



Grant Thornton

An instinct for growth™

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Punjab Land Development Company Limited** ("the Company") as at **June 30, 2013** and 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 conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2013 and of the loss, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

SD

Audit Engagement Partner: Imran Afzal

Lahore

Dated:

October 28, 2013

Chartered Accountants

Member of Grant Thornton International Ltd

Offices in Karachi & Islamabad



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 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
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- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Audit Engagement Partner: Imran Afzal

Lahore

Dated:

October 28, 2013

PUNJAB LAND DEVELOPMENT COMPANY LIMITED

Balance sheet

As at June 30, 2013

	Note	2013 Rupees	2012 Rupees
Assets			
Non-current			
Property and equipment	4	10,957,335	8,516,276
Intangible assets	5	273,828	-
Non-current assets		11,231,163	8,516,276
Current			
Stock in trade	6	3,898,896,630	1,221,798,297
Trade debts - considered good		21,953,215	-
Advances	7	77,641,044	1,339,691
Trade deposits and short term prepayments	8	185,450	378,990
Advance tax		6,298,361	7,254,461
Cash and bank balances	9	711,735,524	690,400,448
Current assets		4,716,710,224	1,921,171,887
Total assets		4,727,941,387	1,929,688,163
Equity and liabilities			
Share capital and reserves			
Authorized share capital:			
1,000 (2012: 1,000) ordinary shares of Rs. 100 each			
		100,000	100,000
Issued, subscribed and paid up capital	10	100,000	100,000
Revenue reserve		39,206,314	39,692,133
Share capital and reserves		39,306,314	39,792,133
Share deposit money	11	249,800,000	249,800,000
Total equity		289,106,314	289,592,133
Liabilities			
Non-current			
Payable to Government of the Punjab	12	2,592,665,764	277,200,000
Long term financing	13	755,228,667	565,000,000
Advances from customers		759,745,192	567,524,623
Advances from Government of the Punjab	14	94,749,500	115,127,000
Long term deposit	15	62,550,075	42,081,984
Deferred tax liability	16	10,295	793,044
Non-current liabilities		4,264,949,493	1,567,726,651
Current			
Current portion of long term liabilities	17	83,333,333	-
Trade and other payables	18	90,358,583	53,475,604
Accrued markup		193,664	1,261,107
Provision for taxation	26	-	17,632,668
Current liabilities		173,885,580	72,369,379
Total liabilities		4,438,835,073	1,640,096,030
Total equity and liabilities		4,727,941,387	1,929,688,163
Contingencies and commitments	19		

The annexed notes 1 to 30 form an integral part of these financial statements.

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DIRECTOR

PUNJAB LAND DEVELOPMENT COMPANY LIMITED

Profit and loss account

For the year ended June 30, 2013

	Note	2013 Rupees	2012 Rupees
Revenue	20	206,285,550	60,673,500
Development cost recognized	21	(219,527,767)	(70,005,245)
Gross loss		(13,242,217)	(9,331,745)
Other income	22	69,844,135	117,163,397
Marketing expenses	23	(15,829,518)	(29,209,296)
Administrative expenses	24	(40,633,545)	(27,095,092)
Operating profit		138,855	51,527,264
Finance cost	25	(1,613,598)	(1,273,352)
(Loss) profit before tax		(1,474,743)	50,253,912
Taxation	26	988,924	(18,226,262)
(Loss) profit for the year		(485,819)	32,027,650

The annexed notes 1 to 30 form an integral part of these financial statements.





CHIEF EXECUTIVE





DIRECTOR

PUNJAB LAND DEVELOPMENT COMPANY LIMITED

Cash flow statement

For the year ended June 30, 2013

	Note	2013 Rupees	2012 Rupees
Cash flows from operating activities			
(Loss) profit before tax		(1,474,743)	50,253,912
Adjustments for:			
Depreciation	4	2,069,646	1,377,827
Amortization	5	14,161	-
Finance cost	25	1,613,598	1,273,352
Total adjustments		3,697,405	2,651,179
Working capital changes:			
Increase in stock in trade		(361,632,569)	(813,590,369)
Increase in trade debts		(21,953,215)	-
Increase in advances		(76,301,353)	(827,543)
Decrease (increase) in trade deposits and short term prepayments		193,540	(72,592)
Increase in trade and other payables		36,882,979	52,800,187
Net changes in working capital		(422,810,618)	(761,690,317)
Cash used in operations		(420,587,956)	(708,785,226)
Finance cost paid		(2,681,041)	(12,245)
Income taxes paid		(16,470,393)	(7,447,106)
Net cash used in operating activities	A	(439,739,390)	(716,244,577)
Cash flows from investing activities			
Purchase of property and equipment		(4,510,705)	(3,157,971)
Purchase of intangible assets		(287,989)	-
Long term deposits		20,468,091	35,785,304
Net cash from investing activities	B	15,669,397	32,627,333
Cash flows from financing activities			
Advances received from customers		171,843,069	377,963,123
Advances received from Government of the Punjab		-	100,000,000
Net proceeds from long term financing		273,562,000	315,000,000
Net cash from financing activities		445,405,069	792,963,123
Net increase in cash and cash equivalents		21,335,076	109,345,879
Cash and cash equivalents at beginning of year		690,400,448	581,054,569
Cash and cash equivalents at end of year	9	711,735,524	690,400,448

The annexed notes 1 to 30 form an integral part of these financial statements.
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CHIEF EXECUTIVE



SD

DIRECTOR

PUNJAB LAND DEVELOPMENT COMPANY LIMITED

Statement of changes in equity

For the year ended June 30, 2013

	Issued, subscribed and paid up capital	Share deposit money	Revenue reserve (Un-appropriated profit)	Total equity
Rupees				
Balance at July 1, 2011	100,000	249,800,000	7,664,483	257,564,483
Profit for the year	-	-	32,027,650	32,027,650
Balance at June 30, 2012	100,000	249,800,000	39,692,133	289,592,133
Loss for the year	-	-	(485,819)	(485,819)
Balance at June 30, 2013	100,000	249,800,000	39,206,314	289,106,314

The annexed notes 1 to 30 form an integral part of these financial statements.

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CHIEF EXECUTIVE



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DIRECTOR

Notes to the financial statements

For the year ended June 30, 2013

1 General information and nature of operations

Punjab Land Development Company Limited (the Company/PLDC) 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 fulfill their basic needs of shelter. The Company is wholly owned by Government of the Punjab (GoPb).

2 Statement of compliance

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.

3 Significant accounting policies

3.1 Measurement basis

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
- 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.

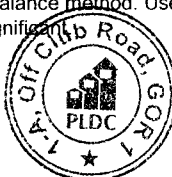
Minor replacement, maintenance and repairs of property and equipment are charged to income for the period. Major renewals and improvements which prolong the life of property and equipment are capitalized.

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.



Notes to the financial statements

For the year ended June 30, 2013

3.6 Stock in trade

Land, completed houses and project costs incurred during the period are classified as stock-in-trade. These are carried at the lower of cost and net realizable value. Work-in-process comprises of houses in the process of construction/ development. Cost in relation to work-in-process comprises of cost of direct materials, labour and appropriate overheads, if any. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

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. Trade debts where the ownership of the work in progress is transferred by the Company to the buyer as the construction progresses is recognized using the percentage of completion method.

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.

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 Markup bearing borrowings and borrowing costs

Mark up bearing borrowings are recognized initially at cost, less attributable transaction costs. Subsequent to initial recognition, mark up bearing borrowings are stated at original cost less subsequent repayments, while the difference between the cost (reduced for periodic payments) and redemption value is recognized in the profit or loss over the period of borrowings on an effective mark up basis.

Borrowing costs are recognized as expense in the period in which they are incurred.

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.



Notes to the financial statements

For the year ended June 30, 2013

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 fulfill 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 sale agreements where the control and the significant risks and rewards of ownership of the work in progress are transferred by the Company to the buyer in its current state as construction progresses is measured using the percentage of completion method. The stage of completion is measured by reference to the costs incurred up to the balance sheet date as a percentage of total estimated costs for each project.

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 and the Company does not expect any further future economic benefits from such property.

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

The Company recognizes government grants when there is reasonable assurance that it will comply with the conditions attaching to them and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Government grants related to assets are recognized as deferred income over the useful life of the related assets. Grants that are not related to assets are credited to the income statement and are deducted in reporting the related expenses.

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.

3.16 Compensated absences

The liability in respect of compensated absences of employees is accounted for in the period in which the absences accrue. Compensated absences are provided in accordance with the rules of the Company.

4 Property and equipment

2013

Description	Cost			Rate %	Depreciation			Written down value as on June 30, 2013
	As on July 01, 2012	Additions	As on June 30, 2013		As on July 01, 2012	For the year	As on June 30, 2013	
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	
Furniture and fittings	1,253,349	540,146	1,793,495	15	252,069	189,537	441,606	1,351,889
Office equipment	2,108,471	2,815,497	4,923,968	15	394,296	532,133	926,429	3,997,539
Computer equipment	2,033,511	1,088,062	3,121,573	30	605,087	537,128	1,142,215	1,979,358
Vehicles	5,125,002	67,000	5,192,002	20	752,605	810,848	1,563,453	3,628,549
Total	10,520,333	4,510,705	15,031,038		2,004,057	2,069,646	4,073,703	10,957,335

2012

Description	Cost			Rate %	Depreciation			Written down value as on June 30, 2012
	As on July 01, 2011	Additions	As on June 30, 2012		As on July 01, 2011	For the year	As on June 30, 2012	
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	
Furniture and fittings	975,985	277,364	1,253,349	15	113,069	139,000	252,069	1,001,280
Office equipment	2,108,471	-	2,108,471	15	115,001	279,295	394,296	1,714,175
Computer equipment	1,124,200	909,311	2,033,511	30	261,838	343,249	605,087	1,428,424
Vehicles	3,153,706	1,971,296	5,125,002	20	136,322	616,283	752,605	4,372,397
Total	7,362,362	3,157,971	10,520,333		626,230	1,377,827	2,004,057	8,516,276



Notes to the financial statements
For the year ended June 30, 2013

5 Intangible assets

2013

Description	Cost			Rate %	Amortization		Written Down Value as on June 30, 2013	
	As on Jul 01, 2012	Additions	As on June 30, 2013		As on July 01, 2012	For the year		As on June 30, 2013
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	
Windows operating system	-	287,989	287,989	20	-	14,161	14,161	273,828
Total	-	287,989	287,989		-	14,161	14,161	273,828

Note	2013 Rupees	2012 Rupees
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6 Stock in trade

Project land	6.1 to 6.3	2,641,155,593	270,603,728
Work in process	6.4	1,219,328,971	917,057,375
Model houses	6.6	38,412,066	34,137,194
Total		3,898,896,630	1,221,798,297

- 6.1 This represents land measuring 4,163 Kanals and 10 Marlas approximately (520 Acres approximately) for Ashiana Housing Projects (AHP) of Lahore (Quaid and Iqbal), Sahiwal and Faisalabad (2012: 672 Kanals and 18 Marlas i.e. 84 Acres approximately for AHP Quaid). Title of land measuring 672 Kanals and 18 Marlas of AHP-Quaid with cost of Rs. 277.582 million is in the name of the Company while title of remaining land having cost of Rs. 2,390.014 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. 5,000,000 per acre for AHP Iqbal, Rs. 3,000,000 per acre for AHP Faisalabad and Rs. 3,500,000 per acre for AHP Sahiwal.
- 6.3 Cost of land amounting to Rs. 21,948,203 (2012: Rs. 6,607,104) has been charged to profit and loss account against revenue recognized during the year.

	2013 Rupees	2012 Rupees
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6.4 Opening work in process

Ashiana Housing Project - Quaid (Lahore)	857,496,423	121,027,965
Ashiana Housing Project - Sahiwal	50,733,371	-
Ashiana Housing Project - Faisalabad	8,827,581	-
Sub-total	917,057,375	121,027,965
Additions during the year		
Ashiana Housing Project - Quaid (Lahore)	250,033,484	799,866,599
Ashiana Housing Project - Sahiwal	130,705,192	50,733,371
Ashiana Housing Project - Faisalabad	83,380,425	8,827,581
Ashiana Housing Project - Iqbal (Lahore)	33,868,619	-
Ashiana Housing Project - Bahawalpur	2,482,431	-
Ashiana Housing Project - Kasur	906,188	-
Ashiana Housing Project - Chiniot	589,125	-
Sub-total	501,965,464	859,427,551
Cost available for recognition	1,419,022,839	980,455,516
Cost recognized during the year		
Ashiana Housing Project - Quaid (Lahore)	(199,693,868)	(63,398,141)
Closing work in progress	1,219,328,971	917,057,375



PUNJAB LAND DEVELOPMENT COMPANY LIMITED

Notes to the financial statements

For the year ended June 30, 2013

	Note	2013 Rupees	2012 Rupees
6.5 Closing work in process			
Ashiana Housing Project - Quaid (Lahore)		907,836,039	857,496,423
Ashiana Housing Project - Sahiwal		181,438,563	50,733,371
Ashiana Housing Project - Faisalabad		92,208,006	8,827,581
Ashiana Housing Project - Iqbal (Lahore)		33,868,619	-
Ashiana Housing Project - Bahawalpur		2,482,431	-
Ashiana Housing Project - Kasur		906,188	-
Ashiana Housing Project - Chiniot		589,125	-
Total		1,219,328,971	917,057,375

6.6 This includes cost of model houses in respect of following schemes of the Company:

Ashiana Housing Project - Quaid (Lahore)		10,749,444	8,028,747
Ashiana Housing Project - Sahiwal		8,377,971	7,377,511
Ashiana Housing Project - Faisalabad		6,338,314	5,784,599
Ashiana Housing Project - Sargodha		6,824,178	6,824,178
Ashiana Housing Project - Jhelum		6,122,159	6,122,159
Total		38,412,066	34,137,194

7 Advances

Advances to suppliers - considered good	7.1	75,816,342	1,121,227
Advances to employees - considered good		1,824,702	218,464
Total		77,641,044	1,339,691

7.1 This includes mobilization advance of Rs. 74,761,141 extended to M/s. Ch. A. Latif & Sons (Private) Limited for development of AHP Iqbal, Lahore which is secured against bank guarantee. As stated in note 19(iv), currently the Company is in litigation with M/s. Ch. A. Latif & Sons (Private) Limited.

8 Trade deposits and short term prepayments

Security deposits		167,100	167,100
Prepaid insurance		-	103,540
Receivable from The Bank of Punjab		6,850	106,850
Rent receivable		11,500	-
Others		-	1,500
Total		185,450	378,990

9 Cash and bank balances

Cash at bank:			
- current accounts		15,438,091	30,700,693
- deposit account	9.1	696,297,433	659,699,755
Total		711,735,524	690,400,448

9.1 Deposit account carry interest @ 8.75% to 11.5% per annum (2012: 11.5% to 12.5% per annum).

10 Issued, subscribed and paid up capital

1,000 (2012: 1,000) ordinary shares of Rs. 100 each fully paid in cash		100,000	100,000
Total		100,000	100,000

	2013 Number of shares	2012 Number of shares
10.1 Reconciliation of issued, subscribed and paid up capital		
Number of shares at July 01	1,000	1,000
Number of shares as at June 30	1,000	1,000



Notes to the financial statements

For the year ended June 30, 2013

	2013 Rupees	2012 Rupees
11 Share deposit money		
Government of the Punjab	249,800,000	249,800,000
Total	249,800,000	249,800,000

12 Payable to Government of Punjab		
Government of Punjab - deferred payment amount	1,866,397,675	196,072,326
Deferred government assistance	726,268,089	81,127,674
Total	2,592,665,764	277,200,000

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

12.2 Salient terms and conditions

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

12.3 This deferred payment is stated at its present value and the difference is recognized as Deferred Government Assistance. Deferred Government Assistance is being amortized to fully offset the financial charges on the loan at imputed rates of 10% to 12% (2012: 12%) per annum. The amount amortized and offset against financial charges during the period amounted to Rs. 156.638 million (2012: Rs. 10.306 million). There is no effect on the net profit for the period due to this transaction.

	Note	2013 Rupees	2012 Rupees
13 Long term financing			
From Government of the Punjab - unsecured			
Long term loan from GoPb		650,780,490	398,039,452
Deferred Government Assistance		187,781,510	166,960,548
		838,562,000	565,000,000
Less: current portion	17	(83,333,333)	-
Total		755,228,667	565,000,000

13.1 Salient terms and conditions

These loans are governed by the following terms and conditions:

Repayment period	Up to five years including grace period up to two years
Interest rate	0.25% per annum

13.2 These loans from GoPb are stated at present values and the difference is recognized as Deferred Government Assistance. Deferred Government Assistance is being amortized to fully offset the financial charges on the loan at imputed rates of 10% to 12% (2012: 12%) per annum. The amount amortized and offset against financial charges during the period amounted to Rs. 54.929 million (2012: Rs. 35.837 million). There is no effect on the net (loss) profit for the year due to this transaction.

	Note	2013 Rupees	2012 Rupees
14 Advances from Government of the Punjab			
Advance against upfront subsidy of markup, BoP (AHP Quaid)	14.1	94,249,000	100,000,000
25% Advance for quota applicants	14.2	20,878,000	66,938,000
Less: advances utilized during the year		(20,377,500)	(51,811,000)
Total		94,749,500	115,127,000



Notes to the financial statements

For the year ended June 30, 2013

14.1 The Company has entered into a Memorandum of Understanding on March 09, 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 favour 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.

14.2 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.

	Note	2013 Rupees	2012 Rupees
15 Long term deposit			
Retention money		62,550,075	42,081,984
Total		62,550,075	42,081,984
16 Deferred tax liability			
Balance at July 01		793,044	677,714
For the period		(782,749)	115,330
Total		10,295	793,044
17 Current portion of long term liabilities			
Long term financing from Government of the Punjab	13	83,333,333	-
Total		83,333,333	-
18 Trade and other payable			
Creditors		86,725,080	52,176,136
Accrued liabilities		3,372,812	1,299,468
Security deposits		215,000	-
Withholding tax payable		45,691	-
Total		90,358,583	53,475,604
19 Contingencies and commitments			
Contingencies			
i) Civil suit titled Muhammad Irfan etc. Vs Government of the Punjab and PLDC etc. regarding recovery of damages from the Company amounting to Rs. 6.4 million is pending adjudication in the Learned Civil Court, Lahore on the grounds that the Company served a notice to plaintiffs Muhammad Irfan etc for termination of lease agreement of building for head office of the Company dated May 02, 2010. The plaintiffs had incurred some expenses on building renovation which was to be used for head office purposes. Now the plaintiffs are claiming for expenditures and damages for breach of agreement.			
ii) A civil suit titled DHA Vs Government of the Punjab & PLDC etc. for declaration and permanent injunction is pending adjudication in the Learned Civil Court, Lahore.			
iii) During the year, the Company awarded a contract to M/s. Ch. A. Latif & Sons (Private) Limited for development of AHP Iqbal, Lahore and extended mobilization advance of Rs. 74.761 million which is secured against bank guarantee. However, later on, the development was stopped on the project and the Company called for encashment of such guarantee from the bankers of the contractor. The contractor aggrieved by the situation challenged such encashment in Civil Court of Islamabad, and, in the subsequent period, also in Lahore. Civil Court of Islamabad granted stay against such encashment. However, the Civil Judge Islamabad returned the case as it was not maintainable at Civil Court Islamabad due to the fact that the contract for development of AHP Iqbal was being executed in Lahore. The case in Civil Court Lahore is fixed for hearing on October 14, 2013. The legal counsel of the Company is of the view that the Company is not exposed to any financial liability or loss as the contract is still valid and the Company can receive services against such mobilization advance.			
vi) Four cases against the Company's criteria of balloting and allotment of houses in AHP Quaid, Lahore are pending for adjudication in the courts.			



Notes to the financial statements
For the year ended June 30, 2013

v) One case titled Jumma Khan Vs. Land Acquisition Collector etc. regarding acquisition of land is pending adjudication before the court of Honorable Senior Civil Judge, Lahore.

The management is hopeful of favorable decisions of cases mentioned above and accordingly, there is no likelihood of any financial liability.

	Note	2013 Rupees	2012 Rupees
Commitments			
Commitments for contracts at balance sheet date		2,710,420,797	1,325,732,258
20 Revenue			
Revenue		207,100,000	61,670,000
Less: Discount allowed	20.1	(814,450)	(996,500)
Total		206,285,550	60,673,500
20.1 Discount of 5% of balance payment is allowed to allottees who opt to personally pay the balance payment on lump sum basis instead of availing loan facility.			
21 Development cost recognized			
Site facilities including salaries		13,850,765	1,379,167
Project land		19,833,899	6,607,104
Construction of shops and apartments		3,927,566	1,310,695
Engineering and other services		9,433,728	3,148,194
Amenities		13,752,518	4,589,447
Construction of building and infrastructure development		158,729,291	52,970,638
Total		219,527,767	70,005,245
22 Other income			
Income from financial assets			
Profit on bank deposit		62,763,378	72,283,137
Income from assets other than financial assets			
Application fee		5,838,450	44,734,260
Receipts against tender documents		298,000	146,000
Rental income		148,500	-
Other income		795,807	-
Total		69,844,135	117,163,397
23 Marketing expenses			
Salaries and benefits		3,862,978	3,067,828
Advertisement		4,752,015	18,429,058
Promotional expenses		7,214,525	7,712,410
Total		15,829,518	29,209,296



Notes to the financial statements

For the year ended June 30, 2013

	Note	2013 Rupees	2012 Rupees
24 Administrative expenses			
Salaries and allowances	24.1	18,928,460	16,155,235
Traveling and conveyance		1,125,614	288,108
Training and development		-	27,300
Running and maintenance of vehicles		3,331,956	931,072
Printing and stationery		980,208	922,642
Entertainment		995,441	714,704
Communication		737,846	1,050,639
Newspapers and periodicals		6,586	9,915
Rent, rates and taxes		844,432	766,389
Legal, professional and consultancy charges		1,477,450	2,768,102
Professional tax		5,000	10,000
Repairs and maintenance		1,120,205	206,274
Insurance		149,186	117,682
Fee and subscription		1,928,160	59,000
Auditors' remuneration		350,000	350,000
Utilities	24.2	4,611,605	766,944
Advertisement		68,604	3,478
Depreciation	4	2,069,646	1,377,827
Amortization	5	14,161	-
Others		1,888,985	569,781
Total		40,633,545	27,095,092

24.1 This includes salary of Chief Executive Officer amounting to Rs. 2,060,244 (2012: Rs. 2,225,925). The Company has also provided company maintained car to the Chief Executive Officer of the Company.

24.2 This includes utilities expense amounting to Rs. 2.5 million (2012: Nil) on account of provision of water and sanitation services to the residents of AHP Quaid, Lahore.

25 Finance cost

Interest on long term financing		1,606,163	1,261,107
Bank charges		7,435	12,245
Total		1,613,598	1,273,352

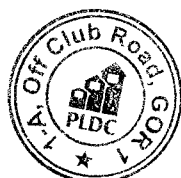
26 Taxation

Current		-	17,632,668
Prior period		(206,175)	478,264
Deferred	16	(782,749)	115,330
Total		(988,924)	18,226,262

27 Related party disclosures

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. Remuneration and benefits of chief executive are disclosed in note 24.1. 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	2013 Rupees	2012 Rupees
Long term financing from GoPb			
Loans obtained during the year		274,920,000	315,000,000
Loans adjusted/repaid during the year		1,358,000	-
Outstanding balance at year end		838,562,000	565,000,000



Notes to the financial statements
For the year ended June 30, 2013

	Note	2013 Rupees	2012 Rupees
Payable to GoPb against land			
Cost of additions in land during the year		2,315,465,764	-
Outstanding balance at year end		2,592,665,764	277,200,000
Outstanding balance of share deposit money from GoPb		249,800,000	249,800,000
Advances from GoPb			
Advance against upfront subsidy received during the year		-	100,000,000
Outstanding balance of advance against upfront subsidy		74,209,000	94,249,000
Outstanding balance of advance for quota applicants		20,540,500	20,878,000
28 Number of employees			
Number of employees at year end		62	48

29 Corresponding figures

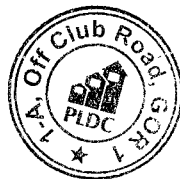
Corresponding figures have been rearranged and/or reclassified, wherever necessary, for the purpose of comparison and better presentation in the financial statements.

30 Date of authorization

These financial statements were approved for issue on 28 OCT '2013 by the Board of Directors of the Company.



CHIEF EXECUTIVE




DIRECTOR