

better life
**BETTER
FUTURE**

JAVEDAN
CORPORATION LIMITED

Half Yearly Report
December **2023**





Table of CONTENT

Company Information	04
Directors' Report	05
Independent Auditors' Review Report	08
Condensed Interim Unconsolidated Financial Information	
Condensed Interim Unconsolidated Statement of Financial Position	09
Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)	10
Condensed Interim Unconsolidated Statement of Other Comprehensive Income (Unaudited)	11
Condensed Interim Unconsolidated Statement of Changes In Equity (Unaudited)	12
Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)	13
Notes To The Condensed Interim Unconsolidated Financial Information	15
Condensed Interim Consolidated Financial Information	
Condensed Interim Consolidated Statement of Financial Position	33
Condensed Interim Consolidated Statement of Profit Or Loss (Unaudited)	34
Condensed Interim Consolidated Statement of Other Comprehensive Income (Unaudited)	35
Condensed Interim Consolidated Statement of Changes In Equity (Unaudited)	36
Condensed Interim Consolidated Statement of Cash Flows (Unaudited)	37
Notes To The Condensed Interim Consolidated Financial Information	39



Company INFORMATION

Board of Directors

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

**Chief Financial Officer
& Company Secretary**
Muneer Gader

Audit Committee

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

HR & Remuneration Committee

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

Auditors

Yousuf Adil
Chartered Accountants

Reanda Haroon Zakaria and Co.
Chartered Accountants

Bankers

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

Registered Office

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

Site Office:

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

Share Registrar

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

Directors' Report

Dear Shareholders

On behalf of the Board of Directors, we are pleased to present the Condensed Interim Unconsolidated & Consolidated Financial Information for the half year ended 31 December 2023 along with operational performance of the Company for the same period.

Overview

The overall operating environment remains challenging. Political uncertainty persists and high inflation and interest rates keep the businesses restrained. On the positive note, however, these challenges have highlighted the strength and distinction of Naya Nazimabad in comparison to other RE projects.

Market's interest in Naya Nazimabad has been steadily growing. This is reflected in the health of our proceeds' recovery, response to our marketing campaigns, growing participation in different activities undertaken, and appreciation of our design, amenities and offerings by the dignitaries and general visitors.

Leading financial institutions are joining us both as customers and partners. This would allow us to improve our product offering and further strengthen our distinction in the market. Naya Nazimabad has already established itself as the finest mid-income habitat in the city.

Our value-added projects such as NN Gymkhana, NN Flyover and Jama Masjid are fast approaching completion and have started yielding the desired results. We are confident that the fruits of efforts made for these projects would prove to be a hallmark for the project.

Financial Performance

During the period under review revenues from Sale were recorded at PKR 1,695 million as compared to PKR 8,236 million in the corresponding period last year (CPLY). Cost of Sale incurred is PKR 937 million as compared to PKR 3,367 million in the corresponding period. It may be noted that the current sales figure reflects the sale of remaining limited inventory of residential plots. Sale for the corresponding period last year, on the other hand, reflect the sale of 117,644 square yard clusters of commercial and apartment plots to 5 REITs.

Benefit of investing in REITs is represented in "Other Income" for the period recorded at PKR 928 million, primarily, comprising of PKR 813 million of un-realized gain of change in fair value of REIT investment.

Administrative expenses incurred during the period is PKR 269 million with a marginal increase of 3% as compared to corresponding period. The cost incurred on flyover during the period is PKR 181 million.

Finance income and finance cost for the period is PKR 237 million and PKR 360 m respectively.

The profit after tax for the period is PKR 766 million as compared to PKR 4,068 million in the corresponding period translating into earnings per share of PKR 2.01 per share.

On a consolidated basis Sales and Profit After Tax for the period remained at PKR 1,816 million and PKR 755 million respectively. The profit is translated into earnings per share of Rs. 1.98 per share.

Operational Performance

While apartment and mixed-use projects are being developed under the REITs, the company is engaged in completing value-added and other infrastructure projects. Work on the flyover progressed extremely well and structural work is nearing completion. The ramps and roadwork are currently underway with completion of target of three months. Additionally, both the Naya Nazimabad Gymkhana and Jama Masjid, highlighted as key value-addition projects, have commenced operations during this period. Jama Masjid has achieved full completion, while ongoing work on specific facilities at Gymkhana is expected to conclude shortly.

One of the leading commercial bank has acquired a large piece of commercial plot in Naya Nazimabad to setup its regional office and IT Center. Another large bank is also exploring similar prospects. It may also be noted that another large bank has entered Musharaka arrangements with two REITs over Naya Nazimabad.

Utilities related and other infrastructure development work is advancing steadily and is targeted to be completed within the ongoing financial year for all current work in progress.

Outlook

More than 1500 families are already residing at Naya Nazimabad. Nearly 2000 apartment units and houses are under construction. Market confidence in the project is reflected in the strength and growth of pricing of Plots, Apartments and Retail. We are confident that Naya Nazimabad shall further strengthen its position in the market as the most-desired habitat for the progressive middle class.

The operationalization of Naya Nazimabad Gymkhana is a significant milestone. We have created an un-matched community asset with world class facilities. Sale of Gymkhana memberships has started satisfactorily, and we expect the momentum of sale to surge as its facilities are made operational.

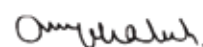
Projects under various REITs are at different stages of their development. We foresee good returns from these REIT projects. Retail Space of Rahat Residency Apartments are fully sold and are expected to be functional soon.

Acknowledgement

On behalf of the Board of Directors, we thank our customers and shareholders for their continued support in transforming 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. We also appreciate all the employees of the Company for highly admirable efforts put in by them.



Samad A. Habib
Chief Executive



Arif Habib
Chairman

Dated: 26 February 2024



**CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Independent Auditors' Review Report

To the members of Javedan Corporation Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of JAVEDAN CORPORATION LIMITED as at December 31, 2023 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows and notes to the financial statements forming part thereof (here-in-after referred to as the 'interim financial statements') for the half year then ended. Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements as of and for the half year ended December 31, 2023 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the unconsolidated condensed interim profit or loss and other comprehensive income for the three months' period ended December 31, 2023 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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



Yousuf Adil
Chartered Accountants



Reanda Haroon Zakaria & Co.
Chartered Accountants

Place: Karachi
Date: February 27, 2024

UDIN: RR202310091RruTkiZlz

UDIN: RR202310147IGqA4BsM2

Javedan Corporation Limited

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	9,233,759	8,754,790
Intangible assets		1,438	2,013
Investment properties	6	553,126	553,126
Long-term deposits		11,724	11,719
Long-term investments	7	3,367,918	2,422,870
Advance against issuance of units	8	2,245,670	2,135,697
		15,413,635	13,880,215
CURRENT ASSETS			
Development properties	9	15,583,232	15,280,241
Trade debts	10	2,838,779	10,696,779
Loans and advances	11	1,222,144	832,370
Trade deposits, prepayments and other receivables	12	623,744	396,724
Short-term investments	13	1,706,605	1,713,721
Unclaimed deposit		782	782
Cash and bank balances		450,895	82,314
		22,426,181	29,002,931
		37,839,816	42,883,146
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised			
390,000,000 (June 30, 2023: 390,000,000) ordinary shares of Rs. 10/- each			
		3,900,000	3,900,000
Issued, subscribed and paid-up capital			
		3,808,604	3,808,604
Capital reserves			
		2,758,293	2,758,293
Revenue reserves			
		9,052,940	10,537,427
Other component of equity - revaluation surplus on lands			
		8,782,464	8,817,355
		24,402,301	25,921,679
NON-CURRENT LIABILITIES			
Long-term financings	14	5,382,907	6,625,235
Deferred grant		79,353	42,119
Deferred tax liability		305,638	-
Deferred liability - gratuity		84,129	76,681
		5,852,027	6,744,035
CURRENT LIABILITIES			
Trade and other payables	15	2,742,187	2,523,422
Preference shares		505	505
Accrued mark-up		377,447	448,334
Contract liabilities		449,510	633,841
Short-term borrowings	16	1,251,009	4,080,996
Current maturity of non-current liabilities		2,542,137	2,348,539
Taxation - net		103,410	174,947
Unpaid preference dividend		333	303
Unclaimed dividend		118,949	6,544
		7,585,488	10,217,432
		37,839,816	42,883,146
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	17		

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

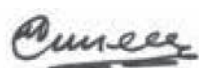
Javedan Corporation Limited

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Note	For the Half Year Ended		For the Quarter Ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----					
Revenue from contracts with customers - net	18	1,695,478	8,325,637	1,081,086	1,687,644
Cost of sales	19	(937,119)	(3,366,733)	(355,563)	(1,161,876)
Gross profit		<u>758,359</u>	<u>4,958,904</u>	<u>725,523</u>	<u>525,768</u>
Marketing and selling expenses		(30,953)	(31,169)	(15,448)	(25,034)
Flyover cost		(181,309)	(443,775)	(146,335)	(218,410)
Administrative expenses		(269,453)	(261,863)	(134,269)	(124,088)
Finance cost	20	(359,999)	(258,006)	(163,741)	(188,442)
Finance income		237,041	101,659	205,939	63,436
Other income	21	927,978	88,699	(38,303)	46,086
Profit before taxation		<u>1,081,664</u>	<u>4,154,449</u>	<u>433,366</u>	<u>79,316</u>
Taxation - net	22	(315,879)	(86,436)	43,346	(35,393)
Profit for the period		<u><u>765,785</u></u>	<u><u>4,068,013</u></u>	<u><u>476,712</u></u>	<u><u>43,923</u></u>
		2023	2022	2023	2022
Earnings per share		----- Rupees -----		----- Rupees -----	
Basic	23	<u>2.01</u>	<u>10.68</u>	<u>1.25</u>	<u>0.12</u>
Diluted	23	<u>2.01</u>	<u>10.68</u>	<u>1.25</u>	<u>0.12</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

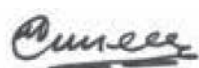
Javedan Corporation Limited

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

Note	For the Half Year Ended		For the Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----			
Profit for the period	765,785	4,068,013	476,712	43,923
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income for the period - net of tax	<u>765,785</u>	<u>4,068,013</u>	<u>476,712</u>	<u>43,923</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Javedan Corporation Limited

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

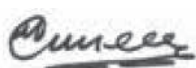
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Other component of equity	Total Equity
	Share premium	Tax holiday reserve	General	Unappropri- ated profits	Revaluation surplus on lands	

----- (Rupees in '000) -----

Balance as at July 01, 2022 (Audited)	3,808,604	2,746,327	11,966	63,500	4,330,313	8,394,190	19,354,900
Interim dividend @ 40 percent on ordinary shares for the year ended June 30, 2022	-	-	-	-	(1,523,442)	-	(1,523,442)
Profit for the period	-	-	-	-	4,068,013	-	4,068,013
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period, net of tax	-	-	-	-	4,068,013	-	4,068,013
Revaluation surplus on freehold land realised on account of sale of development properties	-	-	-	-	903,632	(903,632)	-
Balance as at December 31, 2022 (Unaudited)	<u>3,808,604</u>	<u>2,746,327</u>	<u>11,966</u>	<u>63,500</u>	<u>7,778,516</u>	<u>7,490,558</u>	<u>21,899,471</u>
Balance as at July 01, 2023 (Audited)	3,808,604	2,746,327	11,966	63,500	10,473,927	8,817,355	25,921,679
Final dividend @ 60 percent on ordinary shares for the year ended June 30, 2023	-	-	-	-	(2,285,163)	-	(2,285,163)
Profit for the period	-	-	-	-	765,785	-	765,785
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period, net of tax	-	-	-	-	765,785	-	765,785
Revaluation surplus on freehold land realised on account of sale of development properties	-	-	-	-	34,891	(34,891)	-
Balance as at December 31, 2023 (Unaudited)	<u>3,808,604</u>	<u>2,746,327</u>	<u>11,966</u>	<u>63,500</u>	<u>8,989,440</u>	<u>8,782,464</u>	<u>24,402,301</u>


The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Javedan Corporation Limited

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

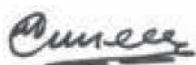
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	For the Half Year Ended	
		December 31, 2023	December 31, 2022
		----- (Rupees in '000) -----	
Operating profit before working capital changes	24	534,292	1,464,235
Change in current assets			
Development properties		(302,991)	1,335,659
Trade debts		7,858,000	(2,781,442)
Loans and advances		(389,774)	(1,030,924)
Trade deposits and other receivables		(227,594)	(82,151)
Short-term investments		-	(34,973)
		6,937,641	(2,593,831)
Change in current liabilities			
Trade and other payables		218,766	806,103
Deferred grant		37,234	52,397
Contract liabilities		(184,331)	(536,243)
Advance against sale of investment properties		-	2,499
Unpaid preference dividend		30	30
		71,699	324,786
Cash flows generated from / (used in) operations		7,543,632	(804,810)
Payments for:			
Income taxes		(81,778)	(121,519)
Finance costs		(430,886)	(57,247)
Gratuity		(5,282)	(7,312)
Long-term deposits (paid) / refunded		(5)	1,653
Net cash flows generated from / (used in) operational activities		7,025,681	(989,235)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(504,851)	(643,886)
Sale proceeds from disposal of property, plant and equipment		9,200	874,588
Mark-up on saving accounts received		-	8,167
Advance against issuance of units		(109,973)	(1,472,871)
Disposal of investment - GRR		-	1,349,625
Net cash flows (used in) / generated from investing activities		(605,624)	115,623
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid:			
- Ordinary Shares		(2,172,759)	(1,523,442)
Long-term financing - net		(1,048,730)	253,734
Short-term borrowings - net		(1,066,257)	179,604
Net cash used in financing activities		(4,287,746)	(1,090,104)
Net increase / (decrease) in cash and cash equivalents		2,132,311	(1,963,716)

Javedan Corporation Limited
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF
 CASH FLOWS (UNAUDITED)**
 FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Note	For the Half Year Ended	
	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----	
Cash and cash equivalents at beginning of the period	(2,451,908)	112,652
Cash and cash equivalents at end of the period	<u>(319,597)</u>	<u>(1,851,064)</u>
Cash and cash equivalents		
Cash and bank balances	450,895	59,665
Short term running finance	<u>(770,492)</u>	<u>(1,910,729)</u>
	<u>(319,597)</u>	<u>(1,851,064)</u>


The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1. STATUS AND NATURE OF BUSINESS

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

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

1.3 These Condensed interim financial Statements are the separate financial statements of the Company, in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any. As of December 31, 2023, the Company has investments in following subsidiaries:

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

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

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

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the half year ended December 31, 2023 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PREPARATION

3.1 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2023.

3.2 The figures of the condensed interim statement of profit or loss and statement of other comprehensive income for the quarter ended December 31, 2023 and December 31, 2022 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2023 and December 31, 2022.

3.3 These condensed interim financial information have been prepared under 'historical cost convention'.

3.4 These condensed interim financial statements is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand of rupees, otherwise stated.

3.5 New accounting standard / amendments and IFRS interpretation

3.5.1 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these condensed interim financial statements.

3.5.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards, interpretations and amendments	Effective from accounting period beginning on or after:
Amendment to IAS 1 - 'Presentation of Financial Statements' - Classification of	January 01, 2024
Amendment to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently	January 01, 2024
Amendment to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an	Deferred indefinitely
Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of	January 01, 2024

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Standards, interpretations and amendments

Effective from accounting period beginning on or after:

Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an	Deferred indefinitely
Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted	
- IFRS 1 – First Time Adoption of International Financial Reporting Standards	

4. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS

4.1 "During the period, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2023."

4.2 The preparation of these condensed interim financial statements require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies, the key source of estimation and uncertainty were the same as those that applied to the financial statements of the Company for the year ended June 30, 2023.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
Operating fixed assets	5.1	5,662,933	5,670,733
Capital work-in-progress	5.4	3,570,826	3,084,057
		<u>9,233,759</u>	<u>8,754,790</u>
5.1 Operating fixed assets			
Opening Net Book Value		5,670,733	4,949,610
Add: Additions/Revaluation during the period / year	5.2	18,082	4,077,345
Add: Transfer during the period / year		-	526,078
Less: Disposal during the period / year	5.3	(8,358)	(3,845,291)
Less: Depreciation during the period / year		(17,524)	(37,009)
Closing Net Book Value		<u>5,662,933</u>	<u>5,670,733</u>

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

5.2 Additions during the period / year	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
Lease-hold land		-	4,042,936
Buildings on other land		-	5,378
Recreational facilities		-	2,181
Furniture and fixtures		6,390	6,274
Office equipment		5,390	2,262
Medical equipment		-	388
Computer equipment		6,302	3,910
Vehicles		-	14,016
		<u>18,082</u>	<u>4,077,345</u>

5.3 Transfer / Disposals during the period / year - at book value

Vehicles	8,358	-
Free-hold land	-	417,709
Lease-hold land	-	2,175,318
Other land	-	1,252,264
	<u>8,358</u>	<u>3,845,291</u>

5.4 Capital work-in-progress

Opening	3,084,057	1,975,341
Additions during the period / year	486,769	1,108,716
Closing	<u>3,570,826</u>	<u>3,084,057</u>

5.4.1 The details of capital work-in-progress are as under:	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
Gymkhana (club house)		2,505,921	2,212,165
Jama masjid		468,086	388,579
Hospital		596,819	483,313
		<u>3,570,826</u>	<u>3,084,057</u>

6. INVESTMENT PROPERTIES

The last independent valuation was carried out by the management through an independent professional valuer as of June 30, 2023. As of December 31 2023, the management expects no material change in the aforementioned fair value of investment properties and accordingly no adjustment has been incorporated in these condensed interim financial statements.

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

7. LONG-TERM INVESTMENTS	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
Investment in subsidiaries at cost			
- NN Maintenance Company (Private) Limited - subsidiary company	7.1	10,000	10,000
- Sapphire Bay Development Company Limited - subsidiary company	7.2	100,000	100,000
		110,000	110,000
Debt Instruments - designated at fair value through profit or loss			
- Naya Nazimabad Apartment REIT			
Carrying Amount		2,312,870	2,173,750
Appreciation on remeasurement of investment		793,116	139,120
	7.3	3,105,986	2,312,870
- Signature Residency REIT			
Carrying Amount		132,000	-
Appreciation on remeasurement of investment		19,932	-
	7.3	151,932	-
		3,367,918	2,422,870

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

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

7.3 NNAR & SRR is a limited life (indicatively 7 years and 4 Years respectively), within which it will construct and sell the residential and commercial properties on this land. Thereafter, it will be liquidated and the leftover assets will be distributed to the unitholders. In the context of limited life entities, the ownership interests by default meet the financial liability definition of IAS 32, as there is a present obligation of the entity to deliver the cash to the owners upon liquidation and the liquidation is certain to occur and beyond the control of parties to the instrument. Considering this, the management has classified it as debt instrument. Further, since the contractual terms of the instrument do not give rise to, on specified dates, cash flows that are solely payments of principal and interest on the principal amount outstanding, the investment is classified at fair value through profit or loss.

8. ADVANCE AGAINST ISSUANCE OF UNITS

The Company paid advance of Rs. 2.2 billion to Sapphire Bay Islamic Development REIT, a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited (a related party) against issuance of its units. As per agreement, executed on November 18, 2021 (effective date), RUDA offered 2,000 acres of land to 17 consortium parties. The Company, based on this agreement and equity amount holding percentage, plays a lead role in this project.

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

9. DEVELOPMENT PROPERTIES	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
Land			
Opening balance		17,641,300	16,441,918
Add: Transfer from PPE / Additions during the period / year		-	1,199,382
	9.1	17,641,300	17,641,300
Development expenditure incurred			
Opening balance		13,611,543	12,028,016
Add: Incurred during the period / year		362,032	1,583,527
		13,973,575	13,611,543
Borrowing costs related to development properties			
Opening balance		4,705,491	3,388,027
Add: Capitalised during the period / year		878,079	1,317,464
		5,583,570	4,705,491
		37,198,445	35,958,334
Transferred to:			
- property, plant and equipment		(597,080)	(597,080)
- investment properties		(40,291)	(40,291)
- cost of sales to date	19	(14,938,378)	(14,362,775)
- development charges incurred and apportioned to date	19	(6,039,464)	(5,677,947)
		15,583,232	15,280,241

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

10. TRADE DEBTS - secured, considered good	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
Receivable against:			
- sales of plots and bungalows	10.1	1,970,824	9,906,180
- utilities infrastructure charges		285,068	172,391
- development charges incurred:			
- billed	10.2	203,846	191,831
- un-billed	10.3	379,041	426,377
		582,888	618,208
		2,838,779	10,696,779

10.1 This includes:

- Rs. 250 million, receivable from Globe Residency REIT (GRR), a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited, (a related party) on account of sale of land (2023:Rs. 250 Million)
- Rs. 229.625 million, receivable from NN Apartment REIT (NNAR), a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited, (a related party) on account of sale of land (2023:Rs. 2,887Million)
- Rs. 650 million, receivable from Gymkhana Apartment REIT (GAR), a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited, (a related party) on account of sale of land (2023:Rs. 3,727 Million)

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

- Rs. 257.137 million, receivable from Parkview Apartment REIT (PVAR), a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited, (a related party) on account of sale of land (2023:Rs.2,304 Million)
- Rs. 6.471 million, receivable from Meezan Centre REIT, a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited, (a related party) on account of sale of land (2023:Rs. 6.471 Million)
- Rs. 509.520 million, receivable from Arif Habib Corporation limited (a related party) on account of sale of land (2023:Rs. Nil Million)

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

10.3 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.

11. Loans and advances

Loans - secured

Executives
Employees

Advances - unsecured

Suppliers
Contractors
Employees for expenses
Purchase of properties

Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----		
	3,554	5,871
	2,400	1,736
	5,954	7,607
11.1	499,898	489,951
	146,595	194,195
	3,582	1,467
	566,115	139,150
	1,216,190	824,763
	1,222,144	832,370

11.1 Included herein advances to related parties for purchase of concrete, as follows:

- Safemix Concrete Limited

Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----		
	29,812	83,469
	29,812	83,469

12. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Deposits

- Security deposit with Sindh Building Control Authority
- Others
- Guarantee margin
- Contractors

Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----		
	3,345	3,345
	14,723	14,723
	225	225
	2,680	2,680

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
Provision for impairment		(2,905)	(2,905)
		18,068	18,068
Prepayments			
Prepaid rent, insurance and expenses		16,189	5,579
Other receivables - Considered good			
Sales tax refundable		4,703	4,703
Excise duty refundable		574	574
Receivable from related parties - considered good	12.1	845,320	636,538
Others		28,078	19,876
		878,674	661,691
Provision for impairment		(289,188)	(288,614)
		623,744	396,724
12.1	Included herein receivables from related parties, as follows:		
	- NN Maintenance Company (Private) Limited - subsidiary company	566,634	477,847
	- International Builders and Developers (Private) Limited - associate	307	280
	- Rahat Residency REIT	19,837	14,745
	- Haji Abdul Ghani	369	369
	- Naya Nazimabad apartment REIT	88,413	49,153
	- Gymkhana apartment REIT	39,937	6,023
	- Parkview apartment REIT	9,136	5,910
	- Meezan Centre apartment REIT	6,407	3,263
	- Globe Residency REIT	16,229	18,150
	- Sapphire Bay Development Company Limited	1,551	2,299
	- Arif Habib Engineering and development consultants (Pvt) Limited	96,500	58,500
		845,320	636,538
13. SHORT-TERM INVESTMENTS			
At amortized cost			
Term deposit receipts (TDRs)	13.1	13,000	13,000
Designated at fair value through profit or loss			
Equity instruments	13.2	123,280	126,316
Debt securities at fair value through profit or loss			
Investment in Unquoted TFCs of:			
- Term Finance Certificate of Commercial Bank I		844,475	844,730
- Term Finance Certificate of Commercial Bank II		725,850	729,675
		1,706,605	1,713,721
13.1	This carries mark-up at 7.4 to 9% (2023: 7.4% to 9%) having maturity upto one year i.e. latest by April 05, 2024.		
13.2	As of December 31, 2023, the details of equity instruments designated at FVTPL held by the Company is as follows:		

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Company Name	Number of shares		Fair value	
	2023	2023	2023	2023
			----- (Rupees in '000) -----	
Globe Residency REIT (GRR)	9,200,000	9,200,000	123,280	126,316
	9,200,000	9,200,000	123,280	126,316

	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	

The movement of equity instruments is as follows:

Balance as at July 01		126,316	-
Cost of investments made		-	101,200
Unrealized (loss) / gain for the period		(3,036)	25,116
Balance as at December 31		123,280	126,316

14. LONG-TERM FINANCINGS

Term finance loan II		-	375,200
Term finance loan III		2,038,302	2,292,061
Term finance loan IV		1,000,000	1,000,000
Sukuk certificates		1,493,552	1,742,333
Diminishing musharakah I		482,143	535,714
Diminishing musharakah II		746,912	810,530
Diminishing musharakah III		928,571	1,000,000
Islamic refinance facility		320,038	289,064
Term finance loan IV		900,000	900,000
		7,909,518	8,944,902
Current maturity of long-term financings		(2,526,611)	(2,319,667)
	14.1	5,382,907	6,625,235

14.1 There are no major changes in the terms and conditions of long-term financings as disclosed in note 22 to the annual audited financial statements of the Company for the year ended June 30, 2023,

15. TRADE AND OTHER PAYABLES

	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
		----- (Rupees in '000) -----	
Creditors		71,748	125,669
Accrued liabilities		160,741	98,694
Retention money		201,265	206,295
Withholding tax payable		18,238	33,685
Other payables:			
- on cancellation of plots		8,917	8,917
- against other projects	15.1	1,856,595	1,746,626
- against musharaka partners		206,134	-
- against broker market		69,440	67,400
- non-violation charges		81,280	88,669
- Signature Residency REIT		67,830	147,467
		2,742,187	2,523,422

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

- 15.1** This includes the amount of Rs. 1,856 million submitted by other consortium members to the Company for payment to Sapphire Bay Islamic Development REIT (refer note 8).

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
16. SHORT-TERM BORROWINGS - Secured		
Musharakah arrangement	300,000	300,000
Running finance under mark-up arrangements	50,327	1,400,155
Running finance under mark-up arrangements	720,165	1,134,067
From related parties - unsecured		
Sapphire Bay Development Company Limited (SBDCL)	180,517	180,524
Arif Habib Corporation Limited (AHCL)	-	614,250
Arif Habib Limited (AHL)	-	352,000
Arif Habib (AH)	-	100,000
	<u>1,251,009</u>	<u>4,080,996</u>

- 16.1** The terms and conditions of short term borrowings are same as disclosed in note 29 to the annual audited financial statements of the Company for the year ended June 30, 2023.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 Existing business - 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.

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

- 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 2023 has been accounted for in these financial statements having an aggregate impact of Rs.155.244 million (2022: Rs. 155.244 million).

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

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.

17.1.2 Other contingencies and commitments

There are no major changes in the status and nature of other contingencies (i.e. related to legal/other contingencies relating to existing business and former business) and commitments as disclosed in notes 30.1.1(b), 30.1.2 and 30.2, respectively to the annual audited financial statements of the Company for the year ended June 30, 2023.

	Note	Half year ended		Quarter Ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
18. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		----- (Un-audited) ----- ----- (Rupees in '000) -----			
Plots	18.1	1,142,259	7,870,835	802,713	1,367,287
Bungalows		-	238,721	-	216,209
		<u>1,142,259</u>	<u>8,109,556</u>	<u>802,713</u>	<u>1,583,496</u>
Development and utility charges reimbursable from customers		587,398	236,712	312,552	124,779
Trade discount		-	-	-	-
Cancellation / forfeitures		(34,179)	(20,631)	(34,179)	(20,631)
		<u>(34,179)</u>	<u>(20,631)</u>	<u>(34,179)</u>	<u>(20,631)</u>
		<u>1,695,478</u>	<u>8,325,637</u>	<u>1,081,086</u>	<u>1,687,644</u>

18.1 This includes sale of 53 plots amounting to Rs. 646 million to Arif Habib Corporation Limited (related party).

19. COST OF SALES

Cost of development properties sold:					
- plots		575,602	3,118,838	268,892	1,028,720
- bungalows		-	11,183	-	8,377
		<u>575,602</u>	<u>3,130,021</u>	<u>268,892</u>	<u>1,037,097</u>
Development and utility charges incurred and apportioned to customers		361,517	236,712	86,671	124,779
		<u>937,119</u>	<u>3,366,733</u>	<u>355,563</u>	<u>1,161,876</u>

20. FINANCE COST

Included herein mark-up on long-term financings and short-term borrowings of Rs. 157.824 million and Rs. 199.115 million (December 31, 2022: Rs. 78.326 million and Rs. 98.138 million) respectively.

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

21. OTHER INCOME	Half year ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
Income from financial assets				
Remeasurement (loss)/gain on investment designated at FVTPL	805,932	-	(129,279)	-
Dividend Income	27,600	-	27,600	-
	<u>833,532</u>	<u>-</u>	<u>(101,679)</u>	<u>-</u>
Income from non-financial assets				
Transfer Fees	26,915	47,385	13,750	17,165
Rental income from sport facilities	23,181	8,515	12,935	5,747
Rental income from investment properties	10,213	13,541	7,062	8,161
Amortisation of deferred grant	12,491	12,475	6,431	6,186
Others	21,646	6,783	23,198	8,827
	<u>927,978</u>	<u>88,699</u>	<u>(38,303)</u>	<u>46,086</u>

22. TAXATION	Half year ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
Current	118,248	114,801	89,058	63,758
Prior	(108,007)	(28,365)	(108,007)	(28,365)
Deferred	305,638	-	(24,397)	-
	<u>315,879</u>	<u>86,436</u>	<u>(43,346)</u>	<u>35,393</u>

23. EARNINGS PER SHARE	Half year ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
Basic				
Profit after tax (Rupees in '000)	765,785	4,068,013	476,712	43,923
Weighted average number of ordinary shares	<u>380,860,447</u>	<u>380,860,447</u>	<u>380,860,447</u>	<u>380,860,447</u>
Earnings per share - (In Rupees)	<u>2.01</u>	<u>10.68</u>	<u>1.25</u>	<u>0.12</u>
Diluted				
Profit after tax (Rupees in '000)	765,785	4,068,013	476,712	43,923
Weighted average number of ordinary shares in issue	<u>380,860,447</u>	<u>380,860,447</u>	<u>380,860,447</u>	<u>380,860,447</u>
Adjustment for conversion of convertible preference shares	16,478	12,366	16,478	12,366
Weighted average number of ordinary shares for diluted earnings per share	<u>380,876,925</u>	<u>380,872,813</u>	<u>380,876,925</u>	<u>380,872,813</u>
Earnings per share - (In Rupees)	<u>2.01</u>	<u>10.68</u>	<u>1.25</u>	<u>0.12</u>

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

24. TRANSACTIONS WITH RELATED PARTIES

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

	(Unaudited) December 31, 2023	(Unaudited) December 31, 2022
	----- (Rupees in '000) -----	
<u>Subsidiary Companies</u>		
NN Maintenance Company (Private) Ltd [NNMC]		
Expenses incurred on behalf of NNMC by the Company	212,388	167,314
Amount paid by NNMC to the Company	126,000	65,000
Expenses incurred by NNMC on behalf of the Company	2,463	3,448
Sapphire Bay Development Company Limited [SBDCL]		
Short term borrowing from SBDCL	-	179,604
Markup income on advance against issuance of Shares	11,052	-
Markup income received on advance against issuance of Shares	35,000	-
Markup expense on loan received from SBDCL	22,314	-
<u>Associated Companies</u>		
NN Apartment REIT [NNAR]		
Receipts against sale of land	2,657,500	-
Paid short term advance	3,037,035	-
Received short term advance	3,037,035	-
Markup income on short-term-advance extended during the period	21,377	-
Expenses incurred on behalf of NNAR by the Company	39,260	-
Sale of plots	-	5,824,500
Signature Residency REIT [SRR]		
Receipts against sale of land	487,600	-
Issuance of units	132,000	-
Expenses incurred on behalf of SRR by the Company	1,554	-
Paid against collection received	78,263	-
Gymkhana Apartment REIT [GAR]		
Receipts against sale of land	3,087,000	-
Paid short term advance	1,996,379	-
Received short term advance	1,996,379	-
Markup income on short-term-advance extended during the period	8,004	-
Expenses incurred on behalf of GAR by the Company	33,714	-
Parkview Apartment REIT [PVAR]		
Receipts against sale of land	2,047,763	-
Expenses incurred on behalf of PVAR by the Company	3,026	-
Meezan Centre REIT [MCR]		
Expenses incurred on behalf of MCR by the Company	2,944	-

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
Globe Residency REIT		
Receipts against sale of land	-	450,000
Advances received against sale of apartments / Sale of wastage steel	9,241	-
Expenses incurred on behalf of GRR by the Company - Net	7,320	-
Arif Habib Corporation Limited		
Short-term borrowing obtained during the period	3,810,000	-
Short-term borrowing paid during the period	4,424,250	-
Markup capitalize on short term-borrowing	63,325	-
Markup paid during the period	91,943	-
Sale of plots	646,000	-
Receipt against sale of plots	129,200	-
Development charges billed	36,400	-
Development charges received	7,360	-
Arif Habib Equity (Pvt) Limited		
Sale of plots	-	605,156
Advance adjusted against sale of plots	-	402,093
Received against purchase of commercial site	-	203,063
Development charges billed	-	6,600
Development charges received	-	6,600
Arif Habib Limited		
Short-term borrowing extended during the period	-	750,000
Markup income on short-term-borrowing extended during the period	-	93,492
Markup income received on short-term-borrowing extended during the period	-	93,492
Markup expense paid on short term-borrowing obtained during the period	-	7,559
Short-term borrowing obtained during the period	640,000	-
Short-term borrowing paid during the period	992,000	-
Markup capitalize on short term-borrowing	36,665	-
Markup paid during the period	38,737	-
Rotocast Engineering Company (Private) Limited		
Services received during the period	838	708
Paid against services received	696	712
Other services	520	-
Rent paid during the period	1,893	664
Rent expense charged during the period	946	664
Power Cement Limited		
Purchase of construction material	12,046	48,453
Paid against the purchase of construction material	7,546	25,877
Safe Mix Concrete Limited		
Purchase of construction material	26,255	20,927
Paid against the purchase of construction material	32,113	24,707
International Builders and Developers (Private) Limited		
Expenses incurred by the Company on behalf of International Builders and Developers (Private) Limited	27	77

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	----- (Rupees in '000) -----	
<u>Associated persons</u>		
Haji Abdul Ghani		
Sale of plots	-	214,133
Advance adjusted against sale of plots	-	98,592
Development charges billed	-	1,800
Development charges received	-	1,800
<u>Key management personnel</u>		
Arif Habib - Director		
Sale of plots	-	558,087
Advance adjusted against sale of plots	-	75,317
Received against purchase of commercial site	-	482,770
Development charges billed	-	1,200
Development charges received	-	1,200
Short-term loans received during the period	850,000	1,100,000
Short-term loans paid during the period	950,000	1,100,000
Markup capitalize on short term-borrowing	16,315	1,391
Markup paid during the period	72,728	-
<u>Post employment benefit plan</u>		
Gratuity fund trust - contribution paid during the period	5,282	7,312
25. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,081,664	4,154,448
Adjustments for non-cash items:		
Depreciation	17,524	17,101
Amortization	575	575
Gain on disposal of vehicle	(842)	-
Loss on equity instruments	3,036	(2,144)
Loss on debt securities	4,080	-
Gain on debt instruments	(813,048)	-
Provision for gratuity	12,730	9,867
Provision for excise duty	574	-
Finance costs	359,999	171,512
Sale to SRR for non-cash consideration	(132,000)	-
Sale to NN Apartment REIT for non-cash consideration	-	(2,887,125)
	534,292	1,464,235
26. INFORMATION ABOUT OPERATING SEGMENTS		

For management purposes, the activities of the Company are organized into one operating segment i.e. development of real estate. Accordingly, the figures reported in these condensed interim 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.

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

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

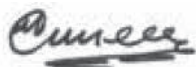
27 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 26th February 2024 by the Board of Directors of the Company.

28 GENERAL

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

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



Chief Financial Officer



Chief Executive Officer



Director



**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

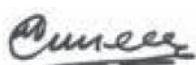
Javedan Corporation Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT DECEMBER 31, 2023

	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	9,235,393	8,756,588
Intangible assets		1,438	2,013
Investment properties	6	553,126	553,126
Long-term deposits		11,724	11,719
Long-term investments	7	3,257,918	2,312,870
Advance against issuance of units	8	2,245,670	2,135,697
Deferred tax assets - net		68,285	52,847
		15,373,554	13,824,860
CURRENT ASSETS			
Development properties	9	15,583,231	15,280,240
Trade debts	10	2,987,539	10,814,366
Loans and advances	11	1,611,427	847,072
Trade deposits, prepayments and other receivables	12	1,405,802	1,105,846
Short-term investments	13	1,706,605	1,713,721
Unclaimed deposit		782	782
Cash and bank balances		491,233	124,116
		23,786,620	29,886,143
		39,160,174	43,711,003
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised			
390,000,000 (June 30, 2023: 390,000,000) ordinary shares of Rs. 10/- each		3,900,000	3,900,000
Issued, subscribed and paid-up capital		3,808,604	3,808,604
Capital reserves		2,758,293	2,758,293
Revenue reserves		9,099,186	10,594,568
Other component of equity - revaluation surplus on lands		8,782,464	8,817,355
		24,448,547	25,978,820
NON-CURRENT LIABILITIES			
Long-term financings	14	5,382,907	6,625,235
Deferred grant		79,353	42,119
Deferred tax liability		305,638	-
Deferred liability - gratuity		90,824	83,380
		5,858,723	6,750,734
CURRENT LIABILITIES			
Trade and other payables	15	4,227,779	3,458,357
Preference shares		505	505
Accrued mark-up		331,929	448,334
Contract liabilities		450,012	634,239
Short-term borrowings	16	1,070,492	3,900,472
Current maturity of non-current liabilities		2,542,137	2,348,539
Taxation - net		110,770	184,156
Unpaid preference dividend		333	303
Unclaimed dividend		118,948	6,544
		8,852,904	10,981,449
TOTAL EQUITY AND LIABILITIES		39,160,174	43,711,003
CONTINGENCIES AND COMMITMENTS			
	17		

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

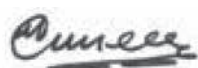
Javedan Corporation Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Note	For the Half Year Ended		For the Quarter Ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----					
Revenue from contracts with customers - net	18	1,815,900	2,582,942	1,144,399	(4,095,151)
Cost of sales	19	(1,058,013)	(1,825,552)	(417,165)	433,001
Gross profit		<u>757,886</u>	<u>757,390</u>	<u>727,233</u>	<u>(3,662,151)</u>
Marketing and selling expenses		(30,956)	(31,169)	(15,451)	(25,034)
Flyover cost		(181,309)	(443,775)	(146,335)	(218,410)
Administrative expenses		(318,611)	(390,008)	(183,427)	(214,356)
Finance costs	21	(359,721)	(258,020)	(163,462)	(184,325)
Finance income		260,381	8,167	229,279	4,125
Other income	22	929,163	235,193	(37,118)	122,807
Profit / (Loss) before taxation		<u>1,056,833</u>	<u>(122,222)</u>	<u>410,719</u>	<u>(4,177,344)</u>
Taxation	23	(301,943)	(59,451)	57,282	(14,122)
Profit / (Loss) for the period		<u>754,890</u>	<u>(181,673)</u>	<u>468,000</u>	<u>(4,191,466)</u>
Profit from discontinued operation after taxation		-	289,314	-	149,611
Gain on disposal of subsidiary		-	772,633	-	772,633
		-	1,061,947	-	922,244
Net Income		<u>754,890</u>	<u>880,274</u>	<u>468,000</u>	<u>(3,269,222)</u>
		2023	2022	2023	2022
Earnings / (Loss) per share		----- Rupees -----		----- Rupees -----	
from continuing operation	24	1.98	(0.48)	1.23	(11.01)
from discontinued operation		-	2.79	-	2.42
Total basic earning / (loss) per share		<u>1.98</u>	<u>2.31</u>	<u>1.23</u>	<u>(8.58)</u>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

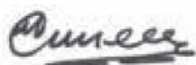
Javedan Corporation Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

Note	For the Half Year Ended		For the Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----			
Profit / (Loss) for the period	754,890	(181,673)	468,000	(4,191,466)
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income / (Loss) for the period - net of tax	754,890	(181,673)	468,000	(4,191,466)

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Javedan Corporation Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

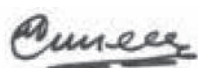
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Other component of equity	Total Equity
	Share premium	Tax holiday reserve	General	Unappropri- ated profits	Revaluation surplus on lands	

----- (Rupees in '000) -----

Balance as at July 01, 2022 (Audited)	3,808,604	2,746,327	11,966	63,500	4,330,313	8,394,190	19,354,900
Interim dividend @ 40 percent on ordinary shares for the year ended June 30, 2020	-	-	-	-	(1,523,442)	-	(1,523,442)
Profit for the period	-	-	-	-	754,890	-	754,890
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period, net of tax	-	-	-	-	754,890	-	754,890
Revaluation surplus on freehold land realised on account of sale of development properties	-	-	-	-	903,632	(903,632)	-
Balance as at December 31, 2022 (Unaudited)	3,808,604	2,746,327	11,966	63,500	4,465,393	7,490,558	18,586,348
Balance as at July 01, 2023 (Audited)	3,808,604	2,746,327	11,966	63,500	10,531,068	8,817,355	25,978,820
Final dividend @ 60 percent on ordinary shares for the year ended June 30, 2023	-	-	-	-	(2,285,163)	-	(2,285,163)
Profit for the period	-	-	-	-	754,890	-	754,890
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period, net of tax	-	-	-	-	754,890	-	754,890
Revaluation surplus on freehold land realised on account of sale of development properties	-	-	-	-	34,891	(34,891)	-
Balance as at December 31, 2023 (Unaudited)	3,808,604	2,746,327	11,966	63,500	9,035,686	8,782,464	24,448,547

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Javedan Corporation Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

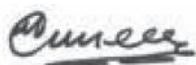
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Note	For the Half Year Ended	
	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation - continuing operations	1,056,833	(122,222)
Profit before taxation - discontinuing operations net of income tax	-	1,061,947
Adjustments for non-cash items:		
Depreciation	17,864	20,658
Amortization	575	575
Provision for gratuity	13,684	9,867
Provision for excise duty	574	-
Gain on disposal vehicle	(842)	-
Finance costs	359,721	179,693
Loss on equity instruments	3,036	-
Loss on debt securities	4,080	-
Gain on debt instruments	(813,048)	-
Sale to SRR for non-cash consideration	(132,000)	-
Mark-up on saving accounts	-	(8,167)
Operating profit before working capital changes	510,477	1,142,351
Change in current assets		
Development properties	(302,991)	1,366,109
Trade debts	7,826,827	(613,303)
Loans and advances	(764,355)	(739,750)
Contract cost assets	-	28,316
Contract assets	-	916,202
Trade deposits and other receivables	(299,956)	(563,430)
Short-term investments	7,116	(37,117)
	6,466,641	357,027
Change in current liabilities		
Trade and other payables	769,422	939,219
Deferred grant	37,234	52,397
Contract liabilities	(184,227)	(592,911)
Advance against sale of investment properties	-	2,496
Unpaid preference dividend	30	30
	622,459	401,231
Cash flows generated from operations	7,599,577	1,900,609
Payments for:		
Income taxes	(69,691)	(138,364)
Finance costs	(499,256)	(694,759)
Gratuity	(6,240)	(7,312)
Long-term deposits (paid) / refunded	(5)	1,653
Net cash flows generated from operational activities	7,024,385	1,061,828

Javedan Corporation Limited
CONDENSED INTERIM CONSOLIDATED STATEMENT
OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Note	For the Half Year Ended	
	December 31, 2023	December 31, 2022
----- (Rupees in '000) -----		
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(505,026)	(682,251)
Disposal of property, plant and equipment	9,200	600
Sale proceeds from disposal of property, plant and equipment	-	874,588
Advance against issuance of units	(109,973)	(1,472,871)
Mark-up on saving accounts received	-	8,167
Net cash flows used in investing activities	(605,799)	(1,271,767)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid:		
- ordinary shares	(2,172,758)	(1,523,442)
Long-term financing - net	(1,048,730)	(1,146,267)
Short-term borrowings - net	(2,829,980)	377,565
Net cash used in financing activities	(6,051,469)	(2,292,144)
Net increase / (decrease) in cash and cash equivalents	367,117	(2,502,083)
Cash and cash equivalents at beginning of the period	124,116	2,767,443
Cash and cash equivalents at end of the period	491,233	265,360

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1. STATUS AND NATURE OF BUSINESS

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

1.2 Holding Company

Javedan Corporation Limited (the holding company)

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

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

1.4 Subsidiary Companies

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 Company Limited (the Subsidiary Company)

The Subsidiary Company was incorporated on August 25, 2021 as a Public Unlited 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.

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

Location

Registered office

Naya Nazimabad Project

Address

Arif Habib Centre, 23, M.T Khan Road, Karachi

Naya Nazimabad, Deh, Manghopir road, Gadap town, Scheme #43, Karachi

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Location	Address
Naya Nazimabad Sales Center	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 - (SBDCL) Subsidiary Company	Arif Habib Centre, 23, M.T Khan Road, Karachi.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the half year ended December 31, 2023 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF PREPARATION

- 3.1** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2023.
- 3.2** The figures of the condensed interim statement of profit or loss and statement of other comprehensive income for the quarter ended December 31, 2023 and December 31, 2022 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2023 and December 31, 2022.
- 3.3** The preparation of these condensed interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the annual financial statements of the Company as at and for the year ended June 30, 2023. The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2023.
- 3.4** These condensed interim financial statements is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand of rupees, otherwise stated.

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2023, except for the adoption of the new/amended standards, interpretations and improvements to accounting standards, which became effective for the current period.

The adoption of above standards, interpretations and improvement to standards did not have any material effect or either not relevant or did not have any material effect on the condensed interim financial information.

4.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

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

	Effective from accounting period beginning on or after
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2022
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
- IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
- IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2023
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition	January 01, 2023
- Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023
- Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2023
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

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

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	January 01, 2023
IFRS 17 – Insurance Contracts	January 01, 2023

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2023.

	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	5,664,567	5,672,531
Capital work-in-progress	5.4	3,570,826	3,084,057
		<u>9,235,393</u>	<u>8,756,588</u>
5.1 Operating fixed assets			
Opening Net Book Value		5,672,531	4,951,834
Add: Additions/Revaluation during the period / year	5.2	18,258	4,078,165
Add: Transfer during the period / year		-	526,078
Less: Disposal during the period / year	5.3	(5,802)	(3,845,894)
Less: Depreciation during the period / year		(17,864)	(37,652)
Closing Net Book Value		<u>5,667,123</u>	<u>5,672,531</u>
5.2 Additions during the period / year			
Lease-hold land		-	4,042,936
Buildings on other land		-	5,378
Recreational facilities		-	2,181
Furniture and fixtures		7,466	6,418
Office equipment		4,490	2,551
Medical equipment		-	388
Computer equipment		6,302	3,910
Vehicles		-	14,403
		<u>18,258</u>	<u>4,078,165</u>
5.3 Transfer / Disposals during the period / year - at book value			
Vehicles		8,385	-
Free-hold land		-	417,709
Lease-hold land		-	2,175,318
Other land		-	1,252,264
Office equipment		-	603
		<u>8,385</u>	<u>3,845,894</u>

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
5.4 Capital work-in-progress			
Opening		3,084,057	1,975,341
Additions during the period / year		486,769	1,108,716
Closing		<u>3,570,826</u>	<u>3,084,057</u>
5.4.1 The details of capital work-in-progress are as under:			
Gymkhana (club house)		2,505,921	2,212,165
Jama masjid		468,086	388,579
Hospital		596,819	483,313
		<u>3,570,826</u>	<u>3,084,057</u>

6. INVESTMENT PROPERTIES

The last independent valuation was carried out by the management through an independent professional valuer as of June 30, 2023. As of December 31 2023, the management expects no material change in the aforementioned fair value of investment properties and accordingly no adjustment has been incorporated in these condensed interim financial statements.

	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
7. LONG-TERM INVESTMENTS			
Debt Instruments - designated at fair value through profit or loss			
- Naya Nazimabad Apartment REIT			
Carrying Amount		2,312,870	2,173,750
Appreciation on remeasurement of investment		793,116	139,120
	7.1	<u>3,105,986</u>	<u>2,312,870</u>
- Signature Residency REIT			
Carrying Amount		132,000	-
Appreciation on remeasurement of investment		19,932	-
	7.1	<u>151,932</u>	<u>-</u>
		<u>3,257,918</u>	<u>2,312,870</u>

7.1 NNAR & SRR is a limited life (indicatively 7 years and 4 Years respectively), within which it will construct and sell the residential and commercial properties on this land. Thereafter, it will be liquidated and the leftover assets will be distributed to the unitholders. In the context of limited life entities, the ownership interests by default meet the financial liability definition of IAS 32, as there is a present obligation of the entity to deliver the cash to the owners upon liquidation and the liquidation is certain to occur and beyond the control of parties to the instrument. Considering this, the management has classified it as debt instrument. Further, since the contractual terms of the instrument do not give rise to, on specified dates, cash flows that are solely payments of principal and interest on the principal amount outstanding, the investment is classified at fair value through profit or loss.

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

8. ADVANCE AGAINST ISSUANCE OF UNITS

The Company paid advance of Rs. 2.2 billion to Sapphire Bay Islamic Development REIT, a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited (a related party) against issuance of its units. As per agreement, executed on November 18, 2021 (effective date), RUDA offered 2,000 acres of land to 17 consortium parties. The Company, based on this agreement and equity amount holding percentage, plays a lead role in this project.

9. DEVELOPMENT PROPERTIES

Land

Opening balance
Add: Transfer from PPE / Additions during the period / year

(Unaudited)
December 31,
2023

(Audited)
June 30,
2023

----- (Rupees in '000) -----

Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	17,641,300	16,441,918
	-	1,199,382
9.1	17,641,300	17,641,300

Development expenditure incurred

Opening balance
Add: Incurred during the period / year

14,666,564	13,083,037
362,032	1,583,527
15,028,596	14,666,564

Borrowing costs related to development properties

Opening balance
Add: Capitalised during the period / year

4,705,491	3,388,027
878,079	1,317,464
5,583,570	4,705,491
38,253,466	37,013,355

Transferred to:

- property, plant and equipment
- investment properties
- cost of sales to date
- development charges incurred and apportioned to date
- disposal of assets

	(597,080)	(597,080)
	(40,291)	(40,291)
19	(14,938,378)	(14,362,775)
19	(6,039,464)	(5,677,947)
	(1,055,022)	(1,055,022)
	15,583,231	15,280,240

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

10. TRADE DEBTS - secured, considered good

Receivable against:

- sales of plots and bungalows
- utilities infrastructure charges
- maintenance services
- development charges incurred:
- billed
- un-billed

(Unaudited)
December 31,
2023

(Audited)
June 30,
2023

----- (Rupees in '000) -----

Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
10.1	1,970,824	9,906,180
	285,068	172,391
	148,760	117,587
10.2	203,846	191,831
10.3	379,041	426,377
	582,888	618,208
	2,987,539	10,814,366

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

10.1 This includes:

- Rs. 250 million, receivable from Globe Residency REIT (GRR), a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited, (a related party) on account of sale of land (2023: Rs. 250 Million)
- Rs. 229.50 million, receivable from NN Apartment REIT (NNAR), a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited, (a related party) on account of sale of land (2023: Rs. 2,887 Million)
- Rs. 650 million, receivable from Gymkhana Apartment REIT (GAR), a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited, (a related party) on account of sale of land (2023: Rs. 3,727 Million)
- Rs. 257.137 million, receivable from Parkview Apartment REIT (PVAR), a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited, (a related party) on account of sale of land (2023: Rs. 2,304 Million)
- Rs. 509.520 million, receivable from Arif Habib Corporation limited (a related party) on account of sale of land (2023: Rs. Nil Million)

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

10.3 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.

11. Loans and advances	Note	(Unaudited)	(Audited)
		December 31, 2023	June 30, 2023
----- (Rupees in '000) -----			
Loans - secured			
Executives		3,554	5,871
Employees		6,099	4,491
		9,653	10,362
Advances - unsecured			
Suppliers	11.1	510,467	498,133
Contractors		146,595	194,195
Advance to REIT Management Company		375,000	-
Employees for expenses		3,597	5,232
Purchase of properties		566,115	139,150
		1,601,774	836,710
		1,611,427	847,072
11.1. Included herein advances to related parties for purchase of concrete, as follows:			
- Safe Mix Concrete Limited		29,812	83,469
		29,812	83,469

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

12. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	(Unaudited) December 31, 2023	(Audited) June 30, 2023
----- (Rupees in '000) -----			
Deposits			
- Security deposit with Sindh Building Control Authority		3,345	3,345
- Others		14,723	14,723
- Guarantee margin		225	225
- Contractors		2,680	2,680
Provision for impairment		(2,905)	(2,905)
		<u>18,068</u>	<u>18,068</u>
Prepayments			
Prepaid rent, insurance and expenses		19,652	7,871
Other receivables - Considered good			
Sales tax refundable		4,703	4,703
Reimbursable expenses		42,730	37,925
Excise duty refundable		574	574
Receivable from related parties - considered good	12.1	1,297,275	1,021,532
Others		28,078	19,876
		<u>1,373,360</u>	<u>1,084,610</u>
Provision for impairment		(5,277)	(4,703)
		<u>1,405,802</u>	<u>1,105,846</u>
12.1 Included herein receivables from related parties, as follows:			
- International Builders and Developers (Private) Limited - associate		307	280
- Rahat Residency REIT		19,837	14,745
- Haji Abdul Ghani		369	369
- Naya Nazimabad apartment REIT		88,413	49,153
- Gymkhana apartment REIT		39,937	6,023
- Parkview apartment REIT		9,136	5,910
- Meezan Centre apartment REIT		6,407	3,263
- Globe Residency REIT		16,229	18,150
- Sapphire Bay Islamic Development REIT		1,020,139	865,139
- Arif Habib Engineering and development consultants (Pvt) Limited		96,500	58,500
		<u>1,297,275</u>	<u>1,021,532</u>
13. SHORT-TERM INVESTMENTS			
At amortized cost			
Term deposit receipts (TDRs)	13.1	13,000	13,000
Designated at fair value through profit or loss			
Equity instruments	13.2	123,280	126,316
Debt securities at fair value through profit or loss			
Investment in Unquoted TFCs of:			
- Term Finance Certificate of Commercial Bank I		844,475	844,730
- Term Finance Certificate of Commercial Bank II		725,850	729,675
		<u>1,706,605</u>	<u>1,713,721</u>
13.1	This carries mark-up at 7.4 to 9% (2023: 7.4% to 9%) having maturity upto one year i.e. latest by April 05, 2024.		

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

13.2 As of December 31, 2023, the details of equity instruments designated at FVTPL held by the Company is as follows:

Company Name	Number of shares		Fair value	
	2023	2023	2023	2023
----- (Rupees in '000) -----				
Globe Residency REIT (GRR)	9,200,000	9,200,000	123,280	126,316
	9,200,000	9,200,000	123,280	126,316
			(Unaudited)	(Audited)
			December 31,	June 30,
			2023	2023

The movement of equity instruments is as follows:

	----- (Rupees in '000) -----	
Balance as at July 01	126,316	-
Cost of investments made	-	101,200
Unrealized loss / (gain) for the period	(3,036)	25,116
Balance as at December 31	<u>123,280</u>	<u>126,316</u>

14. LONG-TERM FINANCINGS

Term finance loan II		-	375,200
Term finance loan III		2,038,302	2,292,061
Term finance loan IV		1,000,000	1,000,000
Sukuk certificates		1,493,552	1,742,333
Diminishing musharakah I		482,143	535,714
Diminishing musharakah II		746,912	810,530
Diminishing musharakah III		928,571	1,000,000
Islamic refinance facility		320,038	289,064
Term finance loan IV		900,000	900,000
		<u>7,909,518</u>	<u>8,944,902</u>
Current maturity of long-term financings		(2,526,611)	(2,319,667)
	14.1	<u>5,382,907</u>	<u>6,625,235</u>

14.1 There are no major changes in the terms and conditions of long-term financings as disclosed in note 23 to the annual audited consolidated financial statements of the Company for the year ended June 30, 2023,

	(Unaudited)	(Audited)
Note	December 31,	June 30,
	2023	2023
----- (Rupees in '000) -----		

15. TRADE AND OTHER PAYABLES

Creditors		71,748	125,669
Accrued liabilities		178,063	108,104
Retention money		201,265	206,295
Withholding tax payable		27,092	43,708
Book Overdraft		3,500	15,502
Other payables:			
- on cancellation of plots		8,917	8,917
- against other projects	15.1	3,311,460	2,646,625
- against musharaka partners		206,134	-
- against broker market		69,440	67,400
- non-violation charges		82,330	88,669
- Signature Residency REIT		67,830	147,468
		<u>4,227,779</u>	<u>3,458,357</u>

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

15.1 This includes the amount of Rs. 1,856 million submitted by other consortium members to the Holding Company for payment to Sapphire Bay Islamic Development REIT (refer note 8).

Note	(Unaudited)	(Audited)
	December 31, 2023	June 30, 2023
----- (Rupees in '000) -----		
16. SHORT-TERM BORROWINGS - Secured		
Musharakah arrangement	300,000	300,000
Running finance under mark-up arrangements	50,327	1,400,155
Running finance under mark-up arrangements	720,165	1,134,067
From related parties - unsecured		
Arif Habib Corporation Limited (AHCL)	-	614,250
Arif Habib Limited (AHL)	-	352,000
Arif Habib (AH)	-	100,000
	<u>1,070,492</u>	<u>3,900,472</u>

16.1 The terms and conditions of short term borrowings are same as disclosed in note 30 to the annual audited consolidated financial statements of the Company for the year ended June 30, 2023.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 Existing business - Tax related contingencies

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.

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

- 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 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.
- 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 Honorable 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 2023 has been accounted for in these financial statements having an aggregate impact of Rs.155.244 million (2022: Rs. 155.244 million).

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

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.

17.1.2 Other contingencies and commitments

There are no major changes in the status and nature of other contingencies (i.e. related to legal/other contingencies relating to existing business and former business) and commitments as disclosed in notes 31.1.1(b), 31.1.2 and 31.2, respectively to the annual audited financial statements of the Company for the year ended June 30, 2023.

	Half year ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
18. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET	----- (Un-audited) ----- ----- (Rupees in '000) -----			
Plots	1,108,080	2,036,736	768,534	(4,489,323)
Bungalows	-	227,564	-	227,564
Service Income	120,422	81,930	63,313	41,829
	<u>1,228,502</u>	<u>2,346,230</u>	<u>831,847</u>	<u>(4,219,930)</u>
Development and utility charges reimbursable from customers	587,398	236,712	312,552	124,779
Trade discount	-	-	-	-
Cancellation / forfeitures	-	-	-	-
	<u>1,815,900</u>	<u>2,582,942</u>	<u>1,144,399</u>	<u>(4,095,151)</u>
19. COST OF SALES				
Cost of development properties sold:				
- plots	575,602	1,471,256	268,892	(621,667)
- bungalows	-	11,183	-	11,183
	<u>575,602</u>	<u>1,482,438</u>	<u>268,892</u>	<u>(610,485)</u>
Development and utility charges incurred and apportioned to customers	361,517	236,712	86,671	124,779
Cost of services rendered	120,894	106,402	61,602	52,705
	<u>1,058,013</u>	<u>1,825,552</u>	<u>417,165</u>	<u>(433,001)</u>
20. FINANCE COSTS				

Included herein mark-up on long-term financings and short-term borrowings of Rs. 157 million and Rs. 201 million (December 31, 2022: Rs. 78.326 million and Rs. 98.138 million) respectively.

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
21. OTHER INCOME	----- (Un-audited) ----- ----- (Rupees in '000) -----			
Income from financial assets				
Remeasurement (loss)/gain on investment designated at FVTPL	805,932	-	(134,707)	-
Dividend Income	27,600	-	27,600	-
	<u>833,532</u>	<u>-</u>	<u>(107,107)</u>	<u>-</u>
Income from non-financial assets				
Transfer Fees	26,915	47,385	13,750	17,165
Rental income from sport facilities	23,181	8,515	12,935	5,747
Rental income from investment properties	10,213	13,541	7,062	8,161
Amortisation of deferred grant	12,491	12,475	6,431	6,186
Others	22,831	153,277	29,811	85,548
	<u>929,163</u>	<u>235,193</u>	<u>(37,118)</u>	<u>122,807</u>

	Half year ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
22. TAXATION	----- (Un-audited) ----- ----- (Rupees in '000) -----			
Current	119,751	125,940	90,561	80,611
Prior	(108,007)	(28,365)	(108,007)	(28,365)
Deferred	290,200	(38,124)	(39,835)	(38,124)
	<u>301,943</u>	<u>59,451</u>	<u>(57,282)</u>	<u>14,122</u>

	Half year ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
23. EARNINGS PER SHARE				
Basic				
Profit after tax (Rupees in '000)	754,890	(181,673)	468,000	(4,191,466)
Weighted average number of ordinary shares	<u>380,860,447</u>	<u>380,860,447</u>	<u>380,860,447</u>	<u>380,860,447</u>
Earnings / (Loss) per share - (In Rupees)	<u>1.98</u>	<u>(0.48)</u>	<u>1.23</u>	<u>(11.01)</u>
Diluted				
Profit after tax (Rupees in '000)	754,890	(181,673)	468,000	(4,191,466)
Weighted average number of ordinary shares in issue	<u>380,860,447</u>	<u>380,860,447</u>	<u>380,860,447</u>	<u>380,860,447</u>
Adjustment for conversion of convertible preference shares	16,478	12,366	16,478	12,366
Weighted average number of ordinary shares for diluted earnings per share	<u>380,876,925</u>	<u>380,876,513</u>	<u>380,876,925</u>	<u>380,876,513</u>
Earnings / (Loss) per share - (In Rupees)	<u>1.98</u>	<u>(0.48)</u>	<u>1.23</u>	<u>(11.01)</u>

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

24. TRANSACTIONS WITH RELATED PARTIES

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

	(Unaudited) December 31, 2023	(Unaudited) December 31, 2022
<u>Associated Companies</u>	----- (Rupees in '000) -----	
NN Apartment REIT [NNAR]		
Receipts against sale of land	2,657,500	-
Paid short term advance	3,037,035	-
Received short term advance	3,037,035	-
Markup income on short-term-advance extended during the period	21,377	-
Expenses incurred on behalf of NNAR by the Company	393,385	-
Sale of plots	-	5,824,500
Signature Residency REIT [SRR]		
Receipts against sale of land	487,600	-
Issuance of units	132,000	-
Expenses incurred on behalf of SRR by the Company	1,554	-
Paid against collection received	78,263	-
Gymkhana Apartment REIT [GAR]		
Receipts against sale of land	3,087,000	-
Paid short term advance	1,996,379	-
Received short term advance	1,996,379	-
Markup income on short-term-advance extended during the period	8,004	-
Expenses incurred on behalf of GAR by the Company	33,714	-
Parkview Apartment REIT [PVAR]		
Receipts against sale of land	2,047,763	-
Expenses incurred on behalf of PVAR by the Company	3,026	-
Meezan Centre REIT [MCR]		
Expenses incurred on behalf of MCR by the Company	2,944	-
Globe Residency REIT		
Receipts against sale of land	-	450,000
Advances received against sale of apartments / Sale of wastage steel	9,241	-
Expenses incurred on behalf of GRR by the Company - Net	7,320	-
Arif Habib Corporation Limited		
Short-term borrowing obtained during the period	3,810,000	-
Short-term borrowing paid during the period	4,424,250	-
Markup capitalize on short term-borrowing	63,325	-
Markup paid during the period	91,943	-
Sale of plots	646,000	-
Receipts against sale of Plots	129,200	-
Development charges billed	36,800	-
Development charges received	7,360	-

Javedan Corporation Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Note	(Unaudited) December 31, 2023	(Unaudited) December 31, 2022
	----- (Rupees in '000) -----	
Arif Habib Equity (Pvt) Limited		
Sale of plots	-	605,156
Advance adjusted against sale of plots	-	402,093
Received against purchase of commercial site	-	203,063
Development charges billed	-	6,600
Development charges received	-	6,600
Arif Habib Limited		
Short-term borrowing extended during the period	-	750,000
Markup income on short-term-borrowing extended during the period	-	93,492
Markup income received on short-term-borrowing extended during the period	-	93,492
Markup expense paid on short term-borrowing obtained during the period	-	7,559
Short-term borrowing obtained during the period	640,000	-
Short-term borrowing paid during the period	992,000	-
Markup capitalize on short term-borrowing	36,665	-
Markup paid during the period	38,737	-
Rotocast Engineering Company (Private) Limited		
Services received during the period	838	708
Paid against services received	696	712
Other services	520	-
Rent paid during the period	1,893	664
Rent expense charged during the period	946	664
Power Cement Limited		
Purchase of construction material	12,046	48,453
Paid against the purchase of construction material	7,546	25,877
Safe Mix Concrete Limited		
Purchase of construction material	26,255	20,927
Paid against the purchase of construction material	32,113	24,707
International Builders and Developers (Private) Limited		
Expenses incurred by the Company on behalf of International Builders and Developers (Private) Limited	27	77
Associated persons		
Haji Abdul Ghani		
Sale of plots	-	214,133
Advance adjusted against sale of plots	-	98,592
Development charges billed	-	1,800
Development charges received	-	1,800

Javedan Corporation Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Note	(Unaudited)	(Unaudited)
	December 31, 2023	December 31, 2022
Key management personnel		
Arif Habib - Director		
	-	558,087
Sale of plots	-	75,317
Advance adjusted against sale of plots	-	482,770
Received against purchase of commercial site	-	1,200
Development charges billed	-	1,200
Development charges received	850,000	1,100,000
Short-term loans received during the period	950,000	1,100,000
Short-term loans paid during the period	16,315	1,391
Markup capitalize on short term-borrowing	72,728	-
Markup paid during the period		
Post employment benefit plan		
Gratuity fund trust - contribution paid during the period	6,240	17,804

25. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Company are organized into one operating segment i.e. development of real estate. Accordingly, the figures reported in these condensed interim financial statements are related to the Company's only reportable segment.

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

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

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

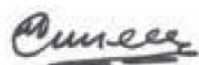
26. DATE OF AUTHORISATION FOR ISSUE

These condensed interim Consolidated financial statements were authorised for issue on 26th February 2024 by the Board of Directors of the Company.

27. GENERAL

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

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



Chief Financial Officer



Chief Executive Officer



Director

REGISTERED OFFICE

Arif Habib Center 23, M T Khan Road
Karachi – 74000 PAKISTAN

SITE OFFICE:

Naya Nazimabad Manghopir Road,
Karachi – 75890



Call Us:

UAN: 111-511-611

Tel: +92 21 36770141-42



Email Us:

Email: info@jcl.com.pk

Website: www.jcl.com.pk