)
Trade deposits and other receivables		**(985,545)**	(104,106)
Unclaimed deposits		**-**	(782)
		(4,155,032)	(4,020,811)
(Decrease) / increase in current liabilities			
Trade and other payables		**1,912,024**	566,399
Contract liabilities		**(520,696)**	(933,971)
Advance against sale of investment properties		**(176,676)**	128,330
		1,214,652	(239,242)
Cash flows (used in) / generated from operations		**5,343,897**	(3,563,586)
(Payments) / receipts for:			
Income taxes		**(173,396)**	(213,941)
Finance costs		**(31,976)**	(336,130)
Gratuity	25.6	**(6,054)**	(900)
Contract cost assets		**-**	(19,467)
Long-term deposits		**1,653**	(4,056)
		(209,773)	(574,494)
Net cash flows (used in) / generated from operating activities		**5,134,124**	(4,138,080)
CASH FLOWS FROM INVESTING ACTIVITIES *			
Additions to property, plant and equipment	6.1 & 6.2	**(4,363,931)**	(711,251)
Sale proceeds from disposal of property, plant and equipment		**3,845,894**	15
Sale proceeds from disposal of investment properties		**179,175**	-
Advance against issuance of units		**(2,135,697)**	-
Investment in debt instruments		**(2,173,750)**	-
Mark-up on saving accounts received	38	**69,508**	84,985
Short-term investments - net		**(1,700,721)**	1,281,565
Net cash flows generated from / (used in) investing activities		**(6,279,522)**	655,314

Javedan Corporation Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------ (Rupees in '000) ------	
CASH FLOWS FROM FINANCING ACTIVITIES *			
Cost on issuance of bonus shares		-	(1,511)
Dividend paid		(1,521,148)	(9)
Long-term financings – net		(2,044,089)	5,169,962
Short-term borrowings – net		2,067,308	928,205
Net cash flows generated from financing activities		(1,497,929)	6,096,647
Net increase / (decrease) in cash and cash equivalents		(2,643,327)	2,613,881
Cash and cash equivalents at beginning of the year	19	2,767,443	153,562
Cash and cash equivalents at end of the year	19	124,116	2,767,443

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

The annexed notes from 1 to 49 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

1. STATUS AND NATURE OF BUSINESS

1.1 The Group companies comprise of Javedan Corporation Limited (JCL) and its subsidiary companies i.e. NN Maintenance Company (Private) Limited (NNMC) and Sapphire Bay Development Company Limited (SBDCL) that have been consolidated in these consolidated financial statements.

1.2 Holding Company

Javedan Corporation Limited (The Holding Company)

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

1.3 The Holding Company has ceased its cement business since July 01, 2010 and the management has developed business diversification strategy for utilizing the Company's land having area of 1,367 acres for developing a housing scheme, "Naya Nazimabad", that includes bungalows, open plots, flat sites and commercial sites. The Company's layout plan of the project was approved by Lyari Development Authority (LDA) vide letter number LDA/PP/2010/255 on March 02, 2011, revised master plan approved vide letter No CTP/LDA/112 on June 19, 2013 and revised master plan layout approved vide letter no LDA/TP/2022/98 on June 24, 2022 and has obtained No Objection Certificate from Sindh Building Control Authority (SBCA) having NOC # SBCA/D.D(D-II)/985/ADV-503/2011 on November 12, 2011, revised NOC # SBCA/DD(D-II)/985 & 991/ADV-584 /2013 and revise NOC # SBCA / DD(PSA-C) / 155 / Revised / Adv-236/2023 on January 16, 2023. The Company is also the member of Association of Builders and Developers of Pakistan (ABAD).

1.4 Subsidiary Company

NN Maintenance Company (Private) Limited (The Subsidiary Company)
The Subsidiary Company was incorporated on November 29, 2019 under the Companies Act, 2017 (the Act). The principal activities of the Company are to carry out maintenance, other related business and work of development at Naya Nazimabad, a housing scheme of Javedan Corporation Limited. The Company commenced its operational activities from the month of January 01, 2020.

Sapphire Bay Development Limited (The Subsidiary Company)
The Subsidiary Company was incorporated on August 25, 2021 as a Public Unlisted Company under Companies Act, 2017. The Company's principle line of business shall be marketing and development of all type of real estate including developed or undeveloped land, housing or commercial projects including commercial markets or multistoried building (for commercial or residential purposes), shopping centers, restaurants, hotels, recreational facilities etc. with the permission of concerned authorities and compliance with applicable laws and regulations.

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF PREPARATION

3.1 Basis of measurement

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

- recognition of certain employees' retirement benefits at present value (Note 25);
- lands (i.e. freehold and leasehold) classified under property, plant and equipment at revalued amount (Note 7.1.1);
- investment properties at fair value (Note 9.3) ; and
- equity instruments designated at fair value through profit or loss (Note 17.4).

3.2 Functional and presentation currency

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

4 BASIS OF CONSOLIDATION

These consolidated financial statements comprises the financial statements of the Holding Company and its subsidiary companies as at June 30, 2023, here-in-after referred to as ‘the Group’.

Subsidiary

Subsidiary is the entity over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in profit or loss and is not reversed in future periods.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full.

The subsidiary has same reporting period as that of the Holding Company, however, the accounting policies of subsidiary have been changed to conform with accounting policies of the Group, wherever needed.

When the ownership of a subsidiary is less than 100 percent and, therefore, a non-controlling interest (NCI) exists, the NCI is allocated on its share of the total comprehensive income of the period, even if that results in a deficit balance.

A change in the ownership interest of subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group losses control over subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in equity, and recognises fair value of consideration received, any investment retained, surplus or deficit in the profit or loss, and reclassifies the Holding Company share of component previously recognised in other comprehensive income to profit or loss, or retained earnings, as appropriate.

5. STANDARDS, AMENDMENTS, INTERPRETATIONS AND IMPROVEMENTS

5.1 Amendments, interpretations and improvements to approved accounting standards and the framework for financial reporting that became effective during the year

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and the framework for financial reporting which became effective for the current year:

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Amendments)
IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of the above amendments to the approved accounting standards did not have any material impact on the Company's unconsolidated financial statements.

5.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The adoption of the above amendments to the approved accounting standards did not have any material impact on the Company's unconsolidated financial statements.

Amendment or Improvements		Effective date (annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 01, 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	January 01, 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2024
IAS 1	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
Improvements to accounting standards issued by the IASB (2018-2020 cycle)		
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
IFRS 16	Leases: Lease incentives	January 01, 2022
IAS 41	Agriculture – Taxation in fair value measurements	January 01, 2022

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

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Improvements to accounting standards issued by the IASB (2018-2020 cycle)		Effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

5.3 Significant accounting judgments, estimates and assumptions

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

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

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

(ii) Investment properties

The Group carries investment properties at fair value, with changes in fair value being recognised in the profit or loss. An independent valuation specialist is engaged by the Group to assess fair value of investment property based on values with reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

(ii) Revenue recognition

The Group assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances, the Group recognises revenue over time, whereas, if this is not the case revenue is recognised at a point in time. In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer. The Group determines the transaction price in respect of each of its contracts with customers and in making such judgment the Group assess the impact of any variable consideration in the contract (if any), due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

(ii) Investment properties

The Group carries investment properties at fair value, with changes in fair value being recognised in the profit or loss. An independent valuation specialist is engaged by the Group to assess fair value of investment property based on values with reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

(iii) Development properties

The Group reviews the net realisable value of development properties to assess any diminution in the respective carrying values. Net realizable value (NRV) for completed development property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for property in the same geographical market serving the same real estate segment. NRV in respect of development property under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

(iv) Recognition of tax and deferred tax

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

Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The management consider tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

5.4 Property, plant and equipment

5.4.1 Owned

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

Rates of depreciation which are disclosed in note 7.1 to these financial statements are designed to write-off the cost over the estimated useful lives of the assets.

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

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

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

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

5.4.2 Capital work-in-progress

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

5.4.3 Revaluation surplus on lands

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

An annual transfer from the asset revaluation surplus to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

5.5 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation on additions is charged from the month in which an asset is available for use, while no amortisation is charged for the month in which the asset is disposed off. Amortisation is charged based on straight line method at the rates specified in note 8 to these financial statements.

5.6 Investment properties

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

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

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

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

5.7 Right-of-use assets and leases liailities

5.7.1 Group as a lessee

The Group assess at contract inception whether a contract is, or contain a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Group recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets. As of reporting date, The Group has no contractual arrangement in place as a lessee.

i) Right-of-use assets

The Group recognises right-of-use assets (ROU assets) at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, if any, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under its lease arrangements to lease the assets for additional terms under the contracts. the Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Any change is accounted for change in estimate and applied prospectively with corresponding change in ROU assets and lease liabilities.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

5.7.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

5.8 Development properties

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

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

When a development property is sold, the carrying amount of the development property is recognized as an expense in the period in which the related revenue is recognized.

The cost of sales recognised in profit or loss is determined with reference to the directly and indirectly attributable costs incurred on the plots, bungalows, flats and commercial sites sold and any non-specific costs based on the total area of land sold for plots, bungalows, flats and commercial sites in relation to total area of land of the project (i.e. 1,367 acres). The development charges are recognised in profit or loss on the basis of reimbursable development costs recoverable to date from customers on plots / bungalows sold apportioned to total area of land sold in relation to total area of land. Development charges not recoverable from customers are borne by the Group and charged to profit or loss in the year, in which these are incurred. However if non-recoverable development charges are subsequently recovered from future sales to customers, the same will be credited to profit or loss.

5.9 Financial instruments

5.9.1 Financial assets

5.9.1.1 Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost, if any (except for financial assets at fair value through profit or loss, in which case, transaction cost is charged to profit or loss). Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

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

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both."

5.9.1.2 Subsequent measurement

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

a) Financial assets at amortised cost (debt instruments)

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

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

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

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

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

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

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

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

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

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

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

d) Financial assets at fair value through profit or loss

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

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the Statement of profit or loss. This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as dividend income in the Statement of profit or loss when the right of payment has been established.

5.9.1.3 Derecognition

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

- the rights to receive cash flows from the asset have expired; or

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

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

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

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

5.9.1.4 Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group applies a simplified approach in calculating ECLs for its trade debts. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Trade debts are secured against goods sold and have low credit risk.

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

5.9.2 Financial liabilities

5.9.2.1 Initial recognition and measurement

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

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

5.9.2.2 Subsequent measurement

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

a) Financial liabilities at fair value through profit or loss

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

b) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Amortised cost is the amount at which the financial liability is measured at initial recognition minus the principal repayments minus the cumulative amortisation using the EIR of any difference between that initial amount and the maturity amount. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

5.9.2.3 Derecognition

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

5.9.2.4 Offsetting of financial instruments

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

5.10 Impairment of non-financial assets

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

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

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

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

5.11 Cash and cash equivalents

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

5.12 Preference shares

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

5.13 Employees retirement benefits

5.13.1 Defined benefit plan - gratuity

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

5.13.2 Compensated absences

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

5.14 Borrowing costs

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

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

5.15 Taxation

Current

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

Deferred

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

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

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

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

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

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

5.16 Revenue recognition

5.16.1 Revenue from contracts with customers

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

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

- the Group's performance does not create an asset with an alternative use to the Group and the

Group has an enforceable right to payment for performance obligation completed to date.

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

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

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

iii) Income from reimbursable income (like development cost) is recognized as revenue when the related cost has been incurred by the Company and assessed as recoverable from the customer under the terms of contractual arrangement. The corresponding impact of such revenue recognition is classified as Contract asset /unbilled revenue till the invoice is issued to the customer.

5.16.2 Other revenues

Revenue from other sources is recognized on the following basis:

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

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

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

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

v) Other income (i.e. transfer fee, cancellation fees, income from cricket ground, etc.), if any, recognised on accrual basis.

5.17 Provisions

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

5.18 Ijarah agreements

Payments made under ijarah arrangements / agreements are charged to the profit or loss on a straight line basis over the ijarah term.

5.19 Foreign currency translations

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

5.20 Dividend and appropriation to reserves

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

5.21 Earnings per share

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

5.22 Government grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant related to an expense item, it is recognised in the statement of profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

5.23 Segment reporting

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

6. DETAILS OF RELATED PARTIES

Name of related parties	%age holding	Basis of relationship
Aisha Steel Mills Limited	-	Common directorship
Arif Habib Consultancy (Private) Limited	-	Common directorship
Black Gold Power Limited	-	Common directorship
Fatima Fertilizer Group Limited	-	Common directorship
Karachi Sports Foundation	-	Common directorship
Sachal Energy Development (Private) Limited	-	Common directorship
AH Aviation (Private) Limited	-	Common directorship
Arif Habib Corporation Limited	-	Common directorship
International Builders and Developers (Private) Limited	-	Common directorship
NCEL Building Management Limited	-	Common directorship

Name of related parties	%age holding	Basis of relationship
Pakarab Energy Limited	-	Common directorship
Pakistan Business Council	-	Common directorship
Pakistan Engineering Group Limited	-	Common directorship
Pakistan Opportunities Limited	-	Common directorship
Fatimid Foundation	-	Common directorship
Fatima Packaging Limited	-	Common directorship
Habib University Foundation	-	Common directorship
Karachi Education Initiative	-	Common directorship
Pakistan Centre for Philanthropy	-	Common directorship
Arif Habib Equity (Private) Limited	-	Common directorship
MCB-Arif Habib Savings & Investments Limited	-	Common directorship
Nooriabad Spinning Mills (Private) Limited	-	Common directorship
Parkview Group Limited	-	Common directorship
Rotocast Engineering Group (Private) Limited	-	Common directorship
Sukh Chayn Gardens (Private) Limited	-	Common directorship
Safemix Concrete Limited	-	Common directorship
Arif Habib Foundation	-	Common directorship
Fatimafert Limited	-	Common directorship
Fatima Cement Limited	-	Common directorship
Memon Health and Education Foundation	-	Common directorship
Pakarab Fertilizers Limited	-	Common directorship
REMMCO Builders & Developers Limited	-	Common directorship
Siddiqsons Energy Limited	-	Common directorship
Arif Habib Dolmen REIT Management Limited	-	Common directorship
Arif Habib Real Estate Services (Private) Limited	-	Common directorship
Power Cement Limited	-	Common directorship
Arif Habib Limited	-	Common directorship
Go Real Estate	-	Associated person, major shareholder
Mr. Haji Abdul Ghani	-	Associated person, major shareholder
Miss. Nida Ahsan	-	Close family member
Mr. Samad A. Habib - Chief Executive	-	Key management personnel
Mr. Arif Habib - Chairman	-	Key management personnel
Mr. Muhammad Ejaz - Director	-	Key management personnel
Mr. Abdullah Ghaffar - Director	-	Key management personnel
Miss. Darakshan Zohaib - Director	-	Key management personnel
Mr. Abdul Qadir - Director	-	Key management personnel
Mr. Alamgir A.Sheikh - Director	-	Key management personnel
Mr. Javed Kureishi - Director	-	Key management personnel
Mr. Kashif A. Habib - Director	-	Key management personnel
Mr. Muneer Gadar - CFO & Group Secretary	-	Key management personnel
JCL Gratuity Fund Trust	-	Employees' Gratuity Fund

7. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		------ (Rupees in '000) ------	
Operating fixed assets	7.1	**5,672,531**	4,951,834
Capital work-in-progess	7.2	**3,084,057**	1,975,340
		8,756,588	6,927,174

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

7.1 Operating fixed assets - owned

Particulars	Cost / Revaluation Amount					Accumulated Depreciation				Revalued Amount / Written Down Value	RATE
	As at July 01, 2022	Additions/ revaluation	Transfers	Disposals / Reversal ***	As at June 30, 2023	As at July 01, 2022	Charge for the year	Disposals	As at June 30, 2023	As At June 30, 2023	
	-------------- (Rupees in '000) --------------										%
Free-hold land (notes 7.1.1 and 7.1.2)	541,599	-	-	417,709	123,890	-	-	-	-	123,890	-
Lease-hold land (notes 7.1.1 and 7.1.2)	2,722,117	4,042,936	231,105	2,175,318	4,820,840	-	-	-	-	4,820,840	-
Other land (note 7.1.4)	1,381,814	-	294,973	1,252,264	424,523	-	-	-	-	424,523	-
Buildings on lease-hold land	40,619	-	-	-	40,619	25,180	1,552	-	26,732	13,887	10
Buildings on other land	137,803	5,378	-	-	143,181	18,092	12,016	-	30,108	113,073	10
Recreational facilities (note 7.1.5)	108,460	2,181	-	-	110,641	5,423	5,161		10,584	100,057	5
Furniture and fixtures	18,100	6,418	-	-	24,518	10,721	2,113	-	12,834	11,684	20
Office equipment	59,430	2,551	-	603	61,378	35,773	5,506	-	41,279	20,099	10 - 33
Medical equipment	5,147	388	-	-	5,535	985	116		1,101	4,434	10 - 33
Computer equipment	35,041	3,910	-	-	38,951	24,970	4,346	-	29,316	9,635	33
Vehicles	56,150	14,403	-	-	70,553	33,302	6,842	-	40,144	30,409	20
2023	5,106,280	4,078,164	526,078	3,845,894	5,864,629	154,446	37,652	-	192,098	5,672,531	

Particulars	Cost / Revaluation Amount					Accumulated Depreciation				Revalued Amount / Written Down Value	Rate
	As At July 01, 2021	Additions	Transfers	Disposals	As At June 30, 2022	As At July 01, 2021	Charge For The Year	Disposals	As At June 30, 2022	As At June 30, 2022	
	-------------- (Rupees in '000) --------------										%
Free-hold land (notes 7.1.1 and 7.1.2)	541,599	-	-	-	541,599	-	-	-	-	541,599	-
Lease-hold land (notes 7.1.1 and 7.1.2)	2,722,117	-	-	-	2,722,117	-	-	-	-	2,722,117	-
Other land (note 7.1.4)	1,379,356	2,458	-	-	1,381,814	-	-	-	-	1,381,814	-
Buildings on lease-hold land	40,619	-	-	-	40,619	23,458	1,722	-	25,180	15,439	10
Buildings on other land	63,383	74420*	-	-	137,803	12,371	5,721	-	18,092	119,710	10
Recreational facilities (note 7.1.5)	-	108460*		-	108,460	-	5,423	-	5,423	103,037	5
Furniture and fixtures	15,758	2,342	-	-	18,100	8,996	1,725	-	10,721	7,379	20
Office equipment	55,762	3,706	-	38	59,430	29,551	6,245	23	35,773	23,657	10 - 33
Medical equipment	4,957	190	-	-	5,147	946	39	-	985	4,162	10 - 33
Computer equipment	27,723	7,318	-	-	35,041	20,823	4,147	-	24,970	10,071	33
Vehicles	46,290	9,860	-	-	56,150	29,430	3,872	-	33,302	22,848	20
2022	4,897,564	25,874 182880*	-	38	5,106,280	125,575	28,894	23	154,446	4,951,834	

* Represent the transfer from captial work-in-progress.

** Represents land transferred (i.e. amenities) from development properties to property, plant and equipment (note 13).

*** Represents land transferred to development properties.

7.1.1 During the year, the Company has appointed an independent valuer M/s Asif Associates (Private) Limited to carry out a revaluation exercise of its leasehold land which has resulted in net surplus of Rs. 1,349 million (note 22).

The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. The fair value of said lands falls under level 3 of fair value hierarchy (i.e. significant observable inputs)."

7.1.2 The forced sale value of leasehold land are Rs. 3,856 million based on the latest revaluation carried out by an independent valuer on June 30, 2023, respectively.

7.1.3 The immovable assets (i.e. free-hold, leasehold land and other land) of the Company as at June 30, 2023 have an net area of 100.31 acres free-hold land, leasehold land and other land respectively, located at Naya Nazimabad, Deh, Manghopir, Gadap Town, Scheme 43, Karachi, and is used by the Company for business purposes.

7.1.4 Land classified as 'Other land' are amenity plots (i.e. land for construction of mosques and Public Building).

7.1.5 Recreational facilities are cricket and football ground.

7.1.6 The depreciation charge for the year has been allocated to administrative expenses.

7.2 Capital work-in-progess

	Note	2023	2022
		------ (Rupees in '000) ------	
Opening		**1,975,340**	1,472,843
Additions		**1,108,716**	685,377
Transfer to operating fixed assets		**-**	(182,880)
Closing	7.2.1	**3,084,057**	1,975,340

7.2.1 The details of capital work-in-progress are as under:

	2023	2022
Gymkhana (club house)	**2,212,165**	1,605,623
Jama masjid	**388,579**	304,839
Hospital	**483,313**	64,878
	3,084,057	1,975,340

8. INTANGIBLE ASSETS

	Cost			Rate	Accumulated Amortization			Net Book Value
	As At July 1, 2022	Addition During The Year	As At June 30, 2023		As At July 1, 2022	Charges During The Year	As At June 30, 2023	As At June 30, 2023
	------------ (Rupees in '000) ------------			%	------------ (Rupees in '000) ------------			
Software - 2023	**5,751**	**-**	**5,751**	**20**	**2,588**	**1,150**	**3,738**	**2,013**
Software - 2022	5,751	-	5,751	20	1,438	1,150	2,588	3,163

	Note	2023	2022
9. INVESTMENT PROPERTIES		------ (Rupees in '000) ------	
Investment property - completed	9.2	**553,126**	719,991

9.1 Investment properties comprise of various properties having aggregated area of 104,813 square yards (2022: 366,851 square yards) situated at Deh Mangopir and other locations in Karachi (note 9.5).

	Note	2023	2022
		------ (Rupees in '000) ------	
9.2 The movement in investment properties during the year is as follows:			
As at July 01		**719,991**	631,366
Disposal during the year		**(195,441)**	-
Remeasurement gain	9.3	**28,576**	88,625
As at June 30		**553,126**	719,991

9.2.1 During the year, the Company has disposed off properties bearing survey no. 86, 87, 88, 89, 62 , 77, 78, 80 and 81 having aggregate area of 51.42 acres, and carrying value of Rs. 195.44 million at a sale consideration of Rs.179.172 million.

9.3 An independent valuation was carried out by the Company through an independent professional valuer M/s Asif Associates (Private) Limited on June 30, 2023 and the fair value of Rs.553 million (2022: Rs.719 million) was determined with reference to market based evidence, active market prices and relevant information. Accordingly, the fair value adjustment of Rs. 28.57 million (2022: Rs. 88.62 million) is recognised in profit or loss. The fair value of investment property falls under level 2 of fair value hierarchy (i.e. significant observable inputs).

9.4 The aggregated forced sale value of investment properties as per the latest valuation reports are Rs. 443 million (2022: Rs. 580 million).

9.5 The details of investment properties as of June 30, 2023 are as follows:

S.No	Location of investment properties	Land area
1.	Survey No 85 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	12 acres and 10 ghuntas
2.	Survey no 79 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	04 acres and 36 ghuntas
3.	Plots No 27-C to 36-C at N.C-1 Deh Orangi Town District West Karachi.	4,949 sq yds
4.	Plots No 11-C to 16- C at N.C-1 Deh Orangi Town District West Karachi.	3,385 sq yds
5.	Plots No 17-C to 26- C at N.C-1 Deh Orangi Town District West Karachi.	5,010 sq yds
6.	Plot No D-24 Survey No 32 situated at Deh Manghopir District West Karachi.	2,123 sq yds
7.	N.C. 182, Deh Khari Lakhi, Anwer Shamim Road, North Nazimabad, District Central, Karachi.	9,680 sq yds

10. LONG-TERM DEPOSITS

	Note	2023	2022
		------ (Rupees in '000) ------	
Utilities		**4,701**	4,701
Rent		**500**	500
Lease deposits		**5,802**	7,455
Others		**716**	716
		11,719	13,372

11. LONG-TERM INVESTMENTS

Debt Instruments - designated at fair value through profit and loss
- Naya Nazimabad Apartment REIT

	Note	2023	2022
Carrying Amount		**2,173,750**	-
Appreciation on remeasurement of investment		**139,120**	-
	11.1	**2,312,870**	-

11.1 The Company has sold land measuring 46,597 square yards to NN Apartment REIT (NNAR, a REIT Scheme) for consideration in cash of Rs 2,887 million and in form of units of NNAR of Rs 2,937 million having face value of Rs. 10 each. During the year the company has sold units to Arif Habib Corporation Limited and Arif Habib Limited at face value of Rs. 485.75 million and 278 million (No. of Units 48,575,000 and 27,800,000 respectively).

NNAR is a limited life (indicatively 7 years), within which it will construct and sell the residential and commercial properties on this land. Thereafter, it will be liquidated and the leftover assets will be distributed to the unitholders. In the context of limited life entities, the ownership interests by default meet the financial liability definition of IAS 32, as there is a present obligation of the entity to deliver the cash to the owners upon liquidation and the liquidation is certain to occur and beyond the control of parties to the instrument. Considering this, the management has classified it as debt instrument. Further, since the contractual terms of the instrument do not give rise to, on specified dates, cash flows that are solely payments of principal and interest on the principal amount outstanding, the investment is classified at fair value through profit or loss.

12. ADVANCE AGAINST ISSUANCE OF UNITS

The Company paid advance of Rs. 2,135 million to Sapphire Bay Islamic Development REIT against issuance of its units. As per agreement, executed on November 18, 2021 (effective date), RUDA offered 2,000 acres of land to 17 consortium parties. The Company, based on this agreement and equity amount holding percentage, plays a lead role in this project.

13. DEVELOPMENT PROPERTIES

	Note	2023	2022
		------ (Rupees in '000) ------	
Land			
Opening balance		**16,441,918**	15,031,918
Add: Additions during the year		**1,199,382**	1,410,000
		17,641,300	16,441,918
Development expenditure incurred			
Opening balance		**13,083,037**	10,938,044
Add: Incurred during the year		**1,583,527**	2,144,993
		14,666,564	13,083,037
Borrowing costs related to development properties			
Opening balance		**3,388,027**	2,683,235
Add: Additions during the year	37	**1,317,464**	704,792
		4,705,491	3,388,027
		37,013,355	32,912,982
Transferred to:			
- property, plant and equipment		**(597,080)**	(71,003)
- investment properties		**(40,291)**	(40,291)
- cost of sales to date	33	**(14,362,775)**	(7,576,888)
- development charges incurred and apportioned to date	33	**(5,677,947)**	(4,670,383)
- disposal of assets		**(1,055,022)**	-
		15,280,240	20,554,417

13.1 The land under development properties having an area of 425.55 acre has been mortgaged / pledged with various financial institutions against financing facilities obtained.

14. TRADE DEBTS

	Note	2023	2022
		------ (Rupees in '000) ------	
Secured, considered good			
Receivable against:			
- sales of plots and bungalows	14.1	**9,906,180**	95,171
- utilities infrastructure charges		**172,391**	1,913
- maintenance services		**117,587**	68,683
- development charges incurred:			
- billed	14.2	**191,831**	49,597
- un-billed	14.3	**426,377**	193,572
		618,208	243,169
		10,814,366	408,936

14.1 This includes:

- Rs. 250 million, receivable from Globe Residency REIT (GRR), a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited, (a related party) on account of sale of land.

- Sale consideration receivable Rs.2,887 million from Naya Nazimabad Apartment REIT (REIT Scheme) against land measuring 46,597 sq. yds. This REIT Scheme is managed by Arif Habib Dolmen REIT Management Limited, a related party.

- Sale consideration receivable Rs.3,727 million from Gymkhana Apartment REIT (REIT Scheme) against land measuring 29,818 sq. yds. This REIT Scheme is managed by Arif Habib Dolmen REIT Management Limited, a related party.

- Sale consideration receivable Rs. 2,304 million from Parkview Apartment REIT (REIT Scheme) against land measuring 23,094 sq. yds. This REIT Scheme is managed by Arif Habib Dolmen REIT Management Limited, a related party.

- Sale consideration receivable Rs. 619.600 million from Signature Residency REIT (REIT Scheme) against land measuring 4,088 sq. yds. This REIT Scheme is managed by Arif Habib Dolmen REIT Management Limited, a related party.

- Sale consideration receivable Rs. 3.412 million from Abdul Ghani against land measuring 14,092 sq. yds.

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

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

14.4 As of June 30, 2023 and 2022, the ageing analysis of unimpaired trade debts are as follows:

			Past due but not impaired		
	Total	Neither past due nor impaired	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
Sales of plots and bungalows:	------ (Rupees in '000) ------				
Related party					
Globe Residency REIT	250,000	250,000	-	-	-
Gymkhana Apartment REIT	3,727,250	3,727,250	-	-	-
Parkview Apartment REIT	2,304,900	2,304,900	-	-	-
NN Apartment REIT	2,887,125	2,887,125	-	-	-
Signature Residency REIT	619,600	-	619,600	-	-
Abdul Ghani	3,412	-	3,412	-	-
Other than related parties	113,893	32,075	27,563	-	54,255
	9,906,180	9,201,350	650,575	-	54,255
Utilities infrastructure charges					
Other than related parties	172,391	-	172,391	-	-
	172,391	-	172,391	-	-
Maintenance services					
Related party					
- Nida Ahsan	806	806	-	-	-
- Arif Habib	389	389	-	-	-
- Abdul Ghani	569	569			
- Syed Muhammad Talha	278	278	-	-	-
Other than related parties	115,545	115,545	-	-	-
	117,587	117,587	-	-	-
Development charges incurred:					
Other than related parties - billed and unbilled	618,208	426,377	191,831	-	-
2023	10,814,366	9,745,314	1,014,797	-	54,255

	Total	Past due but not impaired			
		Neither past due nor impaired	> 30 days upto 120 days	> 121 days upto 180 days	180 days and above
Sales of plots and bungalows:	------ (Rupees in '000) ------				
Related party					
Other than related parties	95,171	14,438	2,781	3,412	74,540
	95,171	14,438	2,781	3,412	74,540
Utilities infrastructure charges					
Other than related parties	1,913	-	1,913	-	-
	1,913	-	1,913	-	-
Maintenance services					
Related party	406	406	-	-	-
- Nida Ahsan	281	281	-	-	-
- Arif Habib	121	121	-	-	-
- Syed Muhammad Talha	808	808	-	-	-
Other than related parties	67,875	67,875	-	-	-
	68,683	68,683	-	-	-
Development charges incurred:					
Related parties					
Unbilled					
- Arif Habib	400	400	-	-	-
- Arif Habib Equity (Pvt) Limited	3,385	3,385	-	-	-
- Arif Habib Limited	7,370	7,370	-	-	-
- Nida Ahsan	1,539	1,539	-	-	-
- Abdul Ghani	3,071	3,071	-	-	-
	-	-	-	-	-
	15,765	15,765	-	-	-
Other than related parties - billed and unbilled	227,403	188,705	38,698	-	-
	243,169	204,471	38,698	-	-
2022	408,936	287,592	43,392	3,412	74,540

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

	2023	2022
	------ (Rupees in '000) ------	
Haji Abdul Ghani	**3,412**	3,604
Nida Ahsan	**-**	1,539
Arif Habib	**-**	1,194
Arif Habib Limited	**-**	8,060
Go Real state	**-**	4,524
Gymkhana Apartment REIT	**3,727,250**	-
Parkview Apartment REIT	**2,304,900**	-
NN Apartment REIT	**2,887,125**	-
Signature Residency REIT	**619,600**	-
Global Residency REIT	**250,000**	700,000

		Note	2023	2022
			------ (Rupees in '000) ------	
15.	**LOANS AND ADVANCES - Considered good**			
	Loans - secured			
	Executives		5,871	7,339
	Employees		4,491	5,413
		15.1 & 15.2	10,362	12,752
	Loans - unsecured			
	Loan to a related party - Arif Habib Limited	15.4	-	800,000
	Advances - unsecured			
	Suppliers	15.5	498,133	551,269
	Contractors		194,195	499,474
	Employees for expenses		5,232	6,142
	Purchase of properties	15.3	139,150	14,150
			836,710	1,071,035
			847,072	1,883,787

15.1 Represents interest free loans given to employees for various reasons in accordance with the terms of the employment. These loans are repayable within twelve months and are secured against staff gratuity fund.

		2023	2022
15.2	**The movement in loans to executives are as follows:**	------ (Rupees in '000) ------	
	Balance as of 01 July	12,752	8,043
	Loans obtained during the year	9,393	19,792
	Adjusted during the year	(11,783)	(15,083)
	Balances as of 30 June	10,362	12,752

15.3 Represents advances (as partial payments) given for purchase of various properties under the terms of agreement agreed between the Company and third parties.

15.4 During the year, the related party has repaid the facility.

		2023	2022
		------ (Rupees in '000) ------	
15.5	Included herein advances to related parties for purchase of cement and concrete, as follows:		
	- Safemix Concrete Limited	83,469	133,313
	- Power Cement Limited	-	30,501
		83,469	163,814

16. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2023	2022
		------ (Rupees in '000) ------	
Trade deposits - Unsecured			
Considered good			
- Security deposit with Sindh Building Control Authority		**3,345**	3,345
- Others	16.1	**14,723**	12,509
		18,068	15,854
Considered doubtful			
- Guarantee margin		**225**	225
- Contractors		**2,680**	2,680
		2,905	2,905
Allowances for expected credit losses		**(2,905)**	(2,905)
		18,068	15,854
Prepayments			
Rent		**-**	664
Insurance		**3,657**	2,632
Others		**4,214**	5,178
		7,871	8,474
Other receivables - Unsecured			
Sales tax refundable - considered doubtful		**4,703**	4,703
Reimburseable expenses		**37,925**	22,962
Excise duty refundable - considered good		**574**	574
Receivable from related parties - considered good	16.2&16.3&16.4	**1,021,532**	85,182
Others - considered good		**19,876**	13,161
		1,084,610	126,582
Allowances for expected credit losses		**(4,703)**	(4,703)
		1,079,907	121,879
		1,105,846	146,207

16.1 Included herein Rs. 14.7 million deposited with Honorable High Court of Sindh in respect of labor case pending adjudication.

16.2 Included herein receivables from related parties, as follows:

	Note	2023	2022
		------ (Rupees in '000) ------	
- International Builders and Developers (Private) Limited - associate		**280**	-
- Rahat Residency REIT		**14,745**	-
- Haji Abdul Ghani		**369**	-
- Naya Nazimabad apartment REIT		**49,153**	-
- Gymkhana apartment REIT		**6,023**	-
- Parkview apartment REIT		**5,910**	-
- Meezan Centre apartment REIT		**3,263**	-
- Globe Residency REIT		**18,150**	-
- Sapphire Bay Islamic Development REIT		**865,139**	85,182
- Arif Habib Engineering and development consultants (Pvt) Limited		**58,500**	-
	16.3	**1,021,532**	85,182

16.3 These are past due but not impaired.

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

	Note	2023	2022
		------ (Rupees in '000) ------	
- International Builders and Developers (Private) Limited - associate		**280**	187
- Arif Habib Limited - associates		**-**	9,512
- Naya Nazimabad apartment REIT		**49,153**	3,144
- Haji Abdul Ghani		**369**	369
- Sapphire Bay Islamic Development REIT		**865,139**	-
- Arif Habib Engineering and development consultants (Pvt) Limited		**58,500**	-
- Rahat Residency REIT		**14,745**	-
- Globe Residency REIT		**18,150**	-
		1,006,336	13,212

17. SHORT-TERM INVESTMENTS

	Note	2023	2022
At amortized cost			
Term deposit receipts (TDRs)	17.1	**13,000**	13,000
Designated at fair value through profit or loss			
Equity instruments	17.3 & 17.4	**126,316**	-
Debt securities at fair value through profit or loss			
Investment in Unquoted TFCs of:			
Term Finance Certificate of Commercial Bank I	17.5	**844,730**	-
Term Finance Certificate of Commercial Bank II	17.6	**729,675**	-
		1,713,721	13,000

17.1 This carries mark-up at 7.4 to 9% (2022: 7.4% to 9%) having maturity upto one year i.e. latest by April 05, 2024.

17.2 As of June 30, 2023, the details of equity instruments designated at FVTPL held by the Company are as follows:

Company name	Number of shares		Fair value	
	2023	2022	2023	2022
			----- (Rupees in '000) -----	
Globe Residency REIT	**9,200,000**	-	**126,316**	-
	9,200,000	-	**126,316**	-

17.3 The movement of equity instruments is as follows:

	Note	2023	2022
		------ (Rupees in '000) ------	
Balance as at July 01		**-**	1,229,052
Cost of investments made		**101,200**	-
Investment dispose off during the year		**-**	(1,229,052)
Unrealized gain for the year - net	38	**25,116**	-
Balance as at June 30		**126,316**	-

17.4 The fair value of equity instruments designated at FVTPL falls under Level 1 of the fair value hierarchy (i.e. quoted market prices).

17.5 This represents the investment in 8,500 Term Finance Certificates (TFCs) having face value of Rs. 100,000/- each. These TFCs have been issued by the Commercial Bank carry interest at the rate of 6 month average KIBOR + 2% per annum (payable semi-annually).

17.6 This represents the investment in 150,000 Term Finance Certificates (TFCs) having face value of Rs. 5,000/- each. These TFCs have been issued by the Commercial Bank carry interest at the rate of 6 month average KIBOR + 2% per annum (payable semi-annually).

18. UNCLAIMED DEPOSITS

Represents amount withheld and transferred to the State Bank of Pakistan as per Section 31 of the Banking Companies Ordinance, 1962, since no transaction has taken place in the Company's bank account for a period of ten years.

19. CASH AND BANK BALANCES

	Note	2023	2022
		------ (Rupees in '000) ------	
Cash in hand		**15,297**	33,792
Cheques in hand		**2,600**	4,606
Cash at banks in:			
- current accounts		**103,100**	1,980,335
- deposit accounts	19.1	**3,119**	748,710
		106,219	2,729,045
		124,116	2,767,443

19.1 These carry markup at the rate ranging between 12 percent to 19 percent per annum (2022: 5.3 percent to 10 percent per annum).

20. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2023	2022		Note	2023	2022
------ (Rupees in '000) ------				------ (Rupees in '000) ------	
		Ordinary shares of Rs.10 each			
8,600,000	8,600,000	Issued for cash		**86,000**	86,000
47,200,000	47,200,000	Issued under the financial restructuring arrangement		**472,000**	472,000
		Bonus shares issued:			
113,902,382	50,425,641	Opening		**1,139,023**	504,256
-	63,476,741	Issued during the year		**-**	634,767
113,902,382	113,902,382	Closing		**1,139,023**	1,139,023
(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
176,432,216	176,432,216	Right shares issued		**1,764,322**	1,764,322
61,661,763	61,661,763	Shares issued on conversion from preference shares	20.3	**616,618**	616,618
380,860,447	380,860,447			**3,808,604**	3,808,604

20.1 The major shareholders of the Group as at June 30, 2023 and June 30, 2022 are as follows:

	2023	2022	2023	2022
	----- % holding -----		----- (Rupees in '000) -----	
Haji Abdul Ghani	**12%**	12%	**451,973**	451,973
Arif Habib Corporation Limited	**10%**	10%	**380,611**	380,611
Arif Habib Equity (Private) Limited	**29%**	29%	**1,092,432**	1,092,433
			1,925,016	1,925,016

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

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

	2023	2022	2023	2022
	----- Number of Shares -----		----- (Rupees in '000) -----	
Opening	**61,661,763**	61,661,763	**616,618**	616,618
Shares issued on conversion of preference shares during the year	-	-	-	-
Closing	**61,661,763**	61,661,763	**616,618**	616,618

21. RESERVES

	Note	2023	2022
		------ (Rupees in '000) ------	
Capital reserves			
Tax holiday reserve	21.1	**11,966**	11,966
Share premium	21.2	**2,746,327**	2,746,327
		2,758,293	2,758,293
Revenue reserve			
General reserves	21.3	**63,500**	63,500
Un-appropriated profits		**10,531,068**	3,122,002
		10,594,568	3,185,502
		13,352,861	5,943,795

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

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

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

22. REVALUATION SURPLUS ON LANDS

	Note	2023	2022
		------ (Rupees in '000) ------	
Balance as at July 01:			
Development properties		**4,186,359**	4,256,203
Property, plant and equipment		**4,207,831**	4,205,576
		8,394,190	8,461,779
Surplus arising on revaluation of lands during the year		**1,349,027**	-
Transfer to unappropriated profit on sale of development		**(925,862)**	(67,589)
Balance as at June 30		**8,817,355**	8,394,190
Represented by:			
Development properties		**4,133,524**	4,186,359
Property, plant and equipment	7.1.1	**4,683,831**	4,207,831
		8,817,355	8,394,190

23. LONG-TERM FINANCINGS - Secured

	Note	2023	2022
		------ (Rupees in '000) ------	
Term finance loan II	23.1	**375,200**	510,231
Term finance loan III	23.2	**2,292,061**	1,988,589
Term finance loan IV	23.3	**1,000,000**	1,000,000
SBP-Refinance Scheme	23.4	**-**	13,547
Sukuk certificates	23.5	**1,742,333**	2,238,642
Diminishing musharakah I	23.6	**535,714**	750,000
Diminishing musharakah II	23.7	**810,530**	996,415
Diminishing musharakah III	23.8	**1,000,000**	1,000,000
Diminishing musharakah IV	23.9	**-**	700,000
Islamic refinance facility	23.10	**289,064**	391,567
Term finance loan V	23.11	**900,000**	-
Term finance loan VI		**-**	1,400,000
		8,944,902	10,988,991
Current maturity of long-term financings		**(2,319,667)**	(2,051,862)
		6,625,235	8,937,129

23.1 Represent term finance facility amounting to Rs. 550 million from a commercial bank, for a period of 5 years to finance the ongoing infrastructure development of Naya Nazimabad Housing project. It carries mark-up at the rate of 3 months KIBOR plus 2 percent per annum and is redeemable after twelve months grace period, in 16 equal quarterly installment latest by February 01, 2026. The facility is secured by equitable mortgage charge over land of Rs. 785.714 million bearing survey nos. 205 to 229 at Deh Manghopir, Gadap Town, Naya Nazimabad with at least 30% margin and personal guarantee of related parties. The Group has incurred transaction cost of Rs. 9.323 million to obtain said financing.

23.2 The Group has obtained term finance facility of Rs. 2,500 million from a commercial bank for the completion of under construction projects. It carries mark-up at the rate of 6 months KIBOR plus 1 percent per annum and is repayable in 10 semi-annual installment with 12 months grace period. The facility is secured by equitable mortgage charge over land at project site with 30% margin over market value / with 20% margin over forced sales value, whichever is higher. The Group has incurred transaction cost of Rs. 12.5 million to obtain said financing.

23.3 The Group has obtained term finance facility of Rs. 1,000 million from a commercial bank for the completion of under construction projects. It carries mark-up at the rate of 6 months KIBOR plus 1 percent per annum and is repayable in 03 semi-annual installment with 18 months grace period. The facility is secured by equitable mortgage charge over land at project site with 25% margin over market value. The facility is secured by equitable mortgage charge over land of Rs. 1,333.334 million located at Block H and Block Q, Naya Nazimabad Karachi.

23.4 The Group has fully repaid the principal during the year.

23.5 The Group has issued privately placed sukuk certificates aggregating to Rs. 2,993 million having face value of Rs.100,000/- each to eligible institutions / investors (i.e. the certificate holders or beneficiaries) for a period of 8 years (inclusive of 2 years grace period) to make payment of commercial land purchased in the year 2018. These carry markup at the rate of 6 months KIBOR plus 1.75 percent per annum and are redeemable in 12 equal installments starting from April 04, 2021 till October 04, 2026. The Group is liable to pay annual trustee fee of Rs.0.75 million to Pak Brunei Investment Group Limited (the trustee) under the trust deed dated September 14, 2018.The facility is secured by equitable mortgage charge over land of Rs. 4,285.714 million against 49 plots located at Tapo Manghopir, Taluka Gadap Town, District Karachi and other assets (i.e. stand-by letter of credits, collection account and sponsors support agreements). The Group has incurred transaction cost of Rs. 47.776 million to obtain said financing.

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

23.7 The Group has obtained diminishing musharaka facility of Rs. 1,000 million from a commercial bank to finance the ongoing infrastructure development of Naya Nazimabad. This loan is repayable in 5 years with 12 months grace period. It carries mark-up at the rate of 3 month KIBOR plus 1.10 percent per annum. The musharaka units are to be purchased by September 2026. The facility is secured by equitable mortgage charge and registered mortgage over land at project site, first exclusive charge with 25% margin on property having market value and forced sales value of Rs. 1,558 million and Rs. 1,247 million respectively and personal guarantee of director of the Group. The Group has incurred transaction cost of Rs. 5 million to obtain said facility.

23.8 The Group has obtained diminishing musharaka facility of Rs. 1,000 million from a commercial bank to finance the ongoing infrastructure development of Naya Nazimabad project. The loan is repayable in 5 years with eighteen months grace period. It carries mark-up at the rate of 3 month KIBOR plus 1 percent per annum. The musharaka units are to be purchased by December 2026. The facility is secured by equitable mortgage charge and registered mortgage over land at project site with 43.18% margin and personal guarantee of directors of the Group along with personal net worth statement amounting to Rs. 1,333.34 million.

23.9 The Group has fully repaid the principal during the year.

23.10 The Group has obtained long-term financing from a commercial bank having a limit of Rs 1,000 million under Islamic Refinance facility for combating COVID-19 by State Bank of Pakistan. It carries a flat mark-up at the rate of 3 percent per annum with no floor or cap and is repayable in 18 quarterly installments commencing from April 2022 discounted at effective rate of interests at 6.65% percent per annum. The differential mark-up has been recognised as government grant which will be amortised to interest income over the period of the facility. The facility is secured by equitable mortgage charge over land at project site with market value of Rs. 1,336 million with 25% margin. As of the reporting date, the Group has drawdown Rs. 450 million.

In addition, the Group has obtained diminishing musharaka facility of Rs. 550 million for a period of 10 years to the SBP refinance facility. It carries mark-up rate of 3 month KIBOR plus 1.00% per annum and is repayable in 20 equal quarterly installment. As of the reporting date, the said facility remains fully unutilised.

23.11 The Group has obtained a term finance facility of Rs. 900 million from a commercial bank to finance the ongoing infrastructure development including utility (electricity) infrastructure development of Block A, C and D of Naya Nazimabad project. The loan is repayable in bullet payment at maturity. It carries mark-up at the rate of 6 month KIBOR plus 1 percent per annum. The facility is secured by equitable mortgage charge over land.

24. DEFERRED GRANT

	Note	2023	2022
		------ (Rupees in '000) ------	
As at July 1, 2022		**98,626**	1,783
Recognised during the year		**-**	117,705
Released to profit or loss		**(27,635)**	(20,862)
As at June 30, 2023	24.1	**70,991**	98,626
Current portion shown under current liabilities		**28,872**	64,872
Non-current portion		**42,119**	33,754
		70,991	98,626

24.1 This includes a grant of Rs. 40 million in relation to the construction of Jama Masjid (Block D) received in prior year by the Group.

25. DEFERRED LIABILITY - GRATUITY

25.1 General description

As stated in note 5.13 to these financial statements, the Group operates a retirement benefit plan (the Plan) namely approved funded gratuity scheme for all its permanent employees to provide post retirement benefits to all full-time management staff employees. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2023.

Plan assets held in trust are governed by local regulations which mainly includes repealed Trust Act 1882 (now Sindh Trusts Act, 2020), Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment and funding decisions and contribution schedules lies with the Board of Trustees. The Group appoints the trustees and all trustees are employees of the Group.

25.2 Principal actuarial assumptions

The latest actuarial valuation for defined benefit plan scheme was carried out as at June 30, 2023 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

	2023	2022
Discount rate %	**16.25**	13.25
Expected rate of increase in salary levels %	**16.25**	13.25
Expected rate of return on plan assets %	**8.11%**	8.11%
Average retirement age of the employee	**60 years**	60 years

25.3 Reconciliation of amount payable to defined benefit plan

	Note	2023	2022
		------ (Rupees in '000) ------	
Present value of defined benefit obligation	25.4	**79,668**	64,387
Less: Fair value of plan assets	25.6	**(278)**	(2,279)
Payable		**3,990**	7,333
	25.5	**83,380**	69,441

		Note	2023	2022
			------ (Rupees in '000) ------	
25.4	**Movement in present value of defined benefit obligation**			
	Present value of obligation as at July 1		**64,387**	56,803
	Current service cost		**14,677**	12,205
	Interest cost		**8,022**	5,258
	Benefits paid		**(6,189)**	(2,435)
	Liability transferred from other group Group		**714**	-
	Liability transferred to other group Group		**(714)**	-
	Benefits due but not paid		**(1,497)**	(6,011)
	Actuarial loss on re-measurement of obligation		**268**	(1,433)
	Present value of obligation as at June 30		**79,668**	64,387
25.5	**Movement in payable to defined benefit plan**			
	Opening liability		**69,441**	53,091
	Charge for year to profit or loss	25.8	**22,209**	17,161
	Other comprehensive loss / (gain)	25.9	**873**	89
	Contributions to the fund		**(9,144)**	(900)
	Closing liability		**83,379**	69,441
25.6	**Movement in fair value of plan assets**			
	Fair value of plan assets as at July 1		**2,279**	3,712
	Contributions		**8,668**	900
	Interest Income on plan assets		**489**	301
	Benefits paid		**(10,553)**	(2,298)
	Adjustment of opening payable		**-**	1,186
	Return on plan assets excluding interest income		**(605)**	(1,522)
	Fair value of plan assets as at June 30		**278**	2,279

25.7 The plan assets comprise of bank balances only.

		2023	2022
25.8	**Expense recognised in profit or loss**		
	Current service cost	**14,677**	12,205
	Interest cost on defined benefit obligation	**8,021**	5,257
	Interest income on plan assets	**(489)**	(301)
		22,209	17,161
25.9	**Actuarial loss / (gain) on re-measurement of plan assets / obligation comprise of:**		
	Actuarial losses / (gains) from changes in financial assumptions	**(164)**	(71)
	Experience adjustments	**433**	(1,362)
		268	(1,433)
	Return on plan assets excluding interest income	**605**	1,522
	Total remeasurements chargeable in other comprehensive income	**873**	89

25.10 The plan exposes the group to the following risks:

Mortality risk: Mortality rates are based on State Life Corporation (SLIC 2001-2005) ultimate mortality rates with 1 year setback as per recommendation of Pakistan Society of Actuaries "PSOA".

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

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

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

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

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Sensitivity analysis	%	------ (Rupees in '000) ------	
Discount rate	1	**68,678**	(79,443)
Salary growth rate	1	**79,432**	(68,599)

25.12 The expected gratuity expense for the year ending June 30, 2024 works out to Rs. 25.459 million.

25.13 The weighted average duration of the defined benefit obligation at June 30, 2023 is 7 years (2022: 7 years).

26. TRADE AND OTHER PAYABLES

	Note	2023	2022
		------ (Rupees in '000) ------	
Creditors	26.1	**125,669**	205,873
Accrued liabilities		**108,104**	164,337
Retention money		**206,295**	119,009
Withholding tax payable		**43,708**	40,658
Unearned service fee		**-**	739
Book Overdraft		**15,502**	-
Other payables:			
- on cancellation of plots		**8,917**	8,917
- against other projects		**2,646,625**	920,770
- against broker market		**67,400**	-
- non-violation charges		**88,669**	86,030
- Signature Residency REIT		**147,467**	-
		3,458,357	1,546,333

26.1 Included herein amount payable to the following related parties:

	2023	2022
	------ (Rupees in '000) ------	
Arif Habib Dolmen REIT Management Limited	-	2,977
Rotocast Engineering Company (Private) Limited	-	124
	-	3,101

27. PREFERENCE SHARES

27.1 Issued, subscribed and paid-up preference shares

2023	2022		2023	2022
------ (Number of share) ------			------ (Rupees in '000) ------	
45,150,200	45,150,200	Preference shares of Rs.10 each	**451,502**	451,502
(45,099,700)	(45,099,700)	Shares cancelled on conversion into ordinary shares	**(450,997)**	(450,997)
50,500	50,500		**505**	505

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

- The shares were issued under the provision of Section 86 of the repealed Companies Ordinance, 1984 (the repealed Ordinance) read with Section 90 of the repealed Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.

- The financial capital of the group and the issue of the shares were duly approved by the shareholders of the group.

- Dividend on the shares is appropriation of profit both under the repealed ordinance (now Act) and the tax laws.

- The preference shareholders have the right to convert these shares into ordinary shares.

28. ACCRUED MARK-UP

	Note	2023	2022
		------ (Rupees in '000) ------	
Accrued markup on :			
- long-term financings		**255,149**	171,373
- short-term borrowings	28.1	**193,185**	34,436
		448,334	205,809

28.1 This includes markup payable to Arif Habib Corporation Limited, Arif Habib, Arif Habib Limited and Haji Abdul Ghani - related parties of Rs. 28.618 million,Rs.57.403 million, Rs.2.071 million, and Rs. 0.76 million (2022: Rs. Nil million, 0.8 million, 7 million and Rs.0.76 million).

29. CONTRACT LIABILITIES

	Note	2023	2022
		------ (Rupees in '000) ------	
Advance from customers	29.1	**60,192**	889,610
Liability against performance obligation	29.2	**448,649**	268,390
Advance against Club house Membersip		**125,000**	-
	29.1.1	**633,841**	1,158,000

29.1 Advance from customers

	2023	2022
Advance against:		
- plots and bungalows	**45,238**	51,516
- flats and commercial sites	**14,954**	838,094
	60,192	889,610

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

	2023	2022
	------ (Rupees in '000) ------	
Arif Habib Equity (Private) Limited	-	415,095
Haji Abdul Ghani	-	139,724
Arif Habib	-	78,117
Go Real Estate	-	14,326
	-	647,262

29.2 Liability against performance obligation

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

30. SHORT-TERM BORROWINGS - Secured

	Note	2023	2022
		------ (Rupees in '000) ------	
Musharakah arrangement	30.1	**300,000**	300,000
Running finance under mark-up arrangements	30.2	**1,400,155**	599,736
Running finance under mark-up arrangements	30.3	**1,134,067**	933,428
From related parties - unsecured			
Arif Habib Corporation Limited (AHCL)	30.4	**614,250**	-
Arif Habib Limited (AHL)	30.5	**352,000**	-
Arif Habib (AH)	30.6	**100,000**	-
		3,900,472	1,833,164

30.1 Represents running musharakah facility from a commercial bank of Rs. 300 million for financing needs of the project. This carries markup rate of KIBOR plus 2.15 percent per annum and renewal of the facility is under process and the extension period has been granted by the commercial bank.The facility is secured by token mortgage of Rs. 0.1 million and remaining through equitable mortgage charge over specified piece of land with 30% margin and personal guarantees of the directors.

30.2 Represents running finance facility availed from a commercial bank of Rs. 600 million (2022: Rs. 600 million). This carries markup rate at 3 months KIBOR plus 2.5 percent payable quarterly and is secured by token mortgage of Rs. 0.1 million and remaining as equitable mortgage charge of land of the group and is also secured by personal guarantees of all sponsoring directors of the group. As of reporting date, the facility is unutilised to the extent of Rs. 39.968 million (2022: Rs. 0.264 million). It includes Rs. 839 million of book overdraft.

30.3 During the year, the group has obtained running finance facility availed from a commercial bank of Rs. 1,000 million. This carries markup rate at 3 months KIBOR plus 2.5 percent payable quarterly and is secured as equitable mortgage charge over fixed assets amounting to Rs. 1,333.33 million (inclusive of 25% margin) of the group and is also secured by personal guarantees of sponsoring director of the group. As of reporting date, the facility is fully utilizied. It includes Rs. 134 million of book overdraft.

30.4 Represents financing facility availed from a related party to finance the working capital and project requirement. The loan is repayable on demand and carries markup at the rate of 3 month's KIBOR plus 1.80 percent per annum.

30.5 Represents financing facility availed from a related party to finance the working capital and project requirement. The loan is repayable on demand and carries markup at the rate of 3 month's KIBOR plus 1.75 percent per annum.

30.6 Represents financing facility availed from a related party to finance the working capital and project requirement. The loan is repayable on demand and carries markup at the rate of 3 month's KIBOR plus 1.80 percent per annum.

31. CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

31.1.1 Existing business

a) Tax related contingencies

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

ii) In year 2017, taxation authorities issued an assessment order in respect of tax year 2011 and made certain disallowances and additions resulting in a reduction in loss for the year from Rs. 1,497.06 million to Rs. 147.48 million. Being aggrieved, the Group filed appeals against these order before CIR(A), however, the CIR(A) upheld the assessment order. The Group later filed appeal before ATIR which is pending adjudication. The Group, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Group. Accordingly, no provisions were made in these financial statements.

iii) In year 2018, the deemed assessment orders for the tax years 2013 and 2017 were amended by the taxation authorities creating a demand of Rs. 220.22 million and Rs. 486.162 million, respectively. The Group later filed appeal before CIR(A), which was disposed off in year 2020 and the demand was enhanced from Rs. 220.22 million to Rs. 324.58 million for tax year 2013. Being aggrieved, the Group filed appeal before ATIR, which were adjudicated in favor of the Group in year 2020 except for immaterial assessments. The Group, based on the opinion of its tax advisor, is confident of the favourable outcome. Accordingly, no provision has been made in these financial statements.

iv) In year 2021, the taxation authorities issued an assessment order in respect of tax year 2015 and made certain disallowances and additions resulting in a tax demand of Rs. 527.15 million. Being aggrieved, the Group filed appeals against this order before CIR(A). The Group, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Group. Accordingly, no provisions were made in these financial statements.

v) In year 2019, the taxation authorities issued an assessment order in respect of tax year 2018 and made certain disallowances and additions resulting in the tax demand of Rs. 658.81 million. Being aggrieved, the Group filed appeals against these order before CIR(A). In year 2021, CIR(A) remanded back the appeal to the relevant Commissioner. Later the Group filed appear before ATIR which is pending adjudication. The Group, based on opinion of its tax advisor, is confident that the case will be decided in favour of the Group. Accordingly, no provisions were made in these financial statements.

vi) Alternate Corporate Tax (ACT) was applicable on the Group at rate of 17% of accounting income after certain adjustments as mentioned in Section 113(c) of the Income Tax Ordinance, 2001 through Finance Act 2014. Accordingly, the Group had made a provision for ACT for the year ended June 30, 2014 but obtained stay order from the Honourable High Court of Sindh (SHC) against applicability of ACT since tax year 2015 based on the grounds of brought forward losses. Later, the Group had reversed provision previously created of Rs. 131.273 million relating to prior years. Accordingly, the tax provision based on ACT having an aggregated impact of Rs.761.07 million has not been accounted for in these financial statements, instead the Group continues to record the tax provision based on minimum tax under Section 113 of the Income Tax Ordinance, 2001 upto tax year 2018. In year 2019, the Group had adjusted its brought forward losses against taxable income and accordingly, provision for the tax year 2019 and onwards are based on higher of Corporate Tax or ACT.

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

vii) The Group has filed constitutional petition before the High Court of Sindh (SHC) vide Constitutional Petition No. 2564 of 2014 dated May 15, 2014 challenging vires of Workers Welfare Ordinance, 1971. SHC has admitted constitutional petition for regular hearing and issued interim stay order from recovery of Workers' Welfare Fund (WWF) impugned demand by Federal Board of Revenue for the tax year 2013. The management, based on the opinion of the tax advisor, is expecting favourable outcome on the said matter. Accordingly, no liability for WWF since 2014 to 30 June 2023 has been accounted for in these financial statements having an aggregate impact of Rs.155.244 million (2022: Rs. 155.244 million).

viii) The Group has filed a constitutional petition D-4971 of 2017 dated July 28, 2017 in Honorable High Court of Sindh (SHC) against imposition of tax on undistributed profits under Section 5A of Income Tax Ordinance, 2001. The management is confident of the favourable outcome of this petition, as stay has been granted on similar petitions filed by other companies. Although, the Group has complied with the requirements related to distribution of profits for the years but the petition in this regarding is still pending before SHC.

b) Other contingencies

i) As at June 30, 2023, several cases were filed against the Group before various court of laws relating to title / possession / encroachment of land, claims, settlements of dues, etc, the amount of which cannot be determined. The management, based on the opinion of the legal counsel expects that the outcome of all these cases will be in favour of the Group, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these financial statements.

ii) Guarantees issued by the commercial banks on behalf of the Group of Rs. 404.39 million (2022: Rs. 441.35 million).

31.1.2 Former business

As at June 30, 2023, there are several cases aggregating to Rs. 15.73 million (2022: Rs. 15.73 million) which were filed on former Javedan Cement Limited (now Javedan Corporation Limited) relating to their former business (i.e. cement business operation) before various court of laws, which majorly pertains to the gross annual rental value, trade license fee, excise duty, title / possession / encroachment of leasehold land for mining purpose allotted to the Group, etc., which are still pending for decision at various forum. The management, based on the opinion of the legal counsels, expects that the outcome of all these cases will be in favour of the Group, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these financial statements.

31.2 Commitments

	Note	2023	2022
		------ (Rupees in '000) ------	
Capital commitments		**2,740,848**	2,580,588
Ijarah rentals	31.2.1	**17,902**	24,355

31.2.1 The Group has various ijarah agreements with a financial institution in respect of purchase of vehicles for a period upto five years and are payable in monthly installments latest by April 2027. Taxes and repairs are to be borne by the Group (lessee), however, major repairs and insurance costs are to be borne by the lessors. These payments are secured against promissory notes in favor of the lessors for the entire amount of the ijarah rentals and security deposits of Rs. 7.503 million (2022: Rs. 7.503 million). Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

	2023	2022
	------ (Rupees in '000) ------	
Not later than one year	**6,447**	6,762
Later than one year but not later than five years	**11,455**	17,593
	17,902	24,355

32. REVENUE FROM CONTRACTORS WITH CUSTOMERS - NET

	Note	2023	2022
		------ (Rupees in '000) ------	
Local sales, at a point in time			
Plots		**15,382,767**	1,137,069
Bungalows		**464,810**	15,970
Apartments		**-**	2,593,571
		15,847,577	3,746,610
Development and utility charges reimbursable from customers		**1,007,843**	666,829
Cancellation and forfeiture		**(28,160)**	(50,329)
Trade discount		**(46)**	-
		(28,206)	(50,329)
Service income		**184,857**	105,570
		11,187,446	4,468,680

32.1 Revenue recognised during the year that was included in the contract liabilities at the beginning of year amounted to Rs. 45.360 million (2022: Rs. 900.310 million).

33. COST OF SALES

	Note	2023	2022
		------ (Rupees in '000) ------	
Cost of development properties sold:			
- plots		**4,648,653**	2,011,647
- bungalows		**489,652**	2,996
- appartments			86,658
	13	**5,138,305**	2,101,301
Development charges:			
- Development and utility charges incurred and apportioned to customers		**1,007,843**	579,623
Cost of services rendered		**273,991**	183,786
		6,420,139	2,864,710

34. MARKETING AND SELLING EXPENSES

	2023	2022
	------ (Rupees in '000) ------	
Sales promotions	**38,870**	167,056
Exhibitions and events	**46,787**	20,913
Commission	**6,943**	566
	92,600	188,535

35. FLYOVER COST

The group has obtained permission from government of Sindh to construct flyover connecting Manghopir road with North Nazimabad and beyond to the project sites. In this regard, the group has incurred expenditure of Rs 1,265 million during the year

36. ADMINISTRATIVE EXPENSES

	Note	2023	2022
		------ (Rupees in '000) ------	
Salaries, wages and other benefits	36.1	**287,853**	241,597
Fees and subscriptions		**19,560**	32,888
Depreciation	7.1	**37,652**	28,895
Amortization		**1,150**	1,150
Vehicle running		**14,477**	11,210
Legal, professional and consultancy		**2,355**	15,622
Repair and maintenance		**21,467**	18,693
Software license and maintenance		**18,980**	15,927
Rent, rates and taxes		**1,328**	1,101
Utilities		**82,291**	60,728
Donation	36.2	**13,655**	12,596
Communication		**4,050**	4,751
Travelling and conveyance		**4,201**	2,000
Ijarah rentals		**4,970**	5,768
Insurance		**14,918**	10,173
Printing and stationery		**8,359**	6,687
Auditors' remuneration	36.3	**4,004**	5,012
Entertainment		**8,967**	7,578
Meetings and conventions		**1,800**	700
Security		**11**	80
REIT Management Expenses		**-**	82,202
Preliminary expenses		**-**	9,039
Others		**10,468**	33,091
		562,516	607,488

36.1 Included herein Rs. 22.209 million (2022: Rs.17.161 million) in respect of employees retirement benefits.

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

	Note	2023	2022
36.3 Auditors' Remuneration		------ (Rupees in '000) ------	
EY Ford Rhodes			
Annual audit of financial statements			
- standalone		-	750
- consolidation		-	300
Review of half yearly financial statements		-	200
Code of Corporate Governance and other assurance services		-	925
Out of pocket expense		-	109
		-	2,284
Yousuf Adil			
Annual audit of financial statements			
- standalone		750	-
- consolidation		300	-
Review of half yearly financial statements		200	-
Code of Corporate Governance and other assurance services		875	-
Out of pocket expense		109	-
		2,234	-
Reanda Haroon Zakaria & Company			
Annual audit of financial statements			
- standalone		750	750
- subsidiary companies		415	258
- consolidation		230	230
Review of half yearly financial statements		200	200
Code of Corporate Governance		125	125
Out of pocket expense		50	85
		1,770	1,648
A.F. Ferguson & Co.			
Annual audit of financial statements			
- subsidiary companies		-	1,080
		4,004	5,012

37. FINANCE COSTS

	Note	2023	2022
Dividend on preference shares	5.12	61	61
Mark-up on:			
- long-term financings		1,719,314	838,727
- short-term borrowings		381,222	59,777
		2,100,536	898,504
Bank and other charges		6,280	12,897
		2,106,877	911,462
Less: Borrowing cost capitalized in the cost of qualifying asset		(1,499,157)	(786,762)
Finance Cost		607,720	124,700
Mark-up Income on loans and advances		257,370	20,073
Mark-up on saving accounts		69,508	84,985
Finance Income		326,878	105,058
Finance Costs - Net		280,842	19,642

	Note	2023	2022
		------ (Rupees in '000) ------	
38. OTHER INCOME - Net			
Income from financial assets			
Remeasurement (loss)/gain on investment designated at FVTPL	11	**139,169**	(2,237)
		139,169	(2,237)
Income from non-financial assets			
Transfer Fees		**77,530**	152,478
Rental income from sport facilities		**34,625**	15,169
Rental income from investment properties		**34,612**	18,495
Remeasurement gain on investment properties	9.2	**28,576**	88,625
Amortisation of deferred grant		**27,635**	20,862
Others		**39,213**	10,584
		242,191	306,213
		381,360	303,976

39. TAXATION

	2023	2022
Current	**271,086**	265,320
Prior	**28,365)**	69,707
Deferred	**(49,871)**	(35,315)
	192,850	299,712

39.1 The assessments of the Company for and upto tax year 2022 have been completed or deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001 except for contingencies related to tax matters as disclosed in note 30.1.1 to these financial statements.

39.2 Tax reconciliation with accounting profit is as follows:

	2023	2022
	------ (Rupees in '000) ------	
Profit before taxation	**2,961,377**	687,969
Tax at the rate of 29% (2022: 29%)	**858,799**	199,511
Effect of income subject to tax at lower tax rate	**-**	-
Prior year tax	**(28,365)**	69,707
Others	**(637,584)**	30,494
	192,850	299,712

40. DISCONTINUED OPERATIONS

40.1 As on 31 December 2022, the parent company has disposed off its entire investment in Globe Residency REIT (Subsidiary Company), resulting in loss of control. Accordingly results of the subsidiary till the date of disposal are presented as discontinued operations. The subsidairy was not a discontinued operation or classified as held for sale as at June 30 2022.

	December 31, 2022	December 31, 2021
Results of GRR		
Revenue	1,727,308	-
Cost of sale	(1,346,263)	-
Gross profit	381,045	-
Profit before taxation - discontinued operations	338,987	-
Taxation	49,673	-
Profit after taxation - discontinued operations	289,314	-
Gain on Disposal of Subsidairy	772,633	-
Cash flows (used in) / generated from GRR		
Net cash generated from operating activities	(708,308)	-
Net cash generated from investing activities	-	-
Net cash generated from financing activities	888,725	-

Effect of Disposal on the financial position of the Group	December 31, 2022
Property and equipments	487
Contract cost assets	26,996
Inventory property	538,954
Current portion of contract cost assets	11,751
Contract assets	1,518,680
Receivables and deposits	3,755
Advance for development expenditure	481,415
Cash and bank balances	340,809
Total Assets	**2,922,847**
Long term loan	1,166,667
Outstanding land consideration	250,000
Contract liabilities	84,507
Commission payable	14,981
Payable to suppliers	93,191
Payable to the REIT Management Company	12,986
Payable to the Central Depository Company of Pakistan Limited - Trustee	4,768
Payable to the Securities and Exchange Commission of Pakistan	5,723
Current portion of long term loan	233,333
Trade payables	40,215
Accrued expenses and other liabilities	328,626
Accrued profit on long term loan	60,483
Total Liabilities	**2,295,480**
Net Assets	**627,367**

40.2 As on June 21, 2023, the parent company has disposed off its 26% investment in NN Apartment REIT (Subsidiary Company), resulting in loss of control. Consequently, the holding company cannot exercise its voting rights in daily operations or management of NNAR and the same rest with RMC. Further, the holding company being 74%-unit holder of NNAR does not have right under R-34 of REIT Regulation 2022 to transfer the management rights of NNAR to another RMC as holding company alone cannot remove the RMC by passing a special resolution at unit holders meeting through its proxy or nomination. Accordingly, the group has concluded that it doesn't not have control over the REIT Fund nor has power and ability to direct the relevant activities and return of NNAR and consequently, NNAR is not consolidated in these consolidated financial statements. The subsidairy was formed during the year in December 2022.

	June 30, 2023	June 30, 2022
Results of NNAR		
Revenue	-	-
Cost of sale	-	-
Gross profit	-	-
Loss before taxation - discontinued operations	(46,270)	-
Taxation	-	-
Loss after taxation - discontinued operations	(46,270)	-
Gain on Disposal of Subsidairy	4,223,313	-

41. EARNINGS PER SHARE

41.1 EARNINGS PER SHARE FROM CONTINUING OPERATION

	2023	2022
Basic		
Profit after tax (Rupees in '000)	2,768,527	388,257
Weighted average number of ordinary shares (In numbers)	380,860,447	380,860,447
Earnings per share (In Rupees)	7.27	1.02
Diluted		
Profit attributable to ordinary shareholders (Rupees in '000)	2,768,570	388,318
Weighted average number of ordinary shares in issue (In numbers)	380,860,447	380,860,447
Adjustment for conversion of convertible preference share (In numbers)	15,524	16,739
Weighted average number of ordinary shares for diluted earning per share (In numbers)	380,875,971	380,877,186
Earnings per share - (In Rupees)	7.27	1.02

41.2 EARNINGS PER SHARE FROM DISCONTINUING OPERATION

	2023	2022
Basic		
Profit after tax (Rupees in '000)	5,238,990	-
Weighted average number of ordinary shares (In numbers)	380,860,447	-
Earnings per share (In Rupees)	13.76	-

	2023	2022
Diluted		
Profit attributable to ordinary shareholders (Rupees in '000)	**5,238,990**	-
Weighted average number of ordinary shares in issue (In numbers)	**380,860,447**	-
Adjustment for conversion of convertible preference share (In numbers)	**15,524**	-
Weighted average number of ordinary shares for diluted earning per share (In numbers)	**380,875,971**	-
Earnings per share - (In Rupees)	**13.76**	-

42. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements are as follows:

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Managerial remuneration	**11,808**	12,881	**-**	-	**65,862**	57,648
Medical	**1,808**	1,288	**-**	-	**6,600**	5,765
Fuel allowance	**1,174**	701	**-**	-	**8,541**	6,624
Mobile allowance	**-**	-	**-**	-	**923**	930
Lease rentals	**-**	-	**-**	-	**3,179**	4,382
House rent	**-**	-	**-**	-	**2,048**	517
Special allowance	**945**	-	**-**	-	**3,234**	951
Drivers allowance	**-**	-	**-**	-	**300**	300
Utility Allowance	**-**	-	**-**	-	**280**	-
Conveyance Allowance	**-**	-	**-**	-	**631**	-
Internet allowance	**-**	-	**-**	-	**71**	-
Meal allowance	**-**	-	**-**	-	**84**	-
Bonus	**984**	-	**-**	-	**5,489**	-
	16,718	14,870	**-**	-	**97,242**	77,117
Number of Persons	**1**	1	**-**	-	**35**	27

42.1 No remuneration is paid / payable to the directors of the group for current and prior years, other than those disclosed in note 42.3 to these financial statements.

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

42.3 During the year, the Group has paid Rs. 1.80 million (2022: Rs. 0.81 million) to a non-executive Director on account of board meeting fees.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group finances its operations through equity, borrowings and management of working capital with a view of maintaining and appropriate mix between various sources of finance to minimize risks. Taken as a whole, the Group is exposed to market risk, credit risk, and liquidity risk. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2023. The policies for managing each of these risks are summarised below:

43.1 Financial assets and liabilities are carried at amortised cost except for short-term investments of Rs.Nil (2022: Rs. Nil million) carried at fair value through profit or loss and their respective maturities are as follows:

	Interest bearing			Non-Interest bearing			Total
	Maturity upto one year	Maturity after one year but less than five years	Total	Maturity upto one year	Maturity after one year but less than five years	Total	
	------ (Rupees in '000) ------						
Financial assets							
Long-term deposits	-	-	-	-	11,719	11,719	11,719
Long-term investment	-	-	-	-	2,312,870	2,312,870	2,312,870
Trade debts	-	-	-	10,814,366	-	10,814,366	10,814,366
Loans	-	-	-	10,362	-	10,362	10,362
Trade deposits and other receivables	-	-	-	1,097,401	-	1,097,401	1,097,401
Short-term investments	13,000	-	13,000	126,316	-	126,316	139,316
Cash and bank balances	3,119	-	3,119	120,997	-	120,997	124,116
2023	16,119	-	16,119	12,169,442	2,324,589	14,494,031	14,510,150
Financial liabilities							
Long-term financings	2,319,667	6,625,235	8,944,902	-	-	-	8,944,902
Trade and other payables	-	-	-	3,414,649	-	3,414,649	3,414,649
Accrued mark-up	448,334	-	448,334	-	-	-	448,334
Short-term borrowings	3,900,472	-	3,900,472	-	-	-	3,900,472
Unpaid preference dividend	-	-	-	303	-	303	303
Unclaimed dividend	6,544	-	6,544	-	-	-	6,544
2023	6,675,017	6,625,235	13,300,252	3,414,952	-	3,414,952	16,715,204

	Interest bearing			Non-Interest bearing			Total
	Maturity upto one year	Maturity after one year but less than five years	Total	Maturity upto one year	Maturity after one year but less than five years	Total	
	------ (Rupees in '000) ------						
Financial assets							
Long-term deposits	-	-	-	-	13,372	13,372	13,372
Long-term investment	-	-	-	-	1,510,000	1,510,000	1,510,000
Trade debts	-	-	-	1,040,253	-	1,040,253	1,040,253
Loans	-	-	-	809,805	-	809,805	809,805
Trade deposits and other receivables	-	-	-	328,307	-	328,307	328,307
Short-term investments	13,000	-	13,000	-	-	-	13,000
Cash and bank balances	538,426	-	538,426	1,107,390	-	1,107,390	1,645,816
2022	551,426	-	551,426	3,285,755	1,523,372	4,809,127	5,360,553
Financial liabilities							
Long-term financings	2,051,862	7,537,129	9,588,991	-	-	-	9,588,991
Trade and other payables	-	-	-	689,939	-	689,939	689,939
Accrued mark-up	191,321	-	191,321	-	-	-	191,321
Short-term borrowings	1,833,164	-	1,833,164	-	-	-	1,833,164
Unpaid preference dividend	-	-	-	242	-	242	242
Unclaimed dividend	4,250	-	4,250	-	-	-	4,250
2022	4,080,597	7,537,129	11,617,726	690,181	-	690,181	12,307,907

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values.

43.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. The sensitivity analyses in the following sections relate to the position as at June 30, 2023.

43.2.1 Interest rate risk

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

43.2.2 Interest rate sensitivity

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

	(Increase) / decrease in basis points	Effect on profit before tax
		(Rupees in '000)
2023	**+10%**	**(1,277,438)**
	+10%	**1,277,438**
2022	+10%	(1,132,353)
	+10%	1,132,353

43.2.3 Currency risk

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

43.2.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. As at reporting date, the group is not exposed to equity price risk, as disclosed in (note 16).

43.3 Credit risk

43.3.1 Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharging an obligation. The financial assets excludes statutory receivables / assets and includes investments, trade debts, deposits, other receivables, loans and cash and bank balances at amortized cost. Out of the total financial assets of Rs. 17,099.352 million (2022: Rs.5,360.553 million), the financial assets which are subject to credit risk amounted to Rs. 16,012 million (2022: Rs.5,201.984 million). The Company's credit risk is primarily attributable to its trade debts and bank balances. The Company has large number of customers, including corporate and individuals, due to large number and diversity of its customer base, concentration of credit risk with respect to trade debtors is limited.

The credit quality of financial assets that are past due but not impaired is disclosed in note 14.4 to these financial statements. As at reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values.

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

	Note	2023	2022
		------ (Rupees in '000) ------	
Long-term deposits	10	**11,719**	13,372
Long-term investment	11	**2,312,870**	1,510,000
Trade debts	14	**10,760,111**	920,656
Loan to employees and related party	15	**10,362**	808,115
Trade deposits and other receivables	16	**1,097,401**	328,307
Short-term investments	17	**1,713,721**	13,000
Bank balances	19	**106,219**	1,608,534
		16,012,403	5,201,984

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

Bank Balances by short-term rating category	Rating Agency	2023	2022
		------ (Rupees in '000) ------	
A-1	PACRA	**15**	117
A-1	VIS	**88,040**	688
A-1+	PACRA	**23,155**	1,452,878
A-1+	VIS	**2**	147,335
A-3	VIS	**(4,993)**	7,516
		106,219	1,608,534

43.4 Liquidity risk

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

The table below summarizes the maturity profile of the Group's financial liabilities at amortized cost at June 30, 2023 and 2022 based on contractual undiscounted payment dates and present market interest rates:

	2023					
	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
	---------------- (Rupees in '000) ----------------					
Financial liabilities						
Long-term financings	**8,944,902**	**8,944,902**	**551,552**	**1,768,115**	**2,219,667**	**4,405,568**
Trade and other payables	**3,414,649**	**3,414,649**	**3,414,649**	**-**	**-**	**-**
Accrued mark-up	**448,334**	**448,334**	**448,334**	**-**	**-**	**-**
Short term borrowings	**3,900,472**	**3,900,472**	**3,900,472**	**-**	**-**	**-**
Unpaid preference dividend	**303**	**303**	**303**	**-**	**-**	**-**
Unclaimed dividend	**6,544**	**6,544**	**6,544**	**-**	**-**	**-**
	16,715,204	**16,715,204**	**8,321,854**	**1,768,115**	**2,219,667**	**4,405,568**

	2022					
	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
	---------------- (Rupees in '000) ----------------					
Financial liabilities						
Long-term financings	9,588,991	9,588,991	551,552	1,500,310	2,219,667	5,317,462
Trade and other payables	689,939	689,939	689,939	-	-	-
Accrued mark-up	191,321	191,321	191,321	-	-	-
Short term borrowings	1,833,164	1,833,164	1,833,164	-	-	-
Unpaid preference dividend	242	242	242	-	-	-
Unclaimed dividend	4,250	4,250	4,250	-	-	-
	12,307,907	12,307,907	3,270,468	1,500,310	2,219,667	5,317,462

43.5 Fair value of financial instruments

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

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

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

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

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

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

Level 1: Quoted market price.
Level 2: Valuation techniques (market observable)
Level 3: Valuation techniques (non - market observables)

The fair value hierarchy of assets are disclosed in these financial statements as follows:

	Note
- Lands under property, plant and equipment	7.1.1
- Lands under investment properties	9.3
- Equity instruments designated at FVTPL	16.4

43.5.1 The Group held the following financial instruments measured at fair value:

	Total	Level 1	Level 3	Level 3
Financial assets - Designated at FVTPL				
June 30, 2023	**4,013,591**	**126,316**	**1,574,405**	**2,312,870**
June 30, 2022	-	-	-	-

Description of unobservable inputs to valuation

The significant unobservable inputs used in fair value measurement categorised within Level 3 of the fair value hirarchy, as at June 30, 2023 as shown below:

	Significant unobservable inputs	**Range (weighted average)**	**Sensitivity of the input to fair value**
Unquoted units Naya Nazimabad Apartment REIT	Discount rate	20.73% -22.73%	2% increase in the discount rate to 22.73% could result in decrease in fair value by PKR 277.73 million.

43.6 Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2023.

The Group manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Group monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and revenue reserves. The gearing ratio as at June 30, 2023 and 2022 are as follows:

	Note	2023	2022
		------ (Rupees in '000) ------	
Long-term financings	23	8,944,902	10,988,991
Preference shares	27	505	505
Accrued mark-up	28	448,334	205,809
Short-term borrowings	30	3,900,472	1,833,164
Total debts		13,294,213	6,892,488
Less: Cash and bank balances	19	(124,116)	(2,767,443)
Net debts		13,170,097	6,739,792
Issued, subscribed and paid-up capital	20	3,808,604	3,808,604
Capital reserves	21	2,758,293	2,758,293
Revenue reserves	21	10,594,568	3,185,502
Other component of equity - revaluation surplus on lands	22	8,817,355	8,394,190
Total equity		25,978,820	18,146,589
Total capital		39,148,917	24,886,381
Gearing ratio		33.64%	27.08%

44. TRANSACTIONS WITH RELATED PARTIES

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

	2023	2022
	------ (Rupees in '000) ------	
Associates - Common directorship		
Signature Residency REIT [SRR]		
Sale of plots	817,600	-
Advances received against sale of apartments	179,843	-
Expenses incurred on behalf of SRR by the Group	32,376	-
Gymkhana Apartment REIT [GAR]		
Sale of plots	3,727,250	-
Expenses incurred on behalf of GAR by the Group	6,023	-
Park view Apartment REIT [PVAR]		
Sale of plots	2,304,900	-
Expenses incurred on behalf of PVAR by the Group	5,909	-
Globe Residency REIT		
Receipts against sale of land	450,000	-
Advances received against sale of apartments / Sale of wastage steel	29,944	-
Expenses incurred on behalf of GRR by the Group	48,970	-

	2023	2022
	------ (Rupees in '000) ------	
Arif Habib Corporation Limited		
Short-term borrowing obtained during the period	1,100,000	-
Sale of Units of NN Apartment REIT	485,750	
Markup expense on short term-borrowing	36,114	-
Markup paid during the period	7,496	2,723
Arif Habib Equity (Pvt) Limited		
Sale of plots	605,156	454,920
Advance adjusted against sale of plots	402,093	454,920
Advance received against purchase of commercial sites	203,063	216,883
Development charges billed	13,000	55,080
Development charges received	13,000	55,080
Arif Habib Limited		
Sale of plots	-	-
Purchase of plots	-	1,410,000
Paid against purchase of plots	-	1,410,000
Short-term borrowing extended during the period	750,000	1,780,000
Re-Payment of Short-term borrowing extended during the period	1,550,000	980,000
Short-term borrowing obtained during the period	630,000	380,000
Sale of Units of NN Apartment REIT	278,000	-
Short-term borrowing repaid during the period	-	380,000
Markup expense on short term-borrowing obtained during the period	2,071	10,637
Markup income on short-term-borrowing extended during the period	246,778	20,091
Markup income received on short-term-borrowing extended during the period	246,778	17,012
Purchase of Term Finance Certificates	1,602,317	-
Power Cement Limited		
Advance against construction material	-	48,000
Advance adjusted	48,000	-
Purchase of construction material	102,349	37,699
Paid against the purchase of construction material	59,481	23,341
Safe Mix Concrete Limited		
Advance against construction material	-	140,000
Advance adjusted against concrete for hospital	54,338	-
Purchase of construction material	34,806	30,528
Paid against the purchase of construction material	32,733	24,227
Rotocast Engineering Co. (Private) Limited		
Services received during the year	1,623	843
Paid against services received	1,494	819
Rent prepaid during the year	1,328	1,207
Rent expense charged during the year	1,328	1,207
Other Services	36	1,109

	Note	2023	2022
		------ (Rupees in '000) ------	
International Builders and Developers (Private) Limited			
Expenses incurred by the Group on behalf of International Builders and Developers (Private) Limited		**94**	187
Associated persons			
Haji Abdul Ghani			
Sale of plots		**214,133**	156,100
Advance adjusted against sale of plots		**130,691**	156,100
Received against purchase of commercial site		**80,000**	-
Development charges billed		**4,200**	18,900
Development charges received		**4,200**	18,900
Associates			
Go Real Estate			
Development charges received		**-**	14,326
Key management personnel (Other than CEO - Note 42)			
Arif Habib - Director			
Advance received against purchase of commercial sites		**-**	183,117
Sale of plots		**558,087**	93,660
Advance adjusted against sale of plots		**75,317**	93,660
Advance against Club house Membership		**31,000**	-
Development charges billed		**2,800**	11,340
Development charges received		**2,800**	11,340
Short-term loans received during the year		**2,430,000**	1,575,000
Short-term loans paid during the year		**2,330,000**	1,575,000
Mark-up expense on short term-borrowing		**56,509**	894
Post employment benefit plan			
Gratuity fund trust - contribution paid during the year	24	**9,144**	118

44.1 The outstanding receivable and payable balances as of June 30, 2023 and 2022 are disclosed in their respective notes to these financial statements.

45. INFORMATION ABOUT OPERATING SEGMENTS

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

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

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

46. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions.

47. GENERAL

47.1 Number of employees as at June 30, 2023 was 580 (2022: 673) and average number of employees during the year was 588 (2022: 619).

48. SUBSEQUENT EVENT

In its meeting held on September 23, 2023, the Board of Directors of the Group proposed a final cash dividend of Rs. 06 (six) per share amounting to Rs. 2,285,162,682/-. The aforementioned proposed entitlement are to be approved by the members of the Group in their Annual General Meeting (AGM) scheduled to be held on October 27, 2023. These unconsolidated financial statements do not reflect the said appropriation.

49. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 04, 2023 by the Board of Directors of the Company.

Chief Financial Officer	Chief Executive Officer	Director

Category wise list of shareholders

As of June 30, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
DARAKSHAN	1	2,994,358	0.79
ABDUS SAMAD	1	60,217	0.02
MOHAMMAD KASHIF	1	5,854,335	1.54
ARIF HABIB	1	38,256,783	10.04
ABDUL QADIR	1	213	0.00
Associated Companies, undertakings and related parties	9	230,385,488	60.49
NIT & ICP	1	141	0.00
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	5	312,008	0.08
Insurance Companies	-	-	-
Modarabas and Mutual Funds	1	29,500	0.01
General Public			
a. Local	2,868	50,656,835	13.30
b. Foreign	10	154,711	0.04
Foreign Companies	-	-	-
Others	44	52,155,858	13.69
Totals	2,943	380,860,447	100.00

Share holders holding 10% or more	Shares Held	Percentage
ABDUL GHANI	45,197,308	11.87
ARIF HABIB EQUITY (PVT) LTD	109,243,258	28.68

Pattern of Shareholding

As of June 30, 2023

Number of Shareholders	Shareholdings Slab	Total Shares Held
1726	1 to 100	48,155
610	101 to 500	138,108
203	501 to 1000	146,978
230	1001 to 5000	487,328
52	5001 to 10000	374,296
25	10001 to 15000	305,409
18	15001 to 20000	315,892
7	20001 to 25000	152,456
5	25001 to 30000	138,834
2	30001 to 35000	64,200
4	35001 to 40000	151,422
1	40001 to 45000	43,200
3	45001 to 50000	149,792
4	50001 to 55000	210,590
1	55001 to 60000	58,800
2	60001 to 65000	120,817
1	65001 to 70000	66,000
1	75001 to 80000	79,210
1	80001 to 85000	83,480
1	85001 to 90000	90,000
1	90001 to 95000	90,280
2	95001 to 100000	200,000
1	115001 to 120000	115,473
1	140001 to 145000	144,000
2	150001 to 155000	305,049
1	155001 to 160000	157,800
1	185001 to 190000	188,000
1	205001 to 210000	205,051
1	220001 to 225000	224,400
2	285001 to 290000	574,516
1	355001 to 360000	360,000
1	360001 to 365000	362,490
1	375001 to 380000	375,500
2	380001 to 385000	766,628
3	425001 to 430000	1,283,040
1	445001 to 450000	448,600
1	1090001 to 1095000	1,092,980
1	1510001 to 1515000	1,510,401
1	1715001 to 1720000	1,717,717
1	2355001 to 2360000	2,355,500
1	2855001 to 2860000	2,859,601
2	2990001 to 2995000	5,988,118
2	3045001 to 3050000	6,092,912
1	3885001 to 3890000	3,889,460
1	3995001 to 4000000	4,000,000
1	4625001 to 4630000	4,628,558
1	5850001 to 5855000	5,854,335
1	6570001 to 6575000	6,570,812
1	7255001 to 7260000	7,257,825
1	8215001 to 8220000	8,220,000
1	16795001 to 16800000	16,800,000
1	17675001 to 17680000	17,675,414
1	23765001 to 23770000	23,768,750
1	25545001 to 25550000	25,549,945
1	38060001 to 38065000	38,061,117
1	38255001 to 38260000	38,256,783
1	40440001 to 40445000	40,441,167
1	109240001 to 109245000	109,243,258
2943		380,860,447

ریٹائرمنٹ مراعات میں سرمایہ کاری:

کمپنی کے ساتھ کم سے کم آزمائشی مدت پوری کر لینے والے تمام اہل ملازمین کے لئے کمپنی ایک منظور شدہ فنڈڈ گریجویٹی اسکیم چلاتی ہے۔ گریجویٹی فنڈ کی سرمایہ کاری کا حجم 2.281 ملین روپے ہے۔

اظہار تشکر

ایک خواب کو تعبیر دینے کے عمل میں ہماری مستقل مدد و اعانت کرنے پر بورڈ آف ڈائریکٹرز کی جانب سے ہم اپنے گاہکوں اور شیئر ہولڈروں کا تہہ دل سے شکریہ ادا کرتے ہیں۔ ہم اپنے بینکوں اور مالیاتی اداروں کا بھی شکریہ ادا کرنا چاہیں گے جو کمپنی کو یہ پروجیکٹ پیش کرنے میں برس ہا برس سے اہم کردار ادا کرتے چلے آ رہے ہیں۔ پروجیکٹ کی اعانت پر ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کا شکریہ بھی ادا کرنا چاہیں گے۔ ہم کمپنی کے تمام ملازمین کی ان تھک محنت کی قدر کرتے ہیں اور انہیں تہنیت پیش کرتے ہیں۔

عبدالصمد حبیب

چیف ایگزیکٹو

عارف حبیب

چیئرمین

مورخہ 23 ستمبر 2023ء

اندرونی انضباط

اپنے اثاثہ جات کے تحفظ اوراپنے ریکارڈز کی درستگی اور اعتبار کے تیقّن کی غرض سے کمپنی نے ایک مئوثر اندرونی مالیاتی انضباط کا نظام نافذ کیا ہے۔ سینئر انتظامیہ تفصیلی ماہانہ مالیاتی رپورٹوں اور تجزیوں کے ذریعے کمپنی کی مالیاتی کارکردگی کا جائزہ لیتی ہے جب کہ بورڈ بھی ہر تین ماہ بعد اپنی سطح پر جائزہ لیتا ہے اور توقعات میں کمی بیشی کی چھان بین کرتا ہے۔ اندرونی آڈٹ کے نظام کے ذریعے تفصیلی جانچ پڑتال کا انعقاد کیا جاتا ہے جو اندرونی انضباطی طریق کار کے ساتھ ساتھ مقررہ پروسیجر پر عمل درآمد کا جائزہ لیتا ہے اور اپنی رپورٹ آڈٹ کمیٹی کو پیش کرتا ہے۔

ڈائریکٹروں کا تربیتی پروگرام

بورڈ نے ڈائریکٹروں کے تربیتی پروگرام کی شرط اور لسٹڈ کمپنیز کارپوریٹ گورننس ریگولیشنز 2019 میں مقرر کردہ معیارات کی باقاعدہ تعمیل کی ہے۔

بیرونی آڈیٹرز

30 جون 2023 کو اختتام پذیر ہونے والے سال کے کمپنی کے مالیاتی گوشوارے M/S Reanda Haroon Zakaria & Co. چارٹرڈ اکاؤنٹینٹس اور میسرز یوسف عادل چارٹرڈ اکاؤنٹینٹس نے آڈٹ کئے ہیں۔ یہ آڈیٹرز 61 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کے سبب M/S Reanda Haroon Zakaria & Co. چارٹرڈ اکاؤنٹینٹس اور میسرز یوسف عادل چارٹرڈ اکاؤنٹینٹس نے دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں۔

آڈٹ کمیٹی کی سفارش پر آئندہ سالانہ اجلاس عام میں ممبران کی منظوری کی شرط پر بورڈ نے M/S Reanda Haroon Zakaria & Co. چارٹرڈ اکاؤنٹینٹس اور میسرز یوسف عادل چارٹرڈ اکاؤنٹینٹس کی 30 جون 2024 کو اختتام پذیر ہونے والی مدت کے لئے دوبارہ تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا نمونہ

کمپنیز ایکٹ 2017 کی دفعہ (f)(2) 227 کی مطابقت میں 30 جون 2023 تک کمپنی کی شیئر ہولڈنگ کا نمونہ رپورٹ ہٰذا کے ساتھ منسلک ہے۔

اسٹیک ہولڈرز کے لئے معلومات:

گزشتہ برسوں کا اہم عملیاتی اور مالیاتی ڈیٹا کا خلاصہ صفحہ نمبر...... پر پیش کیا گیا ہے۔

بیلنس شیٹ کی تیاری کے بعد کے واقعات

مورخہ 23 September, 2023 کو منعقدہ اجلاس میں بورڈ آف ڈائریکٹرز نے مبلغ 6 روپے فی شیئر کے عبوری منافع منقسمہ کا اعلان کیا ہے جس کی کل رقم مبلغ 2,285,162,682 روپے بنتی ہے۔ زیر نظر غیر منظّم مالیاتی گوشواروں میں مذکورہ تصرف کا ذکر نہیں کیا گیا ہے۔

منسلکہ پارٹی کے ساتھ لین دین:

منسلکہ پارٹیوں کے ساتھ تمام تر لین دین قابل اطلاق ریگولیشنز کی عین مطابقت میں کیا گیا ہے اور مالیاتی گوشواروں کے متعلقہ نوٹس میں ظاہر کر دیا گیا ہے۔

ڈائریکٹرز کے معاوضے

نان ایگزیکٹوڈائریکٹرز (بشمول انڈیپنڈنٹ ڈائریکٹرز) ماسوائے ان ڈائریکٹرز کے جو عارف حبیب گروپ آف کمپنیز میں کسی اور جگہ بھی بطورا یگزیکٹوڈائریکٹرز خدمات انجام دے رہے ہیں، انہیں بورڈاوراس کی کمیٹیوں کے اجلاسوں میں شرکت کے عوض، جیسا کہ بورڈ کی جانب سے وقتاًفوقتاً منظور کیا جائے، معاوضہ ادا کیا جاتا ہے۔

مزید یہ کہ بورڈکسی بھی نان ایگزیکٹوڈائریکٹرکو، جب اور جیسے، کوئی بھی اضافی کرداراور ذمہ داریاں سونپنے کا فیصلہ کرتا ہے، تو بورڈ طے کرے گا کہ اس ڈائریکٹرکواسے سونپے گئے کرداراور ذمہ داریوں کے عوض کیا معاوضہ ادا کیا جائے۔

بورڈ کی ترکیب

بورڈ کی حالیہ ترکیب درج ذیل ہے:۔

ڈائریکٹرز کی کل تعداد:

(الف) مرد..................8

(ب) خاتون............1

ترکیب:

(الف) انڈیپنڈنٹ ڈائریکٹر.................. 3

(ب) نان ایگزیکٹوڈائریکٹر.................5

(ج) ایگزیکٹوڈائریکٹر........................1

بورڈ کی کمیٹیاں:

آڈٹ کمیٹی

جناب عبداللہ غفار......چیئرمین

جناب محمداعجاز......ممبر

جناب کاشف اے حبیب......ممبر

جناب عبدالقادرسلطان......ممبر

ہیومن ریسورس اینڈریومیریشن کمیٹی

جناب جاویدقریشی......چیئرمین

جناب عارف حبیب......ممبر

جناب صمداے حبیب......ممبر

جناب محمداعجاز......ممبر

مالیاتی اور غیر مالیاتی معلومات کی درستگی بڑھانے، تکمیلیت اور شفافیت یقینی بنانے کی اپنی ذمہ داری سے بہ خوبی آگاہ ہے۔

بورڈ یہ بیان کرنا چاہے گا کہ JCL کے کھاتوں کی کتب موزوں طور سے مرتب کی گئی ہیں اور موزوں اکاؤنٹنگ پالیسیاں اختیار کی گئی ہیں اور مالیاتی گوشواروں کی تیاری میں انہیں مستقل طور سے اختیار کیا گیا ہے؛ اور مالیاتی تخمینہ جات معقول اور چوکسی سے کیئے گئے فیصلوں پر مبنی ہیں۔ مالیاتی گوشواروں کی تیاری کرتے ہوئے پاکستان میں قابل اطلاق عالمی مالیاتی رپورٹنگ معیارات پر عمل درآمد کیا گیا ہے۔ اندرونی انضباط کا نظام اپنے ڈیزائن میں مضبوط ہے جسے مؤثر طور سے نافذ کیا گیا ہے اور جس کی نگرانی کی جاتی ہے۔ JCL کے مالیاتی گوشوارے اس کے معاملات، اس کے آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کے بیان کی غیر جانبدارانہ عکاسی کرتے ہیں۔ ٹیکسوں، ڈیوٹیوں، محصولات یا چارجز کے ضمن میں کوئی مادّی ادائیگی غیر ادا شدہ نہیں رہی۔

کوڈ کی تعمیل کے ضمن میں بورڈ، ذریعہ ہٰذا تصدیق کرتا ہے کہ ایک چالو کاروباری ادارے کے طور پر JCL کی اہلیت و صلاحیت پر کوئی شک و شبہ نہیں اور یہ کہ کارپوریٹ گورنینس کے بہترین معمولات سے کوئی مادّی انحراف نہیں کیا گیا ہے ماسوائے ان کے جن کا ذکر Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations-2019 میں کیا گیا ہے۔

بہتر کارپوریٹ گورنینس اور غیر جانبدار اور شفاف معمولات کے ذریعے سبقت لے جانے کی JCL ہمیشہ سے جدوجہد کرتی آئی ہے۔

کمپنی کے شیئرز کی تجارت

30 جون 2023 کو اختتام پذیر ہونے والے سال کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے شیئرز کی تجارت نہیں کی ہے۔

بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں ڈائریکٹرز کی حاضری

30 جون 2023 کو مختتمہ سال کے دوران بورڈ کے چھ (06)، آڈٹ کمیٹی کے پانچ (05) اور ہیومن ریسورس اینڈ ریومیریشن کمیٹی کا ایک (01) اجلاس منعقد ہوا۔ ڈائریکٹرز کی حاضری کی صورت حال درج ذیل ہے:۔

نام ڈائریکٹر	بورڈ اجلاس		آڈٹ کمیٹی اجلاس		ایچ اینڈ آر کمیٹی اجلاس	
	منعقدہ	حاضری	منعقدہ	حاضری	منعقدہ	حاضری
جناب عارف حبیب	6	6	کوئی نہیں	کوئی نہیں	1	1
جناب صمداے حبیب	6	5	5	4 (مدعو کیا گیا)	1	1
جناب محمد اعجاز	6	5	5	5	1	1
جناب عبدالقادر سلطان	6	6	5	5	کوئی نہیں	کوئی نہیں
جناب عالمگیر شیخ	6	4	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں
محترمہ درخشاں زوہیب	6	5	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں
جناب عبداللہ غفار	6	6	5	5	کوئی نہیں	کوئی نہیں
جناب جاوید قریشی	6	4	کوئی نہیں	کوئی نہیں	1	1
جناب کاشف حبیب	6	6	5	5	کوئی نہیں	کوئی نہیں

پروجیکٹ کی تکمیل کی مدت کو بڑھا سکتے ہیں۔

تاہم گزشتہ چھ ماہ کے دوران پیش کئے گئے "سگنیچر ٹاور اور راحت ریذیڈنسی فیز I اور II کا استقبال رائج محرکات کے تناظر میں مارکیٹ میں بہت اچھے انداز میں ہوا ہے۔ چنانچہ ہمیں اعتماد ہے کہ قدر میں اضافہ کرنے والے خاص طور سے فلائی اوور سمیت مخصوص پروجیکٹوں کی تکمیل جیسی پیش رفت کمپنی کو مشکل اور پُر آزمائش وقتوں سے نکلنے کے قابل بنائیں گے۔

کارپوریٹ سماجی ذمہ داری (Corporate Social Responsibility)

کمپنی کو ادراک ہے کہ قومی بھلائی بھی اس کی ذمہ داری ہے۔ ایک ذمہ دار کارپوریٹ شہری ہونے کی حیثیت سے کمپنی نے معیشت کے مختلف سماجی شعبوں میں مختلف طریقوں سے اپنا حصہ ڈالا ہے تاکہ ملک میں معیار زندگی میں بہتری لائی جاسکے۔ اس ضمن میں کمپنی پاکستان کی مختلف سماجی انجمنوں اور این جی اوز کے ساتھ مل کر کام کر رہی ہے۔

جاویداں کارپوریشن لمیٹڈ، پاکستان ایسوسی ایشن آف دی بلائنڈ (PAB) کو عطیات دیتی ہے۔ یہ تنظیم بینائی سے معذور لوگوں کی بھلائی، بحالی، صحت، تعلیم اور انہیں روزگار کی فراہمی کے لیے کام کرتی ہے۔

جاویداں کارپوریشن ایسی کئی تنظیموں کو اسپانسر بھی کرتی ہے جن کی مرکزی سرگرمیوں میں تعلیم میں اعانت، ہنرمند کاریگروں کی تیاری، ماہانہ راشن کی فراہمی، شادی بیاہ، بیماریوں کے علاج اور ہسپتال کے اخراجات کی ادائیگی کے علاوہ مکانات کی تعمیر کے لیے مالی تعاون شامل ہیں۔

اسپورٹس سرگرمیوں کو اسپانسر کرنا

اسپورٹس کی سرگرمیوں پر کمپنی خصوصی توجہ دیتی ہے اور اس مقصد کی خاطر عالمی معیار کا کرکٹ، فٹبال اسٹیڈیم اور باسکٹ بال کورٹ تعمیر کیا ہے۔ دورانِ سال کمپنی نے "نیا ناظم آباد" اور دیگر جگہوں پر مختلف ٹورنامنٹس کو اسپانسر کر کے شہر میں اسپورٹس سرگرمیوں کے فروغ میں اپنا کردار ادا کیا۔ کراچی کے نوجوانوں کو صحتمند سرگرمیوں میں مصروف رکھنے کی غرض سے کمپنی اپنے گراؤنڈ پر کرکٹ اور فٹبال اکیڈمیاں بھی چلاتی ہے۔

کریڈٹ ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے آپ کی کمپنی کو A-1 / A+ (اے پلس/اے ون) کی اینٹائٹی ریٹنگز دی گئی ہیں۔ ان عطاء کردہ ریٹنگز کا مطلب ہے "مستحکم"۔ یہ کریڈٹ ریٹنگ طویل مدت میں بلند تر کریڈٹ کوالٹی اور قلیل مدت میں یقینی بروقت ادائیگیوں کو ظاہر کرتی ہے۔ یہ تصدیق نامہ کمپنی کی انتظامیہ کے مسلسل بڑھوتی کے ویژن کو اجاگر کرتا ہے اور توقع ہے کہ اس تصدیق نامے کے ذریعے مارکیٹ میں ہم پر اعتماد میں مزید اضافہ ہوگا۔

ممبرشپ

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

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

JCL پاکستان اسٹاک ایکسچینج میں لسٹڈ ہے۔ کمپنی کا بورڈ کارپوریٹ گورنینس کے کوڈ پر عمل درآمد کرنے کے عہد پر کاربند ہے اور اپنے آپریشنز اور کارکردگی کی نگرانی اور

روپے رہے جو گزشتہ برس اسی مدت کے مقابلے میں %4.9 زیادہ تھے۔ زیر جائزہ سال کے دوران مالیاتی لاگت 336 ملین روپے رہی جو گزشتہ برس اسی مدت کے دوران 67 ملین روپے رہی تھی۔ سال کے دوران دیگر آمدنی 379 ملین روپے حاصل ہوئی جو گزشتہ برس کی اسی مدت کے دوران 303 ملین روپے رہ تھی اس طرح اس مد میں %25 کی بڑھوتی دیکھنے میں آئی۔ زیر جائزہ مدت کے دوران فلائی اوور کے پروجیکٹ کی تعمیر جاری رہی اور کمپنی نے 1,235 ملین روپے کے اخراجات برداشت کیے۔ زیر جائزہ مدت کے اختتام پر قبل از ٹیکس اور بعد از ٹیکس منافع بالترتیب 6,966 ملین روپے اور 6,741 ملین روپے رہا۔ اس مدت کے دوران قبل از ٹیکس اور بعد از ٹیکس منافع میں گزشتہ برس کی بہ نسبت %297 اور %348 کی بڑھوتی ریکارڈ ہوئی۔ اور فی شیئر کمائی (بیسک اور ڈیلوٹڈ) 17.70 روپے رہی جو گزشتہ برس کی اسی مدت کے دوران 3.95 روپے رہی تھی۔

ذیل میں (غیر منظّم) مالیاتی نتائج کا تقابلی خلاصہ پیش کیا جا رہا ہے:۔

تفصیلات	30 جون 2023	30 جون 2022
	(ہزار روپے)	
خالص فروخت	16,827,214	5,009,539
لاگت فروخت	(7,793,730)	(2,594,266)
خام منافع	9,033,484	2,415,273
منافع قبل از ٹیکس	6,966,690	1,756,491
منافع بعد از ٹیکس	6,741,951	1,505,145
فی شیئر کمائی (EPS) بنیادی (روپے)	17.70	3.95
فی شیئر کمائی (EPS) ڈیلوٹڈ (روپے)	17.70	3.95

30 جون 2023 کو اختتام کو پہنچنے والے مالی سال کے دوران منظّم بنیادوں پر JCL کی آمدنی 11,188 ملین روپے رہی جو گزشتہ برس کی اسی مدت کے دوران 4,469 ملین روپے رہی تھی۔ جاری آپریشنوں سے 2,961 ملین روپے اور روکے گئے آپریشنوں سے 5,239 ملین روپے کے منافع حاصل ہوئے جو 21.02 روپے فی شیئر کمائی کی صورت میں ظاہر ہوا۔

مستقبل کا منظر نامہ

REIT کے تحت نیا ناظم آباد جم خانہ اور اپارٹمنٹ پروجیکٹس آئندہ 3 سے 5 برسوں تک کمپنی کے لئے قوت متحرکہ ثابت ہوں گے۔

نیا ناظم آباد جم خانہ کا آغاز مالی سال 2024-2023 کی دوسری سہ ماہی میں کر دیا جائے گا اور ہمیں توقع ہے کہ کلب شروع ہو جانے کے بعد اس کی رکنیت سازی بھی رفتار پکڑ لے گی۔

مختلف REITs کے تحت اپارٹمنٹ پروجیکٹ مختلف مراحل میں ہیں اور توقع ہے کہ REIT پروجیکٹوں سے باقاعدہ منافع منقسمہ آئندہ دو ایک برسوں میں حاصل ہونا شروع ہو جائے گا۔

حالیہ افراط زر، شرح سود میں بڑھوتی، تعمیراتی لاگت میں اضافہ اور گزشتہ 12 ماہ کے دوران معیشت میں مجموعی سست روی تشویش کے موضوعات ہیں اور REIT

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2023 کو اختتام پذیر ہونے والے مالی سال کے آڈٹ شدہ غیر منظم اور منظم مالیاتی گوشوارے ہمراہ آڈیٹرز کی رپورٹ آپ کی خدمت میں پیش کرتے ہوئے دلی مسرت محسوس کر رہے ہیں۔

سال 2022-2023 کا اجمالی جائزہ

مالی سال 2022-2023 کمپنی کے لیے غیر معمولی رہا اور کمپنی نے اب تک کی سب سے زیادہ فروخت اور بعد از ٹیکس منافع حاصل کیا۔

کمپنی نے گلوب ریذیڈنسی REIT کے سودوں کا چکر کامیابی سے مکمل کر لیا ہے۔ گلوب ریذیڈنسی اپارٹمنٹس نومبر 2021 میں فقید المثال کامیابی کے ساتھ پیش کیے گئے تھے۔ اپارٹمنٹس کا یہ پروجیکٹ پھر مارچ 2022 میں REIT اسکیم میں منتقل کر دیا گیا تھا اور گلوب ریذیڈنسی REIT اسکیم (GRR) جو ملک کی پہلی ڈویلپمنٹ REIT اسکیم تھی، 28 دسمبر 2022 کو پاکستان اسٹاک ایکسچینج میں رجسٹرڈ کروائی گئی۔

REIT ماڈل کے تحت مخلوط استعمال والے ترقیاتی پروجیکٹس کا ذمہ لینے کے فیصلے کے حصے کے طور پر "سگنیچر ٹاور" نامی نئے اپارٹمنٹ پروجیکٹس بھی REIT کے "سگنیچر ریذیڈنسی REIT" میں منتقل کر دیئے گئے ہیں۔ زمین کے چند دیگر قطعات بھی REIT کو فروخت کئے گئے ہیں جنہیں کمپنی اور دیگر سرمایہ کاروں نے سبسکرائب کر لیا ہے۔

ان REIT پروجیکٹوں نے کمپنی کو زمین سے فوائد حاصل کرنے کے قابل بنا دیا ہے اور کمپنی REIT کے ان پروجیکٹوں سے منافع منقسمہ کی صورت میں آئندہ 4 سے 6 برسوں میں ترقیاتی منافع کمانے کے قابل ہو جائے گی۔

دو اہم ترقیاتی پروجیکٹ یعنی نیا ناظم آباد فلائی اوور اور نیا ناظم آباد جم خانہ پلان کردہ شیڈیول کے مطابق آگے بڑھ رہے ہیں۔ فلائی اوور کا 75% کام مکمل ہو چکا ہے اور اس پروجیکٹ کی تکمیل کا وقت مارچ 2024 مقرر کیا گیا ہے۔ نیا ناظم آباد جم خانہ کا کام آخری مراحل میں ہے اور کلب کی سہولت کا آغاز جلد ہی کر دیا جائے گا۔ اس ضمن میں ممبر شپ کی تحریک شروع کی جا چکی ہے۔

اس کے علاوہ بلاک M کے پلاٹوں کے قبضے بھی الاٹیوں کو دے دیئے گئے ہیں۔

مالیاتی جائزہ

زیر جائزہ مالی سال کے دوران (غیر منظم بنیادوں پر) کمپنی نے 16,827 ملین روپے کی فروخت ریکارڈ کی جو گزشتہ برس کی اسی مدت کے دوران 5,009 ملین روپے رہی تھی جو 236% اضافہ ظاہر کرتی ہے۔ زیر جائزہ مدت کے دوران لاگت فروخت 7,794 ملین روپے رہی جو گزشتہ برس کی اسی مدت کے دوران 2,594 ملین روپے رہی تھی۔ اختتام پذیر ہونے والے سال کے دوران خام منافع میں 73% اضافہ ہوا جو بڑھ کر 6,618 ملین روپے ہو گیا۔ اس مدت کے دوران انتظامی اخراجات 481 ملین

Form of Proxy

61st Annual General Meeting

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

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

(being member of the company) as my/our Proxy to attend, act vote for me/us and on my/our behalf at the Sixty one Annual General Meeting of the Company to be held on October 27, 2023 and/or any adjournment thereof.

Signed this __________ day of __________ 2023.

Witnesses:

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

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

Signature on Rs. 5/- Revenue Stamp

NOTES:

1. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.

2. Proxy shall authenticate his/her identity by showing his/her original CNIC / passport and bring folio number at the time of attending the meeting.

3. In order to be effective, the proxy Form must be received at the office of our Registrar CDC Share Registrar Services Limited Share Registrar Department, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, not less than 48 hours before the meeting duly signed and stamped and witnessed by two persons with their signature, name, address and CNIC number given on the form.

4. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy Form.

5. In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted alongwith proxy Form.

پراکسی فارم

61st سالانہ جنرل اجلاس

میں مسمّٰی / مسمآۃ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ساکن۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ضلع۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

مسمّٰی / مسمآۃ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

ساکن۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کوبطورِمختار(پراکسی)مقرر کرتا ہوں تا کہ وہ میری جگہ اور میری طرف سے کمپنی کے سالانہ اجلاسِ عام جو بتاریخ 27 اکتوبر، 2023 بوقت دن 04:30 بجے منعقد ہو رہا ہے اس میں یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

دستخط:۔۔۔۔۔۔۔۔۔۔۔۔۔بروز/ بتاریخ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔2023

گواہان:

1	2
نام:۔۔۔۔۔۔۔۔۔۔	نام:۔۔۔۔۔۔۔۔۔۔
پتہ:۔۔۔۔۔۔۔۔۔۔	پتہ:۔۔۔۔۔۔۔۔۔۔
شناختی کارڈ نمبر:۔۔۔۔۔۔۔۔۔۔	شناختی کارڈ نمبر:۔۔۔۔۔۔۔۔۔۔
دستخط:۔۔۔۔۔۔۔۔۔۔	دستخط:۔۔۔۔۔۔۔۔۔۔

دستخط ۵ روپے
ریوینیو اسٹیمپ

نوٹ:

- وہ رُکن جسے یہ اجلاس یا اجلاس میں ووٹ کا حق حاصل ہے وہ کسی ناگزیر صورتحال میں اپنی جگہ کسی دوسرے (مخصوص) رُکن کو یہ حق دے سکتا ہے کہ وہ رُکن اُس کی پراکسی استعمال کرتے ہوئے، اُس کے بجائے اجلاس میں شریک ہو سکتا ہے، خطاب کر سکتا ہے یا ووٹ کا اندراج کر سکتا ہے۔
- پراکسی ثابت کرنے کے لئے اُسے اپنا اصل پاسپورٹ اور فولیو نمبر سے دکھانا لازمی ہے تا کہ اجلاس میں شرکت کی اجازت سے قبل اُس کی شناخت کی جاسکے۔
- مئوثر بنانے کے لئے، پراکسی فارم ہمارے رجسٹرار کے دفتر (ایم/ایس) سینٹرل ڈیپوزیٹری کمپنی آف پاکستان، شیئر رجسٹرار ڈیپارٹمنٹ، سی ڈی سی ہاؤس، B-99، ایس، ایم، سی، ایچ، ایس، شاہراہِ فیصل، کراچی، پاکستان، میں اجلاس سے کم از کم 48 گھنٹے قبل وصول ہونا لازمی ہے۔ فارم میں تمام مطلوبہ معلومات، رُکن کے دستخط اور مہر، نیز دو گواہان کی بنیادی معلومات یعنی نام پتے، دستخط اور شناختی کارڈ نمبر کا اندراج ضروری ہے۔
- انفرادی رُکن کی صورت میں اصل اونر اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول منسلک کرنا لازمی ہے۔
- پراکسی کے کارپوریٹ ہونے کی صورت میں بورڈ آف ڈائریکٹر کی قرارداد، پاور آف اٹارنی، شناختی کارڈ اور پاسپورٹ کی تصدیقی شدہ نقول، پراکسی فارم کے ساتھ منسلک کرنا ضروری ہے۔

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

SITE OFFICE:
Naya Nazimabad Manghopir Road,
Karachi – 75890

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