



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Punjab Land Development Company Limited (the Company) as at 30 June 2015, the related profit and loss account, cash flow statement, and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement, and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the loss, cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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Engagement Partner: Naseem Akbar

Lahore: 26 November 2015

PUNJAB LAND DEVELOPMENT COMPANY LIMITED
BALANCE SHEET
AS AT 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
Non-current assets			
Property and equipment	4	7,258,623	8,835,404
Intangible assets	5	175,250	219,062
		<u>7,433,873</u>	<u>9,054,466</u>
Current Assets			
Development properties	6	4,300,864,982	4,089,314,808
Trade debts		194,020	831,520
Advances	7	5,713,968	25,589,975
Trade deposits and short term prepayments	8	204,513	123,950
Tax refunds due from Government		14,769,645	11,107,357
Cash and bank balances	9	382,951,909	573,955,484
		<u>4,704,699,037</u>	<u>4,700,923,094</u>
TOTAL ASSETS		<u>4,712,132,910</u>	<u>4,709,977,560</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital: 1,000 (2014: 1,000) ordinary shares of Rs. 100 each		<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid up capital	10	100,000	100,000
Accumulated profit		<u>7,625,802</u>	<u>35,806,399</u>
		<u>7,725,802</u>	<u>35,906,399</u>
Share deposit money	11	249,800,000	249,800,000
Non-current liabilities			
Long term loans	12	924,068,250	3,159,561,097
Advances	13	895,846,016	873,335,687
Retention money		62,974,448	68,904,455
		<u>1,882,888,714</u>	<u>4,101,801,239</u>
Current liabilities			
Current portion of long term loans	12	2,558,469,514	271,666,667
Trade, accrued and other payables	14	9,237,006	48,700,486
Accrued mark-up		4,011,874	2,102,769
		<u>2,571,718,394</u>	<u>322,469,922</u>
CONTINGENCIES AND COMMITMENTS	15	-	-
TOTAL EQUITY AND LIABILITIES		<u>4,712,132,910</u>	<u>4,709,977,560</u>

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

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PUNJAB LAND DEVELOPMENT COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
Revenue	16	9,310,000	50,745,875
Development cost recognized	17	18,285,371	66,093,603
Gross loss		<u>(8,975,371)</u>	<u>(15,347,728)</u>
Marketing expenses	18	65,533,238	7,230,621
General and administrative expenses	19	21,190,233	29,285,096
Other operating expenses	20	24,427,338	-
		111,150,809	36,515,717
Other income	21	93,854,688	48,457,684
Operating loss		<u>(26,271,492)</u>	<u>(3,405,761)</u>
Finance cost		1,909,105	4,449
Loss before tax		<u>(28,180,597)</u>	<u>(3,410,210)</u>
Taxation	22	-	10,295
Loss after tax for the year		<u><u>(28,180,597)</u></u>	<u><u>(3,399,915)</u></u>

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

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PUNJAB LAND DEVELOPMENT COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(28,180,597)	(3,410,210)
Adjustments for non cash items:			
Depreciation	4	1,686,516	2,121,931
Amortization	5	43,812	54,766
Finance cost		1,909,105	4,449
		3,639,433	2,181,146
(Loss) / Profit before changes in working capital		(24,541,164)	(1,229,064)
Cash flows from working capital changes:			
Decrease / (increase) current assets:			
Development properties		(160,240,174)	(188,509,071)
Trade debts		637,500	21,121,695
Advances		19,876,007	52,051,069
Trade deposits and short term prepayments		(80,563)	61,500
Decrease in trade, accrued and other payables		(37,554,375)	(41,658,097)
		(177,361,605)	(156,932,904)
Cash used in operations		(201,902,769)	(158,161,968)
Income taxes paid		(3,662,288)	(4,808,998)
Finance cost paid		(1,909,105)	(4,449)
Net cash used in operating activities		(207,474,162)	(162,975,415)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(109,735)	-
(Decrease) / Increase in retention money		(5,930,007)	6,354,380
Net cash (used in) / from investing activities		(6,039,742)	6,354,380
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances received		22,510,329	18,840,995
Decrease in cash and cash equivalents		(191,003,575)	(137,780,040)
Cash and cash equivalents at beginning of year		573,955,484	711,735,524
Cash and cash equivalents at end of year		382,951,909	573,955,484

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

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**PUNJAB LAND DEVELOPMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Issued, subscribed and paid up	Accumulated Profit	Total equity
	----- Rupees -----		
Balance as at 01 July 2013	100,000	39,206,314	39,306,314
Loss for the year	-	(3,399,915)	(3,399,915)
Balance as at 30 June 2014	<u>100,000</u>	<u>35,806,399</u>	<u>35,906,399</u>
Loss for the year	-	(28,180,597)	(28,180,597)
Balance as at 30 June 2015	<u><u>100,000</u></u>	<u><u>7,625,802</u></u>	<u><u>7,725,802</u></u>

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

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PUNJAB LAND DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. GENERAL INFORMATION AND NATURE OF OPERATIONS

Punjab Land Development Company Limited (the Company) was incorporated in Pakistan on March 09, 2010 as a public limited company under the Companies Ordinance, 1984. The registered office of the Company is situated at 1-A, Off Club Road, G.O.R. 1, Lahore. The principle activity of the Company is to provide affordable and decent adobe to the people who have desires but do not have the resources to fulfil their basic needs of shelter. The Company is wholly owned by Government of the Punjab (GoPb).

2. STATEMENT OF COMPLIANCE

- 2.1 These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Medium-Sized Entities (MSEs) issued by The Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.
- 2.2 As per SRO 929 (I)/2015, every non listed Medium Size Company (MSC) shall follow International Financial Reporting Standard for Small and Medium Size Entities (IFRS for SME's) issued by International Accounting Standard Board as adopted by the Institute of Chartered Accountant of Pakistan for the preparation of annual financial statements beginning on or after January 01, 2015. The application of revised accounting framework has no significant impact on these financial statements but would results in additional disclosures.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention using accrual basis of accounting.

3.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Residual values and useful lives of property and equipment and intangible assets;
- Present values of payable to GoPb and long term financing from GoPb;
- Recognition of revenue and direct costs;
- Income taxes; and
- Impairment
- Disclosure and assessment of provision for contingencies.

3.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements of the Company are presented in Pakistan Rupee, which is the Company's functional and presentation currency. Figures in the financial statements are rounded off to the nearest Rupee unless otherwise stated.

3.4 Property and equipment

These are stated at cost less accumulated depreciation and impairment in value, if any. Cost of property and equipment consists of historical cost and attributable expenses in bringing the assets to their working condition.

Subsequent costs are included in carrying amount of property and equipment or recognized as a separate item of property and equipment, as appropriate, only when it is probable that future economic benefits associated with that item will flow to the Company and the cost of the item can be measured reliably. Depreciation is charged to income applying the reducing balance method over the estimated useful life of the asset at the rates specified in property and equipment note 4.

Depreciation on additions is charged from the month in which the property and equipment is acquired or capitalized while no depreciation is charged for the month in which it is disposed off.

Minor replacement, maintenance and repairs of property and equipment are charged to income for the period. Major renewals and improvements which prolong the life of property and equipment are capitalized.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the profit or loss for the period.

3.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the assets can be measured reliably. Cost of the intangible asset includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred. Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the reducing balance method. Useful lives of intangible assets are reviewed at each balance sheet date and adjusted if impact of amortization is significant.

3.6 Development properties

Land acquired for sale and properties constructed or in the course of construction for sale are classified as development properties.

The cost of development properties includes the cost of land and other related expenditure including related financing cost which are capitalized as and when activities that are necessary to get the properties ready for sale are in progress.

Net realizable value represents the estimated selling price less costs to be incurred in selling the property.

The property is considered to be completed when all related activities, including the infrastructure, building works and facilities for the entire project, have been completed. At that stage, cost, attributable profit and progress billings are eliminated from development properties.

The Board of Directors reviews the carrying values of the development properties on an annual basis.

3.7 Trade and other receivables

Trade debts and other receivables are recognized at invoice value, which approximates fair value, less provision for doubtful debts.

A provision for doubtful debts is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade debt is impaired. The provision is recognized in the profit or loss. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit or loss.

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3.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise bank balances and other short term highly liquid investments, if any, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.9 Borrowing costs

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on an accrual basis and are included in mark up accrued on loans and other payables to the extent of amount remaining unpaid, if any.

All borrowing costs are expenses in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.10 Trade and other payables

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

3.11 Provisions

A provision is recognized in the financial statements when the Company has legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of obligation.

3.12 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after considering rebates and tax credits available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed/finalized during the year.

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses and credits can be utilized.

Deferred tax liability is recognized for all taxable temporary differences. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

3.13 Revenue recognition

Revenue from sale of houses is recognized when the significant risks and rewards of ownership have been transferred to the buyer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the property sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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PUNJAB LAND DEVELOPMENT COMPANY LIMITED

The significant risks and rewards of ownership are transferred to the buyer when following conditions are met:

- the buyer's investment, to the date of the financial statements, is adequate to demonstrate a commitment to pay for the property;
- construction is beyond a preliminary stage;
- the buyer is committed. Buyer is unable to require a refund except, for non delivery of the unit. Management believes that the likelihood of the Company being unable to fulfil its contractual obligations for this reason is remote; and
- the buyer has the right to dispose off the property after minimum period of five years.

Revenue from sales agreements where significant risks and rewards are not passed on to the buyer as construction progresses are recognized when possession is handed over to the buyer.

Profit on bank deposits is accounted for on time proportion basis using the applicable rate of interest.

Application fee is recognized at the time of receiving application.

3.14 Government grants

Government assistance to entities meets the definition of government grants even if there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors. Such grants shall therefore not be credited to equity. Loan at 'Nil' or low interest rates are a form of government assistance, but the benefit is not quantified by the imputation of interest.

3.15 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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4. PROPERTY AND EQUIPMENT

Description	2015				Rate %			
	Cost		Depreciation			Written down value as on 30 June 2015		
	As on 01 July 2014	Additions	As on 30 June 2015	As on 01 July 2014			For the year	As on 30 June 2015
Furniture and fittings	1,793,495	-	1,793,495	644,389	172,367	816,756	976,739	15
Office equipment	4,923,968	-	4,923,968	1,526,060	509,685	2,035,745	2,888,223	15
Computer equipment	3,121,573	109,735	3,231,308	1,736,022	423,897	2,159,919	1,071,389	30
Vehicles	5,192,002	-	5,192,002	2,289,163	580,567	2,869,730	2,322,272	20
	<u>15,031,038</u>	<u>109,735</u>	<u>15,140,773</u>	<u>6,195,634</u>	<u>1,686,516</u>	<u>7,882,150</u>	<u>7,258,623</u>	

Description	2014				Rate %			
	Cost		Depreciation			Written down value as on 30 June 2014		
	As on 01 July 2013	Additions	As on 30 June 2014	As on 01 July 2013			For the year	As on 30 June 2014
Furniture and fittings	1,793,495	-	1,793,495	441,606	202,783	644,389	1,149,106	15
Office equipment	4,923,968	-	4,923,968	926,429	599,631	1,526,060	3,397,908	15
Computer equipment	3,121,573	-	3,121,573	1,142,215	593,807	1,736,022	1,385,551	30
Vehicles	5,192,002	-	5,192,002	1,563,453	725,710	2,289,163	2,902,839	20
	<u>15,031,038</u>	<u>-</u>	<u>15,031,038</u>	<u>4,073,703</u>	<u>2,121,931</u>	<u>6,195,634</u>	<u>8,835,404</u>	

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5. INTANGIBLE ASSETS

Description	2015				Rate %			
	Cost		Amortization			Written down value as on 30 June 2015		
	As on 01 July 2014	Additions	As on 30 June 2015	As on 01 July 2014				
Microsoft enterprise solution	287,989	-	287,989	68,927	43,812	112,739	175,250	20
	287,989	-	287,989	68,927	43,812	112,739	175,250	

----- Rupees -----

Description	2014				Rate %			
	Cost		Amortization			Written down value as on 30 June 2014		
	As on 01 July 2013	Additions	As on 30 June 2014	As on 01 July 2013				
Microsoft enterprise solution	287,989	-	287,989	14,161	54,766	68,927	219,062	20
	287,989	-	287,989	14,161	54,766	68,927	219,062	

----- Rupees -----

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PUNJAB LAND DEVELOPMENT COMPANY LIMITED

6. DEVELOPMENT PROPERTIES	Note	2015 Rupees	2014 Rupees
Project land	6.1 to 6.3	2,686,105,741	2,635,777,463
Development cost:			
Work in process	6.4	1,576,347,175	1,415,125,279
Model houses	6.6	38,412,066	38,412,066
		1,614,759,241	1,453,537,345
		4,300,864,982	4,089,314,808

6.1 This represents land measuring 3,925 Kanals and 10 Marlas approximately (2014: 4,163 Kanals and 10 Marlas approximately) for Ashiana Housing Projects (AHP) of Lahore (Quaid and Iqbal), Sahiwal and Faisalabad. Title of land measuring 672 Kanals and 18 Marlas of Project namely AHP-Quaid with cost of Rs. 277.571 million is in the name of the Company while title of remaining land for other projects having cost of Rs. 2,408.535 million is in the name of GoPb which will be transferred in the name of the Company after payment of consideration to GoPb as referred in note 12 to the financial statements.

6.2 Cost of the land evaluated by District Price Assessment Committees and approved by Provincial Price Assessment Committee amounts to Rs. 3,300,000 per acre for AHP Quaid, Rs. 5,500,000 per acre for AHP Iqbal, Rs. 3,300,000 to Rs. 4,400,000 per acre for AHP Faisalabad and Rs. 3,500,000 per acre for AHP Sahiwal.

6.3 Cost of land amounting to Rs. 981,722 (2014: Rs. 5,378,130) has been charged to profit and loss account against revenue recognized during the year.

6.4 Opening work in process	Note	2015 Rupees	2014 Rupees
Ashiana Housing Project - Quaid (Lahore)		926,733,240	907,836,039
Ashiana Housing Project - Sahiwal		276,035,981	181,438,563
Ashiana Housing Project - Faisalabad		171,004,198	92,208,006
Ashiana Housing Project - Iqbal (Lahore)		36,966,857	33,868,619
Ashiana Housing Project - Bahawalpur		2,889,690	2,482,431
Ashiana Housing Project - Kasur		906,188	906,188
Ashiana Housing Project - Chiniot		589,125	589,125
Sub-total		1,415,125,279	1,219,328,971

Additions during the year

Ashiana Housing Project - Quaid (Lahore)	150,889,087	79,612,673
Ashiana Housing Project - Sahiwal	15,257,249	94,597,418
Ashiana Housing Project - Faisalabad	16,781,165	78,796,192
Ashiana Housing Project - Iqbal (Lahore)	6,903,623	3,098,238
Ashiana Housing Project - Bahawalpur	211,149	407,259
Ashiana Housing Project - Kasur	-	-
Ashiana Housing Project - Chiniot	-	-
Sub-total	190,042,273	256,511,780
Cost available for recognition	1,605,167,552	1,475,840,751

Cost recognized during the year

Ashiana Housing Project - Quaid (Lahore)	17	(17,303,649)	(60,715,472)
Write down to Net Realisable Value - Sahiwal		(10,021,415)	-
Written off - Kasur		(906,188)	-
Written off - Chiniot		(589,125)	-
		(28,820,377)	(60,715,472)

6.5 Closing work in process

Ashiana Housing Project - Quaid (Lahore)	1,060,318,678	926,733,240
Ashiana Housing Project - Sahiwal	281,271,815	276,035,981
Ashiana Housing Project - Faisalabad	187,785,363	171,004,198
Ashiana Housing Project - Iqbal (Lahore)	43,870,480	36,966,857
Ashiana Housing Project - Bahawalpur	3,100,839	2,889,690
Ashiana Housing Project - Kasur	-	906,188
Ashiana Housing Project - Chiniot	-	589,125

PUNJAB LAND DEVELOPMENT COMPANY LIMITED

	Note	2015 Rupees	2014 Rupees
6.6			
This represents cost of model houses in respect of following schemes of the Company:			
Ashiana Housing Project - Quaid (Lahore)		10,749,444	10,749,444
Ashiana Housing Project - Sahiwal		8,377,971	8,377,971
Ashiana Housing Project - Faisalabad		6,338,314	6,338,314
Ashiana Housing Project - Sargodha		6,824,178	6,824,178
Ashiana Housing Project - Jhelum		6,122,159	6,122,159
		<u>38,412,066</u>	<u>38,412,066</u>
7. ADVANCES			
Advances to suppliers - considered good	7.1	5,282,684	11,420,920
Advances to employees - considered good			
- Against expenses		312,284	14,169,055
- Against salaries		119,000	-
		<u>431,284</u>	<u>14,169,055</u>
		<u>5,713,968</u>	<u>25,589,975</u>
7.1			
This includes withholding tax of Rs.4,485,668 (2014: Rs. 4,485,668) recoverable from Ch. A. Latif & Sons (Private) Limited.			
8. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS	Note	2015 Rupees	2014 Rupees
Security deposits		117,100	117,100
Prepayments		87,413	-
Receivable from The Bank of Punjab		-	6,850
		<u>204,513</u>	<u>123,950</u>
9. CASH AND BANK BALANCES			
Cash at bank:			
- current accounts		16,165,742	571,097,804
- deposit account	9.1	366,786,167	2,857,680
		<u>382,951,909</u>	<u>573,955,484</u>
9.1			
Deposit account carry interest ranging from 6.50% to 8.20% (2014: 8.20% to 8.75%) per annum.			
10. SHARE CAPITAL	Note	2015 Rupees	2014 Rupees
Authorized			
		2015	2014
		No. of shares	
		<u>1,000</u>	<u>1,000</u>
		Ordinary shares of Rs. 100 each	
		<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid up			
		Ordinary shares of Rs. 100 each fully paid in cash	
		<u>100,000</u>	<u>100,000</u>
11. SHARE DEPOSIT MONEY			
Government of the Punjab		<u>249,800,000</u>	<u>249,800,000</u>
12. LONG TERM LOANS			
Long term loans against:			
- transfer of land	12.1	2,643,975,764	2,592,665,764
- against construction of houses	12.2	838,562,000	838,562,000
		3,482,537,764	3,431,227,764
Current portion		(2,558,469,514)	(271,666,667)
		<u>924,068,250</u>	<u>3,159,561,097</u>

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- 12.1** This represents loan payable to Government of the Punjab (GoPb) against land for Ashiana Housing Projects at Lahore, Sahiwal and Faisalabad as referred in notes 6.1 and 6.2.

The following terms and conditions have been agreed with the GoPb against the purchase of this land:

Repayment period	Five years including grace period
Grace period	Two to three years
Interest rate	0%
Penalty in case of default	4.0% per annum

- 12.2** This represents loan received from GoPb for the purpose of construction of houses on the land transferred by GoPb. This tranche has been utilized on the construction of housing projects at Lahore, Sahiwal and Faisalabad.

The following terms and conditions have been agreed with the GoPb:

Repayment period	Five years including grace period
Grace period	Two years
Interest rate	0.25% per annum

	Note	2015 Rupees	2014 Rupees
13. ADVANCES			
Advances from Government of Punjab	13.1	68,188,500	79,689,500
Advances from customers		827,657,516	793,646,187
		<u>895,846,016</u>	<u>873,335,687</u>
13.1 Advances from Govt of Punjab			
Advance against upfront subsidy of mark-up, BOP (AHP Quaid)	13.1.1	59,149,000	74,209,000
25% Advance for quota applicants	13.1.2	20,540,500	20,540,500
Less: advances utilized during the year		(11,501,000)	(15,060,000)
		<u>68,188,500</u>	<u>79,689,500</u>

- 13.1.1** The Company has entered into a Memorandum of Understanding on 9 March 2011 with the Bank of Punjab (BoP) wherein it was agreed that upon an application regarding Bank Loan Facility duly submitted by the applicant for payment of balance amount of 3 Marla and 2 Marla houses at the time of getting possession of the house, the successful applicants will be facilitated by BoP according to its rules, regulations and prudential regulations of State Bank of Pakistan. The Company is required to provide requisite documents of the applicants to BoP as mutually agreed and execute the Mortgage Deed in favor of BoP regarding the allotted house of the applicants. GoPb has provided this advance to the Company as subsidy for those customers who avail the loan facility from BoP. The amount of subsidy allowed to applicants of 2 Marla and 3 Marla houses amounts to Rs. 162,000 and Rs. 195,000 respectively.

- 13.1.2** This represents advance provided by the GoPb as 25% down payment for those applicants who fall under 10% quota of widows, shaheeds and disabled persons in AHP Quaid.

	2015 Rupees	2014 Rupees
14. TRADE, ACCRUED AND OTHER PAYABLES		
Creditors	2,939,773	30,857,309
Accrued liabilities	6,004,183	17,600,127
Security deposits	265,000	215,000
Sales tax payable	28,050	28,050
	<u>9,237,006</u>	<u>48,700,486</u>

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

- A suit has been filed against the Company in Civil court, Lahore by Muhammad Irfan for recovery of damages amounting to Rs. 6.5 million on basis of misleading and fabricated facts filed by the plaintiff being owner of the premises which PLDC took on rent on 02 May 2010.
- A suit has been filed against the Company in Civil Court, Lahore by DHA alleging control of the area against the very creation of Ashiana-e-Quaid, Attari Saroba.
- A suit has been filed against the Company in Civil Court, Lahore by Jumma Khan regarding enhancement of compensation awarded to its owners against acquisition of land is adjudication

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- iv) A suit has been filed against the Company in Civil Court, Lahore by Mubashar Hussain regarding transfer of ownership of house in Ashiana-e-Quaid from the name of its deceased allottee in favor of his legal heirs.
- v) A suit has been filed against the Company in Civil Court, Lahore by Arif Hussain for illegal and unlawful eviction of tenant/ Plaintiff from temporary shop of PLDC. The PLDC has been restrained to evict the tenant/Plaintiff illegally and unlawfully by the Civil Court. The Company has further filed another petition in Court of Special Judge, Rent, Lahore against Arif Hussain for his eviction from the said shop being defaulter of rent. In response to this, a further petition has been filed by Arif Hussain against the officials of Company in respect of violation of the restraining orders of the first Civil Judge, Lahore.
- vi) A suit has been filed against the Company in Civil Court, Lahore by Muhammad Asghar Sagheer regarding transfer of ownership of house in Ashian-e-Quaid from the name of its deceased allottee in favour of his legal heirs.
- vii) A suit has been filed against the Company in Supreme Court of Pakistan by Muhammad Iftikhar Hussian challenging the balloting conducted for allotment of the houses in Ashiana Housing Scheme. Date of hearing will be fixed by the Offices of Supreme Court of Pakistan.
- viii) A suit has been filed against the Company in Supreme Court of Pakistan by Muhammad Ahsan regarding refund of amount deposited. Date of hearing will be fixed by the Offices of Supreme Court.
- ix) A suit has been filed against the Company in High Court, Lahore by Imdad Hussain regarding claiming violation of the orders of the High Court, Lahore. Date of hearing will be fixed by the Offices of the High Court.

The management is hopeful of favorable decisions of cases mentioned above and accordingly, no provision has been recognized in the financial statements.

		2015 Rupees	2014 Rupees
15.2	Commitments		
	Commitments for contracts at balance sheet date	<u>1,407,538,558</u>	<u>2,334,970,943</u>
16.	REVENUE	Note	2015 Rupees
	Revenue		50,820,000
	Less: Discount allowed	16.1	<u>(74,125)</u>
			<u>9,310,000</u>
16.1	Discount of 5% of balance payment is allowed to allottees who availed the option to pay the balance payment on lump sum basis instead of availing loan facility.		<u>50,745,875</u>
17.	DEVELOPMENT COST RECOGNIZED	Note	2015 Rupees
	Project land	6.3	5,378,130
	Development Expenses:		
	Site facilities including salaries		10,384,049
	Construction of shops and apartments		1,065,468
	Engineering and other services		2,475,177
	Amenities		3,730,776
	Construction of building and infrastructure development		43,060,002
			<u>17,303,649</u>
			<u>18,285,371</u>
18.	MARKETING EXPENSES		
	Advertisement		7,158,921
	Promotional expenses		71,700
			<u>63,345,689</u>
			<u>2,187,549</u>

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19. GENERAL AND ADMINISTRATIVE EXPENSES	Note	2015 Rupees	2014 Rupees
Salaries and allowances		9,773,440	12,826,434
Utilities	19.1	1,306,368	7,522,914
Security charges		1,851,567	1,134,331
Traveling and conveyance		273,860	357,528
Running and maintenance of vehicles		1,526,396	1,829,468
Printing and stationery		547,731	179,332
Entertainment		190,034	67,834
Communication		290,121	615,878
Newspapers and periodicals		5,890	4,080
Rent, rates and taxes		1,047,942	959,400
Legal, professional and consultancy charges		1,630,000	814,505
Repairs and maintenance		547,651	285,348
Fee and subscription		67,005	59,740
Auditors' remuneration		350,000	350,000
Depreciation	4	1,686,516	2,121,931
Amortization	5	43,812	54,766
Insurance		45,037	-
Others		6,863	101,607
		<u>21,190,233</u>	<u>29,285,096</u>

19.1 This includes utilities expense amounting to Rs. Nil (2014: 5.25 million) on account of provision of water and sanitation services to the residents of AHP Quaid, Lahore.

20. OTHER OPERATING EXPENSES	Note	2015 Rupees	2014 Rupees
Application processing fee	20.1	12,910,610	-
Development properties written off	20.2	1,495,313	-
Write down of inventories to Net Realisable Value	20.3	10,021,415	-
		<u>24,427,338</u>	<u>-</u>

20.1 This includes Rs. 12,903,144 (2014 :Rs. Nil) application processing charges in respect of Ashiana Housing Project Iqbal charged by the Bank of Punjab.

20.2 This represents write-off of AHP Kasur and Chiniot since the projects have been cancelled.

20.3 This represents write-down of inventories in AHP Sahiwal to their net realisable value.

21. OTHER INCOME	Note	2015 Rupees	2014 Rupees
Income from financial assets			
Profit on bank deposit		34,659,237	47,708,153
Income from assets other than financial assets			
Application fee		59,138,050	341,000
Other income		57,401	408,531
		<u>93,854,688</u>	<u>48,457,684</u>

22. TAXATION

Current	-	-
Deferred	-	10,295
	<u>-</u>	<u>10,295</u>

In view of the uncertainty of taxable profits in the foreseeable future against which tax losses could be utilized, The Company has not recognized deferred tax asset on deductible temporary differences of Rs.17,113,088 (2014: Rs. 3,232,608)

23. RELATED PARTY TRANSACTIONS

Related parties of the Company comprise Government of the Punjab and key management personnel. Key management personnel are paid according to terms of their service. Directors are not charging any remuneration or benefits to the Company. Transactions with Government of the Punjab and related outstanding balances are given below:

	Note	2015 Rupees	2014 Rupees
Long term financing from GoPb			
Outstanding balance at year end	12.2	838,562,000	838,562,000
Payable to GoPb against land			
Outstanding balance at year end	12.1	2,643,975,764	2,592,665,764
Outstanding balance of share deposit money from GoPb	12	249,800,000	249,800,000
Advances from GoPb against:			
Upfront subsidy		57,688,000	59,149,000
Quota applicants		10,500,500	20,540,500

23.1 Remuneration of key management personnel

Salaries and allowances paid during the year

- Chief Executive Officer

400,000	-
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In addition, Chief Executive Officer is also provided with Company maintained vehicle for official purpose.

24. NUMBER OF EMPLOYEES

Number of employees at year end

	2015	2014
41	40	

25. CORRESPONDING FIGURES

The comparative figures have been rearranged and/or reclassified, wherever necessary, for the purpose of comparison in the financial statements however no significant rearrangements / reclassifications have been made.

26. DATE OF AUTHORIZATION

These financial statements were approved for issue on 26 NOV 2015 by the Board of Directors of the Company.

27. GENERAL

Figures have been rounded off to the nearest rupee unless otherwise stated.

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