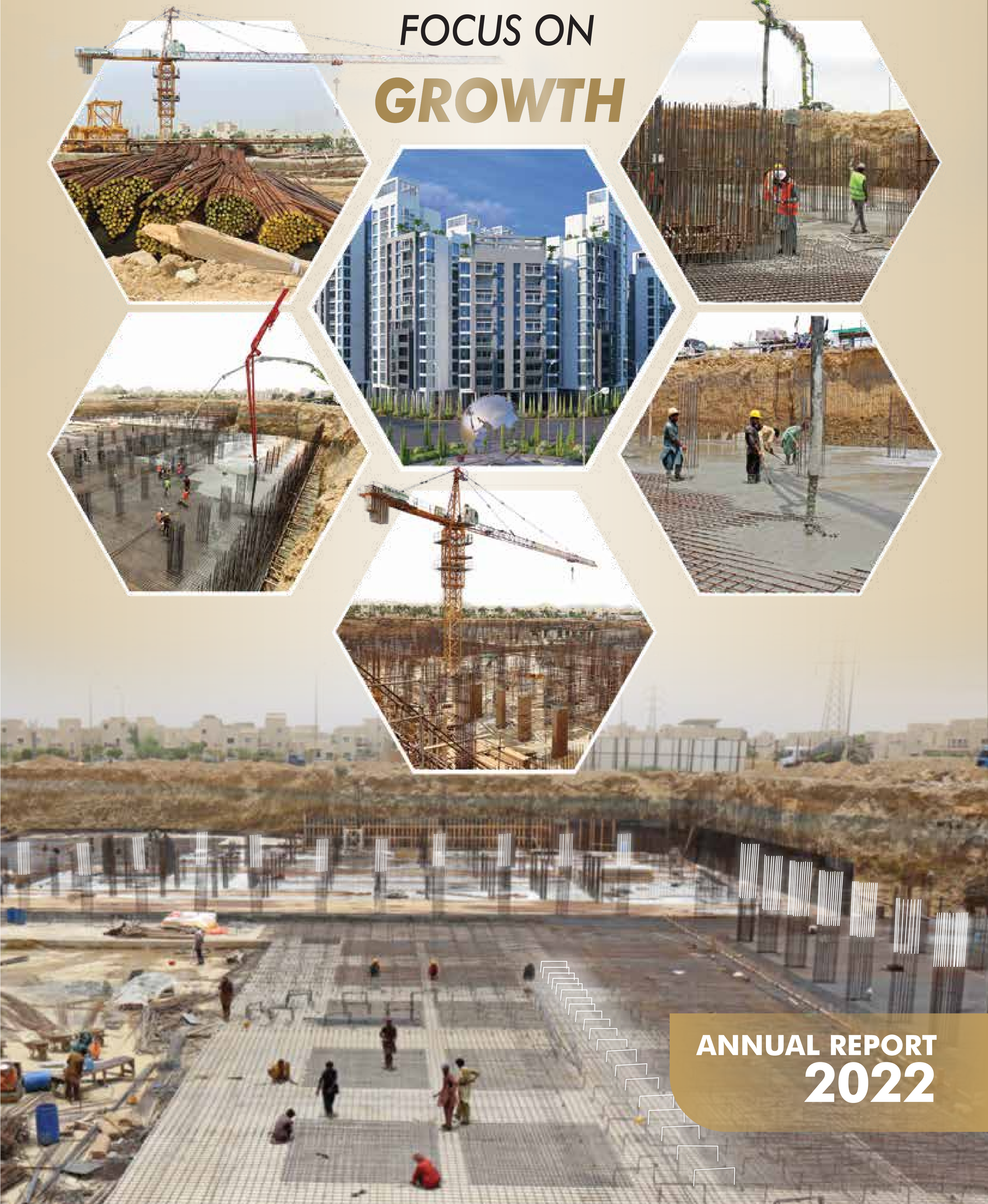
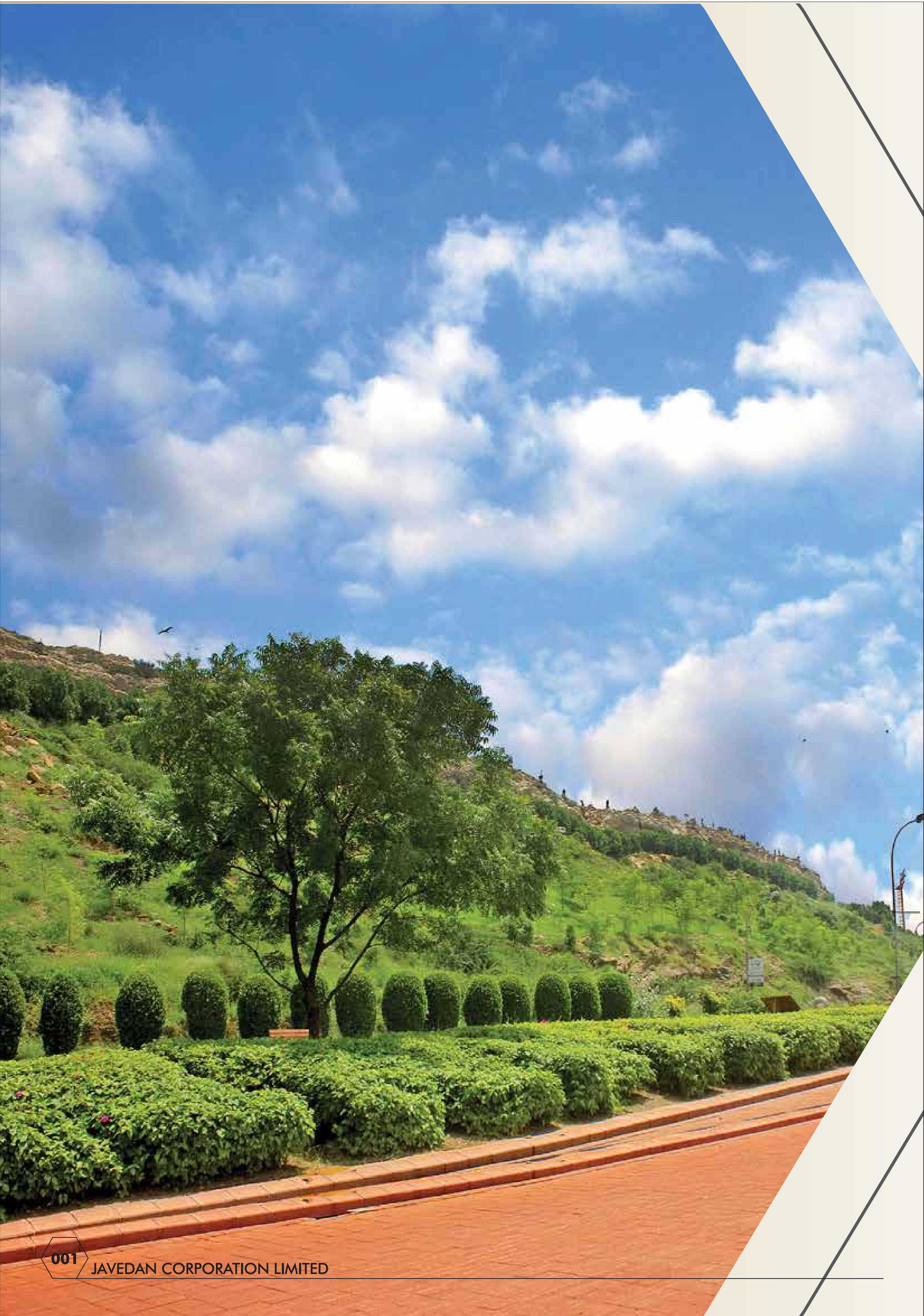
JAVEDAN
CORPORATION LIMITED

FOCUS ON GROWTH



ANNUAL REPORT 2022

JAVEDAN
CORPORATION LIMITED



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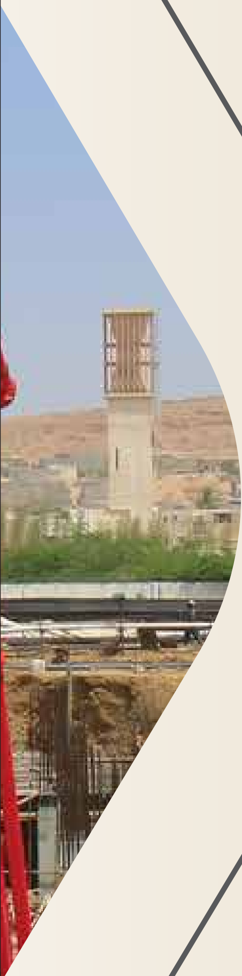


Company
INFORMATION

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
EY Ford Rhodes
Chartered Accountants

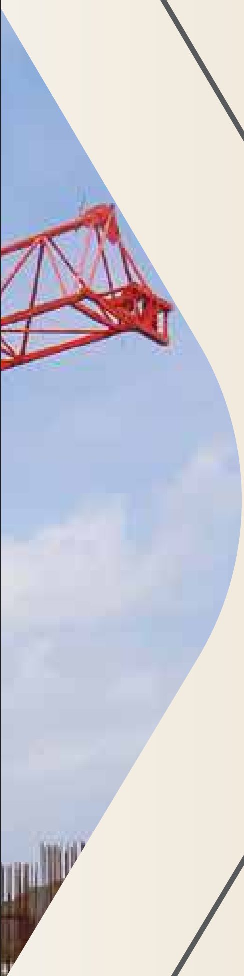
Reanda Haroon Zakaria and Co.
Chartered Accountants

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 : 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

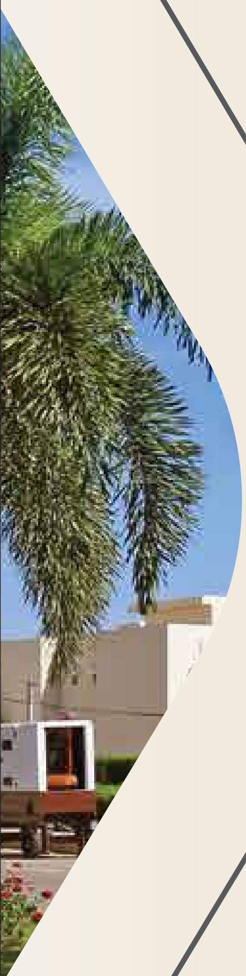
The company wishes to forge ahead, experiment with new ideas and challenge new frontiers. It will endeavor to achieve excellence in all its undertakings and intends to provide customer satisfaction by being efficient & competitive.

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.


The starting point of all achievement is desire

Board Of Directors Profile

Mr. Arif Habib
Chairman

Mr. Arif Habib is the 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 (the owner of Naya Nazimabad) and 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 is currently a member of the Prime Minister's Task Force on attracting Foreign Direct Investment (FDI).

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) and Fatimid Foundation.

CORPORATE RESPONSIBILITIES

- Arif Habib Corporation Limited (Chief Executive)

AS CHAIRMAN

- Fatima Fertilizer Company Limited
- Fatimafert Limited
- Pakarab Fertilizers Limited
- Sachal Energy Development (Private) Limited
- Aisha Steel Mills Limited
- Arif Habib Dolmen REIT Management Limited
- 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

Mr Samad Habib has remained Chairman and Chief Executive Arif Habib Limited, a securities brokerage house, between the period 2004 to 2010.

At Naya Nazimabad, Mr. Samad Habib has worked towards making a positive impact on society providing a quality lifestyle to the middle income families of the city. He is now endeavoring to transform the area to become a self-contained community of tens of thousands of families with the largest residential and commercial precinct development within the city of Karachi.

CORPORATE RESPONSIBILITIES

- Safemix Concrete Limited (Chief Executive)

AS CHAIRMAN

- NN Maintenance Company (Pvt) 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
- Pakarab Fertilizers Limited
- Pakistan Opportunities Limited
- Power Cement Limited
- Rotocast Engineering Company (Pvt.) Limited
- Sapphire Bay Development Company Limited
- Sukh Chayn Gardens (Pvt.) Ltd.

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. Being 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).

Mr. Kashif A. Habib is dedicated to improving the country's energy situation and is engaged with experts to make renewable energy a more feasible and accessible solution not just for industry but also the masses.

CORPORATE RESPONSIBILITIES

- Power Cement Limited (Chief Executive)

AS DIRECTOR

- Aisha Steel Mills Limited
- Fatima Fertilizer Company Limited
- MCB-Arif Habib Savings & Investments 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)
- Alternates (Private) Limited
- Black Gold Power Limited
- Essa Textile And Commodities (Private) Limited
- Fatimafert Limited
- Fatima Cement Limited
- Fatima Packaging Limited
- Green Store (Private) Limited
- Nooriabad Spinning Mills (Pvt.) Limited
- Pakarab Fertilizers Limited
- Rotocast Engineering Company (Pvt.) Limited
- Safemix Concrete Limited
- Siddqsons Energy Limited

Mr.Javed Kureishi
Director

Mr. Javed is a career Banker having spent 34 years with Citibank both in Pakistan and abroad across 5 countries in Middle East, Africa, Eastern Europe and Asia where he spent 9 years. Javed held a number of very Senior positions across Corporate Banking, Country, Risk and Regional Management. This included Corporate Bank Head, Middle East, Chief Executive Officer, Czech Republic, Asia Pacific Regional Head for Multinational Subsidiaries, and Asia Pacific Head of Public Sector. Javed has extensive knowledge of Asia Pacific having travelled to China 35 times.

Javed is presently working as a Senior Consultant to the International Finance Corporation (IFC) in Pakistan since Nov 2019.

Javed has a BA Hons in Economics from The University of Sussex, UK.

Javed is also a keen sportsman. He was Captain of Pakistan Under 19 Cricket team that toured India and Sri Lanka in 1978-79. He played first class cricket for PIA and Sind and represented Sussex Under 25, Combined English Universities. Javed also played Field Hockey for his University 1981-83.

Javed's other interests include Reading, Music and History.

AS DIRECTOR

- Power Cement Limited
- Pakistan Stock Exchange Limited
- Pakistan Corporate Restructuring Company Limited
- Fauji Foods Limited

Mr. Abdullah Ghaffar
Director

Mr. Ghaffar is associated with Al Baraka Bank Pakistan Limited since July 2009. At present, he is serving Al Baraka as SEVP / Group Head – Corporate & Investment Banking. He is a member of the Bank's MANCOM, ALCO and CRMC. His professional experience spans over 32 years across various disciplines including Retail Banking, Corporate Finance, Capital Markets, Cash Management, Islamic Products & Services and Information Technology. Mr. Ghaffar graduated from the Institute of Business Administration (IBA), Karachi with an MBA and subsequently completed professional trainings in Islamic Banking from Darul-Uloom, Korangi and SBP-NIBAF. He has held managerial positions in leading financial institutions such as United Bank Limited (Head of Islamic Banking) and Standard Chartered Bank (Associate Director – Islamic Banking).

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 16 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.

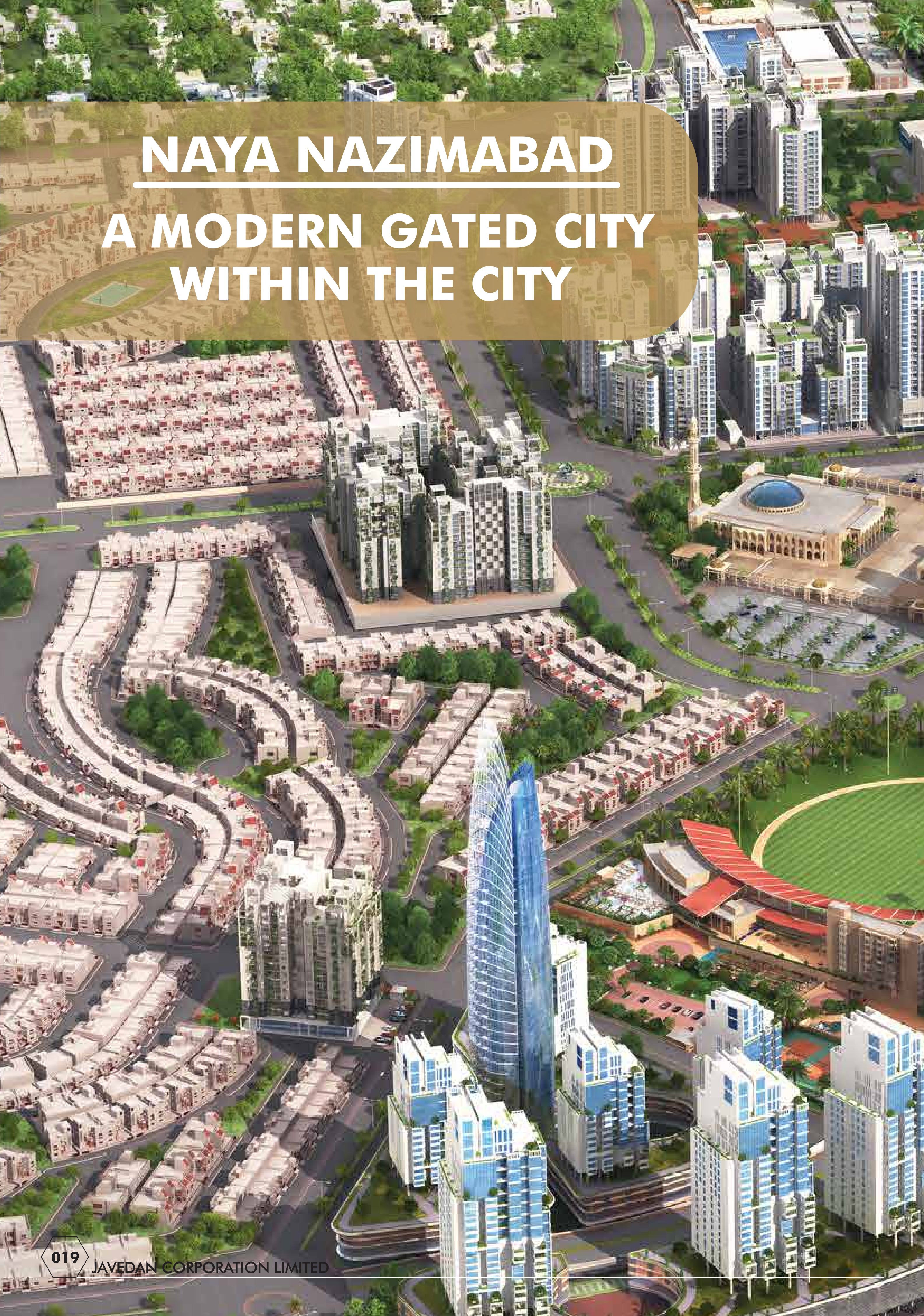
Mr. Alamgir Sheikh
Director

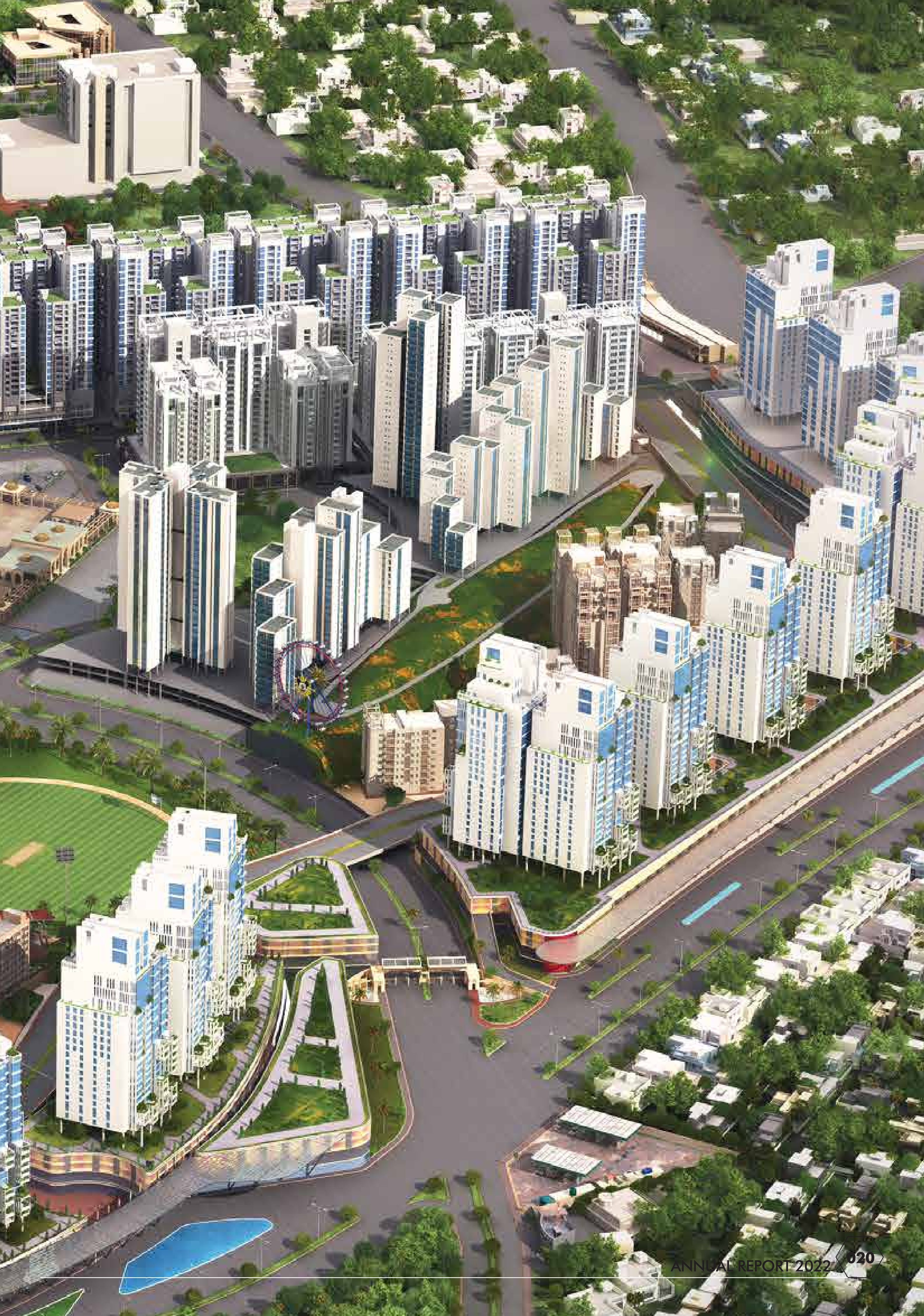
Mr. Alamgir Shaikh is a businessman. He is associated with Chamber of Commerce and Industries where he served as Advisor to the office of Chairman Banking & Insurance Committee, Chairman Renovation Committee, Chairman & Advisor Export Committee and Hilal Foods and Import Development. He is also serving 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.

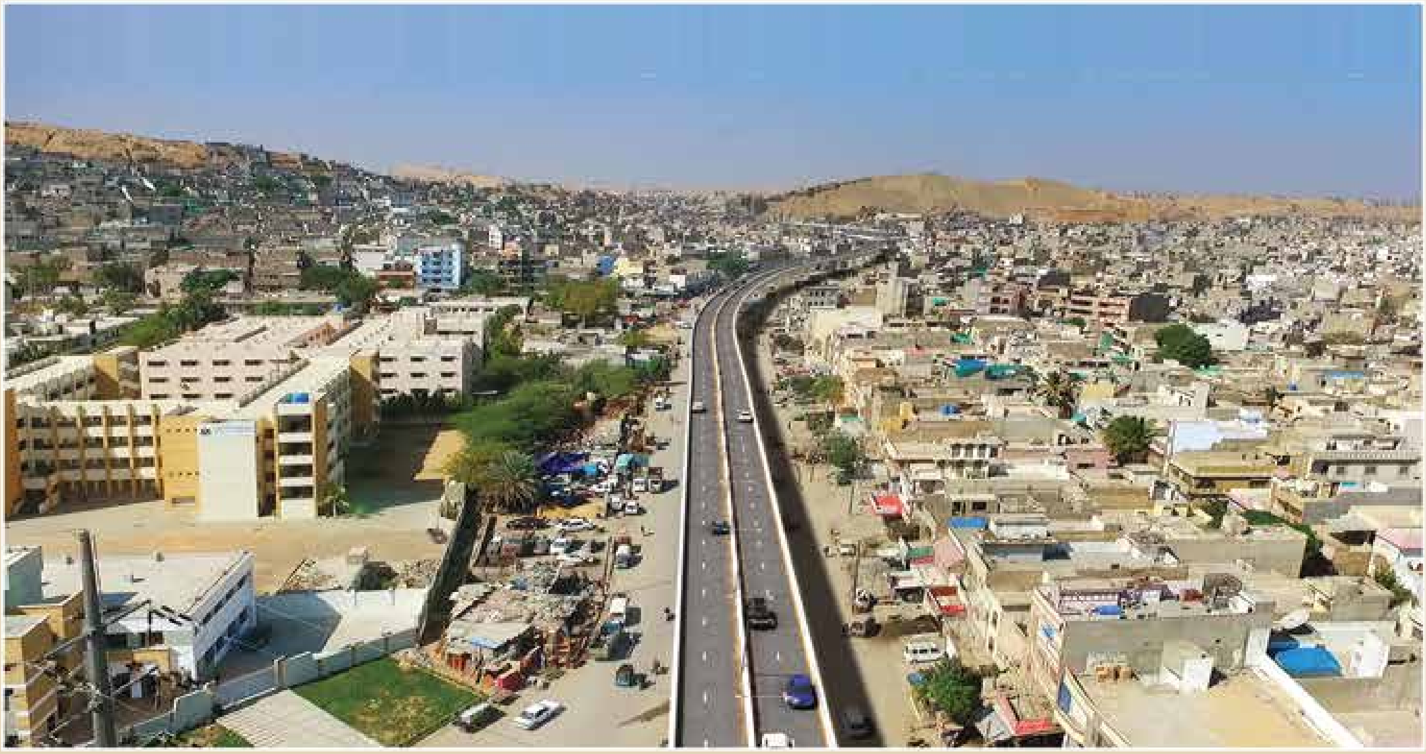
The work is near completion and club membership applications are open for public.

GLOBE RESIDENCY APARTMENT

Globe Residency Apartment (first series of apartments) has bene launched under Globe Residency REIT Scheme comprising of 9 towers. The launch of apartments received exceptionally well by the market. Over 675 apartments have been booked to date.

The Construction on all 9 towers have commenced and ongoing as per scheduled with target completion timeline of November 2025.

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 30 June 2023.

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 has also commenced during FY 21-22.

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

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NOTICE OF 60TH ANNUAL GENERAL MEETING

NOTICE OF 60TH ANNUAL GENERAL MEETING

Notice is hereby given that Sixty Annual General Meeting of the shareholders of Javedan Corporation Limited (the Company) will be held on Thursday, October 27, 2022 at 04:30 p.m. at PSX Auditorium, Stock Exchange Building, and Stock Exchange Road, Karachi to transact the following business

ORDINARY BUSINESS

1. To confirm minutes of the Extra Ordinary General Meeting held on September 21, 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, 2022, together with the Audited Consolidated Financial Statement of the Company and the Auditors' Report thereon for the year ended June 30, 2022.

3. To appoint Auditors and fix their remuneration for the year ending June 30, 2023. The Board of Directors have recommended for appointment of M/s. Yousuf Adil Chartered Accountants and reappointment of M/s. Reanda Haroon Zakaria & Co., Chartered Accountants as external auditors.

SPECIAL BUSINESS

4. 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, 2023 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, 2023.

   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).

5. 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 security 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	-	1,000	500	1,000
4	Fatima Fertilizer Limited	-	-	500	-
5	Sapphire Bay Islamic Development REIT	-	3,000	6,000	-
6	Gymkhana Apartment REIT	-	3,500	5,000	-
7	Globe Residencies REIT	-	-	1,600	-
8	Naya Nazimabad Apartment REIT	-	4,000	6,500	-

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.

ANY OTHER BUSINESS

6. 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, 2022

NOTES:

1. The share transfer books of the Company will remain closed from October 20, 2022 to October 27, 2022 (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 Wednesday, October 19, 2022, will be considered in time for the determination of entitlement of 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

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   v. 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 2022" 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 future cash dividends directly into bank account, if any, shareholders having physical shares are requested to fill in 'Electronic Mode Dividend Form' available at Company's website containing prescribed details and send it duly signed along with a copy of CNIC to the Registrar of the Company. In case of book-entry securities, shareholders must get their respective records updated as per the 'Electronic Mode Dividend Form' with their Broker / Participant / CDC account services.

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

7. E-Voting

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

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, 2022 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, 2022 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. 4 and Agenda item No. 5 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.

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. 4 and Agenda item No. 5 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 2023 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 2023, 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	**Arif Habib Limited ("AHL")**
ii	Basis of relationship	An associated undertaking due to common control of Mr. Arif Habib
iii	Earnings per share (Basic) for the last three years	Year 2022: 12.65 Year 2021: 31.89 Year 2020: 1.00
iv	Break-up value of share, based on the latest audited financial statements	PKR 80 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 Million) Non-Current Asset 1,866.603 Current Asset 7,119.224 Equity 5,201.620 Non-Current Liabilities 30.388 Current Liabilities 3,753.820 Operating Revenue 1,131.838 Profit before tax 970.132 Profit after tax 826.551
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 request of unutilized limit of PKR 500 million is requested for approval in equity securities; and • Renewal request of utilized limit of PKR 800 million (as of the reporting date) and unutilized limit of PKR 200 million is requested for approval as loans, advances, running finance, guarantee, and or third-party collateral at the discretion of the Company. • Fresh limit of PKR 1,000 million is requested for approval as loans, advances, running finance, guarantee, and or third-party collateral After approval of renewal and fresh limit approval following will be available limits for investment: - Equity Securities PKR 500 million. - loans, advances, running finance, guarantee, and or third-party collateral of PKR 2,000 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	The investment may be made from Company's own available liquidity and/or credit lines.

Ref. No.	Requirement	Information
	• Justification for investment through borrowing • Detail of collateral, guarantees provided and assets pledged for obtaining such funds • Cost benefit analysis	• 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 + 1.78% 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	The Company has extended Running Finance Facility of upto PKR 1,000 million to the associated company/undertaking. As of the reporting date PKR 800 million is outstanding.
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 AHL 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	Renewal request of utilized limit of PKR 800 million (as of the reporting date) and unutilized limit of PKR 200 million is requested for approval as loans, advances, running finance, guarantee, and or third-party collateral at the discretion of the Company. Fresh limit of PKR 1,000 million is requested for approval as loans, advances, running finance, guarantee, and or third-party collateral
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 + 1.78%.
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).

Ref. No.	Requirement	Information
		Facility extended in term loan / guarantee / 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.
Information required to be disclosed as per Regulation 3(1)(a):		
i	Name of associated company or associated undertaking	**Sapphire Bay Islamic Development REIT ("SBIDR").** Note: [Previously Investment Limit approval was sought and approved by General Meeting in favor of Sapphire Bay Development Company Limited and or Sapphire Bay Islamic Development REIT Scheme. As it was not decided among the consortium that Sapphire Bay Project under Ravi River City Project will be undertaken under conventional company or a REIT Scheme. However consequent to the last AGM of the Company the consortium has concurred the project will be undertaken under REIT Scheme accordingly the approval of fresh limit as well as renewal of previously approved limit is sought only under Sapphire Bay Islamic Development REIT.]
ii	Basis of relationship	As per Public Private Partnership Agreement executed with Ravi Urban Development Authority the Company is a lead member of consortium. The holding of the Company shall at least be 51% for minimum duration as required under the Concessionaire Agreement.
iii	Earnings per share (Basic) for the last three years	The REIT Scheme has been registered on 24 December 2021 and as commercial operations has not commenced yet therefore the REIT Management Company has not prepared the any financial statement of the REIT Scheme.
iv	Break-up value of share, based on the latest audited financial statements.	The REIT Scheme has been registered on 24 December 2021 and as commercial operations has not commenced yet therefore the REIT Management Company has not prepared the any financial statement of the REIT Scheme.
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 Scheme has been registered on 24 December 2021 and as commercial operations has not commenced yet therefore the REIT Management Company has not prepared the any financial statement of the REIT Scheme.

Ref. No.	Requirement	Information
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.	Ravi Urban Development Authority (RUDA) formed by Government of Punjab had issued a Request for Proposal for Zone 3 "Sapphire Bay" of Ravi River City Project. The total land area of Sapphire Bay project is 2,000 acres. The Company had formed a consortium of leading corporate entities and individuals and had participated in the bid as a lead member. The bid of the consortium lead by the Company was rendered successful. The Company along with other consortium members have executed transaction agreement including (Public Private Partnership Agreement) with RUDA and we expect Master Lease Agreement for transfer of land to the consortium shall be executed soon.
	ii) Starting date and expected date of completion of work;	The project is expected to initiate by 01 January 23 and shall be completed in three to four years' time.
	iii) Time by which such project will become commercially operational	By 01 April 2023
	iv) Expected time by which the project shall start paying return on investment; and	The return from project shall commence after one or two year from commercial operations
	v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.	The investment will be in from equity and cash consideration.
vii	Maximum amount of investment to be made	Following limits are requested for approval: • Renewal request of unutilized limit of PKR 6,000 million is requested for approval in equity securities. • Fresh Limit of PKR 3,000 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 + 1.78% and the Company expects to earn over and above the average borrowing cost.

Ref. No.	Requirement	Information
x	Salient feature of agreements (if any) with associated company or associated undertaking with regards to proposed investment	The Company has entered into Public Private Partnership Agreement with Ravi urban Development Authority and has committed to hold 51% shareholding of the project company/REIT Scheme.
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 of 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	-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)(c):		
xiv	Category-wise amount of investment	Request for fresh limit of PKR 3,000 million is requested for approval as loan and or advances and or running finance and or guarantee and 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 + 1.78%.
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 will be an associated undertaking of the Company and being managed by the Arif Habib Dolmen REIT Management Limited being a Group Company, therefore 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 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	**Gymkhana Apartment REIT**
ii	Basis of relationship	A company is in process of forming a REIT by the name "Gymkhana Apartment REIT". An approval of investment is being sought from members in General Meeting in case if the proposed REIT at time of formation is not a wholly owned subsidiary or subsequently during the period until next General Meeting does no longer remain a wholly owned subsidiary of the Company.
iii	Earnings per share (Basic) for the last three years	The REIT has not yet been incorporated therefore this information is not applicable.
iv	Break-up value of share, based on the latest audited financial statements.	The REIT has not yet been incorporated therefore this information is not applicable.
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 not yet been incorporated 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;	The Company is in process of forming a Developmental REIT "Gymkhana Apartment REIT". The REIT will include commercial land situated in Naya Nazimabad at one of the most prime locations within Naya Nazimabad i.e. commercial plots in front of Gymkhana and Commercial plot in Block A. The total land size will tentatively be 33,000 sq yds. The REIT will develop/construct high rise mix-use properties including but not limited to retail space, apartments, commercial area etcetera).
	ii) Starting date and expected date of completion of work;	The REIT will tentatively be formed by end 2nd quarter of FY 22-23. The project horizon will be four to five years.
	iii) Time by which such project will become commercially operational	The REIT will tentatively become operation during 3rd quarter of FY22-23 or earlier.
	iv) Expected time by which the project shall start paying return on investment; and	REIT shall tentatively generate return from 3rd year onwards from launch.
	v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.	The investment will be in from non-cash consideration.
vii	Maximum amount of investment to be made	Following limits are requested for approval: • Renewal request of unutilized limit of PKR 5,000 million is requested for approval in equity securities; and • 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

Ref. No.	Requirement	Information
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 will be in the form of kind. • N/A • N/A • N/A
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 shall have no interest in the investee company except in their capacity as sponsor or shareholder of associated undertaking or of 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	-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)(c):		
xiv	Category-wise amount of investment	Request for fresh limit of PKR 3,500 million is requested for approval as loans and or advances and or running finance and or guarantee and 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 + 1.78%.
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 will be an associated undertaking of the Company and being managed by the Arif Habib Dolmen REIT Management Limited being a Group Company, therefore 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

Ref. No.	Requirement	Information
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.
Information required to be disclosed as per Regulation 3(1)(a):		
i	Name of associated company or associated undertaking	**Naya Nazimabad Apartment REIT**
ii	Basis of relationship	The Naya Nazimabad Apartment REIT has been registered under Sindh Trust Act 2020 on 24 June 2022. An approval of investment is being sought from members in General Meeting in case if the REIT until next General Meeting does no longer remain a wholly owned subsidiary of the Company.
iii	Earnings per share (Basic) for the last three years	The REIT has been registered under Sindh Trust Act 2020 on 24 June 2022 and has not yet commenced its operations.
iv	Break-up value of share, based on the latest audited financial statements.	The REIT has been registered under Sindh Trust Act 2020 on 24 June 2022 and has not yet commenced its operations.
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 registered under Sindh Trust Act 2020 on 24 June 2022 and has not yet commenced its operations.
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;	"Naya Nazimabad Apartment REIT" has been formed and registered under Sindh Trust Act 2020. The REIT will include commercial land situated in Naya Nazimabad on Central Boulevard (140 ft wide Road). The total land size will tentatively be 47,000 sq yds. The REIT will develop/construct high rise mix-use properties including but not limited to retail space, apartments, commercial area etcetera).
	ii) Starting date and expected date of completion of work;	The REIT will tentatively be formed by end 2nd quarter of FY 22-23. The project horizon will be seven years.
	iii) Time by which such project will become commercially operational	The REIT will tentatively become operation during 3rd quarter of FY 22-23 or earlier.
	iv) Expected time by which the project shall start paying return on investment; and	REIT shall tentatively generate return from 3rd year onwards from launch.
	v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.	The investment will be in from non-cash consideration.

Ref. No.	Requirement	Information
vii	Maximum amount of investment to be made	Following limits are requested for approval: • Renewal request of unutilized limit of PKR 6,500 million is requested for approval in equity securities; and • Fresh Limit of PKR 4,000 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 will be in the form of kind. • N/A • N/A • N/A
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 shall have no interest in the investee company except in their capacity as sponsor or shareholder of associated undertaking (if any) 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	-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)(c):		
xiv	Category-wise amount of investment	Request for fresh limit of PKR 4,000 million is requested for approval as loans and or advances and or running finance and or guarantee and or third-party collateral at the discretion of the Company 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 + 1.78%.
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 will be an associated undertaking of the Company and being managed by the Arif Habib Dolmen REIT Management Limited being a Group Company, therefore 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	• Shareholder of Arif Habib Limited (direct holding or indirect holding) • Director and or Shareholder of Arif Habib Dolmen REIT Management Limited (the REIT Management Company) of following REITs ➢ Naya Nazimabad Apartment REIT ➢ Gymkhana Apartment REIT ➢ Sapphire Bay Islamic Development REIT
Mr. Muhammad Ejaz	• Chief Executive of Arif Habib Dolmen REIT Management Limited (the REIT Management Company) of following REITs ➢ Naya Nazimabad Apartment REIT ➢ Gymkhana Apartment REIT ➢ Sapphire Bay Islamic Development REIT
Mr. Samad A. Habib	• Director and or Shareholder of Arif Habib Dolmen REIT Management Limited (the REIT Management Company) of following REITs ➢ Naya Nazimabad Apartment REIT ➢ Gymkhana Apartment REIT ➢ Sapphire Bay Islamic Development 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 59th AGM held in 2021, 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:	**2021**	**2020**	**2021**	**2020**
i	Earnings per share – basic & diluted	8.19	(0.89)	8.19	(0.89)
ii	Net Profit	6,368,348,000	(616,573,000)	6,368,348,000	(616,573,000)
iii	Shareholders' Equity	16,644,584,000	8,097,437,000	16,644,584,000	8,097,437,000
iv	Total Assets	36,523,517,000	34,530,748,000	36,523,517,000	34,530,748,000
v	Break -up Value	20.39	9.96	20.39	9.96
	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 based on the need and in the interest of shareholders.	
d)	Material change in financ ial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	**2021**	**2020**	**2021**	**2020**
i	Earnings per share – basic & diluted	0.17	(3.41)	0.17	(3.41)
ii	Net Profit	358,359,000	(3,621,629,000)	358,359,000	(3,621,629,000)
iii	Shareholders' Equity	10,744,915,000	8,478,635,000	10,744,915,000	8,478,635,000
iv	Total Assets	45,491,678,000	45,501,205,000	45,491,678,000	45,501,205,000
v	Break -up Value	8.21	9.96	8.21	9.96
	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		1,000,000,000	
b)	Amount of investment made to date	-		800,000,000	
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	31.89
ii	Net Profit	826,551,794	2,084,005,193	826,551,794	2,084,005,193
iii	Shareholders' Equity	5,201,620,184	4,995,383,370	5,201,620,184	4,995,383,370
iv	Total Assets	8,985,828,345	8,471,502,159	8,985,828,345	8,471,502,159
v	Break -up Value	84	80	84	80
	Renewal in Previous Limits Requested for Portion I.E	Unutilized: 500,000,000		Sanctioned:1,000,000,000	

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 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:	**2021**	2020	**2021**	2020
i	Earnings per share – basic & diluted	8.80	6.32	8.80	6.32
ii	Net Profit	18,474,266,000	13,274,691,000	18,474,266,000	13,274,691,000
iii	Shareholders' Equity	100,263,440,000	87,102,656,000	100,263,440,000	87,102,656,000
iv	Total Assets	184,893,349,000	157,556,890,000	184,893,349,000	157,556,890,000
v	Break -up Value	47.74	41.48	47.74	41.48
	Renewal in Previous Limits Requested for Portion I.E	Unutilized: 500,000,000		N/A	

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

S. No	Description	Equity Securities	Loans / Advances / Running Finance / Guarantee
a)	Total investment approved	6,000,000,000	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 implemented in specified time: and	The REIT Scheme has been formed however Ravi Urban Development Authority is in process for transferring of Land in favor of REIT Scheme. Accordingly the equity investment will be made in REIT Scheme at the of acquisition of land by the REIT Scheme and subs equently as per the requirement.	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:	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: 6,000,000,000	N/A

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	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 implemented in specified time: and	The REIT Scheme is still in process of formation and it is expected REIT will be formed within FY 22-23	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:	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: 5,000,000,000	N/A

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	1,400,000,000	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: 1,600,000,000	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	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 implemented in specified time: and	The REIT Scheme has been registered under Sindh Trust Act 2020 on 24 June 2022. Therefore, the in vestment is expected within FY 22 -23	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:	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 Asse ts	N/A	N/A
v	Break -up Value	N/A	N/A
	Renewal in Previous Limits Requested for Portion I.E	Unutilized: 6,500,000,000	N/A

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 2022 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.

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Arif Habib
Chairman

Date: 01 October, 2022

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, 2022 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 EY Ford Rhodes, 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, 2022 and shall retire on the conclusion of the 60th Annual General Meeting.

20. M/s. EY Ford Rhodes, 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, 2022.

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Abdullah Ghaffar
CHAIRMAN AUDIT COMMITTEE

Date: October 01, 2022

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, 2022, together with auditors' report thereon.

2021-2022 at a Glance

The Financial Year 21-22 has been exceptional for the Company. Several positive developments took place during the financial year. New storm water drainage system put after 2020 floods performed really well in monsoon of 21 and 22. Ali Habib Medical Center services are growing at faster pace, groundbreaking for construction of 500 beds Hospital was performed. Construction of Gymkhana is progressing satisfactorily. Construction of flyover from Sakhi Hassan to Main Gate Naya Nazimabad was initiated. First project of 1300 apartments over 9 towers was successfully launched this apartment project is being developed under a corporate structure of developmental REIT which is the first of its kind in Pakistan. It is named as Globe Residency REIT. REIT has entered into a Musharka Agreement with Meezan Bank for development of 400 apartments. The board had decided to list Globe Residency REIT at Pakistan Stock Exchange. The Company has declared highest ever dividend to its shareholders and paid highest ever income tax during the year under review.

Financial Review

During the financial year (on an unconsolidated basis) the Company recorded sale of PKR 4,342 million as compared to PKR 1,047 million in the corresponding period last year representing an increase of 315%. The Cost of sales for the period was recorded at PKR 1,927 million as compared to PKR 265 million in the corresponding period. The gross profit over the year increased by 209% amounting to PKR 1,662 million. The administrative expenses for the period remained at PKR 457 million representing nominal increase of 9% over the corresponding period. The finance cost for the year remained at PKR 120 million as compared to PKR 107 million. Other Income earned for the year is PKR 356 million as compared to PKR 151 million in corresponding period last year resulting in positive increase of 136%. During the period the construction work commenced on Flyover project and during the period the Company incurred cost of PKR 404 million. The profit before tax and profit after tax for the period remained at PKR 1,756 million and 1,505 million respectively. The PBT & PAT increased by 375% & 354% respectively over the corresponding period last year. This translated into earning per share (basic & diluted) of Rs 3.95 as compared to Rs. 0.87 over the corresponding period.

Over the corresponding period last year, the Company's sales and profitability has significantly increased by Rs. 3,295 million mainly on account of revenue generated from sale of land to Globe Residency REIT Scheme.

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

Particulars	30 June 2022	30 June 2021
	(Rupees in thousands)	
Net Sales	4,342,710	1,047,286
Cost of sales	(1,927,437)	(264,909)
Gross Profit	2,415,273	782,377
Profit before taxation	1,756,491	370,171
Profit after taxation	1,505,145	331,240
EPS - Basic (in rupees)	3.95	0.87
EPS - Dilute (in rupees)	3.95	0.87

On a consolidated basis revenue of JCL for the period are PKR 3,802 million and the Profit after tax for the period is PKR 388.257 million, which translates into EPS of Rs. 1.02.

Future Outlook:

After successful launch of Globe Residency Apartments and Globe Residency REIT, the board and the management are planning to launch other Apartment projects under REITs soon. Musharka Arrangement (partnership on profit or loss basis) with Meezan bank under Globe Residency REIT for three towers (400 apartment units) is a significant achievement and a successful execution of Musharka Arrangement will pave way for similar arrangement with Meezan bank and other banks in upcoming apartment projects under REITs

.

With increasing demands, completion of flagship value addition projects Naya Nazimabad Gymkhana & Naya Nazimabad Flyover within next financial year the value appreciation of Naya Nazimabad project should continue.

Naya Nazimabad is becoming a preferred project for banks for extending bank financing for purchase of houses / plots (and construction thereon) and for end user requiring bank financing for same.

The initiatives of Government of Pakistan and State Bank of Pakistan (SBP) "Mera Pakistan – Mera Ghar scheme", "Roshan Apna Ghar scheme" and guidelines for housing finance particularly for high rise under construction projects by SBP were exemplary and instrumental in enabling the affordability of houses in the Country.

The recent inflation, interest rates hike, increase in cost of construction and overall slowdown in economy over the last six months is concerning. However, resumption of normalcy in overall economic and political uncertainty and resumption of government and SBP policy is expected to provide necessary stimulus to the Real Estate Sector.

Despite the macroeconomic challenges the project specific positive developments the outlook, of your company is still quite encouraging.

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.

The Company 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, 2022, 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 2022, four (04) Board Meetings. Four (04) 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	4	3	N/A	N/A	1	1
Mr Samad A. Habib	4	3	4	4*	1	1
Mr Muhammad Ejaz	4	3	4	3	1	1
Mr Abdul Qadir Sultan	4	4	4	4	N/A	
Mr. Alamgir Sheikh	4	4	4	2	N/A	
Mr. Siddique Khokar*	4	2	N/A	N/A	N/A	
Ms. Darakshan Zohaib	4	4	N/A	N/A	N/A	
Mr. Saeed Ahmad	4	3	N/A	N/A	N/A	
Mr. Abdullah Ghaffar	4	4	4	2	N/A	
Mr. Javed Kureishi*	4	2	N/A	N/A	1	1
Mr. Kashif A.Habib*	4	1	4	1	N/A	

* Mr. Kashif Habib and Mr. Javed Kureshi were appointed as new members on the Board of Directors in place of Mr. Siddique Khokar & Mr. Samad Habib in Election of Directors held on 26 October 2021.

* Mr. Samad Habib were appointed as board of director in place of Mr. Saeed Ahmed to fill in the casual vacancy with effect from 28 March 2022

* After Election of Directors Mr. Abdullah Ghaffar & Mr. Kashif were appointed as Chairman and member of Board of Audit Committee respectively whereas Mr. Alamgir Sheikh ceased to be a member of Board of Audit Committee.

* Mr. Samad Habib has attended four audit committee meetings 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

Mr. Abdullah Ghaffar	Chairman
Mr. Muhammad Ejaz	Member
Mr. Kashif A. Habib	Member
Mr. Abdul Qadir Sultan	Member

Human Resource & Remuneration Committee

Mr. Javed Kureishi	Chairman
Mr. Arif Habib	Member
Mr. Samad A. Habib	Member
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, 2022 were audited by M/s. Reanda Haroon Zakaria & Co., Chartered Accountants and M/s. EY Ford Rhodes, Chartered Accountants. The auditors will retire at the end of the 60th Annual General Meeting. Being eligible, M/s. Reanda Haroon Zakaria & Co., Chartered Accountants have offered themselves for re-appointment. And M/s Yousuf Adil Chartered Accountants have provided their consent for appointment as auditors of the Company for the year ending June 30, 2023.

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, 2023, 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, 2022 is annexed to this report.

Information to Stakeholders

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

Post Balance Sheet Events

The Board of Directors have declared and approved an interim cash dividend of Rs.4/- per share amounting to Rs. 1,523,441,760 at its meeting held on September 08, 2022. The appropriation of interim dividend has not incorporated in these financial statements.

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: October 01, 2022

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FINANCIAL HIGHLIGHTS


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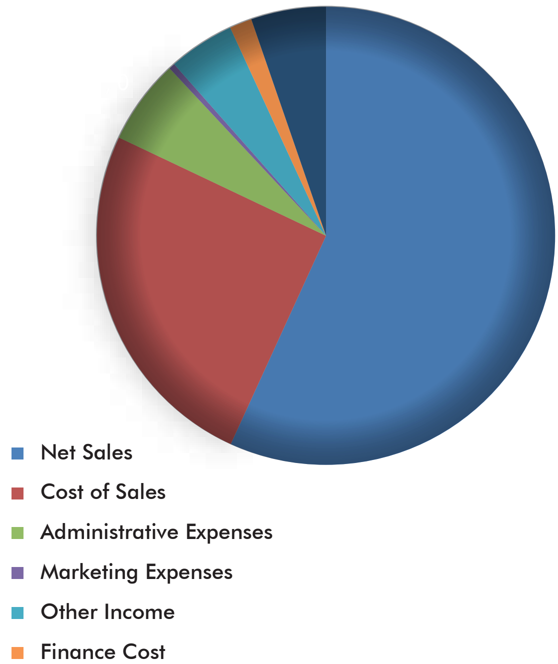
Performance Review Report

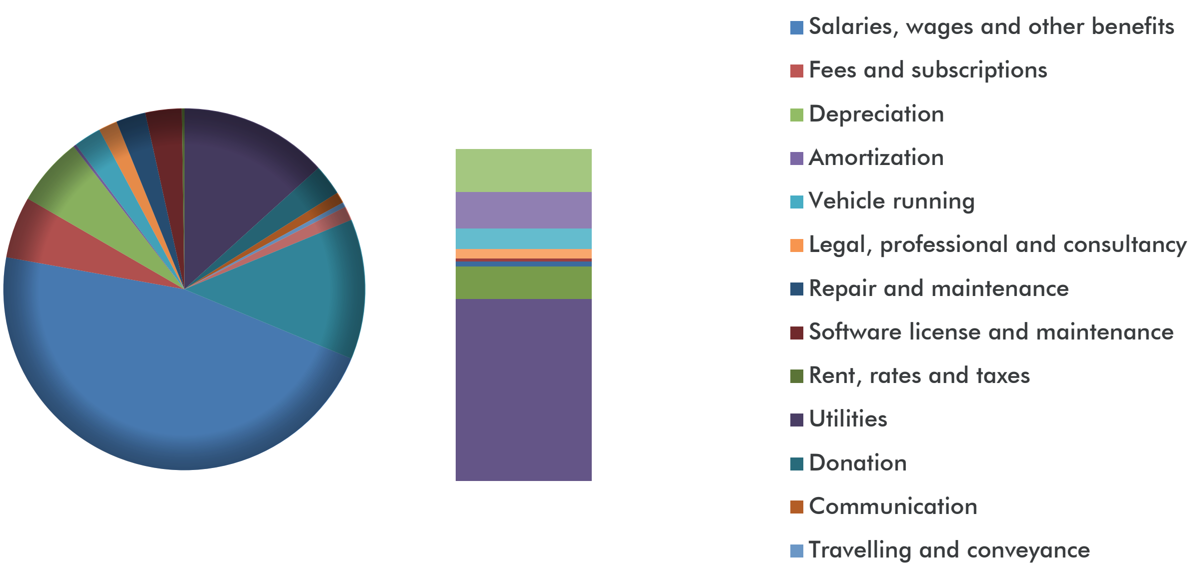
		2022	2021	2020	2019	2018	2017
Investment measure							
Ordinary Share Capital	Rs./Mn	3,808	3,174	3,174	2,885	2,671	1,571
Reserves	Rs./Mn	7,153	6,216	5,804	5,723	5,361	2,059
Surplus on revaluation of freehold land	Rs./Mn	8,394	8,462	8,544	8,675	5,803	6,149
Ordinary Share holder's Equity	Rs./Mn	19,355	17,852	17,523	17,284	13,835	9,778
Dividend on Ordinary Shares	Rs./Mn	-	-	-	-	187	445
Dividend per Ordinary Shares	Rs.	-	-	-	-	0.7	2.5
Profit before Taxation	Rs./Mn	1,756	370	409	696	1,101	1,388
Profit after Taxation	Rs./Mn	1,505	331	236	579	704	990
Earning per share (Basic)	Rs.	3.95	0.87	0.75	1.83	3.35	7.43
Measure of financial Status							
Current Ratio	X:1	3.84	4.07	3.94	4.51	3.10	3.59
Debt Equity Ratio	X:1	0.39	0.38	0.29	0.31	0.26	0.19
Total Debt Ratio	X:1	0.42	0.36	0.20	0.21	0.34	0.32
Sales	Rs./Mn	4,343	1,047	1,643	1,899	2,479	2,468
Cost of Goods Sold as % of Sales	%	44.37%	25.29%	43.12%	40.70%	44.34%	24.14%
Profit before Taxation as % of Sales	%	40.43%	35.35%	24.91%	40.53%	44.39%	56.24%
Profit after Taxation as % of Sales	%	34.65%	31.63%	14.40%	33.24%	28.39%	40.10%

JCL A BIRD'S EYE VIEW

Operating Revenue & Expenses

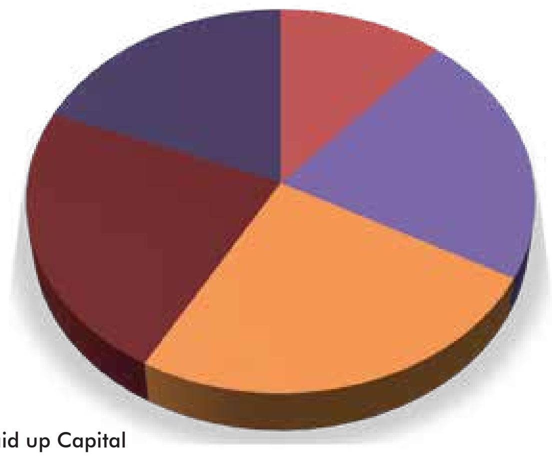


Administrative Expense



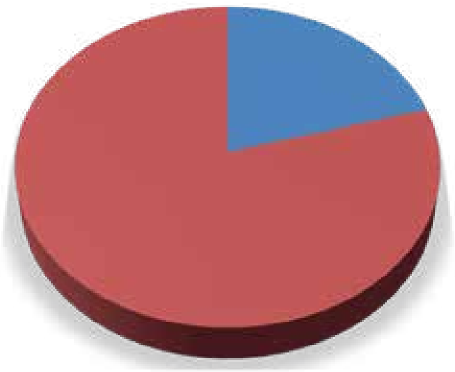
GRAPHICAL REPRESENTATION

Equity & Liabilities

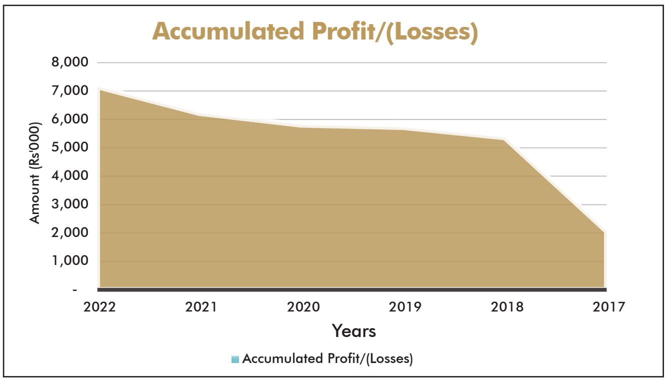


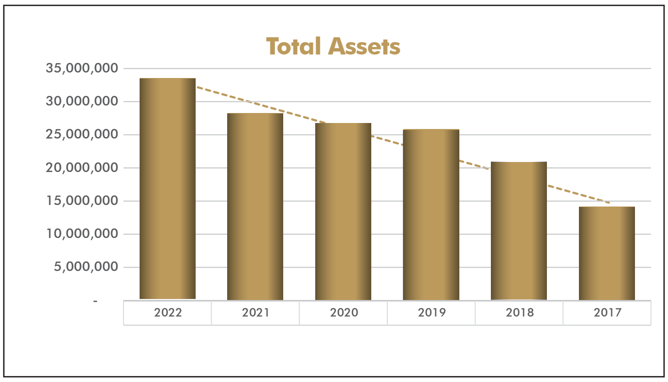
- Paid up Capital
- Reserves
- Revaluation Surplus
- Non-current Liabilities
- Current Liabilities

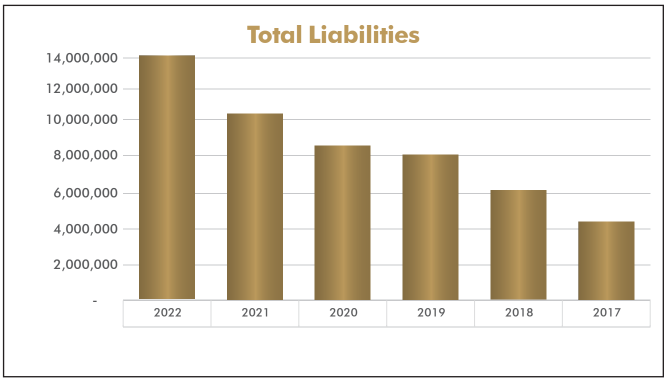
Current & Non-Current Liabilities

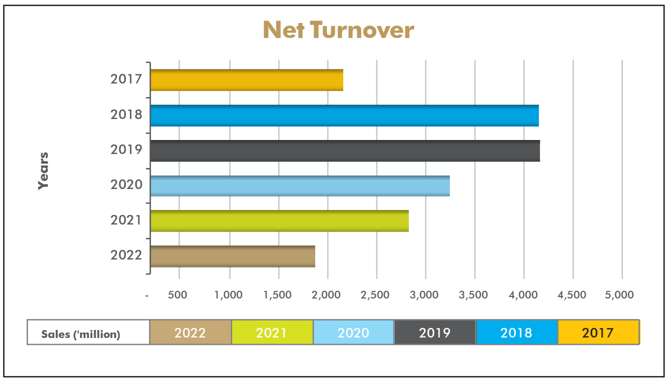


- Non-Current Assets
- Current Assets

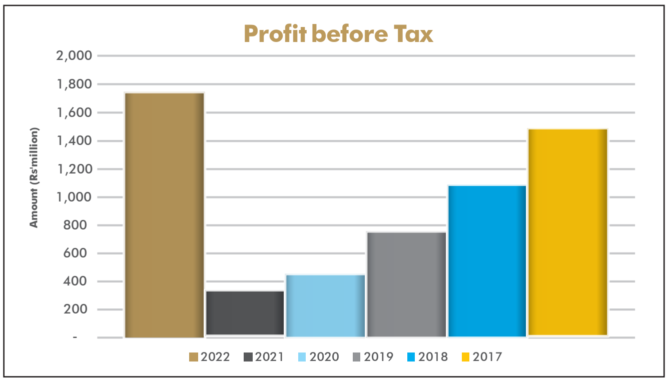


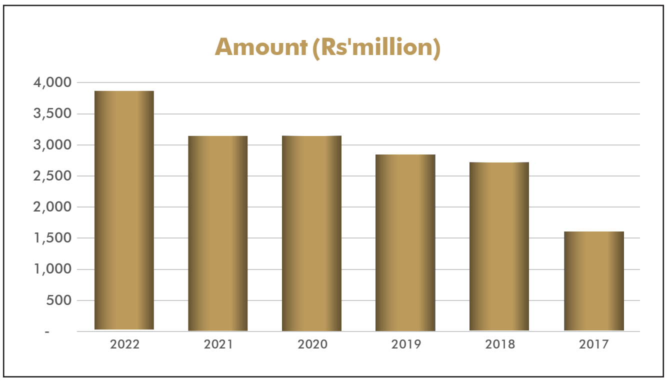


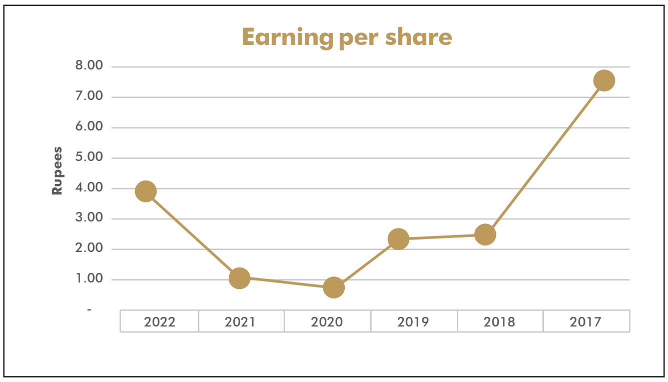


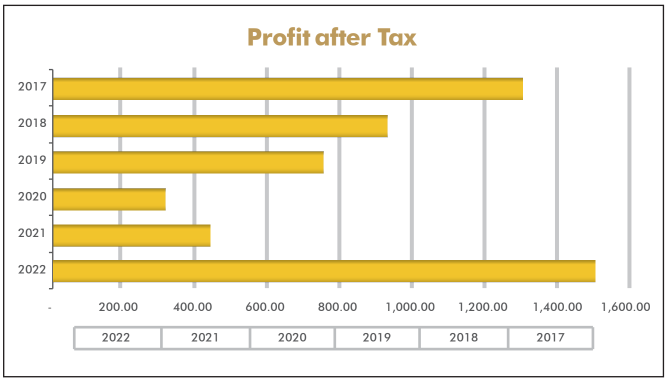


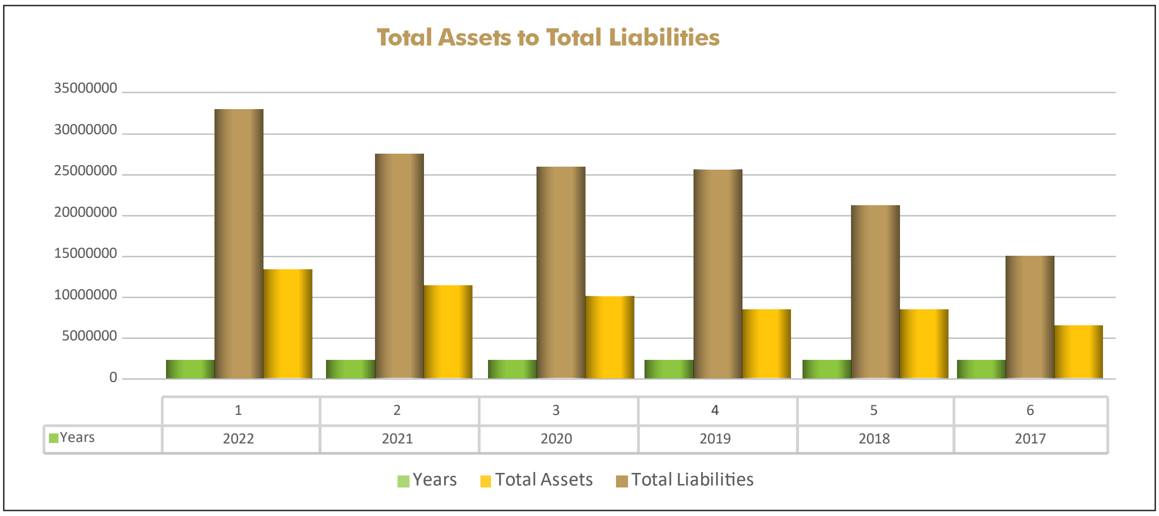
GRAPHICAL REPRESENTATION











Horizontal Analysis of the Financial Statements

Statement of Financial Position	2022		2021		2020		2019		2018		2017	
Assets	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
Non - Current Assets	9,171,477	33%	6,898,846	6%	6,530,822	18%	5,545,588	199%	1,855,949	-9%	2,029,115	-8%
Current Assets	24,089,168	14%	21,100,098	8%	19,624,147	-1%	19,737,486	4%	18,984,539	53%	12,411,907	4%
Total Assets	**33,260,645**	**19%**	**27,998,944**	**7%**	**26,154,969**	**3%**	**25,283,074**	**21%**	**20,840,488**	**44%**	**14,441,022**	**2%**
Equity and Liabilities												
Shareholders' Equity	19,354,900	8%	17,852,266	2%	17,523,410	1%	17,284,413	25%	13,835,272	41%	9,777,974	12%
Non - Current Liabilities	7,637,072	54%	4,955,741	36%	3,646,553	1%	3,596,916	304%	890,441	-26%	1,204,919	24%
Current Liabilities	6,268,673	21%	5,190,937	4%	4,985,006	13%	4,401,745	-28%	6,114,775	77%	3,458,129	-22%
Total Equity and Liabilities	33,260,645	19%	27,998,944	7%	26,154,969	3%	25,283,074	21%	20,840,488	44%	14,441,022	2%
Statement of Profit and Loss												
Revenue	4,342,710	315%	1,047,286	-36%	1,643,274	-13%	1,899,014	-23%	2,479,158	0%	2,467,969	96%
Cost of Sales	(1,927,437)	628%	(264,909)	-63%	(708,637)	-8%	(772,949)	-30%	(1,099,368)	85%	(595,735)	40%
Gross profit / (loss)	**2,415,273**	**209%**	**782,377**	**-16%**	**934,637**	**-17%**	**1,126,065**	**-18%**	**1,379,790**	**-26%**	**1,872,234**	**124%**
Marketing and selling expenses	(32,855)	-7%	(35,368)	-33%	(52,939)	-6%	(56,176)	-18%	(68,525)	-44%	(122,161)	455%
Administrative expenses	(457,561)	9%	(420,399)	9%	(385,643)	6%	(363,881)	39%	(260,954)	22%	(214,648)	47%
Flyover cost	(404,312)	100%	-	0%	-	0%	-	0%	-	0%	-	0%
Finance (costs) / income	(120,512)	12%	(107,220)	-48%	(207,560)	76%	(117,818)	-1658%	7,563	-104%	(177,628)	-6%
Other income	356,458	136%	150,781	25%	120,835	12%	108,274	154%	42,703	42%	30,147	-94%
Profit before taxation	1,756,491	375%	370,171	-10%	409,330	-41%	696,464	-37%	1,100,577	-21%	1,387,944	38%
Taxation	(251,346)	546%	(38,931)	-77%	(172,630)	48%	(116,584)	-71%	(396,864)	0%	(398,387)	94%
Profit for the year	**1,505,145**	**354%**	**331,240**	**40%**	**236,700**	**-59%**	**579,880**	**-18%**	**703,713**	**-29%**	**989,557**	**24%**

Vertical Analysis of the Financial Statements

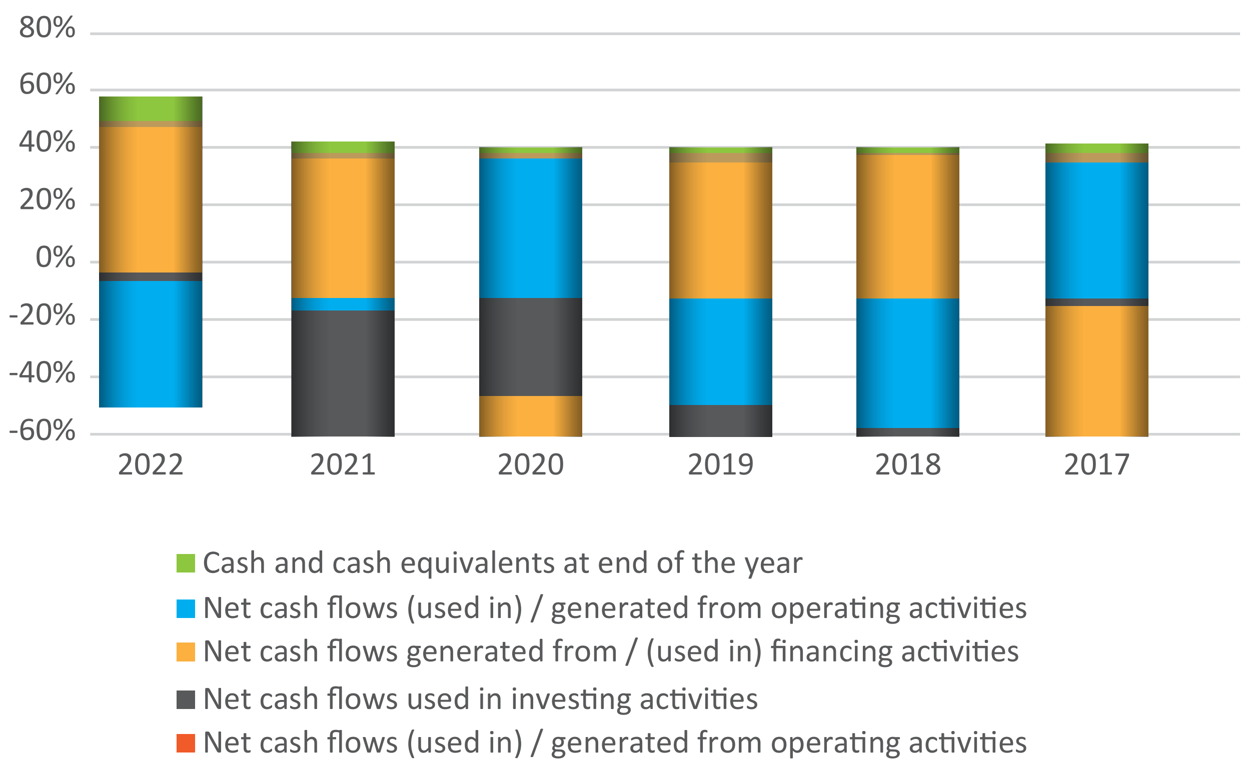
Statement of Financial Position	2022		2021		2020		2019		2018		2017	
Assets	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
Non - Current Assets	9,171,477	28%	6,898,846	21%	6,530,822	23%	5,545,588	21%	1,855,949	7%	2,029,115	10%
Current Assets	24,089,168	72%	21,100,098	63%	19,624,147	70%	19,737,486	75%	18,984,539	75%	12,411,907	60%
Total Assets	**33,260,645**	**100%**	**27,998,944**	**100%**	**26,154,969**	**100%**	**25,283,074**	**100%**	**20,840,488**	**100%**	**14,441,022**	**100%**
Equity and Liabilities												
Shareholders' Equity	19,354,900	58%	17,852,266	54%	17,523,410	63%	17,284,413	66%	13,835,272	55%	9,777,974	47%
Non - Current Liabilities	7,637,072	23%	4,955,741	15%	3,646,553	13%	3,596,916	14%	890,441	4%	1,204,919	6%
Current Liabilities	6,268,673	19%	5,190,937	16%	4,985,006	18%	4,401,745	17%	6,114,775	24%	3,458,129	17%
Total Equity and Liabilities	**33,260,645**	**100%**	**27,998,944**	**100%**	**26,154,969**	**100%**	**25,283,074**	**100%**	**20,840,488**	**100%**	**14,441,022**	**100%**
Statement of Profit and Loss												
Revenue	4,342,710	100%	1,047,286	100%	1,643,274	100%	1,899,014	100%	2,479,158	100%	2,467,969	100%
Cost of Sales	(1,927,437)	-44%	(264,909)	-6%	(708,637)	-16%	(772,949)	-18%	(1,099,368)	-25%	(595,735)	-14%
Gross profit / (loss)	**2,415,273**	**56%**	**782,377**	**18%**	**934,637**	**22%**	**1,126,065**	**26%**	**1,379,790**	**32%**	**1,872,234**	**43%**
Marketing and selling expenses	(32,855)	-1%	(35,368)	-1%	(52,939)	-1%	(56,176)	-1%	(68,525)	-2%	(122,161)	-3%
Administrative expenses	(457,561)	-11%	(420,399)	-10%	(385,643)	-9%	(363,881)	-8%	(260,954)	-6%	(214,648)	-5%
Flyover cost	(404,312)	-9%	-	0%	-	0%	-	0%	-	0%	-	0%
Finance (costs) / income	(120,512)	-3%	(107,220)	-2%	(207,560)	-5%	(117,818)	-3%	7,563	0%	(177,628)	-4%
Other income	356,458	8%	150,781	3%	120,835	3%	108,274	2%	42,703	1%	30,147	1%
Profit before taxation	**1,756,491**	**40%**	**370,171**	**9%**	**409,330**	**9%**	**696,464**	**16%**	**1,100,577**	**25%**	**1,387,944**	**32%**
Taxation	(251,346)	-6%	(38,931)	-1%	(172,630)	-4%	(116,584)	-3%	(396,864)	-9%	(398,387)	-9%
Profit for the year	**1,505,145**	**35%**	**331,240**	**8%**	**236,700**	**5%**	**579,880**	**13%**	**703,713**	**16%**	**989,557**	**23%**

Summary of Cash Flows Statement

Year ended 30th June

	2022	2021	2020	2019	2018	2017
Net cash flows (used in) / generated from operating activities	(3,750,280)	(167,060)	1,431,082	(1,248,892)	(4,160,136)	495,578
Net cash flows used in investing activities	505,029	(1,575,461)	(1,003,586)	(393,384)	(199,091)	(29,974)
Net cash flows generated from / (used in) financing activities	4,738,371	1,835,309	(424,338)	1,592,599	4,440,253	(474,288)
Cash and cash equivalents at beginning of the year	152,696	59,908	56,750	106,428	25,402	34,086
Cash and cash equivalents at end of the year	1,645,816	152,696	59,908	56,751	106,428	25,402

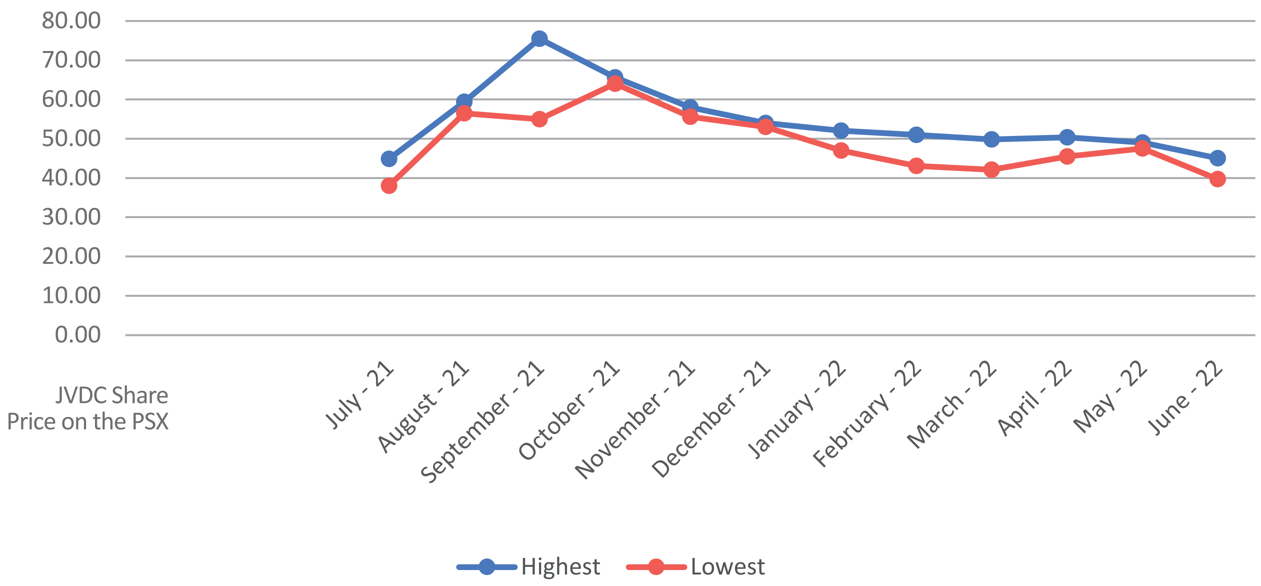
Summary of Cash Flow Statement



Share Price / Volume Analysis

Month	Highest	Lowest	Volume
JVDC Share Price on the PSX			
July - 21	44.85	38.01	1,881,500
August - 21	59.40	56.50	2,355,500
September - 21	75.46	54.95	5,432,000
October - 21	65.65	64.00	149,500
November - 21	58.00	55.55	317,000
December - 21	54.00	53.00	183,500
January - 22	52.01	47.00	546,000
February - 22	50.99	43.05	398,500
March - 22	49.85	42.10	2,244,000
April - 22	50.40	45.50	1,844,500
May - 22	49.00	47.49	131,000
June - 22	45.00	39.75	591,500
	75.46	38.01	16,074,500

Share Price movement at PSX during FY 2022



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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza
Beaumont Road
Karachi

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

Independent Auditors' 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 30 June 2022 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 30 June 2022.

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants

Reanda Haroon Zakaria

Reanda Haroon Zakaria & Co.
Chartered Accountants

Karachi

Date: October 06, 2022

UDIN: CR202210099LgraCQOyn

UDIN: CR202210147QNcjZA16I

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

Year ended 30 June 2022

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. Seven 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	4 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: October 01, 2022

INDEPENDENT AUDITORS' REPORT OF UNCONSOLIDATED FINANCIAL STATEMENTS

EY Ford Rhodes
Chartered Accountants
Progressive Plaza
Beaumont Road
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 the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Javedan Corporation Limited (the Company), which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

EY Ford Rhodes Chartered Accountants Progressive Plaza Beaumont Road 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. Revenue from contracts with customers	
(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. During the year, the Company reported a revenue of Rs.4,343 million, which includes a significant portion of sales amounting to Rs.3,945 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.	We performed a range of audit procedures in relation to revenue including the following: • We reviewed the contractual arrangement entered by the Company with the customers including related parties and assessed the appropriateness of the revenue recognition policies of the Company. • We tested IT general controls of the Company and also tested controls over revenue cycle of the Company. • We performed analytical review procedures and other test of details on revenue streams including the cut-off procedures to check that revenue has been recognised in the appropriate accounting period. • For related party sales transactions, we reviewed minutes of Board of Directors for approval of said transaction. We also involved our external experts to assess the reasonableness of selling prices used for sale made to related parties. We circularized confirmation to the related parties for transactions occurred during the year and their outstanding balances as of reporting date. We also assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements.
2. Valuation of development properties	
(Refer notes 30.1.1 (a) to the accompanying 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. 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.	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. 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.

Key audit matter	How the matter was addressed in our audit
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 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.
3. Valuation of development properties	
(Refer note 11 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 30 June 2022, DP amounted to Rs. 19,499 million and constitutes 58% 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.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

EY Ford Rhodes
Chartered Accountants
Progressive Plaza
Beaumont Road
Karachi

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partners on the audit resulting in this independent auditors' report are **Arif Nazeer and Farhan Ahmed Memon.**

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants

Reanda Haroon Zakaria & Co.

Reanda Haroon Zakaria & Co.
Chartered Accountants

Karachi

Date: 06 October, 2022

UDIN: AR2022100999UIMevqKR

UDIN: AR202210147sHu6tQ5XB

UNCONSOLIDATED FINANCIAL STATEMENTS

Javedan Corporation Limited
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		------ (Rupees in '000) ------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**6,924,951**	6,243,851
Intangible assets	7	**3,163**	4,313
Investment properties	8	**719,991**	631,366
Long-term deposits	9	**13,372**	9,316
Long-term investments	10	**1,510,000**	10,000
		9,171,477	6,898,846
CURRENT ASSETS			
Development properties	11	**19,499,396**	18,891,357
Trade debts	12	**1,040,253**	267,863
Loans and advances	13	**1,554,349**	293,389
Trade deposits, prepayments and other receivables	14	**335,572**	197,991
Short-term investments	15	**13,000**	1,296,802
Unclaimed deposits	16	**782**	-
Cash and bank balances	17	**1,645,816**	152,696
		24,089,168	21,100,098
TOTAL ASSETS		**33,260,645**	27,998,944
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
390,000,000 (2021: 390,000,000) ordinary shares of Rs.10/- each		**3,900,000**	3,900,000
Issued, subscribed and paid-up capital	18	**3,808,604**	3,173,837
Capital reserves	19	**2,758,293**	3,393,060
Revenue reserves	19	**4,393,813**	2,823,590
Other component of equity - revaluation surplus on lands	20	**8,394,190**	8,461,779
		19,354,900	17,852,266
NON-CURRENT LIABILITIES			
Long-term financings	21	**7,537,129**	4,904,662
Deferred grant	22	**33,754**	168
Deferred tax liability	23	**-**	704
Deferred liability - gratuity	24	**66,189**	50,207
		7,637,072	4,955,741
CURRENT LIABILITIES			
Trade and other payables	25	**706,633**	962,474
Preference shares	26	**505**	505
Accrued mark-up	27	**191,321**	92,014
Contract liabilities	28	**1,091,250**	2,091,971
Advance against sale of investment properties		**176,673**	48,346
Short-term borrowings	29	**1,833,164**	904,959
Current maturity of non-current liabilities	21 & 22	**2,116,734**	991,963
Taxation - net		**147,901**	94,264
Unpaid preference dividend		**242**	182
Unclaimed dividend		**4,250**	4,259
		6,268,673	5,190,937
CONTINGENCIES AND COMMITMENTS	30		
TOTAL EQUITY AND LIABILITIES		**33,260,645**	27,998,944

The annexed notes from 1 to 46 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, 2022

	Note	2022	2021
		------ (Rupees in '000) ------	
Revenue from contracts with customers - net	31	**4,342,710**	1,047,286
Cost of sales	32	**(1,927,437)**	(264,909)
Gross profit		**2,415,273**	782,377
Marketing and selling expenses	33	**(32,855)**	(35,368)
Flyover cost	33.1	**(404,312)**	-
Administrative expenses	34	**(457,561)**	(420,399)
Finance costs	35	**(120,512)**	(107,220)
Other income	36	**356,458**	150,781
Profit before taxation		**1,756,491**	370,171
Taxation	37	**(251,346)**	(38,931)
Profit for the year		**1,505,145**	331,240

		2022	2021
		------ (Rupees in '000) ------	
Earnings per share			(Restated)
Basic	38	**3.95**	0.87
Diluted	38	**3.95**	0.87

The annexed notes from 1 to 46 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, 2022

	Note	2022	2021
		------ (Rupees in '000) ------	
Profit for the year		**1,505,145**	331,240
Other comprehensive income / (loss), net of tax			
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods (net of tax):			
Actuarial (loss) on remeasurement of defined benefit obligation	24.5	**(1,000)**	(3,368)
Related tax effect	23.1	**-**	977
		(1,000)	(2,391)
Total comprehensive income for the year, net of tax		**1,504,145**	328,849

The annexed notes from 1 to 46 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, 2022

	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, 2020	3,173,834	3,381,090	11,966	63,500	2,348,399	8,544,621	17,523,410
Profit for the year	-	-	-	-	331,240	-	331,240
Other comprehensive loss, net of tax	-	-	-	-	(2,391)	-	(2,391)
Total comprehensive income, net of tax	-	-	-	-	328,849	-	328,849
Revaluation surplus on lands realised on account of sale of development properties	-	-	-	-	82,842	(82,842)	-
Conversion of preference shares into ordinary shares (notes 15 & 21)	3	4	-	-	-	-	7
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**

The annexed notes from 1 to 46 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, 2022

	Note	2022	2021
		------ (Rupees in '000) ------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**1,756,491**	370,171
Adjustments for non-cash items:			
Depreciation	6.1	**28,138**	21,883
Amortization	34	**1,150**	1,150
Provision for gratuity	24.8	**15,100**	11,701
Remeasurement gain on investment properties	8.2	**(88,625)**	(37,861)
Development charges borne by the Company	32	**-**	30,289
Finance costs		**111,803**	91,249
Loss on disposal of investment properties	36	**-**	114
Amortisation of deferred grant	36	**(20,862)**	(3,293)
Remeasurement loss / (gain) on investment designated at FVTPL	36	**2,237**	(3,751)
Mark-up on saving accounts	36	**(32,702)**	(14,366)
Sale to Global Residency REIT for non-cash consideration	10	**(1,400,000)**	-
Loss / (gain) on disposal of property, plant and equipment	36	**-**	(132)
Operating profit before working capital changes		**372,730**	467,154
(Increase) / decrease in current assets			
Development properties		**(608,039)**	(550,666)
Trade debts		**(772,390)**	121,306
Loans and advances		**(1,260,960)**	306,129
Trade deposits and other receivables		**(163,487)**	(136,334)
Unclaimed deposits		**(782)**	-
		(2,805,658)	(259,565)
(Decrease) / increase in current liabilities			
Trade and other payables		**(255,841)**	631,042
Contract liabilities		**(1,000,721)**	(721,289)
Advance against sale of investment properties		**128,327**	(34,704)
		(1,128,235)	(124,951)
Cash flows (used in) / generated from operations		**(3,561,163)**	82,638
(Payments) / receipts for:			
Income taxes		**(172,507)**	(72,735)
Finance costs		**(12,435)**	(176,345)
Gratuity	24.6	**(119)**	(1,207)
Long-term deposits		**(4,056)**	589
		(189,117)	(249,698)
Net cash flows used in operating activities		**(3,750,280)**	(167,060)
CASH FLOWS FROM INVESTING ACTIVITIES *			
Additions to property, plant and equipment	6.1 & 6.2	**(709,253)**	(309,122)
Sale proceeds from disposal of property, plant and equipment		**15**	551
Additions to investment properties	8.2	**-**	(136,869)
Sale proceeds from disposal of investment properties		**-**	110,914
Investment in subsidiary companies		**(100,000)**	-
Mark-up on saving accounts received	36	**32,702**	14,366
Short-term investments - net		**1,281,565**	(1,255,301)
Net cash flows generated from / (used in) investing activities		**505,029**	(1,575,461)

Javedan Corporation Limited

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		------ (Rupees in '000) ------	
CASH FLOWS FROM FINANCING ACTIVITIES *			
Cost on issuance of bonus shares		**(1,511)**	-
Dividend paid		**(9)**	(182)
Long-term financings – net		**3,811,686**	1,829,938
Short-term borrowings – net		**928,205**	5,553
Net cash flows generated from financing activities		**4,738,371**	1,835,309
Net increase in cash and cash equivalents		**1,493,120**	92,788
Cash and cash equivalents at beginning of the year	17	**152,696**	59,908
Cash and cash equivalents at end of the year	17	**1,645,816**	152,696

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

The annexed notes from 1 to 46 form an integral part of these financial statements.

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

1. STATUS AND NATURE OF BUSINESS

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

1.2 The Company has ceased its cement business since July 01, 2010 and the management has developed business diversification strategy for utilizing the Company's land 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 vide letter number LDA/PP/2010/255 on March 02, 2011 and revised master plan approved vide letter No CTP/LDA/112 and has obtained No Objection Certificate from Sindh Building Control Authority having NOC # SBCA/D.D(D-II)/985/ADV-503/2011 on November 12, 2011 and revised NOC # SBCA/DD(D-II)/985 & 991/ADV-584/2013. The Company is also the member of Association of Builders and Developers of Pakistan (ABAD). Subsequently to the reporting date, the Company has initiated steps to take relevant approvals for change in layout plan of Naya Nazimabad, which is expected to be completed in due course of time.

1.3 These financial statements are the separate financial statements of the Company in which the investment in subsidiaries are stated at cost less accumulated impairment losses, if any. As of June 30, 2022, the Company has investments in following subsidiaries:

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

1.4 Impact of COVID-19 pandemic

The outbreak of the Novel Coronavirus (COVID-19) still continues to progress and evolve, therefore, it is challenging now to predict the full extent and duration of its impact on the business. The management will continue to monitor its potential impact and take all the required actions to mitigate its effects. However, up to the date of authorisation of these financial statements, the operations and results of the Company have not been materially impacted by COVID -19 pandemic.

1.5 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;
- lands (i.e. freehold and leasehold) classified under property, plant and equipment at revalued amount;
- investment properties at fair value; and
- equity instruments designated at fair value through profit or loss.

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		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, 2023
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

Standard		IASB 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

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.

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

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 over by 30 and 60 days. 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
Globe Residential REIT (a REIT Scheme)	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	2022	2021
		------ (Rupees in '000) ------	
Operating fixed assets	6.1	**4,949,610**	4,771,008
Capital work-in-progress	6.2	**1,975,341**	1,472,843
		6,924,951	6,243,851

6.1 Operating fixed assets - owned

Particulars	Cost / Revaluation Amount				Accumulated Depreciation				Revalued Amount / Written Down Value As At June 30, 2022	Rate
	As At July 01, 2021	Additions	Disposals	As At June 30, 2022	As At July 01, 2021	Charge For The Year	Disposals	As At June 30, 2022		
	------------- (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)	4,050,555	-	-	4,050,555	-	-	-	-	4,050,555	-
Other land (note 6.1.4)	50,918	2,458	-	53,376	-	-	-	-	53,376	-
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	119,711	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 to 33
Medical equipment	4,957	190	-	5,147	946	39	-	985	4,162	10 to 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	23,875 182,880*	38	5,102,671	124,946	28,138	23	153,061	4,949,610	

Particulars	Cost / Revaluation Amount				Accumulated Depreciation				Revalued Amount / Written Down Value As At June 30, 2021	RATE
	As At July 01, 2020	Additions	Disposals	As At June 30, 2021	As At July 01, 2020	Charge For The Year	Disposals	As At June 30, 2021		
	------------- (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)	4,050,555	-	-	4,050,555	-	-	-	-	4,050,555	-
Other land (note 6.1.4)	50,918	-	-	50,918	-	-	-	-	50,918	-
Buildings on lease-hold land	36,564	4,055	-	40,619	21,692	1,766	-	23,458	17,161	10
Buildings on other land	63,383	-	-	63,383	6,703	5,668	-	12,371	51,012	10
Furniture and fixtures	15,018	544	-	15,562	7,888	1,022	-	8,910	6,652	20
Office equipment	47,980	6,428	60	54,348	22,833	6,188	13	29,008	25,340	10 to 33
Medical equipment	-	4,957	-	4,957	-	946		946	4,011	10 to 33
Computer equipment	25,917	1,806	-	27,723	18,089	2,734	-	20,823	6,900	33
Vehicles	44,243	3,147	1,100	46,290	26,599	3,559	728	29,430	16,860	20
2021	4,876,177	20,937	1,160	4,895,954	103,804	21,883	741	124,946	4,771,008	

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

6.1.1 The Company has carried out the last valuation exercise through an independent valuer in year 2020. Had there been no revaluation, the carrying amount of lands (free-hold and leasehold) and revaluation surplus on lands (free-hold and leasehold) would have been lower by Rs. 496.01 million and Rs. 3,709.57 million, respectively.

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 free-hold land and leasehold land are Rs. 433 million and Rs. 3,240 million based on the latest revaluation carried out by an independent valuer on June 30, 2020, respectively.

6.1.3 The immovable assets (i.e. free-hold and leasehold land) of the Company as at June 30, 2022 have an area of 5.58 acres free-hold land and 56.42 acres leasehold land respectively, located at Naya Nazimabad, Deh, Manghopir, Gadap Town, Scheme 43, Karachi, and is used by the Company for business purposes. Out of the total 62 acres land, 9.05 acres lease-hold land has been mortgaged/pledged with various financial institutions against financing facilities obtained (note 21).

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

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.

	Note	2022	2021
6.2 Capital work-in-progress		------ (Rupees in '000) ------	
Opening		**1,472,843**	1,165,417
Additions		**685,378**	307,426
Transfer to operating fixed assets		**(182,880)**	-
Closing	6.2.1	**1,975,341**	1,472,843

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

	2022	2021
Gymkhana (club house)	**1,605,623**	1,126,285
Jama masjid	**304,839**	222,459
Cricket ground	**-**	62,564
Football stadium	**-**	42,294
Masjid in Block D	**-**	9,562
Hospital	**64,879**	9,679
	1,975,341	1,472,843

7. INTANGIBLE ASSETS

	Cost			Rate	Accumulated Amortization			Net Book Value
	As At July 1, 2020	Addition During The Year	As At June 30, 2021		As At July 1, 2020	During The Year	As At June 30, 2021	As At June 30, 2021
	------------ (Rupees in '000) ------------			%	------------ (Rupees in '000) ------------			
Software - 2022	**5,751**	**-**	**5,751**	**20**	**1,438**	**1,150**	**2,588**	**3,163**
Software - 2021	5,751	-	5,751	20	288	1,150	1,438	4,313

	Note	2022	2021
8. INVESTMENT PROPERTIES		------ (Rupees in '000) ------	
Investment property - completed	8.1	**719,991**	631,366

8.1 Investment properties comprise of various properties having aggregated area of 366,851 square yards (2021: 366,851 square yards) situated at Deh Mangopir and other locations in Karachi (note 8.5).

	Note	2022	2021
8.2 The movement in investment properties during the year is as follows:		------ (Rupees in '000) ------	
As at July 01		**631,366**	567,664
Additions during the year		**-**	136,869
Disposal during the year		**-**	(111,028)
Remeasurement gain	8.3	**88,625**	37,861
As at June 30		**719,991**	631,366

8.3 An independent valuation was carried out by the Company through an independent professional valuer on June 30, 2022 and the fair value of Rs.719 million (2021: Rs.631 million) was determined with reference to market based evidence, active market prices and relevant information. Accordingly, the fair value adjustment of Rs. 88.62 million (2021: Rs. 37.86 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. 580 million (2021: Rs. 515 million).

8.5 The details of investment properties as of June 30, 2022 are as follows:

S.No	Location of investment properties	Land area
1.	Survey No 85,86,87,88,89 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	40 acres and 92 ghuntas
2.	Survey No 62 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	3 acres and 36 ghuntas
3.	Survey no 79 & 80 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	13 acres and 35 ghuntas
4.	Survey No 77, 78 & 81 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	10 acres and 21 ghuntas
5.	Plots No 27-C to 36-C at N.C-1 Deh Orangi Town District West Karachi.	4,949 sq yds
6.	Plots No 11-C to 16- C at N.C-1 Deh Orangi Town District West Karachi.	3,385 sq yds
7.	Plots No 17-C to 26- C at N.C-1 Deh Orangi Town District West Karachi.	5,010 sq yds
8.	Plot No D-24 Survey No 32 situated at Deh Manghopir District West Karachi.	2,123 sq yds
9.	N.C. 182, Deh Khari Lakhi, Anwer Shamim Road, North Nazimabad, District Central, Karachi.	9,680 sq yds

	Note	2022	2021
9. LONG-TERM DEPOSITS		------ (Rupees in '000) ------	
Utilities		**4,701**	4,701
Rent		**500**	500
Lease deposits		**7,455**	3,399
Others		**716**	716
		13,372	9,316
10. LONG-TERM INVESTMENTS			
NN Maintenance Company Private Limited	10.1	**10,000**	10,000
Sapphire Bay Development Company Limited	10.2	**100,000**	-
Globe Residency REIT	10.3	**1,400,000**	-
		1,510,000	10,000

10.1 Represents investment of 1 million ordinary shares having face value of Rs. 10 each made by the Company in 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 During the year, the Company has made 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 commenced its operational activities. In-addition, the Company has also given advance of Rs. 90 million during the year on account of future issuance of ordinary shares.

10.3 During the year, the Company has sold land measuring 40,500 square yards to Globe Residential REIT (GRR, a REIT Scheme) for consideration in cash of Rs 1,840 million and in form of units of GRR of Rs 1,400 million having face value of Rs. 10 each. Resultantly, GRR becomes the subsidiary of the Company by virtue of 100% unit holdings in GRR.

Subsequent to the year end, 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. The management expect that this transaction will be completed within next financial year.

11. DEVELOPMENT PROPERTIES

	Note	2022	2021
		------ (Rupees in '000) ------	
Land			
Opening balance		**15,031,918**	14,980,418
Add: Additions during the year		**1,410,000**	51,500
		16,441,918	15,031,918
Development expenditure incurred			
Opening balance		**10,938,044**	9,915,362
Add: Incurred during the year		**1,089,972**	1,022,682
		12,028,016	10,938,044
Borrowing costs related to development properties			
Opening balance		**2,683,235**	2,316,625
Add: Additions during the year	35	**704,792**	366,610
		3,388,027	2,683,235
		31,857,961	28,653,197
Transferred to:			
- property, plant and equipment		**(71,003)**	(68,545)
- investment properties		**(40,291)**	(40,291)
- cost of sales to date	32	**(7,576,888)**	(5,562,243)
- development charges incurred and apportioned to date	32	**(4,670,383)**	(4,090,760)
		19,499,396	18,891,357

11.1 The land under development properties having an area of 425.55 acre has been mortgaged / pledged with various financial institutions against financing facilities obtained (note 21 and 29).

12. TRADE DEBTS

	Note	2022	2021
		------ (Rupees in '000) ------	
Secured, considered good			
Receivable against:			
- sales of plots and bungalows	12.1	**795,171**	159,028
- utilities infrastructure charges		**1,913**	10,145
- development charges incurred:			
- billed	12.2	**49,597**	74,249
- un-billed	12.3	**193,572**	24,441
		243,169	98,690
	12.3 & 12.4	**1,040,253**	267,863

12.1 Included herein Rs. 700 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 as disclosed in note 10.3 to these financial statements.

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

12.3 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.

12.4 As of June 30, 2022 and 2021, 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	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	920,656	43,396	3,417	72,784

	Total	Neither past due nor impaired	Past due but not impaired: > 30 days upto 120 days	> 121 days upto 180 days	180 days and above
Sales of plots and bungalows:					
Other than related parties	159,028	38,894	3,100	-	117,034
	159,028	38,894	3,100	-	117,034
Utilities infrastructure charges					
Other than related parties	10,145	-	-	-	10,145
	10,145	-	-	-	10,145
Development charges incurred:					
Related parties					
Billed					
- Arif Habib	1,200	-	-	-	1,200
- Alamgir A. Sheikh	119	-	-	-	119
- Arif Habib Limited	800	-	-	-	800
- Nida Ahsan	120	-			120
- Haji Abdul Ghani	4,680	-	-	-	4,680
Unbilled					
- Arif Habib Limited	356	356	-	-	-
- Haji Abdul Ghani	654	654	-	-	-
	7,929	1,010	-	-	6,919
Other than related parties - billed and unbilled	90,761	23,431	-	-	67,330
	98,690	24,441	-	-	74,249
2021	267,863	63,335	3,100	-	201,428

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

	2022	2021
	------ (Rupees in '000) ------	
Haji Abdul Ghani	**3,604**	5,334
Alamgir A. Sheikh	**-**	787
Nida Ahsan	**1,539**	2,142
Arif Habib	**1,194**	29,903
Arif Habib Limited	**8,060**	1,661
Go Real state	**4,524**	-
Global Residency REIT	**700,000**	-
Nooriabad Spinning Mills (Private) Limited	**-**	100

		Note	2022	2021
13.	**LOANS AND ADVANCES - Considered good**		------ (Rupees in '000)	------
	Loans - secured			
	Executives	13.2	**7,339**	3,953
	Employees		**2,466**	4,090
		13.1	**9,805**	8,043
	Loans - unsecured			
	Loan to a related party - Arif Habib Limited	13.4	**800,000**	-
	Advances - unsecured			
	Suppliers	13.5	**544,566**	151,829
	Contractors		**180,821**	117,023
	Employees for expenses		**5,007**	2,344
	Purchase of properties	13.3	**14,150**	14,150
			744,544	285,346
			1,554,349	293,389

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

		2022	2021
13.2	The movement in loans to executives are as follows:	------ (Rupees in '000)	------
	Balance as of 01 July	**3,953**	5,048
	Loans obtained during the year	**13,833**	10454
	Adjusted during the year	**(10,447)**	(11,549)
	Balances as of 30 June	**7,339**	3,953

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

13.4 During the year, the Company has entered into an arrangement with Arif Habib Limited (AHL) (a related party) to finance the working capital and any other business requirements of AHL to the extent of Rs. 1000 million. This loan is repayable on demand and carries markup at the rate of 3 months KIBOR plus 1.75 percent per annum.As of reporting date, the facility is unutilised to the extent of Rs. 200 million (2021: Rs Nil) The maximum aggregate amount outstanding at any time during the year is Rs. 800 million.

		2022	2021
13.5	Included herein advances to related parties for purchase of cement and concrete, as follows:	------ (Rupees in '000)	------
	- Safemix Concrete Limited	**133,313**	-
	- Power Cement Limited	**30,501**	-
		163,814	-

14. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2022	2021
		------ (Rupees in '000) ------	
Trade deposits - Unsecured			
Considered good			
- Security deposit with Sindh Building Control Authority		**3,345**	3,345
- Others	14.1	**12,409**	12,409
		15,754	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)
		15,754	15,754
Prepayments			
Rent		**664**	-
Insurance		**849**	665
Others		**5,178**	3,678
		6,691	4,343
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	14.2 & 14.3 & 14.4	**310,941**	174,716
Others - considered good		**1,612**	2,604
		317,830	182,597
Allowances for expected credit losses		**(4,703)**	(4,703)
		313,127	177,894
		335,572	197,991

14.1 Included herein Rs. 12.4 million deposited with Honorable High Court of Sindh in respect of labor case pending adjudication.

14.2 Included herein receivables from related parties, as follows:

	Note	2022	2021
		------ (Rupees in '000) ------	
- NN Maintenance Company (Private) Limited - subsidiary company	14.2.1	**297,729**	172,866
- International Builders and Developers (Private) Limited - associate		**187**	104
- Arif Habib Limited - associates		**9,512**	1,377
- Haji Abdul Ghani		**369**	369
- Naya Nazimabad apartment REIT		**3,144**	-
	14.3	**310,941**	174,716

14.2.1 These are net of Rs. 25.905 million payable to the subsidiary company on account of group relief availed by the Company in tax year 2021, in accordance with the provisions of the Income Tax Ordinance, 2001.

14.3 These are past due but not impaired.

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

	Note	2022	2021
		------ (Rupees in '000) ------	
- NN Maintenance Company (Private) Limited - subsidiary company		**297,729**	172,866
- International Builders and Developers (Private) Limited - associate		**187**	104
- Arif Habib Limited - associates		**9,512**	1,377
- Naya Nazimabad apartment REIT		**3,144**	-
- Haji Abdul Ghani		**369**	369
		310,941	174,716

15. SHORT-TERM INVESTMENTS

	Note	2022	2021
At amortized cost			
Term deposit receipts (TDRs)	15.1	**13,000**	67,750
Designated at fair value through profit or loss			
Equity instruments	15.3 & 15.4	**-**	1,229,052
		13,000	1,296,802

15.1 This carries mark-up at 7.4 to 9% (2021: 7.5%) having maturity upto one year i.e. latest by April 05, 2023.

15.2 As of June 30, 2022, the details of equity instruments designated at FVTPL held by the Company are as follows:

Company name	Number of shares		Fair value	
	2022	2021	2022	2021
			----- (Rupees in '000) -----	
Oil and Gas Development Company Limited	-	5,500,000	-	522,665
Pakistan State Oil Company Limited	-	3,150,000	-	706,387
	-	8,650,000	-	1,229,052

15.3 The movement of equity instruments is as follows:

	Note	2022	2021
		------ (Rupees in '000) ------	
Balance as at July 01		**1,229,052**	-
Cost of investments made		**-**	1,225,301
Investment dispose off during the year		**(1,229,052)**	-
Unrealized gain for the year - net	36	**-**	3,751
Balance as at June 30		**-**	1,229,052

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

16. 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.

17. CASH AND BANK BALANCES

	Note	2022	2021
		------ (Rupees in '000) ------	
Cash in hand		**32,676**	8,721
Cheques in hand		**4,606**	4,667
Cash at banks in:			
- current accounts		**1,070,108**	6,531
- deposit accounts	17.1	**538,426**	132,777
		1,608,534	139,308
		1,645,816	152,696

17.1 These carry markup at the rate ranging between 5.5 percent to 10.25 percent per annum (2021: 5.5 percent to 10 percent per annum).

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2022	2021		Note	2022	2021
------ (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:			
50,425,641	50,425,641	Opening		**504,256**	504,256
63,476,741	-	Issued during the year		**634,767**	-
113,902,382	50,425,641	Closing		**1,139,023**	504,256
(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	18.3	**616,618**	616,618
380,860,447	317,383,706			**3,808,604**	3,173,837

18.1 The major shareholders of the Company as at June 30, 2022 and June 30, 2021 are as follows:

	2022	2021	2022	2021
	----- % holding -----		----- (Rupees in '000) -----	
Haji Abdul Ghani	**12%**	12%	**451,973**	376,644
Arif Habib Corporation Limited	**10%**	10%	**380,611**	313,261
Arif Habib Equity (Private) Limited	**29%**	29%	**1,092,433**	910,360
			1,925,017	1,600,265

18.2 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.

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

	2022	2021	2022	2021
	----- Number of Shares -----		----- (Rupees in '000) -----	
Opening	**61,661,763**	61,661,453	**616,618**	616,615
Shares issued on conversion of preference shares during the year	**-**	310	**-**	3
Closing	**61,661,763**	61,661,763	**616,618**	616,618

19. RESERVES

	Note	2022	2021
		------ (Rupees in '000) ------	
Capital reserves			
Tax holiday reserve	19.1	**11,966**	11,966
Share premium	19.2	**2,746,327**	3,381,094
		2,758,293	3,393,060
Revenue reserve			
General reserves	19.3	**63,500**	63,500
Un-appropriated profits		**4,330,313**	2,760,090
		4,393,813	2,823,590
		7,152,106	6,216,650

19.1 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.

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

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

20. REVALUATION SURPLUS ON LANDS

	Note	2022	2021
		------ (Rupees in '000) ------	
Balance as at July 01:			
Development properties		**4,256,203**	4,339,045
Property, plant and equipment		**4,205,576**	4,205,576
		8,461,779	8,544,621
Transfer to unappropriated profit on sale of development		**(67,589)**	(82,842)
Balance as at June 30		**8,394,190**	8,461,779
Represented by:			
Development properties		**4,186,359**	4,256,203
Property, plant and equipment	6.1.1	**4,207,831**	4,205,576
		8,394,190	8,461,779

21. LONG-TERM FINANCINGS - Secured

	Note	2022	2021
		------ (Rupees in '000) ------	
Term finance certificates	21.1	-	172,500
Term finance loan I	21.2	-	995,002
Term finance loan II	21.3	**510,231**	541,329
Term finance loan III	21.4	**1,988,589**	-
Term finance loan IV	21.5	**1,000,000**	-
Syndicated loan facility	21.6	-	662,501
SBP-Refinance Scheme	21.7	**13,547**	39,270
Sukuk certificates	21.8	**2,238,642**	2,734,408
Diminishing musharakah I	21.9	**750,000**	750,000
Diminishing musharakah II	21.10	**996,415**	-
Diminishing musharakah III	21.11	**1,000,000**	-
Diminishing musharakah IV	21.12	**700,000**	-
Islamic refinance facility	21.13	**391,567**	-
		9,588,991	5,895,010
Current maturity of long-term financings		**(2,051,862)**	(990,348)
		7,537,129	4,904,662

21.1 Represents privately placed Term Finance Certificates (TFCs) aggregating to Rs. 920.35 million issued by the Company for a period of 7 years for the development of housing project. These carry markup at the rate of 6 months KIBOR plus 2.5 percent per annum and is redeemable in four equal semi-annual installments of Rs.14.5 million and ten equal semi-annual installments of Rs. 86.25 million each. The facility is secured by way of equitable mortgage charge over land comprising of residential plots to maintain 25% margin over forced sale value (FSV) or 47% margin over market value of the security, whichever is higher. In accordance with the Circular No.13 of 2020 issued by State Bank of Pakistan, dated March 26, 2020, the Company had availed one year deferment of principal repayment. The Company has fully settled the said facility during the year.

21.2 The Company has early prepaid the facility during the year.

21.3 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.

21.4 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. As of the reporting date, the Company has drawdown Rs. 2,000 million. The Company has incurred transaction cost of Rs. 5 million to obtain said financing.

21.5 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.

21.6 The Company has fully settled the syndicated loan facility during the year.

21.7 The Company has obtained long-term financing from a commercial bank having a limit of Rs 60 million under Refinance Scheme for payment of Salaries & Wages by State Bank of Pakistan, out of which the Company has utilized Rs. 54.97 million (2021: Rs. 54.97 million). It carries a flat mark-up at the rate of 3 percent per annum with no floor or cap and is repayable in 8 quarterly installments commencing from January 2021 discounted at effective rate of interests ranging from 9.41 to 11.15 percent per annum. The differential mark-up has been recognised as government grant (see note 22 to these financial statements) which will be amortised to interest income over the period of the facility. The facility is secured by enhancing mortgage over specified piece of land with 50% margin. As of the reporting date, Rs. 5.03 million (2021: Rs. 5.03 million) remains unutilized.

21.8 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.

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

21.10 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.

21.11 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.

21.12 The Company has obtained diminishing musharaka funded facility of Rs.700 million and Non-funded facility of Rs. 300 million from a commercial bank to finance the initial expenses for issuance of housing/apartments construction REITS by the company and to issue guarantees in favour of SBCA as a security deposit for development of commercial sites at Naya Nazimabad . The loan is repayable in maximum upto 13 months with 12 months grace period. It carries mark-up at the rate of 3 month KIBOR plus 1 percent per annum. The facility is secured by equitable mortgage charge and token 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.

21.13 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. DEFERRED GRANT

	Note	2022	2021
		------ (Rupees in '000) ------	
As at July 1, 2021		**1,783**	3,534
Recognised during the year	22.1	**117,705**	1,542
Released to profit or loss		**(20,862)**	(3,293)
As at June 30, 2022	21.7	**98,626**	1,783
Current portion shown under current liabilities		**64,872**	1,615
Non-current portion		**33,754**	168
		98,626	1,783

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

23. DEFERRED TAX LIABILITIES - net

	Note	2022	2021
		------ (Rupees in '000) ------	
Deferred tax on deductible temporary differences:			
- provisions		-	(2,247)
- deferred liabilities		-	(14,560)
		-	(16,807)
Deferred tax on taxable temporary differences:			
- accelerated depreciation on property, plant and equipment		-	7,753
- investment properties		-	2,504
- investment in equity instruments		-	563
- long-term financings		-	6,691
		-	17,511
	23.1	-	704

23.1 During the year, the Company taxability for business income changed from normal tax regime to final tax regime. Accordingly, the deferred tax liabilities (net) as of July 01, 2021 has been reversed and no deferred tax on assets and liabilities were recorded as of June 30, 2022.

24. DEFERRED LIABILITY - GRATUITY

24.1 General description

As stated in note 4.13 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, 2022.

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, 2022 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

	2022	2021
Discount rate %	**13.25**	10%
Expected rate of increase in salary levels %	**13.25**	10%
Expected rate of return on plan assets %	**8.11%**	7.29%
Average retirement age of the employee	**60 years**	60 years

24.3 Reconciliation of amount payable to defined benefit plan

	Note	2022	2021
		------ (Rupees in '000) ------	
Present value of defined benefit obligation	24.4	**61,273**	53,919
Less: Fair value of plan assets	24.6	**(2,279)**	(3,712)
Payable		**7,195**	-
		66,189	50,207

24.4 Movement in present value of defined benefit obligation

	2022	2021
Present value of obligation as at July 1	**53,920**	42,398
Current service cost	**10,386**	8,675
Interest cost	**5,016**	3,472
Benefits paid	**(1,516)**	(2,960)
Liability transferred from other group company	**-**	311
Liability transferred to other group company	**-**	(232)
Benefits due but not paid	**(6,011)**	(130)
Actuarial loss on re-measurement of obligation	**(522)**	2,385
Present value of obligation as at June 30	**61,273**	53,920

	Note	2022	2021
24.5 Movement in payable to defined benefit plan		------ (Rupees in '000) ------	
Opening liability		**50,207**	36,265
Charge for year to profit or loss	24.8	**15,100**	11,701
Other comprehensive loss / (gain)	24.9	**1,000**	3,368
Net liability transferred from / (to) other group company		**-**	80
Contributions to the fund		**(118)**	(1,207)
Closing liability		**66,189**	50,207

24.6 Movement in fair value of plan assets

	2022	2021
Fair value of plan assets as at July 1	**3,712**	6,133
Contributions	**118**	1,207
Interest Income on plan assets	**301**	447
Benefits paid	**(1,516)**	(2,962)
Benefits due but not paid	**-**	(130)
Adjustment of opening payable	**1,186**	-
Return on plan assets excluding interest income	**(1,522)**	(983)
Fair value of plan assets as at June 30	**2,279**	3,712

24.7 The plan assets comprise of bank balances only.

24.8 Expense recognised in profit or loss

	2022	2021
Current service cost	**10,386**	8,676
Interest cost on defined benefit obligation	**5,015**	3,472
Interest income on plan assets	**(301)**	(447)
	15,100	11,701

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

	2022	2021
Actuarial losses / (gains) from changes in demographic assumptions	**-**	-
Actuarial losses / (gains) from changes in financial assumptions	**-**	-
Experience adjustments	**(522)**	2,385
	(522)	2,385
Return on plan assets excluding interest income	**1,522**	983
Total remeasurements chargeable in other comprehensive income	**1,000**	3,368

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	**50,165**	(58,201)
Salary growth rate	1	**58,160**	(50,132)

24.12 The expected gratuity expense for the year ending June 30, 2023 works out to Rs. 19.733 million.

24.13 The weighted average duration of the defined benefit obligation at June 30, 2022 is 7 years (2021: 7 years).

25. TRADE AND OTHER PAYABLES

	Note	2022	2021
		------ (Rupees in '000) ------	
Creditors	25.1	**60,769**	28,595
Accrued liabilities		**74,137**	53,207
Retention money		**119,009**	121,877
Withholding tax payable		**16,694**	8,170
Other payables:			
- on cancellation of plots		**8,917**	18,035
- against other projects	25.3	**20,770**	13,846
- book overdraft		**-**	676,466
- non-violation charges		**86,030**	42,278
- Globe Residency REIT	25.1	**320,307**	-
		706,633	962,474

25.1 Included herein amount payable to the following related parties:

	2022	2021
Safe Mix Concrete Limited	**-**	486
Power Cement Limited	**-**	2,605
Arif Habib Dolmen REIT Management Limited	**2,977**	2,977
Rotocast Engineering Company (Private) Limited	**124**	101
	3,101	6,169

25.2 In 2021, the Company participated for the bidding process of Ravi Urban Development Authority (RUDA) and won the bid. Represents amount payable to consortium members of the RUDA project.

25.3 Further, advances from customer received against booking of apartments on land sold to REIT aggregate to Rs.1,450.976 million and expenses incurred thereon as of reporting date is Rs. 1130.987 million. Hence net payable to REIT Scheme is Rs. 320.307 million as of the reporting date.

26. PREFERENCE SHARES

26.1 Issued, subscribed and paid-up preference shares

2022	2021		2022	2021
------ (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 of the Company at the Extraordinary General Meeting held on May 07, 2011 and return of allotment of shares was filed under Section 73(1) of the repealed Ordinance.

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

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

27. ACCRUED MARK-UP

	Note	2022	2021
		------ (Rupees in '000) ------	
Accrued markup on :			
- long-term financings		**156,886**	70,850
- short-term borrowings	27.1	**34,435**	21,164
		191,321	92,014

27.1 This includes markup payable to Arif Habib Corporation Limited, Arif Habib, Arif Habib Limited and Haji Abdul Ghani - related parties of Rs. Nil million,Rs.0.8 million, Rs.7 million and Rs. 0.76 million (2021: Rs. 2.722 million, Nil million, Nil million and Rs.0.76 million).

28. CONTRACT LIABILITIES

	Note	2022	2021
		------ (Rupees in '000) ------	
Advance from customers	28.1	**822,860**	1,777,152
Liability against performance obligation	28.2	**268,390**	314,819
	28.1.1	**1,091,250**	2,091,971

28.1 Advance from customers

	2022	2021
Advance against:		
- plots and bungalows	**51,516**	15,808
- flats and commercial sites	**771,344**	1,761,344
	822,860	1,777,152

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:

	2022	2021
	------ (Rupees in '000) ------	
Arif Habib Equity (Private) Limited	**415,095**	708,212
Arif Habib Limited	**-**	5,306
Haji Abdul Ghani	**139,724**	318,611
Arif Habib	**78,117**	-
Nida Ahsan	**-**	5,306
Go Real Estate	**14,326**	29,885
	647,262	1,067,320

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	2022	2021
		------ (Rupees in '000) ------	
Musharakah arrangement	29.1	**300,000**	264,193
Running finance under mark-up arrangements	29.2	**599,736**	640,766
Running finance under mark-up arrangements	29.3	**933,428**	-
		1,833,164	904,959

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 (2021: 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. 0.264 million (2021: Rs. 22.625 million).

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 unutilised to the extent of Rs. 66.597 million.

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 coercive 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 2022 has been accounted for in these financial statements having an aggregate impact of Rs.155.244 million (2021: Rs. 123.571 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, 2022, 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. 441.35 million (2021: Rs. 242.959 million).

30.1.2 Former business

As at June 30, 2022, there are several cases aggregating to Rs. 15.73 million (2021: 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	2022	2021
		------ (Rupees in '000) ------	
Capital commitments		**2,580,588**	1,658,909
Ijarah rentals	30.2.1	**24,355**	7,634

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 (2021: Rs. 3.399 million). Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

	2022	2021
Not later than one year	**6,762**	2,653
Later than one year but not later than five years	**17,593**	4,981
	24,355	7,634

31. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	2022	2021
Local sales, at a point in time		
Plots	**4,377,069**	1,028,891
Bungalows	**15,970**	100,448
	4,393,039	1,129,339
Less:		
Cancellation and forfeiture	**(50,329)**	(81,776)
Trade discount	**-**	(277)
	(50,329)	(82,053)
	4,342,710	1,047,286

31.1 Revenue recognised during the year that was included in the contract liabilities at the beginning of year amounted to Rs. 900.310 million (2021: Rs. 26.651 million).

32. COST OF SALES

	Note	2022	2021
		------ (Rupees in '000) ------	
Cost of development properties sold:			
- plots		**2,011,647**	208,616
- bungalows		**2,996**	26,005
	11	**2,014,643**	234,621
Development charges:			
- incurred and apportioned to customers	11	**579,623**	674,745
- reimbursed / reimbursable from customers	32.1	**(666,829)**	(674,745)
		(87,206)	-
- incurred but not apportioned (borne by the Company)		**-**	30,288
		1,927,437	264,909

32.1 This includes Rs. 87.206 million related to reimbursement received from the sale made to customers during the year on account of development charges incurred and borne by the Company in prior years.

33. MARKETING AND SELLING EXPENSES

	2022	2021
	------ (Rupees in '000) ------	
Sales promotions	**11,376**	26,313
Exhibitions and events	**20,913**	3,312
Commission	**566**	5,743
	32,855	35,368

33.1 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 404.312 million during the year.

34. ADMINISTRATIVE EXPENSES

	Note	2022	2021
		------ (Rupees in '000) ------	
Salaries, wages and other benefits	34.1	**213,057**	183,854
Fees and subscriptions		**25,241**	22,060
Depreciation	6.1	**28,138**	21,883
Amortization		**1,150**	1,150
Vehicle running		**11,210**	11,318
Legal, professional and consultancy		**7,668**	10,884
Repair and maintenance		**12,086**	47,637
Software license and maintenance		**14,897**	10,795
Rent, rates and taxes		**1,101**	2,842
Utilities		**60,728**	47,060
Donation	34.2 & 34.3	**12,596**	9,114
Communication		**4,523**	4,584
Travelling and conveyance		**2,000**	1,103
Ijarah rentals		**5,768**	3,823
Insurance		**6,319**	6,332
Printing and stationery		**6,687**	4,324
Auditors' remuneration	34.4	**3,639**	3,339
Entertainment		**1,672**	6,572
Meetings and conventions		**700**	600
Security		**80**	636
Caretaking charges		**5,780**	13,296
Others		**32,521**	7,193
		457,561	420,399

34.1 Included herein Rs. 15.100 million (2021: Rs.11.701 million) in respect of employees retirement benefits.

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

34.3 The donations higher of Rs.1 million or 10% of the donations made by the Company are as follows:

	2022	2021
	------ (Rupees in '000) ------	
Javed Jilani (in lieu of government relief fund)	**-**	5,000

34.4 Auditors' Remuneration

EY Ford Rhodes

	2022	2021
Annual audit of financial statements		
- standalone	**750**	750
- consolidation	**300**	300
Review of half yearly financial statements	**200**	200
Code of Corporate Governance and other assurance services	**925**	625
Out of pocket expense	**109**	109
	2,284	1,984

	Note	2022	2021
		------ (Rupees in '000) ------	
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
		3,639	3,339

35. FINANCE COSTS

	Note	2022	2021
Dividend on preference shares	4.13	**61**	61
Mark-up on:			
- long-term financings		**838,727**	454,060
- short-term borrowings		**59,777**	79,047
		898,504	533,107
Bank and other charges		**8,709**	15,971
		907,274	549,139
Less: Borrowing cost capitalized in the cost of qualifying asset		**(786,762)**	(441,919)
		120,512	107,220
Average rate of capitalisation		**7.99%**	7.99%

36. OTHER INCOME - Net

	Note	2022	2021
Income from financial assets			
Mark-up on saving accounts		**32,702**	14,366
Mark-up on loan to a related party - Arif Habib Limited	13.4	**20,073**	-
Remeasurement (loss)/gain on investment designated at FVTPL	15.3	**(2,237)**	3,751
		50,538	18,117
Income from non-financial assets			
Income from cancellation of bookings		**-**	898
Gain / (loss) on disposal of property, plant and equipment		**-**	132
Transfer fees from plots and bungalows		**152,478**	67,040
Rental income from sport facilities		**15,169**	6,225
Loss on disposal of investment properties		**-**	(114)
Rental income from investment properties		**18,495**	8,343
Remeasurement gain on investment properties	8.2	**88,625**	37,861
Amortisation of deferred grant	22	**20,862**	3,293
Others		**10,291**	8,986
		305,920	132,664
		356,458	150,781

37. TAXATION

	Note	2022	2021
Current		**182,343**	74,295
Prior		**69,707**	(17,479)
Deferred	23.1	**(704)**	(17,885)
		251,346	38,931

37.1 The assessments of the Company for and upto tax year 2021 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.

37.2 Tax reconciliation with accounting profit is as follows:

	2022	2021
	------ (Rupees in '000) ------	
Profit before taxation	**1,756,491**	370,171
Tax at the rate of 29% (2021: 29%)	**509,382**	107,349
Effect of income subject to tax at lower tax rate	**-**	(27,425)
Prior year tax	**69,707**	(17,479)
Others	**(327,743)**	(23,514)
	251,346	38,931

38. EARNINGS PER SHARE

	2022	2021
Basic		
Profit after tax (Rupees in '000)	**1,505,145**	331,240
Weighted average number of ordinary shares (In numbers)	**380,860,447**	380,860,447
Earnings per share (In Rupees)	**3.95**	0.87
Diluted		
Profit attributable to ordinary shareholders (Rupees in '000)	**1,505,188**	331,301
Weighted average number of ordinary shares in issue (In numbers)	**380,860,447**	380,860,291
Adjustment for conversion of convertible preference share (In numbers)	**16,739**	21,711
Weighted average number of ordinary shares for diluted earning per share (In numbers)	**380,877,186**	380,882,002
Earnings per share - (In Rupees)	**3.95**	0.87

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements are as follows:

	Chief Executive		Directors		Executives	
	2022	2021	**2022**	2021	**2022**	2021
	(Rupees in '000)					
Managerial remuneration	**12,881**	11,271	**-**	-	**57,648**	41,463
Medical	**1,288**	1,127	**-**	-	**5,765**	4,146
Fuel allowance	**701**	509	**-**	-	**6,624**	3,127
Mobile allowance	**-**	-	**-**	-	**930**	472
Lease rentals	**-**	-	**-**	-	**4,382**	4,197
House rent	**-**	-	**-**	-	**517**	851
Special allowance	**-**	-	**-**	-	**951**	723
Drivers allowance	**-**	-	**-**	-	**300**	275
Bonus	**-**	984	**-**	-	**-**	3,340
Retirement benefits	**-**	1,181	**-**	-	**-**	3,844
	14,870	15,072	**-**	-	**77,117**	62,438
Number of Persons	**1**	1	**-**	-	**27**	15

39.1 No remuneration is paid / payable to the directors of the Company for current and prior years, other than those disclosed in note 39.3 to these financial statements.

39.2 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.

39.3 During the year, the Company has paid Rs. 0.81 million (2021: Rs. 0.56 million) to a non-executive Director on account of board meeting fees.

40. 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, 2022. The policies for managing each of these risks are summarised below:

40.1 Financial assets and liabilities are carried at amortised cost except for short-term investments of Rs.Nil (2021: Rs. 1,229 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	-	-	-	-	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

	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	-	-	-	-	9,316	9,316	9,316
Long-term investment	-	-	-	-	10,000	10,000	10,000
Trade debts	-	-	-	267,863	-	267,863	267,863
Loans	-	-	-	8,043	-	8,043	8,043
Trade deposits and other receivables	-	-	-	193,074	-	193,074	193,074
Short-term investments	67,750	-	67,750	1,229,052	-	1,229,052	1,296,802
Cash and bank balances	132,777	-	132,777	19,919	-	19,919	152,696
2021	200,527	-	200,527	1,717,951	19,316	1,737,267	1,937,794
Financial liabilities							
Long-term financings	990,348	4,904,662	5,895,010	-	-	-	5,895,010
Trade and other payables	-	-	-	954,304	-	954,304	954,304
Accrued mark-up	92,014	-	92,014	-	-	-	92,014
Short-term borrowings	904,959	-	904,959	-	-	-	904,959
Unpaid preference dividend	-	-	-	182	-	182	182
Unclaimed dividend	4,259	-	4,259	-	-	-	4,259
2021	1,991,580	4,904,662	6,896,242	954,486	-	954,486	7,850,728

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

40.2 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, 2022.

40.2.1 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.

40.2.2 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)
2022	**+10%**	**(1,132,353)**
	+10%	**1,132,353**
2021	+10%	(679,819)
	+10%	679,819

40.2.3 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.

40.2.4 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 15).

40.3 Credit risk

40.3.1 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. 5,360.553 million (2021: Rs.1937.794 million), the financial assets which are subject to credit risk amounted to Rs. 5,202.109 million (2021: Rs.1,924.406 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 12.3 to these financial statements. As at reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

40.3.2 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	2022	2021
		------ (Rupees in '000) ------	
Long-term deposits	9	**13,372**	9,316
Long-term investment	10	**1,510,000**	10,000
Trade debts	12	**920,656**	63,335
Loan to employees and related party	13	**809,805**	8,043
Trade deposits and other receivables	14	**328,307**	193,074
Short-term investments	15	**13,000**	1,296,802
Bank balances	17	**1,608,534**	139,308
		5,203,674	1,719,878

40.3.3 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	2022	2021
		------ (Rupees in '000) ------	
A-1	PACRA	**117**	804
A-1	VIS	**688**	296
A-1+	PACRA	**1,452,878**	131,438
A-1+	VIS	**147,335**	1,292
A-3	VIS	**7,516**	5,478
		1,608,534	139,308

40.4 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, 2022 and 2021 based on contractual undiscounted payment dates and present market interest rates:

	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**

	2021					
	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	5,895,010	5,895,010	-	990,348	1,421,177	3,483,485
Trade and other payables	954,304	954,304	954,304	-	-	-
Accrued mark-up	92,014	92,014	92,014	-	-	-
Short term borrowings	904,959	904,959	904,959	-	-	-
Unpaid preference dividend	182	182	182	-	-	-
Unclaimed dividend	4,259	4,259	4,259	-	-	-
	7,850,728	7,850,728	1,955,718	990,348	1,421,177	3,483,485

40.5 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	15.4

40.6 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, 2022.

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, 2022 and 2021 are as follows:

	Note	2022	2021
		------ (Rupees in '000) ------	
Long-term financings	21	**9,588,991**	5,895,010
Preference shares	26	**505**	505
Accrued mark-up	27	**191,321**	92,014
Short-term borrowings	29	**1,833,164**	904,959
Total debts		**11,613,981**	6,892,488
Less: Cash and bank balances	17	**(1,645,816)**	(152,696)
Net debts		**9,968,165**	6,739,792
Issued, subscribed and paid-up capital	18	**3,808,604**	3,173,837
Capital reserves	19	**2,758,293**	3,393,060
Revenue reserves	19	**4,393,813**	2,823,590
Other component of equity - revaluation surplus on lands	20	**8,394,190**	8,461,779
Total equity		**19,354,900**	17,852,266
Total capital		**29,323,065**	24,592,058
Gearing ratio		**33.99%**	27.41%

41. 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:

	2022	2021
	------ (Rupees in '000) ------	
Subsidiary Companies		
NN Maintenance Company (Private) Ltd [NNMC]		
Expenses incurred on behalf of NNMC by the Company	**258,414**	179,013
Amount paid by NNMC to the Company	**90,900**	35,000
Expenses incurred by NNMC on behalf of the Company	**42,650**	30,807
Amount paid to NNMC by the Company	**-**	7,000
Globe Residency REIT		
Investment made during the period	**1,400,000**	-
Advances received against sale of apartments	**1,451,293**	-
Expenses incurred on behalf of GRR by the Company	**1,130,986**	-
Sale of Land	**3,240,000**	-
Receipts against sale of land	**1,140,000**	-
Sapphire Bay Development Company Limited [SBDCL]		
Investment made during the period	**10,000**	-
Advance against future issuance of shares	**90,000**	-
Expenses incurred on behalf of SBDCL by the Company	**1,106**	-
Associates - Common directorship		
Arif Habib Corporation Limited		
Short-term borrowing obtained during the period	**-**	450,000
Short-term borrowing repaid during the period	**-**	450,000
Markup expense on short term-borrowing	**-**	3,969
Markup paid during the period	**2,723**	1,246
Arif Habib Equity (Pvt) Limited		
Sale of plots	**454,920**	-
Advance adjusted against sale of plots	**454,920**	-
Advance received against purchase of commercial sites	**216,883**	-
Development charges billed	**55,080**	-
Development charges received	**55,080**	-
Arif Habib Limited		
Sale of plots	**-**	127,502
Purchase of plots	**1,410,000**	-
Paid against purchase of plots	**1,410,000**	-
Short-term borrowing extended during the period	**1,780,000**	-
Re-Payment of Short-term borrowing extended during the period	**980,000**	-
Short-term borrowing obtained during the period	**380,000**	-
Short-term borrowing repaid during the period	**380,000**	-
Markup expense on short term-borrowing obtained during the period	**10,637**	-
Markup income on short-term-borrowing extended during the period	**20,091**	-
Markup income received on short-term-borrowing extended during the period	**17,012**	-
Expenses incurred by the Company on behalf of Arif Habib Limited	**-**	4,681
Amount paid by Arif Habib Limited to the Company	**-**	1,673
Development charges billed	**-**	27,000
Development charges received	**-**	26,151
Receipt against sale of plots	**-**	127,502

	2022	2021
	------ (Rupees in '000) ------	
Power Cement Limited		
Advance against construction material	**48,000**	-
Purchase of construction material	**37,699**	13,987
Paid against the purchase of construction material	**23,341**	15,229
Safe Mix Concrete Limited		
Advance against construction material	**140,000**	-
Purchase of construction material	**30,528**	16,786
Paid against the purchase of construction material	**24,227**	16,890
Haji Abdul Ghani - Associated person		
Sale of plots	**156,100**	97,665
Advance adjusted against sale of plots	**156,100**	-
Development charges billed	**18,900**	5,400
Development charges received	**18,900**	7,042
Associates - Common directorship		
Rotocast Engineering Co. (Private) Limited		
Services received during the year	**843**	1,567
Paid against services received	**819**	1,566
Rent prepaid during the year	**1,207**	1,098
Rent expense charged during the year	**1,207**	1,098
Other Services	**1,109**	-
International Builders and Developers (Private) Limited		
Expenses incurred by the Company on behalf of International Builders and Developers (Private) Limited	**187**	104
Associates		
Go Real Estate		
Sale of plots	**-**	225,982
Receipt against sale of plots	**-**	66,661
Development charges billed	**-**	43,740
Development charges received	**14,326**	43,784
Key management personnel (Other than CEO - note 39)		
Arif Habib - Director		
Development charges received	**-**	24,820
Refund / advance received against future purchase of commercial sites	**-**	183,117
Advance received against purchase of commercial sites	**183,117**	-
Sale of plots	**93,660**	-
Advance adjusted against sale of plots	**93,660**	-
Development charges billed	**11,340**	-
Development charges received	**11,340**	-
Short-term loans received during the year	**1,575,000**	-
Short-term loans paid during the year	**1,575,000**	-
Mark-up expense on short term-borrowing	**894**	-

	Note	2022	2021
Close family member		------ (Rupees in '000) ------	
Nida Ahsan			
Sale of plots and bungalows		-	124,181
Receipt against sale of plots		-	49,181
Development charges billed		-	27,000
Development charges received		-	25,152
Advance received against plots		-	-
Post employment benefit plan			
Gratuity fund trust - contribution paid during the year	24	**118**	1,207

41.1 The outstanding receivable and payable balances as of June 30, 2022 and 2021 are disclosed in their respective notes to these financial statements.

42. 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.

43. 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.

44. SUBSEQUENT EVENTS

The Board of Directors of the Company in their meeting held on September 08, 2022 has recommended interim cash dividend for the financial year 2022 @ 4 per share amounting to Rs. 1,523 million on the existing paid-up value of the ordinary share capital.

45. GENERAL

45.1 Number of employees as at June 30, 2022 was 229 (2021: 207) and average number of employees during the year was 221 (2021: 208).

46. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 01, 2022 by the Board of Directors of the Company.

Chief Financial Officer	Chief Executive Officer	Director

INDEPENDENT AUDITORS' REPORT OF CONSOLIDATED FINANCIAL STATEMENTS

EY Ford Rhodes
Chartered Accountants
Progressive Plaza
Beaumont Road
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 30 June 2022, and the consolidated statement of profit or loss, the consolidated statement of 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 30 June 2022, 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.

EY Ford Rhodes Chartered Accountants Progressive Plaza Beaumont Road 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. Revenue from contracts with customers	
(Refer notes 5.3(ii), 5.16.1, 5.16.2 and 33) 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 consolidated revenue of Rs. 3,802 million, which includes a portion of sales amounting to Rs. 1,398 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.	We performed a range of audit procedures in relation to revenue including the following: • We reviewed the contractual arrangement entered by the Group with the customers including related parties and assessed the appropriateness of the revenue recognition policies of the Group. • We tested IT general controls of the Group and also tested controls over revenue cycle of the Group. • We performed analytical review procedures and other test of details on revenue streams including the cut-off procedures to check that revenue has been recognised in the appropriate accounting period. • For related party sales transactions, we reviewed minutes of Board of Directors for approval of said transaction. We also involved our external experts to assess the reasonableness of selling prices used for sale made to related parties. We circularized confirmation to the related parties for transactions occurred during the year and their outstanding balances as of reporting date. We also assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements.
2. Contingencies	
(Refer notes 32.1.1 (a) to the accompanying consolidated financial statements) The Group has contingent liabilities in respect of income tax matters, which are pending for 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 Group's management. We checked the correspondence of the Group with the relevant authorities, tax advisors, including judgements or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved.

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Reanda Haroon Zakaria & Co.
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Key audit matter	How the matter was addressed in our audit
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.	We obtained and checked confirmations from the Group's external tax advisors for their views on the probable outcome of the legal matters, 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.
3. Valuation of development properties	
(Refer note 12 to the accompanying consolidated 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 30 June 2022, DP amounted to Rs. 20,533 million and constitutes 60% 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 capitalised during the year from agreements, invoices and related documents supporting various components of the Project costs and checked related approvals. We also reviewed the minutes of the meetings at the Board level to identify any indicators of adjustments. We assessed the reasonableness of the selling price used in the assessment of NRV of DP and compared 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.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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Karachi

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 the 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 accounting and reporting standards as applicable in Pakistan and Companies Act, 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.

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 auditors' 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 auditors' 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are **Arif Nazeer and Farhan Ahmed Memon.**

EY Ford Rhodes

Reanda Haroon Zakaria

EY Ford Rhodes
Chartered Accountants

Reanda Haroon Zakaria & Co.
Chartered Accountants

Karachi

Date: 06 October 2022

UDIN: AR2022100995OhQUf38j

UDIN: AR202210147iAzfZdK6h

CONSOLIDATED FINANCIAL STATEMENTS

Javedan Corporation Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

	Note	2022	2021
		------ (Rupees in '000) ------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	**6,927,174**	6,244,832
Intangible assets	8	**3,163**	4,313
Investment properties	9	**719,991**	631,366
Long-term deposits	10	**13,372**	9,316
Contract cost assets	14	**19,467**	-
Deferred tax assets - net	11	**36,445**	27,035
		7,719,612	6,916,862
CURRENT ASSETS			
Development properties	12	**20,554,417**	18,891,357
Trade debts	13	**408,936**	329,375
Contract cost assets	14	**8,849**	-
Contract assets	15	**916,202**	-
Loans and advances	16	**1,883,787**	297,354
Trade deposits, prepayments and other receivables	17	**146,207**	42,101
Short-term investments	18	**13,000**	1,296,802
Unclaimed deposits	19	**782**	-
Cash and bank balances	20	**2,767,443**	153,562
		26,699,623	21,010,551
TOTAL ASSETS		**34,419,235**	27,927,413
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorized			
390,000,000 (2021: 390,000,000) ordinary shares of Rs.10/- each		**3,900,000**	3,900,000
Issued, subscribed and paid-up capital	21	**3,808,604**	3,173,837
Capital reserves	22	**2,758,293**	3,393,060
Revenue reserves	22	**3,185,502**	2,731,255
Other component of equity - revaluation surplus on lands	23	**8,394,190**	8,461,779
		18,146,589	17,759,931
NON-CURRENT LIABILITIES			
Long-term financings	24	**8,937,129**	4,904,662
Deferred grant	25	**33,754**	168
Deferred liability - gratuity	26	**69,441**	53,091
		9,040,324	4,957,921
CURRENT LIABILITIES			
Trade and other payables	27	**1,546,333**	979,934
Preference shares	28	**505**	505
Accrued mark-up	29	**205,809**	92,014
Contract liabilities	30	**1,158,000**	2,091,971
Advance against sale of investment properties		**176,676**	48,346
Short-term borrowings	31	**1,833,164**	904,959
Current maturity of Long term financing	24	**2,116,734**	991,963
Taxation - net		**190,609**	95,428
Unpaid preference dividend		**242**	182
Unclaimed dividend		**4,250**	4,259
		7,232,322	5,209,561
CONTINGENCIES AND COMMITMENTS	32		
TOTAL EQUITY AND LIABILITIES		**34,419,235**	27,927,413

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

Chief Financial Officer	Chief Executive Officer	Director

Javedan Corporation Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		------ (Rupees in '000) ------	
Revenue from contracts with customers - net	33	**3,801,851**	1,117,529
Cost of Sales & Services	34	**(2,197,881)**	(382,787)
Gross profit		**1,603,970**	734,742
Marketing and selling expenses	35	**(188,535)**	(35,367)
Flyover	35.1	**(404,312)**	-
Administrative expenses	36	**(607,488)**	(464,390)
Finance costs	37	**(124,700)**	(107,231)
Other income	38	**409,034**	151,607
Profit before taxation		**687,969**	279,361
Taxation	39	**(299,712)**	(17,195)
Profit for the year		**388,257**	262,166

		2022	2021
		------ (Rupees in '000) ------	
Earnings per share			(Restated)
Basic	40	**1.02**	0.69
Diluted	40	**1.02**	0.69

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

Chief Financial Officer	Chief Executive Officer	Director

Javedan Corporation Limited
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		------ (Rupees in '000) ------	
Profit for the year		**388,257**	262,166
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) / gain on remeasurement of defined benefit obligation		**(89)**	(3,182)
Related tax effect		**-**	923
		(89)	(2,259)
Total comprehensive income for the year, net of tax		**388,168**	259,907

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

Chief Financial Officer	Chief Executive Officer	Director

Javedan Corporation Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Other component of equity	Total Equity
		Share premium	Tax holiday reserve	General	Unappropriated profits	Revaluation surplus on lands	
	------ (Rupees in '000) ------						
Balance as at June 30, 2020	3,173,834	3,381,090	11,966	63,500	2,320,855	8,544,621	17,495,866
Profit for the year	-	-	-	-	266,320	-	266,320
Other comprehensive income, net of tax	-	-	-	-	(2,259)	-	(2,259)
Total comprehensive income, net of tax	-	-	-	-	264,061	-	264,061
Revaluation surplus on lands realized on account of sale of development properties	-	-	-	-	82,842	(82,842)	-
Conversion of preference shares into ordinary shares	3	4	-	-	-	-	7
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 income, net of tax	**-**	**-**	**-**	**-**	**(89)**	**-**	**(89)**
Total comprehensive income, net of tax	**-**	**-**	**-**	**-**	**388,168**	**-**	**388,168**
Revaluation surplus on lands realized on account of sale of development properties	**-**	**-**	**-**	**-**	**67,589**	**(67,589)**	**-**
Conversion of preference shares into ordinary shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at June 30, 2022	**3,808,604**	**2,746,327**	**11,966**	**63,500**	**3,122,004**	**8,394,190**	**18,146,591**

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

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

Javedan Corporation Limited
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		------ (Rupees in '000) ------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**687,969**	279,361
Adjustments for non-cash items:			
Depreciation	7.1	**28,895**	22,337
Amortization	8	**1,150**	1,150
Remeasurement gain on investment properties	9.2	**(88,625)**	(37,861)
Amortization of deferred grant	25	**20,862**	(3,293)
Provision for gratuity	26.8	**17,161**	13,356
Development charges borne by the Group	34	**-**	30,289
Finance costs		**111,803**	91,249
Loss on disposal of investment properties	38	**-**	114
Remeasurement gain on investment designated at FVTPL	38	**2,237**	(3,751)
Mark-up on saving accounts	38	**(84,985)**	(14,701)
(Gain) / loss on disposal of property, plant and equipment	38	**-**	(132)
Operating profit before working capital changes		**696,467**	378,118
(Increase) / decrease in current assets			
Development properties		**(1,324,878)**	(550,666)
Trade debts		**(79,561)**	85,837
Contract cost assets		**(8,849)**	-
Contract assets		**(916,202)**	-
Loans and advances		**(1,586,433)**	303,002
Unclaimed deposits		**(782)**	-
Trade deposits and other receivables		**(104,106)**	(11,285)
		(4,020,811)	(173,112)
(Decrease) / increase in current liabilities			
Trade and other payables		**566,399**	635,824
Contract liabilities		**(933,971)**	(721,288)
Advance against sale of investment properties		**128,330**	(34,705)
		(239,242)	(120,169)
Cash flows generated from operations		**(3,563,586)**	84,837
(Payments) / receipt for:			
Income taxes		**(213,941)**	(73,389)
Finance costs		**(336,130)**	(176,285)
Gratuity	26.6	**(900)**	(2,529)
Contract cost assets		**(19,467)**	
Long-term deposits		**(4,056)**	589
		(574,494)	(251,614)
Net cash flows (used in) operating activities		**(4,138,080)**	(166,777)
CASH FLOWS FROM INVESTING ACTIVITIES *			
Additions to property, plant and equipment	7.1 & 7.2	**(711,251)**	(309,292)
Sale proceeds from disposal of property, plant and equipment		**15**	596
Additions to investment properties	9.2	**-**	(136,869)
Sale proceeds from disposal of investment properties		**-**	110,914
Short-term investments - net		**1,281,565**	(1,255,301)
Mark-up on saving accounts received	38	**84,985**	14,701
Net cash flows generated from / (used in) operating activities		**655,314**	(1,575,251)

Javedan Corporation Limited
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		------ (Rupees in '000) ------	
CASH FLOWS FROM FINANCING ACTIVITIES *			
Cost on issuance of bonus shares		(1,511)	-
Dividend paid		(9)	(182)
Long-term financings – net		5,169,962	1,829,798
Short-term borrowings – net		928,205	5,553
Net cash flows generated from financing activities		6,096,647	1,835,169
Net increase in cash and cash equivalents		2,613,881	93,141
Cash and cash equivalents at beginning of the year	20	153,562	60,421
Cash and cash equivalents at end of the year	20	2,767,443	153,562

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

The annexed notes from 1 to 47 form an integral part of these consolidated 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), Sapphire Bay Development Limited (SBDCL) and Globe Residency REIT (GRR) 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 Holding Company's land for developing a housing scheme, "Naya Nazimabad", that includes bungalows, open plots, flat sites and commercial sites. The Holding Company's layout plan of the project was approved by Lyari Development Authority vide letter number LDA/PP/2010/255 on March 02, 2011 and revised master plan approved vide letter No CTP/LDA/112 and has obtained No Objection Certificate from Sindh Building Control Authority having NOC # SBCA/D.D(D-II)/985/ADV-503/2011 on November 12, 2011 and revised NOC # SBCA/DD(D-II)/985 & 991/ADV-584/2013. The Holding 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.

Globe Residency REIT (the Subsidiary Company "REIT Scheme")

Globe Residency REIT (the scheme) was established under Trust Deed dated December 24, 2021, executed between Arif Habib Dolmen REIT Management Limited (AHDRML), as the REIT Management Company (RMC) and Central Depository Company of Pakistan Limited (CDCPL), as the Trustee; and is governed under the Real Estate Investment Trust Regulations, 2015 (REIT Regulations 2015), promulgated and amended from time to time by the Securities & Exchange Commission of Pakistan (SECP).

The Trust Deed of the REIT was registered on December 24, 2021 whereas approval of the registration of the REIT has been granted by the SECP on December 14, 2021. The REIT is established with the objective of upliftment and construction of the acquired Real Estate including construction of residential units under the project named "Globe Residency Apartments" (the Project) for generating income for Unit Holders. The Project has been acquired from Javedan Corporation Limited and as per the approval received by the RMC from the Securities and Exchange Commission of Pakistan (the SECP) vide letter number SECP/SCD/PRDD/REIT/GRR/2021/51, the Project has been transferred on as-is-where-is basis to the REIT structure. The effective date of the transfer of the Project from the structure of Javedan Corporation Limited to the REIT structure was April 1, 2022. The REIT has a limited life (5 years), Close-end, Developmental REIT. The registered office of the REIT Management Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi.

The Globe Residency REIT / the Project is registered with the Federal Board of Revenue (FBR) as a builder / developer by virtue of which the taxability of the REIT / the Project will be determined under Section 100D and Eleventh Schedule of Income Tax Ordinance, 2001. The tax liability determined shall be final tax.

The FBR, through the Finance Act 2020, has introduced Section 100D and Eleventh Schedule which later became part of Income Tax Ordinance, 2001. Section 100D introduced a fixed tax REIT for builders and developers from tax year 2020 (and onwards) whereby tax payable by a builder or a developer earning profits and gains derived from the sale of buildings or sale of plots, who opts for assessment under this section, shall be computed and paid in accordance with the rules in the Eleventh Schedule on a project-by-project basis.

1.5 Impact of COVID-19 pandemic

The outbreak of the Novel Coronavirus (COVID-19) still continues to progress and evolve, therefore, it is challenging now to predict the full extent and duration of its impact on the business. The management will continue to monitor its potential impact and take all the required actions to mitigate its effects. However, up to the date of authorization of these financial statements, the operations and results of the Company have not been materially impacted by COVID -19 pandemic.

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

Location	Address
Registered office - Holding Company	Arif Habib Centre, 23, M.T Khan Road, Karachi.
Naya Nazimabad Sales center	Naya Nazimabad, Deh, Manghopir road, Gadap town, Scheme #43, Karachi.
Naya Nazimabad Project	Naya Nazimabad, Deh, Manghopir road, Gadap town, Scheme #43, Karachi
Registered office - (NNMC) Subsidiary Company	Plot No. 103, Admin block, Naya Nazimabad, Mangopir Road, Karachi.
Registered office - (GRR) Subsidiary Company	Arif Habib Centre, 23, M.T Khan Road, Karachi.
Registered office - (SBDCL) Subsidiary Company	Arif Habib Centre, 23, M.T Khan Road, Karachi.

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

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

3.2 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupees which is the Group'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, 2022, 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 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 recognized 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 recognized 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 unrealized 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 derecognizes the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognized in equity, and recognizes 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 recognized in other comprehensive income to profit or loss, or retained earnings, as appropriate.

5. STANDARDS, AMENDMENTS, INTERPRETATIONS AND IMPROVEMENTS

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

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except for the following amendments to International Financial Reporting Standards (IFRSs) and the framework for financial reporting, that the Group has adopted, which became effective for the current year:

IFRS 3 - Business Combinations - Definition of a Business (Amendments)
IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)
"IAS 1 / IAS 8 - Definition of Material (Amendments) "
Conceptual Framework for Financial Reporting

The adoption of above amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Group's consolidated financial statements.

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

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendment		Effective date (annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)	January 01, 2021
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	April 01, 2021
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2023
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
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

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 Group's consolidated financial statements in the period of initial application.

Further, the following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan and are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

Standard		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.

Determination of performance obligations

With respect to the sale of apartments under development, the REIT concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of apartments under development mainly include design work, procurement of materials and development of the property. Generally, the REIT is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the REIT accounts for them as a single performance obligation because they are not distinct in the context of the contract. The REIT uses those goods and services as inputs and provides a significant service of integrating them into a combined output, i.e., the completed property for which the customer has contracted.

Determining the timing of revenue recognition on the sale of apartments

The REIT has evaluated the timing of revenue recognition on the sale of apartments based on a careful analysis of the rights and obligations under the terms of the contract.

For contracts relating to the sale of apartments under development, the REIT has considered the factors contained in the contracts for the sale of apartments and concluded that the control of a multi-unit property is transferred to the customer over time because:

(a) The REIT's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. That is, the REIT has considered various factors that indicate that the customer controls the part-constructed property as it is being constructed, e.g., the customer's ability to change any specification of the property as it is being constructed or to transfer it to another entity. However, none of the factors is determinative and therefore, the REIT has carefully weighed all factors and used judgement to determine that it meets this over-time criterion.

(b) The REIT's performance does not create an asset with alternative use. Furthermore, the REIT has an enforceable right to payment for performance completed to date. It has considered the factors that indicate that it is restricted (contractually or practically) from readily directing the apartment under development for another use during its development. In addition, the REIT is, at all times, entitled to an amount that at least compensates it for performances for performance completed to date (usually costs incurred to date plus a reasonable profit margin). In making this determination, the REIT has carefully considered the contractual terms. The REIT has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the REIT and the transfer of goods and services to the customer.

Measurement of progress when revenue is recognised over time

For contracts involving the sale of apartments under development that meet the over time criteria of revenue recognition, the REIT's performance is measured using an input method, by reference to the inputs towards satisfying the performance obligation relative to the total expected inputs to satisfy the performance obligation, i.e., the completion of the apartment. The REIT uses the costs incurred method (input method) as a measure of progress for its contracts because it best depicts the REIT's performance. Under this method of measuring progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. When costs are incurred, but do not contribute to the progress in satisfying the performance obligation (such as unexpected amounts of wasted materials, labour or other resources), the REIT excludes the effect of those costs. Also, the REIT adjusts the input method for any cost incurred that are not proportionate to the REIT's progress in satisfying the performance obligation.

(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 consolidated 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 consolidated 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.

5.7 Right-of-use assets and leases liabilities

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 in substance 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 costs incurred on the plots / bungalows sold and an allocation of any non-specific costs based on the total area of land sold for plots / bungalows, in relation to total area of land. The development charges are recognised in profit or loss on the basis of reimbursable development costs recoverable to date from customers on plots / bungalows sold apportioned to total area of land sold in relation to total area of land. 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.

5.9 Financial instruments

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

5.9.1 Financial assets

5.9.1.1 Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the 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.

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

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 profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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

Upon initial recognition, the 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 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 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 and other receivables. 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 good sold and have low credit risk. Similarly, the Group's deposits, accrued interest and bank balances that are held with reputational banks and other third parties, the Group applies low credit risk simplifications. At each reporting date, the Group evaluates whether these assets are considered to have low credit risk using all reasonable and supportable information that is available without un-due cost or effort including their credit ratings assessed by reputable agencies and therefore assessed to have immaterial impact of allowances for ECL. For other receivables (including rent receivable), the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the third parties and the economic environment.

The Group considers a financial asset in default when contractual payments are past due over the agreed terms. 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 profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

b) Loans and borrowings

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

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

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 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.

5.9.3 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.

5.10 Contract cost assets

The REIT pays sales commission to its brokers for contracts that they obtain to sell certain units of property and capitalises the incremental costs of obtaining a contract that meet the criteria in IFRS 15. These costs are amortised on a systematic basis that is consistent with the revenue recognition policy and amortisation for the period is recognised as part of Cost of sales in statement of profit or loss. Capitalised costs to obtain such contracts are presented separately on the statement of financial position and its amortisation is included in cost of sales in the statement of profit or loss. The REIT assesses, at each reporting date, whether the carrying amount exceeds the remaining amount of consideration that the entity expects to receive in exchange for the residential development less the costs that relate directly to completing the development and that have not been recognised as expenses.

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

Defined benefit plan - gratuity

"The Holding Company operates an approved funded gratuity scheme and the Subsidiary Company operates an unfunded 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 profit or loss.

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 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

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) 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.

iv) Service income is recognised over the period of time by reference to percentage of completion method when the transaction involving rendering of services can be estimated reliably.

iv) the Group maintains a provision of 2% of gross sales to account for expected sales returns, as the management believes that Company's pattern of sales can be forecasted with reasonable accuracy.

5.16.2 Revenues from the sale of inventory property under development

The REIT considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to the sale of property under development, the REIT is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g., windows, doors, cabinetry, etc.) and finishing work. The REIT accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed apartment (the combined output) which the customer has contracted to buy.

For the sale of property under development, the REIT has determined that its performance does not create an asset with alternative use to the REIT and it has concluded that, at all times, it has an enforceable right to payment for performance completed to date. Therefore, control transfers over time for these contracts.

For contracts that meet the over time revenue recognition criteria, the REIT's performance is measured using an input method, by reference to the costs incurred to the satisfaction of a performance obligation (e.g., resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the completion of the property. The REIT excludes the effect of any costs incurred that do not contribute to the REIT's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labour or other resources) and adjusts the input method for any costs incurred that are not proportionate to the REIT's progress in satisfying the performance obligation.

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

Name of related parties	%age holding	Basis of relationship
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 & Company Secretary		Key management personnel
JCL Gratuity Fund Trust		Employees' Gratuity Fund

7. PROPERTY, PLANT AND EQUIPMENT

	Note	2022	2021
		------ (Rupees in '000) ------	
Operating fixed assets	7.1	**4,951,834**	4,771,989
Capital work-in-progress	7.2	**1,975,340**	1,472,843
		6,927,174	6,244,832

7.1 Operating fixed assets - owned

Particulars	Cost / Revaluation Amount				Accumulated Depreciation				Revalued Amount / Written Down Value As At June 30, 2022	
	As At July 01, 2021	Additions	Disposals	As At June 30, 2022	As At July 01, 2021	Charge For The Year	Disposals	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)	4,050,555	-	-	4,050,555	-	-	-	-	4,050,555	-
Other land (note 7.1.4)	50,918	2,458	-	53,376	-	-	-	-	53,376	-
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	119,711	10
Recreational facilities (note 7.1.6)	-	108,460	-	108,460	-	5,423	-	5,423	103,037	
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 to 33
Medical equipment	4,957	190	-	5,147	946	39	-	985	4,162	
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	38	5,106,280	125,575	28,895	23	154,446	4,951,834	

Particulars	Cost / Revaluation Amount				Accumulated Depreciation				Revalued Amount / Written Down Value As At June 30, 2021	RATE
	As At July 01, 2020	Additions	Disposals	As At June 30, 2021	As At July 01, 2020	Charge For The Year	Disposals	As At June 30, 2021		
	------------- (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)	4,050,555	-	-	4,050,555	-	-	-	-	4,050,555	-
Other land (note 7.1.4)	50,918	-	-	50,918	-	-	-	-	50,918	-
Buildings on lease-hold land	36,564	4,055	-	40,619	21,692	1,766	-	23,458	17,161	10
Buildings on other land	63,383	-	-	63,383	6,703	5,668	-	12,371	51,012	10
Furniture and fixtures	15,214	544	-	15,758	7,920	1,076	-	8,996	6,762	20
Office equipment	49,283	6,598	119	55,762	22,993	6,588	30	29,551	26,211	10 to 33
Medical equipment	-	4,957	-	4,957	-	946	-	946	4,011	
Computer equipment	25,917	1,806	-	27,723	18,089	2,734	-	20,823	6,900	33
Vehicles	44,243	3,147	1,100	46,290	26,599	3,559	728	29,430	16,860	20
2021	4,877,676	21,107	1,219	4,897,564	103,996	22,337	758	125,575	4,771,989	

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

7.1.1 "The Group has carried out the last valuation exercise through an independent valuer in year 2020. Had there been no revaluation, the carrying amount of lands (free-hold and leasehold) and revaluation surplus on lands (free-hold and leasehold) would have been lower by Rs. 496.01 million and Rs. 3,709.57 million, respectively.

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 free-hold land and leasehold land are Rs. 433 million and Rs. 3,240 million based on the latest revaluation carried out by an independent valuer on June 30, 2020, respectively.

7.1.3 The immovable assets (i.e. free-hold and leasehold land) of the Group as at June 30, 2022 have an area of 5.58 acres free-hold land and 56.42 acres leasehold land respectively, located at Naya Nazimabad, Deh, Manghopir, Gadap Town, Scheme 43, Karachi, and is used by the Group for business purposes. Out of the total 62 acres land, 9.05 acres lease-hold land has been mortgaged/pledged with various financial institutions against financing facilities obtained (note 24).

7.1.4 Land classified as 'Other land' are amenity plots (i.e. land for construction of mosques).

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

7.1.6 Recreational facilities are cricket and football ground.

	Note	2022	2021
7.2 Capital work-in-progress		------ (Rupees in '000) ------	
Opening		**1,472,843**	1,165,417
Additions		**685,377**	307,426
Transfer from capital work-in-progress		**(182,880)**	-
Closing	7.2.1	**1,975,340**	1,472,843

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

	2022	2021
Gymkhana (club house)	**1,605,623**	1,126,285
Jama masjid	**304,839**	222,459
Cricket ground	**-**	62,564
Football stadium	**-**	42,294
Masjid in Block D	**-**	9,562
Hospital	**64,879**	9,679
	1,975,341	1,472,843

8. INTANGIBLE ASSETS

	Cost			Rate	Accumulated Amortization			Net Book Value
	As At July 1, 2020	Addition During The Year	As At June 30, 2021		As At July 1, 2020	During The Year	As At June 30, 2021	As At June 30, 2021
	----------- (Rupees in '000) -----------			%	----------- (Rupees in '000) -----------			
Software - 2022	**5,751**	**-**	**5,751**	**20**	**1,438**	**1,150**	**2,588**	**3,163**
Software - 2021	5,751	-	5,751	20	288	1,150	1,438	4,313

	Note	2022	2021
9. INVESTMENT PROPERTIES		------ (Rupees in '000) ------	
Investment properties - completed	9.1	**719,991**	631,366

9.1 Investment properties comprise of various properties having aggregated area of 366,851 square yards (2021: 366,851 square yards) situated at Deh Mangopir and other locations in Karachi (note 9.5).

	Note	2022	2021
9.2 The movement in investment properties during the year is as follows:		------ (Rupees in '000) ------	
As at July 01		**631,366**	567,664
Additions during the year		**-**	136,869
Disposal during the year		**-**	(111,028)
Remeasurement gain	9.3	**88,625**	37,861
As at June 30		**719,991**	631,366

9.3 An independent valuation was carried out by the Company through an independent professional valuer on June 30, 2022 and the fair value of Rs.708 million (2021: Rs.631 million) was determined with reference to market based evidence, active market prices and relevant information. Accordingly, the fair value adjustment of Rs. 88 million (2021: Rs. 37.86 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. 580 million (2021: Rs. 515 million).

9.5 The details of investment properties as of June 30, 2022 are as follows:

S.No	Location of investment properties	Land area
1.	Survey No 85,86,87,88,89 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	40 acres and 92 ghuntas
2.	Survey No 62 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	3 acres and 36 ghuntas
3.	Survey no 79 & 80 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	13 acres and 35 ghuntas
4.	Survey No 77, 78 & 81 situated at Deh Halkani, Tappo Manghopir, Taluka Manghopir, District West Karachi.	
5.	Plots No 27-C to 36-C at N.C-1 Deh Orangi Town District West Karachi.	4,949 sq yds
6.	Plots No 11-C to 16- C at N.C-1 Deh Orangi Town District West Karachi.	3,385 sq yds
7.	Plots No 17-C to 26- C at N.C-1 Deh Orangi Town District West Karachi.	5,010 sq yds
8.	Plot No D-24 Survey No 32 situated at Deh Manghopir District West Karachi.	2,123 sq yds
9.	N.C. 182, Deh Khari Lakhi, Anwer Shamim Road, North Nazimabad, District Central, Karachi.	9,680 sq yds

10. LONG-TERM DEPOSITS

	Note	2022	2021
		------ (Rupees in '000) ------	
Utilities		**4,701**	4,701
Rent		**500**	500
Lease deposits		**7,455**	3,399
Others		**716**	716
		13,372	9,316

11. DEFERRED TAX (ASSETS) / LIABILITIES - net

	Note	2022	2021
Deferred tax on deductible temporary differences:			
- provisions		**-**	(2,247)
- deferred liabilities		**-**	(14,560)
- tax losses		**(33,262)**	(25,906)
- minimum tax		**(3,241)**	(1,848)
		(36,503)	(44,561)
Deferred tax on taxable temporary differences			
- accelerated depreciation on property, plant and equipment		**58**	7,768
- investment properties		**-**	2,504
- investment in equity instruments		**-**	563
- long-term financings		**-**	6,691
		58	17,526
	11.1	**(36,445)**	(27,035)

11.1 Net deferred tax asset as at June 30, 2022 to the extent of Rs. 36.445 million (2021: Rs. 27.035 million) has been recognized because the group management intends to utilise the Company's tax losses against taxable profits of the Group Companies under section 59 of Income Tax Ordinance, 2001 in foreseeable future.

12. DEVELOPMENT PROPERTIES

	Note	2022	2021
		------ (Rupees in '000) ------	
Land			
Opening balance		**15,031,918**	14,980,418
Add: Additions during the year		**1,410,000**	51,500
	12.1	**16,441,918**	15,031,918
Development expenditure incurred			
Opening balance		**10,938,044**	9,915,362
Add: Incurred during the year		**2,144,993**	1,022,682
		13,083,037	10,938,044
Borrowing costs related to development properties			
Opening balance		**2,683,235**	2,316,625
Add: Additions during the year	37	**704,792**	366,610
		3,388,027	2,683,235
		32,912,982	28,653,197
Transferred to:			
- property, plant and equipment		**(71,003)**	(68,545)
- investment properties		**(40,291)**	(40,291)
- cost of sales to date	12.1 & 31	**(7,576,888)**	(5,562,244)
- development charges incurred and apportioned to date	31	**(4,670,383)**	(4,090,760)
		20,554,417	18,891,357

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 (note 24 & 31).

13. TRADE DEBTS

	Note	2022	2021
		------ (Rupees in '000) ------	
Secured, considered good			
Receivable against:			
- sales of plots and bungalows		**95,171**	159,028
- utilities infrastructure charges		**1,913**	10,145
- maintenance services		**68,683**	61,512
- development charges incurred:			
- billed	13.1	**49,597**	74,249
- un-billed	13.2	**193,572**	24,441
		243,169	98,690
		408,936	329,375

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

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

13.3 As of June 30, 2022 and 2021, the ageing analysis of unimpaired trade debts are as follows:

	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:					
Other than related parties	95,171	14,437	2,781	3,412	74,540
	95,171	14,437	2,781	3,412	74,540
Utilities infrastructure charges					
Other than related parties	1,913	-	1,913	-	-
	1,913	-	1,913	-	-
Maintenance services					
Related parties					
- Nida Ahsan	406	406	-	-	-
- Arif Habib	281	281	-	-	-
- Syed Muhammad Talha	121	121	-	-	-
	808	808	-	-	-
Other than related parties	67,877	67,877	-	-	-
	68,685	68,685	-	-	-
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	-	-
	243,168	204,470	38,698	-	-
2022	408,936	287,592	43,392	3,412	74,540

	Total	Neither past due nor impaired	Past due but not impaired > 30 days upto 120 days	> 121 days upto 180 days	180 days and above
Sales of plots and bungalows:					
Other than related parties	159,028	38,894	3,100	-	117,034
	159,028	38,894	3,100	-	117,034
Utilities infrastructure charges					
Other than related parties	10,145	-	-	-	10,145
	10,145	-	-	-	10,145
Development charges incurred:					
Related parties					
Billed					
- Arif Habib	1,200	-	-	-	1,200
- Alamgir A. Sheikh	119	-	-	-	119
- Arif Habib Limited	800	-	-	-	800
- Nida Ahsan	120	-	-	-	120
- Haji Abdul Ghani	4,680	-	-	-	4,680
Unbilled					
- Arif Habib Limited	356	356	-	-	-
- Haji Abdul Ghani	654	654	-	-	-
	7,929	1,010	-	-	6,919
Other than related parties - billed and unbilled	90,761	23,431	-	-	67,330
	98,690	24,441	-	-	74,249
Other than related parties	61,512	60,290	1,048	-	174
	61,512	60,290	1,048	-	174
2021	329,375	123,625	4,148	-	201,602

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

	Note	2022	2021
		------ (Rupees in '000) ------	
Haji Abdul Ghani		**3,604**	5,334
Alamgir A. Sheikh		**-**	787
Nida Ahsan		**1,539**	2,142
Arif Habib		**1,194**	29,903
Arif Habib Limited		**8,060**	1,661
Go Real state		**4,524**	-
Syed Muhammad Talha		**121**	66
Nooriabad Spinning Mills (Private) Limited		**-**	100

14. CONTRACT COST ASSETS

The REIT capitalised the sales commissions paid or payable to its brokers for contracts obtained to sell apartments as they represent incremental costs of obtaining a contract. The capitalised costs are amortised on a systematic basis that is consistent with the revenue recognition policy and amortisation for the period is recognised in Revenue - Net. No impairment was considered necessary as the remaining amount of consideration exceeded to a significant extent the remaining budgeted costs and the carrying amount of the contract cost assets.

15. CONTRACT ASSETS

Contract assets are initially recognised for revenue earned from property under development rendered but yet to be billed to customers. Upon billing of invoice, the amounts recognised as contract assets are reclassified to trade receivables.

16. LOANS AND ADVANCES - Considered good

	Note	2022	2021
		------ (Rupees in '000) ------	
Loans - Secured			
Executives	16.2	**7,339**	3,953
Employees		**5,413**	5,977
	16.1	**12,752**	9,930
Loans - Unsecured			
Running Finance to a related party - Arif Habib Limited	16.4	**800,000**	-
Advances - Unsecured			
Suppliers	16.5	**551,269**	153,106
Contractors		**499,474**	117,023
Employees for expenses		**6,142**	3,145
Purchase of properties	16.3	**14,150**	14,150
		1,071,035	287,424
		1,883,787	297,354

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

16.2 The movement in loans to executives are as follows:

	Note	2022	2021
		------ (Rupees in '000) ------	
Balance as of 01 July		**3,953**	5,048
Loans obtained during the year		**13,833**	10,454
Adjusted during the year		**(10,447)**	(11,549)
Balances as of 30 June		**7,339**	3,953

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

16.4 The Group has entered into an arrangement with Arif Habib Limited (AHL) (a related party) in relation to running finance facility to the extent of Rs. 1000 million to finance the working capital and any other business requirements of AHL. This carries markup rate at 3 month's KIBOR plus 1.75 percent payable quarterly. As of reporting date, the facility is unutilised to the extent of Rs. 200 million (2021: Rs Nil).

16.5 Included herein advances to related parties for the purchase of cement and concrete, as follows;

	Note	2022	2021
		------ (Rupees in '000) ------	
- Safemix Concrete Limited		**133,313**	-
- Power Cement Limited		**30,501**	-
		163,814	-

17. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2022	2021
Trade deposits - Unsecured			
Considered good			
- Security deposit with Sindh Building Control Authority		**3,345**	3,345
- Others	17.1	**12,509**	12,409
		15,854	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)
		15,854	15,754
Prepayments			
Rent		**664**	-
Insurance		**2,632**	1,875
Others		**5,178**	3,678
		8,474	5,553
Other receivables - Unsecured			
Sales tax refundable - considered doubtful		**4,703**	4,703
Reimbursable expenses		**22,962**	-
Excise duty refundable - considered good		**574**	574
Receivable from REIT Scheme		**85,182**	-
Others - considered good	17.2 & 17.3 17.4	**13,161**	20,220
		126,582	25,497
Allowances for expected credit losses		**(4,703)**	(4,703)
		121,879	20,794
		146,207	42,101

17.1 Included herein Rs. 17.1 million deposited with Honorable High Court of Sindh in respect of labor case pending adjudication.

	Note	2022	2021
		------ (Rupees in '000) ------	
17.2 Included herein receivables from the following related parties :			
- Arif Habib Limited - associate		**9,512**	1,377
- Naya Nazimabad Apartment REIT		**3,144**	-
- International Builders and Developers (Private) Limited - associate		**187**	104
		12,843	1,481

17.3 These are past due but not impaired.

17.4 These are non-interest bearing receivables which are neither past due nor impaired, and generally on an average term of 3 to 12 months.

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

	Note	2022	2021
		------ (Rupees in '000) ------	
- Arif Habib Limited - associate		**9,512**	1,377
- Naya Nazimabad Apartment REIT		**3,144**	-
- International Builders and Developers (Private) Limited		**187**	104
		12,843	1,481

18. SHORT-TERM INVESTMENTS

	Note	2022	2021
At amortized cost			
Term deposit receipt (TDRs)	18.1	**13,000**	67,750
Designated at fair value through profit or loss	18.2, 18.3 & 18.4		
Equity instruments		**-**	1,229,052
		13,000	1,296,802

18.1 This carries mark-up at 7.4 to 9% (2021: 7.5%) having maturity upto one year i.e. latest by April 05, 2023.

18.2 As of June 30, 2022, the details of equity instruments designated at FVTPL held by the Group are as follows:

Company name	Number of shares		Fair value	
	2022	2021	2022	2021
			----- (Rupees in '000) -----	
Oil and Gas Development Company Limited	-	5,500,000	-	522,665
Pakistan State Oil Company Limited	-	3,150,000	-	706,387
	-	8,650,000	-	1,229,052

18.3 The movement of equity instruments is as follows:

	Note	2022	2021
		------ (Rupees in '000) ------	
Balance as at July 01		**1,229,052**	-
Cost of investments made		**-**	1,225,301
Unrealized gain for the year - net		**(1,229,052)**	3,751
Balance as at June 30		**-**	1,229,052

18.4 The fair value of equity instruments designated at FVTPL falls under level 1 of fair value hierarchy (i.e. quoted market prices).

19 UNCLAIMED DEPOSITS

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

20. CASH AND BANK BALANCES

	Note	2022	2021
		------ (Rupees in '000) ------	
Cash in hand		**33,792**	9,587
Cheques in hand		**4,606**	4,667
Payorder in hand			
Cash at banks in:			
- current accounts		**1,980,335**	6,531
- deposit accounts	20.1	**748,710**	132,777
		2,729,045	139,308
		2,767,443	153,562

20.1 These carry markup at the rate ranging between 5.5 percent to 12.5 percent per annum (2021: 5.3 percent to 10 percent per annum).

21. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2022	2021		Note	2022	2021
------ (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:			
50,425,641	50,425,641	Opening		504,256	504,256
63,476,741	-	Issued during the year		634,767	-
113,902,382	50,425,641	Closing		1,139,023	504,256
(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	21.3	616,618	616,618
380,860,447	317,383,706			3,808,604	3,173,837

21.1 The major shareholders of the Company as at June 30, 2022 and June 30, 2021 are as follows:

	2022	2021	2022	2021
	----- % holding -----		----- (Rupees in '000) -----	
Haji Abdul Ghani	12%	12%	451,973	376,644
Arif Habib Corporation Limited	10%	10%	380,611	313,261
Arif Habib Equity (Private) Limited	29%	29%	1,092,433	910,360
			1,925,017	1,600,265

21.2 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.

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

	2022	2021	2022	2021
	----- Number of Shares -----		----- (Rupees in '000) -----	
Opening	61,661,763	61,661,453	616,618	616,615
Shares issued on conversion of preference shares during the year	-	310	-	3
Closing	61,661,763	61,661,763	616,618	616,618

22. RESERVES

	Note	2022	2021
		------ (Rupees in '000) ------	
Capital reserves			
Tax holiday reserve	22.1	**11,966**	11,966
Share premium	22.2	**2,746,327**	3,381,094
		2,758,293	3,393,060
Revenue reserve			
General reserves	22.3	**63,500**	63,500
Un-appropriated profit		**3,122,002**	2,667,755
		3,185,502	2,731,255
		5,943,795	6,124,315

22.1 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.

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

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

23. REVALUATION SURPLUS ON LANDS

	Note	2022	2021
		------ (Rupees in '000) ------	
Balance as at July 01:			
Development properties		**4,256,203**	4,339,045
Property, plant and equipment		**4,205,576**	4,205,576
		8,461,779	8,544,621
Transfer to unappropriated profit on sale of development properties during the year		**(67,589)**	(82,842)
Balance as at June 30		**8,394,190**	8,461,779
Represented by:			
Development properties		**4,186,359**	4,256,203
Property, plant and equipment	7.1.1	**4,207,831**	4,205,576
		8,394,190	8,461,779

24. LONG-TERM FINANCINGS - Secured

	Note	2022	2021
		------ (Rupees in '000) ------	
Conventional			
Term finance certificates	24.1	-	172,500
Term finance loan I	24.2	-	995,002
Term finance loan II	24.3	**510,231**	541,329
Term finance loan III	24.4	**1,988,589**	-
Term finance loan IV	24.5	**1,000,000**	-
Term finance loan V	24.6	**1,400,000**	-
Syndicated loan facility	24.7	-	662,501
SBP-Refinance Scheme	24.8	**13,547**	39,270
Sukuk certificates	24.9	**2,238,642**	2,734,408
Diminishing musharakah I	24.10	**750,000**	750,000
Diminishing musharakah II	24.11	**996,415**	-
Diminishing musharakah III	24.12	**1,000,000**	-
Diminishing musharakah IV	24.13	**700,000**	-
Islamic refinance facility	24.14	**391,567**	-
		10,988,991	5,895,010
Current maturity of long-term financings		**(2,051,862)**	(990,348)
		8,937,129	4,904,662

24.1 Represents privately placed Term Finance Certificates (TFCs) aggregating to Rs. 920.35 million issued by the Group for a period of 7 years for the development of housing project. These carry markup at the rate of 6 months KIBOR plus 2.5 percent per annum and is redeemable in four equal semi-annual installments of Rs.14.5 million and ten equal semi-annual installments of Rs. 86.25 million each. The facility is secured by way of equitable mortgage charge over land comprising of residential plots to maintain 25% margin over forced sale value (FSV) or 47% margin over market value of the security, whichever is higher. In accordance with the Circular No.13 of 2020 issued by State Bank of Pakistan, dated March 26, 2020, the Group had availed one year deferment of principal repayment. The Company has fully settled the said facility.

24.2 The Group has early prepaid the facility during the year.

24.3 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 month 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.

24.4 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 month 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. As of the reporting date, the Group has drawdown Rs. 2,000 million.

24.5 The Group has obtained term financing facility of Rs 1,400 million from a commercial bank to facilitate in meeting financing requirements for purchase of land and construction thereon of residential apartments under REIT project. It carries a markup at the rate of 6 months KIBOR + 1.25% and is repayable in 6 semi-annual installments with 12 months grace period. The facility is secured by equitable mortgage charge with 25% margin (on market value) and token registered mortgage over land parcels FL 3,7, and 8 measuring 4,508 square yards, 9,469 square yards and 8,010 square yards respectively (totaling to 21,987 square yards in Naya Nazimabad.

24.6 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 month 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.

24.7 The Group has fully settled the syndicated loan facility.

24.8 The Group has obtained long-term financing from a commercial bank having a limit of Rs 60 million under Refinance Scheme for payment of Salaries & Wages by State Bank of Pakistan, out of which the Company has utilized Rs. 54.97 million (2021: Rs. 54.97 million). It carries a flat mark-up at the rate of 3 percent per annum with no floor or cap and is repayable in 8 quarterly installments commencing from January 2021 discounted at effective rate of interests ranging from 9.41 to 11.15 percent per annum. The differential mark-up has been recognised as government grant (see note 21 to these financial statements) which will be amortised to interest income over the period of the facility. The facility is secured by enhancing mortgage over specified piece of land with 50% margin. As of the reporting date, Rs. 5.03 million (2021: Rs. 5.03 million) remains unutilized.

24.9 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 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 Group has incurred transaction cost of Rs. 47.776 million to obtain said financing.

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

24.11 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 Company.

24.12 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 Company along with personal net worth statement amounting to Rs. 1,333.34 million.

24.13 The Group has obtained diminishing musharaka funded facility of Rs.700 million and Non-funded facility of Rs. 300 million from a commercial bank to finance the initial expenses for issuance of housing/apartments construction REITS by the Group and to issue guarantees in favour of SBCA as a security deposit for development of commercial sites at Naya Nazimabad. The loan is repayable in maximum upto 13 months with 12 months grace period. It carries mark-up at the rate of 3 month KIBOR plus 1 percent per annum. The facility is secured by equitable mortgage charge and token 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.

24.14 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 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.

25. DEFERRED GRANT

	Note	2022	2021
		------ (Rupees in '000) ------	
As at July 1		**1,783**	3,534
Recognised during the year	25.1	**117,705**	1,542
Released to profit or loss		**(20,862)**	(3,293)
As at June 30	24.8	**98,626**	1,783
Current portion shown under current liabilities		**64,872**	1,615
Non-current portion		**33,754**	168
	24.8	**98,626**	1,783

25.1 This includes a grant of Rs. 40 million in relation to the construction of Jama Masjid (Block D) received during the year by the Group.

26. DEFERRED LIABILITY - GRATUITY

26.1 General description

As stated in note 5.12 to these consolidated 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, 2022.

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.

26.2 Principal actuarial assumptions

The latest actuarial valuation for defined benefit plan scheme was carried out as at June 30, 2022 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

	2022	2021
Discount rate %	**13.25**	10%
Expected rate of increase in salary levels %	**13.25**	10%
Expected rate of return on plan assets %	**8.11%**	7.29%
Average retirement age of the employee	**60 years**	60 years

	Note	2022	2021
26.3 Reconciliation of amount payable to defined benefit plan		------ (Rupees in '000) ------	
Present value of defined benefit obligation	26.4	**64,387**	56,803
Less: Fair value of plan assets	26.6	**(2,279)**	(3,712)
Payable		**7,333**	
	26.5	**69,441**	53,091
26.4 Movement in present value of defined benefit obligation			
Present value of obligation as at July 1		**56,803**	45,215
Current service cost		**12,205**	10,148
Interest cost		**5,258**	3,655
Benefits paid		**(2,435)**	(4,285)
Benefits due but not paid		**(6,011)**	(130)
Actuarial loss on re-measurement of obligation		**(1,433)**	2,200
Present value of obligation as at June 30		**64,387**	56,803
26.5 Movement in payable to defined benefit plan			
Opening liability		**53,091**	39,082
Charge for year to profit or loss	26.8	**17,161**	13,356
Other comprehensive loss	26.9	**89**	3,182
Contributions to the fund		**(900)**	(2,529)
Closing liability		**69,441**	53,091

	Note	2022	2021
26.6 Movement in fair value of plan assets		------ (Rupees in '000) ------	
Fair value of plan assets as at July 1		**3,712**	6,133
Contributions		**900**	1,207
Interest Income on plan assets		**301**	447
Benefits paid		**(2,298)**	(2,962)
Benefits due but not paid		**-**	(130)
Adjustment of opening payable		**1,186**	-
Return on plan assets excluding interest income		**(1,522)**	(983)
Fair value of plan assets as at June 30		**2,279**	3,712

26.7 The plan assets comprise of bank balances only.

26.8 Expense recognised in profit or loss

Current service cost	**12,205**	10,148
Interest cost on defined benefit obligation	**5,257**	3,655
Interest income on plan assets	**(301)**	(447)
	17,161	13,356

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

Actuarial gains / (losses) from changes in demographic assumptions	**-**	-
Actuarial gains / (losses) from changes in financial assumptions	**(71)**	9
Experience adjustments	**(1,362)**	2,190
	(1,433)	2,199
Return on plan assets excluding interest income	**1,522**	983
Total remeasurements chargeable in other comprehensive income	**89**	3,182

26.10 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.

26.11 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	50,165	(58,201)
Salary growth rate	1	58,160	(50,132)

26.12 The expected gratuity expense for the year ending June 30, 2023 works out to Rs. 22.567 million.

26.13 The weighted average duration of the defined benefit obligation at June 30, 2022 is 7 years (2021: 7 years).

27. TRADE AND OTHER PAYABLES

	Note	2022	2021
		------ (Rupees in '000) ------	
Creditors	27.1	**205,873**	28,641
Accrued liabilities		**164,337**	68,846
Retention money		**119,009**	121,877
Withholding tax payable		**40,659**	8,412
Unearned service fee		**739**	-
Other payables:			
- on cancellation of plots		**8,917**	18,035
- against other projects	27.2	**920,770**	13,846
- book overdraft		**-**	677,999
- non-violation charges		**86,030**	42,278
		1,546,333	979,934

27.1 Included herein amount payable to the following related parties:

	2022	2021
Safe Mix Concrete Limited	**-**	486
Power Cement Limited	**-**	2,605
Arif Habib Dolmen REIT Management Limited	**2,977**	2,977
Rotocast Engineering Company (Private) Limited	**124**	101
Payable to REIT Management Company	**11,796**	-
Payable to CDC Trustee	**1,578**	-
	16,475	6,169

27.2 During the year 2021, the Group participated for the bidding process of Ravi Urban Development Authority (RUDA) and won the bid. Represents amount payable to consortium members of the RUDA project.

28. PREFERENCE SHARES

28.1 Issued, subscribed and paid-up preference shares

2022	2021		2022	2021
------ (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

28.2 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 at the Extraordinary General Meeting held on May 07, 2011 and return of allotment of shares was filed under Section 73(1) of the repealed Ordinance.

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

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

29. ACCRUED MARK-UP

	Note	2022	2021
		------ (Rupees in '000) ------	
Accrued markup on :			
- long-term financings		**171,373**	70,850
- short-term borrowings	29.1	**34,436**	21,164
		205,809	92,014

29.1 This includes markup payable to Arif Habib Corporation Limited, Arif Habib, Arif Habib Limited and Haji Abdul Ghani - related parties of Rs. Nil, Rs. 0.8 million, Rs. 7 million and Rs. 0.76 million (2021: Rs. 2.722 million, Nil, Nil and Rs.0.76 million).

	Note	2022	2021
30. CONTRACT LIABILITIES		------ (Rupees in '000) ------	
Advance from customers	30.1	**889,610**	1,777,152
Liability against performance obligation	30.2	**268,390**	314,819
	30.1.1	**1,158,000**	2,091,971

30.1 Advance from customers

	2022	2021
Advance against:		
- plots and bungalows	**51,516**	15,808
- flats and commercial sites	**838,094**	1,761,344
	889,610	1,777,152

30.1.1 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:

	Note	2022	2021
		------ (Rupees in '000) ------	
Arif Habib Equity (Private) Limited		**415,095**	708,212
Arif Habib Limited		**-**	5,306
Haji Abdul Ghani		**139,724**	318,611
Arif Habib		**78,117**	-
Nida Ahsan		**-**	5,306
Go Real Estate		**14,326**	29,885
		647,262	1,067,320

30.2 Liability against performance obligation

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

	Note	2022	2021
31. SHORT-TERM BORROWINGS - Secured		------ (Rupees in '000) ------	
Musharakah arrangement	31.1	**300,000**	264,193
Running finance under mark-up arrangements	31.2	**599,736**	640,766
Running finance under mark-up arrangements	31.3	**933,428**	-
		1,833,164	904,959

31.1 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.

31.2 Represents running finance facility availed from a commercial bank of Rs. 600 million (2021: Rs. 600 million). This carries markup rate at 3 month's 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. 0.264 million (2021: Rs. 22.625 million).

31.3 Represents running finance facility availed from a commercial bank of Rs. 1,000 million (2021: Nil). This carries markup rate at 3 month's KIBOR plus 2 percent payable quarterly and is secured as equitable mortgage charge on 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. 66.597 million (2021: Nil).

32. CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

32.1.1 Existing business

a) Tax related contingencies - Holding Group

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). During the year, 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 Honorable 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 coercive 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 2022 has been accounted for in these financial statements having an aggregate impact of Rs.155.244 million (2021: Rs. 123.571 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, 2022, 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. 441.35 million (2021: Rs. 242.959 million).

32.1.2 Former business of the Holding Company

As at June 30, 2022, there are several cases aggregating to Rs. 15.73 million (2021: 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.

32.2 Commitments

	Note	2022	2021
		------ (Rupees in '000) ------	
Capital commitments		**2,580,588**	1,658,909
Ijarah rentals	32.2.1	**24,355**	7,634

32.2.1 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 (2021: Rs. 3.399 million). Future minimal rentals payable under ijarah agreements as at reporting date are as follows:

	Note	2022	2021
		------ (Rupees in '000) ------	
Not later than one year		**6,762**	2,653
Later than one year but not later than five years		**17,593**	4,981
		24,355	7,634

33. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	Note	2022	2021
		------ (Rupees in '000) ------	
Plots		**1,137,069**	1,028,891
Bungalows		**15,970**	100,448
Apartments		**2,593,571**	-
		3,746,610	1,129,339
Less: Cancellation and forfeiture		**(50,329)**	(81,776)
Trade discount		**-**	(277)
		(50,329)	(82,053)
Service income		**105,570**	70,243
		3,801,851	1,117,529

33.1 Revenue recognised during the year that was included in the contract liability balance at the beginning of year is Rs. 900.310 million (2021: Rs. 26.651 million).

34. COST OF SALES AND SERVICES

	Note	2022	2021
		------ (Rupees in '000) ------	
Cost of development properties sold:			
- plots		**2,011,647**	208,616
- bungalows		**2,996**	26,005
- apartments		**86,658**	-
	12	**2,101,301**	234,621
Development charges:			
- incurred but not apportioned (borne by the Group)		-	30,289
- incurred and apportioned to customers	12	**579,623**	674,745
- reimbursable from customers		**(666,829)**	(674,745)
		(87,206)	-
Cost of sales		**2,014,095**	264,910
Cost of services rendered		**183,786**	117,877
		2,197,881	382,787

34.1 This includes Rs. 87.206 million related to reimbursement received from the sale made to customers during the year on account of development charges incurred and borne by the Group in prior years.

35. MARKETING AND SELLING EXPENSES

	2022	2021
	------ (Rupees in '000) ------	
Sales promotions	**167,056**	26,313
Exhibitions and events	**20,913**	3,311
Commission	**566**	5,743
	188,535	35,367

35.1 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 404.312 million during the year.

36. ADMINISTRATIVE EXPENSES

	Note	2022	2021
		------ (Rupees in '000) ------	
Salaries, wages and other benefits	36.1	**241,597**	228,688
Fees and subscriptions		**32,888**	22,132
Depreciation	7.1	**28,895**	22,337
Amortization	8	**1,150**	1,150
Vehicle running		**11,210**	11,318
Legal, professional and consultancy		**15,622**	10,975
Repair and maintenance		**18,693**	53,605
Software license and maintenance		**15,927**	10,795
Rent, rates and taxes		**1,101**	2,842
Utilities		**60,728**	47,060
Donation	36.2 & 36.3	**12,596**	9,114
Communication		**4,751**	4,933
Travelling and conveyance		**2,000**	1,103
Ijarah rentals		**5,768**	3,823
Insurance		**10,173**	8,109
Printing and stationery		**6,687**	4,324
Auditors' remuneration	36.4	**5,012**	3,479
Entertainment		**7,578**	10,017
Meetings and conventions		**700**	600
Security		**80**	636
REIT Management Expenses		**82,202**	-
Preliminary expenses		**9,039**	-
Others		**33,091**	7,350
		607,488	464,390

36.1 Included herein Rs. 17.161 million (2021: Rs.13.357 million) in respect of employees retirement benefits.

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

36.3 The Group has not made any donations higher of Rs.1 million or 10% of the donations during the current and prior years except as follows:

	Note	2022	2021
		------ (Rupees in '000) ------	
Javed Jilani (in lieu of government relief fund)		**-**	5,000

36.4 Auditors' Remuneration

	2022	2021
EY Ford Rhodes		
Annual audit of financial statements		
- standalone - Holding Company	**750**	750
- consolidation	**300**	300
Review of half yearly financial statements	**200**	200
Code of Corporate Governance and other assurance services	**925**	625
Out of pocket expenses	**109**	109
	2,284	1,984

	Note	2022	2021
		------ (Rupees in '000) ------	
Reanda Haroon Zakaria & Company			
Annual audit of financial statements			
- standalone - Holding Company		750	750
- subsidiary companies		258	125
- consolidation		230	230
Review of half yearly financial statements		200	200
Code of Corporate Governance		125	125
Out of pocket expenses		85	65
		1,648	1,495
A.F. Ferguson & Co.			
Annual audit of financial statements			
- subsidiary companies		1,080	-
		5,012	3,479

37. FINANCE COSTS

	Note	2022	2021
Dividend on preference shares	5.12	61	61
Mark-up on:			
- long-term financings		838,727	454,060
- short-term borrowings		59,777	79,047
		898,504	533,107
Bank and other charges		12,897	15,982
		911,462	549,150
Less: Borrowing cost capitalized in the cost of qualifying asset	12	(786,762)	(441,919)
		124,700	107,231
Average rate of capitalization		7.99%	7.99%

38. OTHER INCOME - net

	Note	2022	2021
Income from financial assets			
Mark-up on saving accounts		84,985	14,701
Mark-up on loan to related party - Arif Habib Limited		20,073	-
Remeasurement gain on investment designated at FVTPL	18.3	(2,237)	3,751
		102,821	18,452
Income from non-financial assets			
Income from cancellation of bookings		-	898
Gain / (loss) on disposal of property, plant and equipment		-	132
Transfer fees from plots and bungalows		152,478	67,040
Rental income from sport facilities		15,169	6,225
Loss on disposal of investment properties		-	(114)
Rental income from investment properties		18,495	8,343
Remeasurement gain on investment properties	9.2	88,625	37,861
Amortization of deferred grant	25	20,862	3,293
Others		10,584	9,477
		306,213	133,155
		409,034	151,607

39. TAXATION

	Note	2022	2021
		------ (Rupees in '000) ------	
Current		**265,320**	79,702
Prior	39.2	**69,707**	(17,479)
Deferred		**(35,315)**	(45,028)
		299,712	17,195

39.1 The assessments of the Holding Company and the Subsidiary Company for and upto tax year 2021 have been completed or deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001 except for contingencies related to tax matters are disclosed in note 30.1.1 to these consolidated financial statements.

39.2 The Holding Company availed group relief option under the requirements of Income Tax Ordinance, 2001 and accordingly absorbed Rs. 25.905 million losses of a Subsidiary Company.

39.3 Tax reconciliation with accounting profit is as follows:

	Note	2022	2021
		------ (Rupees in '000) ------	
Profit before taxation		**687,969**	279,361
Tax at the rate of 29% (2020: 29%)		**199,511**	81,015
Effect of income subject to tax at lower tax rate		**-**	(28,309)
Prior year tax		**69,707**	(17,479)
Effect of minimum tax		**-**	-
Others		**30,494**	(18,032)
		299,712	17,195

40. EARNINGS PER SHARE

	Note	2022	2021
Basic			
Profit after tax (Rupees in '000)		**388,257**	262,166
Weighted average number of ordinary shares (In numbers)		**380,860,447**	380,860,447
Earnings per share (In Rupees)		**1.02**	0.69
Diluted			
Profit attributable to ordinary shareholders (Rupees in '000)		**388,318**	262,227
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)		**16,739**	21,711
Weighted average number of ordinary shares for diluted earning per share (In numbers)		**380,877,186**	380,882,158
Earnings per share - (In Rupees)		**1.02**	0.69

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2022	2021	2022	2021	2022	2021
	(Rupees in '000)					
Managerial remuneration	**12,881**	11,271	**-**	-	**57,648**	41,463
Medical	**1,288**	1,127	**-**	-	**5,765**	4,146
Fuel allowance	**701**	509	**-**	-	**6,624**	3,127
Mobile allowance	**-**	-	**-**	-	**930**	472
Lease rentals	**-**	-	**-**	-	**4,382**	4,197
House rent	**-**	-	**-**	-	**517**	851
Special allowance	**-**	-	**-**	-	**951**	723
Drivers allowance	**-**	-	**-**	-	**300**	275
Bonus	**-**	984	**-**	-	**-**	3,340
Retirement benefits	**-**	1,181	**-**	-	**-**	3,844
	14,870	15,072	**-**	-	**77,117**	62,438
Number of Persons	**1**	1	**-**	-	**27**	15

41.1 No remuneration is paid / payable to the directors of the Group for current and prior years, other than those disclosed in note 41.3 to these financial statements.

41.2 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.

41.3 During the year, the Group has paid Rs. 0.81 million (2021: Rs. 0.6 million) to a non-executive Director on account of board meeting fees.

42. 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, 2022. The policies for managing each of these risks are summarised below:

42.1 Financial assets and liabilities are carried at amortised cost except for short-term investments of Rs.13 million (2021: Rs. 1,229 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	-	-	-	-	13,372	13,372	13,372
Trade debts	-	-	-	408,936	-	408,936	408,936
Loans	-	-	-	812,752	-	812,752	812,752
Short-term investments	13,000	-	13,000	-	-	-	13,000
Trade deposits and other receivables	-	-	-	137,159	-	137,159	137,159
Cash and bank balances	748,710	-	748,710	2,018,733	-	2,018,733	2,767,443
2022	761,710	-	761,710	3,377,580	13,372	3,390,952	4,152,662
Financial liabilities							
Long-term financings	2,051,862	8,937,129	10,988,991	-	-	-	10,988,991
Trade and other payables	-	-	-	1,505,674	-	1,505,674	1,505,674
Accrued mark-up	-	-	-	205,809	-	205,809	205,809
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	3,885,026	8,937,129	12,822,155	1,715,975	-	1,715,975	14,538,130

	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	-	-	-	-	9,316	9,316	9,316
Trade debts	-	-	-	329,375	-	329,375	329,375
Loans	-	-	-	9,930	-	9,930	9,930
Short-term investments	67,750	-	67,750	1,229,052	-	1,229,052	1,296,802
Trade deposits and other receivables	-	-	-	35,974	-	35,974	35,974
Cash and bank balances	-	-	-	153,562	-	153,562	153,562
2021	67,750	-	67,750	1,757,893	9,316	1,767,209	1,834,959
Financial liabilities							
Long-term financings	990,348	4,904,662	5,895,010	-	-	-	5,895,010
Trade and other payables	-	-	-	971,522	-	971,522	971,522
Accrued mark-up	-	-	-	92,014	-	92,014	92,014
Short-term borrowings	904,959	-	904,959	-	-	-	904,959
Unpaid preference dividend	-	-	-	182	-	182	182
Unclaimed dividend	-	-	-	4,259	-	4,259	4,259
2021	1,895,307	4,904,662	6,799,969	1,067,977	-	1,067,977	7,867,946

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

42.2 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, 2022.

42.2.1 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.

42.2.2 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 Group. 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)
2022	**+10%**	**(1,272,353)**
	-10%	**1,272,353**
2021	+10%	(679,819)
	-10%	679,819

42.2.3 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.

42.2.4 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 other than it's investment in equity instruments designated at FVTPL (note 16).

42.3 Credit risk

42.3.1 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 other than investment in equity instruments designated at FVTPL. Out of the total financial assets of Rs.4,152.662 million (2021: Rs.1,760.710 million), the financial assets which are subject to credit risk amounted to Rs. 3,992.919 million (2021: Rs.1,614.955 million). The Group's credit risk is primarily attributable to its trade debts and bank balances. The Group 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 13.3 to these financial statements. As at reporting date, there are no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

42.3.2 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:

		2022	2021
		------ (Rupees in '000) ------	
Long-term deposits	10	**13,372**	9,316
Trade debts	13	**287,591**	123,625
Loan to employees	16	**812,752**	9,930
Trade deposits and other receivables	17	**137,159**	35,974
Short-term investments	18	**13,000**	1,296,802
Bank balances	20	**2,729,045**	139,308
		3,992,919	1,614,955

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

Bank Balances by short-term rating category	Rating Agency	2022	2021
		------ (Rupees in '000) ------	
A-1	PACRA	**117**	804
A-1	VIS	**688**	296
A1+	PACRA	**2,573,378**	131,438
A-1+	VIS	**147,346**	1,292
A-3	VIS	**7,516**	5,478
		2,729,045	139,308

42.4 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 summarises the maturity profile of the Group's financial liabilities at June 30, 2022 and 2021 based on contractual undiscounted payment dates and present market interest rates:"

	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	**10,988,991**	**10,988,991**	**551,552**	**1,500,310**	**3,619,667**	**5,335,872**
Trade and other payables	**1,505,674**	**1,505,674**	**1,505,674**	**-**	**-**	**-**
Short-term borrowings	**1,833,164**	**1,833,164**	**1,833,164**	**-**	**-**	**-**
Accrued mark-up	**205,809**	**205,809**	**205,809**	**-**	**-**	**-**
Unpaid preference dividend	**242**	**242**	**242**	**-**	**-**	**-**
Unclaimed dividend	**4,250**	**4,250**	**4,250**	**-**	**-**	**-**
	14,538,130	**14,538,130**	**4,100,691**	**1,500,310**	**3,619,667**	**5,335,872**

	2021					
	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	5,895,010	5,895,010	-	990,348	1,421,177	3,483,485
Trade and other payables	971,522	971,522	971,522	-	-	-
Short-term borrowings	904,959	904,959	904,959	-	-	-
Accrued mark-up	92,014	92,014	92,014	-	-	-
Unpaid preference dividend	182	182	182	-	-	-
Unclaimed dividend	4,259	4,259	4,259	-	-	-
	7,867,946	7,867,946	1,972,936	990,348	1,421,177	3,483,485

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

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

The fair value hierarchy of assets are disclosed in these consolidated 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	18

42.6 Capital management

The primary objective of the Groups capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximise shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2022.

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, 2022 and 2021 are as follows:

	Note	2022	2021
		------ (Rupees in '000) ------	
Long-term financings	24	**10,988,991**	5,895,010
Preference shares	28	**505**	505
Accrued mark-up	29	**205,809**	92,014
Short-term borrowings	31	**1,833,164**	904,959
Total debts		**13,028,469**	6,892,488
Less: Cash and bank balances	20	**(2,767,443)**	(153,562)
Net debts		**10,261,026**	6,738,926
Issued, subscribed and paid-up capital	21	**3,808,604**	3,173,837
Capital reserves	22	**2,758,293**	3,393,060
Revenue reserves	22	**3,185,502**	2,727,104
Other component of equity - revaluation surplus on lands	23	**8,394,190**	8,461,779
Total equity		**18,146,589**	17,755,780
Total capital		**28,407,615**	24,494,706
Gearing ratio		**36.12%**	27.51%

43. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associates, directors and their close family members, key management personnel and post employment benefit plan. The details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Note	2022	2021
		------ (Rupees in '000) ------	
Associates			
Arif Habib Corporation Limited			
Short-term borrowings obtained during the year		-	450,000
Short-term borrowings repaid during the year		-	450,000
Mark-up expense on short-term borrowings		-	3,969
Mark-up paid during the year		2,723	1,246
Associates			
Arif Habib Equity (Private) Limited			
Sale of plots		454,920	-
Advance adjusted against sale of plots		454,920	-
Advance received against purchase of commercial sites		216,883	-
Development charges billed		55,080	-
Development charges received		55,080	-
Arif Habib Limited			
Sale of plots		-	127,502
Purchase of plots		1,410,000	-
Paid against purchase of plots		1,410,000	-
Short-term borrowing extended during the period		1,780,000	-
Re-Payment of Short-term borrowing extended during the period		980,000	-
Short-term borrowing obtained during the period		380,000	-
Short-term borrowing repaid during the period		380,000	-
Markup expense on short term-borrowing obtained during the period		10,637	-
Markup income on short-term-borrowing extended during the period		20,091	-
Markup income received on short-term-borrowing extended during the period		17,012	-
Expenses incurred by the Group on behalf of Arif Habib Limited		-	4,681
Amounts received in respect of apartments sold		64,943	-
Revenue in respect of apartments sold		104,281	-
Amount paid by Arif Habib Limited to the Group		-	1,673
Development charges billed		-	27,000
Development charges received		-	26,151
Receipt against sale of plots		-	127,502
Power Cement Limited			
Advance against construction material		48,000	-
Purchase of construction material		37,699	13,987
Paid against the purchase of construction material		23,341	15,229
Safe Mix Concrete Limited			
Advance against construction material		140,000	-
Purchase of construction material		30,528	16,786
Paid against the purchase of construction material		24,227	16,890

	Note	2022	2021
		------ (Rupees in '000) ------	
Haji Abdul Ghani - Associated person			
Sale of plots		156,100	97,665
Advance adjusted against sale of plots		156,100	-
Development charges billed		18,900	5,400
Development charges received		18,900	7,042
Amounts received in respect of apartments sold		379,167	-
Revenue in respect of apartments sold		569,575	-
Services rendered during the year		-	168
Receipts against services rendered		252	36
Rotocast Engineering Co. (Private) Limited			
Services received during the year		843	1,567
Paid against services received		819	1,546
Rent prepaid during the year		1,207	1,098
Rent expense charged during the year		1,207	1,098
Other Services		1,109	-
International Builders and Developers (Private) Limited			
Expenses incurred by the Group on behalf of International Builders and Developers (Private) Limited		187	104
Go Real Estate			
Sale of plots		-	225,982
Receipt against sale of plots		-	66,661
Development charges billed		-	43,740
Development charges received		14,326	43,784
Arif Habib Dolmen REIT Management Limited - (REIT Management Company of the Scheme)			
Formation cost		1,026	-
Development & other expenditure		2,631	-
Fees and subscriptions		150	-
Short term deposit		100	-
Arif Habib Development & Engineering Consultants (Private) Limited - (Associate due to common directorship)			
Expenses incurred on behalf of scheme		2,590	-
Fatima Fertilizer Company Limited - (Associate due to common directorship)			
Subscription money received against issue of shares		100,000	-

	Note	2022	2021
		------ (Rupees in '000) ------	
Key management personnel			
Arif Habib - Director			
Development charges received		-	24,820
Refund / advance received against future purchase of commercial sites		-	183,117
Advance received against purchase of commercial sites		183,117	-
Sale of plots		93,660	-
Advance adjusted against sale of plots		93,660	-
Development charges billed		11,340	-
Development charges received		11,340	-
Short-term loans received during the year		1,575,000	-
Short-term loans paid during the year		1,575,000	-
Mark-up expense on short term-borrowing		894	-
Services rendered		410	1,728
Receipts against services rendered		993	1,382
Abdus Samad Habib - Director			
Subscription money received against issue of shares		-	-
Saeed Ahmad - Director			
Subscription money received against issue of shares		-	-
Syed Muhammad Talha - Director			
Subscription money received against issue of shares		-	-
Services rendered		55	48,000
Receipt against services rendered		-	6,000
Muneer Gader			
Subscription money received against issue of shares		-	-
Alamgir A.Sheikh - Director			
Receipt against services rendered		36	-
Amounts received in respect of apartments sold		1,990	-
Revenue in respect of apartments sold		3,610	-
Services rendered		-	24
Muhammad Kashif Habib - Director			
Amounts received in respect of apartments sold		1,888	-
Revenue in respect of apartments sold		10,373	-
Abdus Samad Habib - CEO/Director			
Amounts received in respect of apartments sold		2,890	-
Revenue in respect of apartments sold		5,256	-

	Note	2022	2021
Close family member		------ (Rupees in '000) ------	
Nida Ahsan			
Sale of plots and bungalows		-	124,181
Receipt against sale of plots		-	49,181
Development charges billed		-	27,000
Development charges received		-	25,152
Services rendered		781	1,986
Receipts against services rendered		1,366	1,039
Post employment benefit plan			
Gratuity fund trust - contribution paid during the year		118	1,207

43.1 All transactions with related parties are entered into at agreed terms duly approved by the Board of Directors. The outstanding receivable and payable balances as of June 30, 2022 and 2021 are disclosed in their respective notes to these consolidated financial statements.

44. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Group are organised into one operating segment i.e. development of real estate and providing related maintenance services. The Group operates in the said reportable operating segment based on the nature of products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these consolidated 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.

45. GENERAL

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

45.2 Number of employees as at June 30, 2022 was 673 (2021: 558) and average number of employees during the year was 619 (2021: 521).

46. SUBSEQUENT EVENTS

The Board of Directors of the Company in their meeting held on September 08, 2022 has recommended interim cash dividend for the financial year 2022 @ 4 per share amounting to Rs. 1,523 million on the existing paid-up value of the ordinary share capital.

47. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorised for issue on October 01, 2022 by the Board of Directors of the Group.

Chief Financial Officer	Chief Executive Officer	Director

PATTERN OF SHAREHOLDING

Category wise list of shareholders

As at June 30, 2022

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	34,526,883	9.07
ABDUL QADIR	1	213	0.00
Associated Companies, undertakings and related parties	9	234,067,388	61.46
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	2,875	50,883,144	13.36
b. Foreign	12	156,901	0.04
Foreign Companies	-	-	-
Others	47	51,975,359	13.65
Totals	2,955	380,860,447	100.00

Share holders holding 10% or more	Shares Held	Percentage
ARIF HABIB EQUITY (PVT) LTD	109,243,258	28.68
AKD SECURITIES LIMITED	42,474,167	11.15

Pattern of Shareholding

As at June 30, 2022

Number of Shareholders	Shareholdings Slab			Total Shares Held
1662	1	to	100	47,683
620	101	to	500	139,885
211	501	to	1000	154,737
274	1001	to	5000	599,722
48	5001	to	10000	350,666
33	10001	to	15000	414,609
16	15001	to	20000	285,892
7	20001	to	25000	154,852
7	25001	to	30000	197,334
4	30001	to	35000	131,700
2	35001	to	40000	73,422
4	40001	to	45000	169,200
4	45001	to	50000	199,792
2	50001	to	55000	108,490
3	55001	to	60000	178,200
3	60001	to	65000	184,897
2	65001	to	70000	135,000
2	70001	to	75000	148,080
2	75001	to	80000	156,710
1	85001	to	90000	90,000
2	90001	to	95000	180,362
3	95001	to	100000	300,000
1	110001	to	115000	114,600
2	115001	to	120000	235,473
2	145001	to	150000	297,549
1	155001	to	160000	157,800
1	170001	to	175000	174,100
1	175001	to	180000	178,200
1	195001	to	200000	200,000
1	220001	to	225000	224,400
1	235001	to	240000	236,800
1	245001	to	250000	246,051
2	285001	to	290000	574,516
1	355001	to	360000	360,000
1	360001	to	365000	362,490
2	380001	to	385000	766,628
3	425001	to	430000	1,283,040
1	1090001	to	1095000	1,092,980
1	1510001	to	1515000	1,510,401
1	1515001	to	1520000	1,517,711
1	2820001	to	2825000	2,821,101
1	2980001	to	2985000	2,981,932
2	2990001	to	2995000	5,988,118
1	3045001	to	3050000	3,046,900
1	4625001	to	4630000	4,628,558
1	5850001	to	5855000	5,854,335
1	7255001	to	7260000	7,257,825
1	7885001	to	7890000	7,889,460
1	10455001	to	10460000	10,456,812
1	11900001	to	11905000	11,901,900
1	16795001	to	16800000	16,800,000
1	17675001	to	17680000	17,675,414
1	21545001	to	21550000	21,549,945
1	23765001	to	23770000	23,768,750
1	34525001	to	34530000	34,526,883
1	38060001	to	38065000	38,061,117
1	42470001	to	42475000	42,474,167
1	109240001	to	109245000	109,243,258
2955				**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 آرہے 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 01 اکتوبر 2022ء

ہیومن ریسورس اینڈ ریومنیریشن کمیٹی

جناب جاوید قریشی......چیئرمین

جناب عارف حبیب......ممبر

جناب صمداے حبیب......ممبر

جناب محمد اعجاز......ممبر

اندرونی انضباط

اپنے اثاثہ جات کے تحفظ اوراپنے ریکارڈز کی درستگی اوراعتبار 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 گورنینس ریگولیشنز 2019 میں مقرر کردہ معیارات کی باقاعدہ تعمیل کی ہے۔

بیرونی آڈیٹرز

30 جون 2022 کو اختتام پذیر ہونے والے سال کے کمپنی کے مالیاتی گوشوارے M/S Reanda Haroon Zakaria & Co چارٹرڈ اکاؤنٹینٹس اور M/S EY Ford Rhodes چارٹرڈ اکاؤنٹینٹس نے آڈٹ کئے ہیں۔ یہ آڈیٹرز سالانہ اجلاس عام کے اختتام پر ریٹائر ہوجائیں گے۔اہل ہونے کے سبب انہوں 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 M/S Yousuf Adil چارٹرڈ اکاؤنٹینٹس کی 30 جون 2023 کو اختتام پذیر ہونے والی مدت کے لئے دوبارہ تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا نمونہ

کمپنیز ایکٹ 2017 کی دفعہ 227 (2)(f) کی مطابقت میں 30 جون 2022 تک کمپنی کی شیئر ہولڈنگ کا نمونہ رپورٹ ہذا 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۔

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۔

* جناب کاشف حبیب اور جناب جاوید قریشی بورڈ آف ڈائریکٹرز میں نئے ممبران کی حیثیت سے مورخہ 26 اکتوبر 2021 کو منعقدہ ڈائریکٹرز کے انتخابات میں جناب صدیق کھوکھر اور جناب صمد حبیب کی جگہ منتخب ہوئے تھے۔

* جناب صمد حبیب مورخہ 28 مارچ 2022 کو جناب سعید احمد کی جگہ Casual Vacancy پُر کرنے کی غرض سے بطور رکن بورڈ آف ڈائریکٹرز منتخب ہوئے۔

* ڈائریکٹرز کے انتخاب کے بعد جناب عبداللہ غفار اور جناب کاشف بالترتیب چیئرمین اور ممبر، بورڈ آڈٹ کمیٹی مقرر کیئے گئے جبکہ جناب عالمگیر شیخ نے ممبر آڈٹ کمیٹی کی حیثیت ترک کی۔

ڈائریکٹرز کے معاوضے

نان ایگزیکٹو ڈائریکٹرز (بشمول انڈیپنڈنٹ ڈائریکٹرز) ماسوائے ان ڈائریکٹرز کے جو عارف حبیب گروپ آف کمپنیز میں کسی اور جگہ بھی بطور ایگزیکٹو ڈائریکٹرز خدمات انجام دے رہے ہیں، انہیں بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے عوض، جیسا کہ بورڈ کی جانب سے وقتاً فوقتاً منظور کیا جائے، معاوضہ ادا کیا جاتا ہے۔

مزید یہ کہ بورڈ کسی بھی نان ایگزیکٹو ڈائریکٹر کو، جب اور جیسے، کوئی بھی اضافی کردار اور ذمہ داریاں سونپنے کا فیصلہ کرتا ہے، تو بورڈ طے کرے گا کہ اس ڈائریکٹر کو اسے سونپے گئے کردار اور 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 ایگزیکٹو ڈائریکٹر.................. 5

(ج) ایگزیکٹو ڈائریکٹر........................ 1

بورڈ کی کمیٹیاں:

آڈٹ کمیٹی

جناب عبداللہ غفار......چیئرمین

جناب محمد اعجاز......ممبر

جناب کاشف اے حبیب......ممبر

جناب عبدالقادر سلطان......ممبر

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 کئے 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 مئوثر 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 ماڈی 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 وصلاحیت پر کوئی شک وشبہ نہیں اور یہ کہ کارپوریٹ گورنینس کے بہترین معمولات سے کوئی ماڈی 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 جانبدارا اور شفاف معمولات کے ذریعے سبقت لے جانے کی JCL ہمیشہ سے جدوجہد کرتی آئی ہے۔

کمپنی کے شیئرز کی تجارت

30 جون 2022 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۔ ڈائریکٹرز کی جانب سے مقرر کردہ درجے کے مطابق سالانہ رپورٹ میں اصطلاح ''ایگزیکٹو'' سے مراد کمپنی کے وہ ملازمین ہیں جن کی سالانہ تنخواہ 1.2 ملین روپے سے زیادہ ہوتی ہے۔

بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں ڈائریکٹرز کی حاضری

30 جون 2022 کو مختتمہ سال کے دوران بورڈ کے چار (04)، آڈٹ کمیٹی کے چار (04) اور ہیومن ریسورس اینڈ ریومیزیشن 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	4	3	کوئی نہیں	کوئی نہیں	1	1
جناب صمداے حبیب	4	3	4	4(مدعو کیا گیا)	1	1
جناب محمد اعجاز	4	3	4	3	1	1
جناب عبدالقادر سلطان	4	4	4	4	کوئی نہیں	کوئی نہیں
جناب عالمگیر شیخ	4	4	4	2	کوئی نہیں	کوئی نہیں
جناب صدیق کھوکھر *	4	2	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں
مسماۃ درخشاں زوہیب	4	4	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں
جناب سعید احمد	4	3	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں
جناب عبداللہ غفار	4	4	4	2	کوئی نہیں	کوئی نہیں
جناب جاوید قریشی*	4	2	کوئی نہیں	کوئی نہیں	1	1
جناب کاشف حبیب*	4	1	4	1	کوئی نہیں	کوئی نہیں

سرگرمیوں کی بحالی، سیاسی غیر یقینی میں کمی اور سرکاری اور SBP کی پالیسی کی بحالی سے امید ہے کہ رئیل اسٹیٹ سیکٹر کو ضروری رفتار مل جائے گی۔

میکرو اکنامک چیلنجوں کے باوجود پروجیکٹ سے متعلق مثبت واقعات اشارہ ہیں کہ آپ کی کمپنی کا مستقبل حوصلہ افزاء ہے۔

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 جا سکے۔ 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+ / A-1 (اے پلس/اے ون) کی اینٹائی 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۔

ممبر شپ

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 مالیاتی اور غیر مالیاتی معلومات کی درستگی بڑھانے، تکمیلیت اور شفافیت یقینی بنانے کی اپنی ذمہ داری سے بہ خوبی آگاہ ہے۔

ذیل میں (غیر منظّم) مالیاتی نتائج کا تقابلی خلاصہ پیش کیا جارہا ہے:۔

تفصیلات	30 جون 2022	30 جون 2021
	(ہزار روپے)	
خالص فروخت	4,342,710	1,047,286
لاگت فروخت	(1,927,437)	(264,909)
خام منافع	2,415,273	782,377
منافع قبل از ٹیکس	1,756,491	370,171
منافع بعد از ٹیکس	1,505,145	331,240
فی شیئر کمائی (EPS) بنیادی (روپے)	3.95	0.87
فی شیئر کمائی (EPS) ڈیلوٹڈ (روپے)	3.95	0.87

زیر جائزہ مدت کے دوران منظّم بنیادوں پر JCL کی آمدنی 3,802 ملین روپے رہی، بعد از ٹیکس منافع 388.257 ملین روپے رہا جو 1.02 روپے فی شیئر کمائی کی صورت میں ظاہر ہوا۔

مستقبل کا منظر نامہ

گلوب ریذیڈنسی اپارٹمنٹس اور گلوب ریذیڈنسی REIT کی کامیاب پیشکش کے بعد بورڈ اور انتظامیہ REIT کے تحت جلد ہی دیگر اپارٹمنٹ پروجیکٹ پیش کرنے کی بھی منصوبہ بندی کررہے ہیں۔ گلوب ریذیڈنسی REIT کے تحت تین ٹاوروں (400 اپارٹمنٹ یونٹس) کے لیے میزان بینک کے ساتھ مشارکہ انتظامات (نفع ونقصان کی بنیاد پر شراکت) ایک بڑی کامیابی ہے اور مشارکہ انتظامات پر کامیابی سے عمل درآمد REIT کے تحت آئندہ اپارٹمنٹ پروجیکٹس کے لیے میزان بینک کے علاوہ دیگر بینکوں کے ساتھ ایسے دیگر انتظامات کی راہ ہموار کرے گا۔

بڑھتی ہوئی طلب، آنے والے مالیاتی سالوں میں نیا ناظم آباد جم خانہ اور نیا ناظم آباد فلائی اوور جیسے قدر میں اضافہ کرنے والے فلیگ شپ پروجیکٹس کی تکمیل کے ساتھ ''نیا ناظم آباد پروجیکٹ'' کی قدر میں بڑھوتی کا جاری رہنا چاہیئے۔

مکانات/ پلاٹوں (اور ان پر تعمیرات) کی خریداری اور آخری صارفین بینکاری کے لیے بینکاری سہولتوں کی فراہمی کی غرض سے نیا ناظم آباد بینکوں کے لیے ایک ترجیحی پروجیکٹ بن رہا ہے۔

حکومت پاکستان اور اسٹیٹ بینک آف پاکستان (SBP) کے ''میرا پاکستان۔ میرا گھر اسکیم''، ''روشن اپنا گھر اسکیم'' جیسے اقدامات اور ہاؤسنگ فنانس خاص طور سے زیر تعمیر بلند وبالا پروجیکٹس کے لیے SBP کے جاری کردہ رہنما اصول ملک میں مکانات کو قابل استطاعت بنانے میں مثالی اور اہم ترین ثابت ہوئے ہیں۔

حالیہ افراط زر (مہنگائی)، شرح سود میں اضافہ، تعمیرات کی لاگت میں بڑھوتی اور گزشتہ چھ ماہ سے معیشت کی مجموعی سست رفتاری باعث تشویش ہے۔ تاہم معاشی

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2022 کو اختتام پذیر ہونے والے مالی سال کے آڈٹ شدہ غیر منظّم اور منظّم مالیاتی گوشوارے ہمراہ آڈیٹرز کی رپورٹ آپ کی خدمت میں پیش کرتے ہوئے دلی مسرت محسوس کر رہے ہیں۔

سال 2022-2021 کا اجمالی جائزہ

مالی سال 2022-2021 کمپنی کے لیے غیر معمولی رہا۔ اس سال کے دوران متعدد مثبت واقعات رونما ہوئے۔ سال 2020 کی موسلا دھار بارشوں کے سبب آنے والے سیلاب کے بعد نصب کیے جانے والے نکاسی آب کے نظام نے 2021 اور 2022 کے مون سون کے موسم میں بہت اچھی کارکردگی دکھائی اور کہیں پانی اکھٹا ہونے نہیں دیا۔ علی حبیب میڈیکل سینٹر کی خدمات تیز رفتاری سے بڑھ رہی ہیں، 500 بستروں والے ہسپتال کا سنگِ بنیاد رکھا گیا۔ اسی طرح جم خانہ کی تعمیر بھی اطمینان بخش رفتار سے جاری ہے۔ اس دوران سخی حسن سے نیا ناظم آباد کی مرکزی گیٹ تک فلائی اوور کی تعمیر کی شروعات بھی ہوئی ہے۔ 09 ٹاوروں کی صورت میں 1300 اپارٹمنٹس کا پہلا پروجیکٹ کامیابی سے پیش کیا گیا۔ یہ اپارٹمنٹ پروجیکٹ ترقیاتی REIT کے ایک کارپوریٹ اسٹرکچر کے تحت تیار کیا جا رہا ہے جو پاکستان میں اپنی طرز کا پہلا پروجیکٹ ہوگا۔ اس کا نام Globe Residency REIT ہے۔ 400 اپارٹمنٹس کی تیاری کی غرض سے REIT نے میزان بینک سے مشارکہ معاہدہ کیا ہے۔ بورڈ نے طے کیا تھا کہ Globe Residency REIT کا پاکستان اسٹاک ایکسچینج میں اندراج کیا جائے۔ کمپنی نے زیر جائزہ مدت کے دوران اپنے شیئر ہولڈروں کے لیے سب سے زیادہ منافع منقسمہ کا اعلان کیا اور اپنی تاریخ میں سب سے زیادہ انکم ٹیکس کی ادائیگی بھی کی۔

مالیاتی جائزہ

زیر جائزہ مالی سال کے دوران (غیر منظّم بنیادوں پر) کمپنی نے 4,342 ملین روپے کی فروخت ریکارڈ کی جو گزشتہ برس کی اسی مدت کے دوران 1,047 ملین روپے رہی تھی جو 315% اضافہ ظاہر کرتی ہے۔ زیر جائزہ مدت کے دوران لاگت فروخت 1,927 ملین روپے رہی جو گزشتہ برس کی اسی مدت کے دوران 265 ملین روپے رہی تھی۔ اختتام پذیر ہونے والے سال کے دوران خام منافع میں 209% اضافہ ہوا جو بڑھ کر 1,662 ملین روپے ہو گیا۔ اس مدت کے دوران انتظامی اخراجات 457 ملین روپے رہے جو گزشتہ برس اسی مدت کے مقابلے میں صرف 9 فیصد زیادہ تھے۔ زیر جائزہ سال کے دوران مالیاتی لاگت 120 ملین روپے رہی جو گزشتہ برس اسی مدت کے دوران 107 ملین روپے رہی تھی۔ سال کے دوران دیگر آمدنی 356 ملین روپے حاصل ہوئی جو گزشتہ برس کی اسی مدت کے دوران 151 ملین روپے رہ تھی اس طرح اس مد میں 136% کی بڑھوتی دیکھنے میں آئی۔ زیر جائزہ مدت کے دوران فلائی اوور کے پروجیکٹ کی تعمیر شروع ہوئی اور کمپنی نے 404 ملین روپے کے اخراجات برداشت کیے۔ زیر جائزہ مدت کے اختتام پر قبل از ٹیکس اور بعد از ٹیکس منافع بالترتیب 1,756 ملین روپے اور 1,505 ملین روپے رہا۔ اس مدت کے دوران قبل از ٹیکس اور بعد از ٹیکس منافع میں گزشتہ برس کی بہ نسبت 354% اور 375% کی بڑھوتی ہوئی۔ اور فی شیئر کمائی (بیسک اور ڈیلوٹڈ) 3,295 ملین روپے رہی جو گزشتہ برس کی اسی مدت کے دوران 0.87 روپے رہی۔

گزشتہ برس کی زیر جائزہ مدت کے دوران کمپنی کی فروخت اور منافع میں 80% کا قابل ذکر اضافہ ہوا جس کی بڑی وجہ Globe Residency REIT اسکیم کو زمین کا فروخت کیا جانا تھی۔

Form of Proxy

60th 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 Annual General Meeting of the Company to be held on October 27, 2022 and/or any adjournment thereof.

Signed this __________ day of __________ 2022.

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

60th سالانہ جنرل اجلاس

میں مسمّٰی / مسماۃ ------------------ساکن------------------------------------ضلع------------------

مسمّٰی / مسماۃ--

ساکن------------------------کوبطورِمختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے

سالانہ اجلاسِ عام جو بتاریخ 27 اکتوبر، 2022 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-----------------2022

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 تاکہ اجلاس میں شرکت کی اجازت سے قبل اُس کی شناخت کی جا سکے۔
- 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 ڈائیریکٹر 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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