



**Building a better
working world**

PUNJAB LAND DEVELOPMENT COMPANY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

EY Ford Rhodes
Chartered Accountants
96-B-I, 4th Floor, Pace Mail Building
M. M. Alam Road, Gulberg-II
P.O. Box 104, Lahore-54660

Tel: +9242 3577 8402-11
Fax: +9242 3577 8412-13


AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Punjab Land Development Company Limited** (the Company) as at **30 June 2016**, the related profit and loss account, statement of comprehensive income, 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 except for the changes as stated in note 3.2 and 4.1 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, 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 **30 June 2016** and of the loss, comprehensive income, 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).


Chartered Accountants

Engagement Partner: Naseem Akbar

Lahore: 05 March 2017

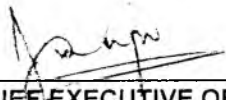
PUNJAB LAND DEVELOPMENT COMPANY LIMITED
BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees (Restated)	2014 Rupees (Restated)
ASSETS				
Non-current assets				
Property and equipment	4	6,180,864	7,258,623	8,835,404
Intangible assets	5	140,200	175,250	219,062
Total non-current assets		6,321,064	7,433,873	9,054,466
Current Assets				
Development properties	6	4,541,663,687	4,503,772,486	4,343,532,312
Advances	7	1,941,355	5,713,968	25,589,975
Trade deposits and short term prepayments	8	1,243,716	204,513	123,950
Other receivables		2,637,231	194,020	831,520
Tax refunds due from Government	9	16,723,547	14,769,645	11,107,357
Cash and bank balances	10	315,811,674	382,951,909	573,955,484
Total current assets		4,880,021,210	4,907,606,541	4,955,140,598
TOTAL ASSETS		4,886,342,274	4,915,040,414	4,964,195,064
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized share capital: 1,000 (2015: 1,000) ordinary shares of Rs. 100 each		100,000	100,000	100,000
Issued, subscribed and paid up capital		100,000	100,000	100,000
(Accumulated losses) / unappropriated profit		(34,239,349)	7,625,802	35,806,399
Total equity		(34,139,349)	7,725,802	35,906,399
Share deposit money	11	249,800,000	249,800,000	249,800,000
Non-current liabilities				
Long term financing	12	887,158,359	1,299,208,169	2,454,398,204
Deferred credit	13	491,776,389	558,552,318	948,409,636
Advances	14	902,606,831	895,846,016	873,335,687
Retention money		62,287,301	62,974,448	68,904,455
Total non-current liabilities		2,343,828,880	2,816,580,951	4,345,047,982
Current liabilities				
Current portion of long term loans	12	2,306,510,520	1,827,684,781	282,637,428
Trade and other payables	15	14,406,646	9,237,006	48,700,486
Accrued mark-up		5,935,577	4,011,874	2,102,769
Total current liabilities		2,326,852,743	1,840,933,661	333,440,683
TOTAL EQUITY AND LIABILITIES		4,886,342,274	4,915,040,414	4,964,195,064

CONTINGENCIES AND COMMITMENTS

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



CHIEF EXECUTIVE OFFICER


DIRECTOR

PUNJAB LAND DEVELOPMENT COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees (Restated)
Revenue	17	99,247,250	9,310,000
Development cost	18	<u>(112,531,167)</u>	<u>(18,285,371)</u>
Gross loss		(13,283,917)	(8,975,371)
Marketing expenses	19	<u>(1,497,663)</u>	<u>(65,533,238)</u>
General and administrative expenses	20	<u>(41,023,973)</u>	<u>(21,190,233)</u>
Other operating expenses	21	<u>(4,485,668)</u>	<u>(24,427,338)</u>
		(47,007,304)	(111,150,809)
Other income	22	<u>397,887,350</u>	<u>483,712,006</u>
Operating loss		337,596,129	363,585,826
Finance costs	23	<u>(379,461,280)</u>	<u>(391,766,423)</u>
Loss before taxation		(41,865,151)	(28,180,597)
Taxation	24	<u>-</u>	<u>-</u>
Loss for the year		<u>(41,865,151)</u>	<u>(28,180,597)</u>

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

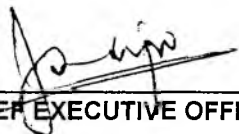

 CHIEF EXECUTIVE OFFICER



 DIRECTOR

**PUNJAB LAND DEVELOPMENT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 Rupees	2015 Rupees (Restated)
Loss for the year	(41,865,151)	(28,180,597)
Other comprehensive income not to be reclassified to profit and loss account in subsequent periods:	-	-
Other comprehensive income to be reclassified to profit and loss account in subsequent periods:	-	-
Total comprehensive income for the year	<u>(41,865,151)</u>	<u>(28,180,597)</u>

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

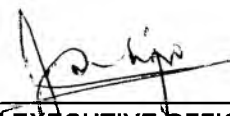

 CHIEF EXECUTIVE OFFICER


 DIRECTOR

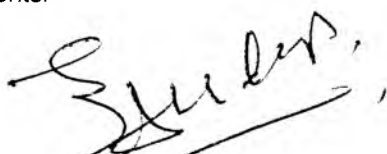
**PUNJAB LAND DEVELOPMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Issued, subscribed and paid up	Accumulated Profit / (Loss)	Total equity
	----- Rupees -----		
Balance as at 01 July 2014 previously reported	100,000	35,806,399	35,906,399
Effect of retrospective change in accounting framework and policy as explained in note 3.2	-	-	-
Balance as at 01 July 2014 (Restated)	<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 (Restated)	<u>100,000</u>	<u>7,625,802</u>	<u>7,725,802</u>
Loss for the year	-	(41,865,151)	(41,865,151)
Balance as at 30 June 2016	<u><u>100,000</u></u>	<u><u>(34,239,349)</u></u>	<u><u>(34,139,349)</u></u>

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



CHIEF EXECUTIVE OFFICER

v.



DIRECTOR

PUNJAB LAND DEVELOPMENT COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(41,865,151)	(28,180,597)
Adjustments for non cash items:			
Depreciation	4	1,419,337	1,686,516
Amortization	5	35,052	43,812
Provision for doubtful debts	7	4,485,668	-
Provision for other expenses		14,598	-
Development properties written off		-	1,495,313
Written down of inventories to NRV		-	10,021,415
Finance cost	24	379,461,280	391,766,423
		<u>385,415,935</u>	<u>405,013,479</u>
Loss before changes in working capital		343,550,784	376,832,882
Cash flows from working capital changes:			
Decrease / (increase) current assets:			
Development properties		(37,891,201)	(171,756,902)
Other receivables		(2,443,211)	637,500
Advances	7	(713,055)	19,876,007
Trade deposits and short term prepayments		(1,039,203)	(80,563)
Increase / (Decrease) in trade and other payables		5,169,640	(37,554,375)
		<u>(36,917,030)</u>	<u>(188,878,333)</u>
Cash used in operations		306,633,754	187,954,549
Income taxes paid		(1,953,902)	(3,662,288)
Finance cost paid		(4,288)	(1,909,105)
Net cash used in operating activities		<u>304,675,564</u>	<u>182,383,156</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(341,580)	(109,735)
(Decrease) / Increase in retention money		(687,147)	(5,930,007)
Net cash used in investing activities		<u>(1,028,727)</u>	<u>(6,039,742)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances received		6,760,815	22,510,329
Deferred credit		(377,547,887)	(389,857,318)
Decrease in cash and cash equivalents		(67,140,235)	(191,003,575)
Cash and cash equivalents at beginning of year		382,951,909	573,955,484
Cash and cash equivalents at end of year		<u>315,811,674</u>	<u>382,951,909</u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

PUNJAB LAND DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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 and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board. Wherever, where the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives shall prevail.

2.2 As per SRO 929 (I)/2015 issued by Securities and Exchange Commission of Pakistan (SEC), a non-listed company which is a public sector company as defined in public sector companies rules 2013 shall be categorized as Public Interest Entity (PIE). Every PIE is required to follow International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board as adopted by the Institute of Chartered Accountant of Pakistan for the preparation of annual financial statements for periods beginning on or after January 01, 2015. As per the said notification, the Company has been classified as PIE and has adopted IFRS for the preparation of financial statements. The adoption of IFRS has resulted into additional disclosures and certain prior period adjustments as disclosed in Note 3.2 below.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention except for valuation of certain financial instruments at amortized cost.

3.2 Restatement of prior periods

3.2.1 Interest free loans or loans obtained by the Company at below market interest rates were previously been recognized at cost, being the amount received by the Company in accordance with the requirements of Accounting and Financial Reporting Standards for Medium-Sized Entities. As explained in note 2.1 above, during the year, the Company has adopted International Financial Reporting Standards. Accordingly, the Company has changed its accounting policy to recognized loans. Loans are now recognized at amortized cost in accordance with requirements of "IAS 39 - Financial Instruments" and "IAS 20 - Government Grants). These loans have, therefore, been restated at amortized cost and effect of adjustment is as follows:

Effect on balance sheet.	Rupees
Decrease in long term loans as of 30 June 2014	948,409,636
Increase in deferred credit as of 30 June 2014	948,409,636
Decrease in long term loans as of 30 June 2015	558,552,318
Increase in deferred credit as of 30 June 2015	558,552,318

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PUNJAB LAND DEVELOPMENT COMPANY LIMITED

Effect on income statement.	Rupees
Increase in finance costs as of 30 June 2014	349,618,863
Increase in other income as of 30 June 2014	349,618,863
Increase in finance costs as of 30 June 2015	389,857,318
Increase in other income as of 30 June 2015	389,857,318

3.2.2 During the year ended 30 June 2014, land measuring 741 kanals and 14 marlas was allotted to the Company for Ashiana Scheme, Faisalabad but the Company only recognized 171 kanals and 4 marlas approximately and the related loan was also recognized accordingly. Therefore, prior year financial statements of the Company has been restated in accordance with the requirements of IAS - 8. The effect of this restatement has been tabulated below:

Effect on balance sheet.	Rupees
Increase in long term financing as of 30 June 2014	254,217,504
Increase in development properties as of 30 June 2014	254,217,504
Increase in long term financing as of 30 June 2015	202,907,504
Increase in development properties as of 30 June 2015	202,907,504

Effect on income statement.	Rupees
Increase in finance costs as of 30 June 2014	22,893,818
Increase in other income as of 30 June 2014	22,893,818
Increase in finance costs as of 30 June 2015	26,128,549
Increase in other income as of 30 June 2015	26,128,549

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.

3.4 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;	Note
- Provisions for taxes;	25
- Impairment; and	22
- Provisions	7

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

4.1 New, amended standards and interpretations that become effective

The Group has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement

Improvements to Accounting Standards Issued by the IASB

- IAS 27 – Separate Financial Statements
- IAS 28 – Investment in Associates and Joint Ventures

The adoption of above reporting standards did not have any impact on the Company financial statements. As the entity is not part of any group.

4.2 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses 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 by 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.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposals are determined by comparing proceeds with the carrying amount. These are included in the profit or loss for the period in which asset is derecognized.

4.3 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.

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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 by applying the reducing balance method from the month when asset is available for use. Useful lives of intangible assets are reviewed at each balance sheet date and adjusted if impact of amortization is significant.

4.4 Development properties

Land acquired for re-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 finance 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 on 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.

4.5 Trade and other receivables

Trade debts and other receivables are recognized at invoice value, which approximates fair value, less provision for doubtful debts. Known bad debts are written off and allowance is made against debts considered doubtful when collection of full amount is no longer probable.

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.

4.6 Short term prepayments advances and other receivables

These are initially recognized at an amount equal to the proceeds made by the Company which is usually the fair value of transaction.

4.7 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.

4.8 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.

PUNJAB LAND DEVELOPMENT COMPANY LIMITED

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. All borrowing costs are capitalized that are related to qualifying assets except for the portion of borrowing cost which do not meet the criteria of qualifying asset which is expense out in the period they occur.

4.9 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.

4.10 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.

4.11 Taxation

Current

Provision for current tax is based on taxable income for the year determined in accordance with prevailing law for taxation of income. Charge for current tax is calculated using prevailing current tax rates or tax rates expected to apply to the taxable profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years.

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.

4.12 Revenue recognition

Revenue from sale of house is recognized when house is completed 95% or above and the advance from the customer have been received in full.

Profit on bank deposits is accounted for using effective rate of interest method.

Application fee is recognized on accrual basis.

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4.13 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.

4.14 Long term financing

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the loans and receivables are derecognized or impaired, as well as through the amortization process.

4.15 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument, the particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The Company derecognizes the financial assets and liability when it ceases to be a party to contractual provision of the instrument. The Company recognizes the regular way purchase or sale of financial assets using settlement date accounting.

4.16 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to setoff the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

4.17 Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

4.18 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at non-arm's length below prevailing commercial rates.

4.19 Standards, Interpretations and Amendments to Published Approved Accounting

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:

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 2: Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01 January 2017
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	01 January 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	01 January 2016

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.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	IASB effective date (Annual periods beginning on or after)
IFRS 9 -Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 - Regulatory Deferral Accounts	01 January 2016
IFRS 15 -Revenue from Contracts with Customers	01 January 2018
IFRS 16 – Leases	01 January 2019

PUNJAB LAND DEVELOPMENT COMPANY LIMITED

4. PROPERTY AND EQUIPMENT

Description	2016							
	Cost			Depreciation			Written down value as on 30 June 2016	Rate %
	As on 01 July 2015	Additions	As on 30 June 2016	As on 01 July 2015	For the year	As on 30 June 2016		
----- Rupees -----								
Furniture and fittings	1,793,495	38,500	1,831,995	816,756	147,633	964,389	867,606	15
Office equipment	4,923,968	-	4,923,968	2,035,745	394,908	2,430,653	2,493,315	15
Computer equipment	3,231,308	303,078	3,534,386	2,159,919	412,341	2,572,260	962,126	30
Vehicles	5,192,002	-	5,192,002	2,869,730	464,455	3,334,185	1,857,817	20
	<u>15,140,773</u>	<u>341,578</u>	<u>15,482,351</u>	<u>7,882,150</u>	<u>1,419,337</u>	<u>9,301,487</u>	<u>6,180,864</u>	

Description	2015							
	Cost			Depreciation			Written down value as on 30 June 2015	Rate %
	As on 01 July 2014	Additions	As on 30 June 2015	As on 01 July 2014	For the year	As on 30 June 2015		
----- Rupees -----								
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	509,635	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>	

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5. INTANGIBLE ASSETS

Description	2016							Written down value as on 30 June 2016	Rate %
	Cost			Amortization					
	As on 01 July 2015	Additions	As on 30 June 2016	As on 01 July 2015	For the year	As on 30 June 2016			
	----- Rupees -----								
Software	287,989	-	287,989	112,739	35,050	147,789	140,200	20	
	<u>287,989</u>	<u>-</u>	<u>287,989</u>	<u>112,739</u>	<u>35,050</u>	<u>147,789</u>	<u>140,200</u>		

Description	2015							Written down value as on 30 June 2015	Rate %
	Cost			Amortization					
	As on 01 July 2014	Additions	As on 30 June 2015	As on 01 July 2014	For the year	As on 30 June 2015			
	----- Rupees -----								
Software	287,989	-	287,989	68,927	43,812	112,739	175,250	20	
	<u>287,989</u>	<u>-</u>	<u>287,989</u>	<u>68,927</u>	<u>43,812</u>	<u>112,739</u>	<u>175,250</u>		

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PUNJAB LAND DEVELOPMENT COMPANY LIMITED

6.	DEVELOPMENT PROPERTIES	Note	2016 Rupees	2015 Rupees (Restated)
	Project land	6.1 to 6.3	2,878,683,821	2,889,013,245
	Development cost:			
	Work in progress	6.5	1,624,410,517	1,576,347,175
	Model houses	6.6	38,569,349	38,412,066
			1,662,979,866	1,614,759,241
			<u>4,541,663,687</u>	<u>4,503,772,486</u>
6.1	This represents land allotted measuring 4821 Kanals 11 Marlas approximately (2015: 4,821 Kanals 11 Marlas) for Ashiana-e-Quaid, Ashiana-e-Sahiwal, Ashiana-e-Faisalabad and Ashiana-e-Iqbal. Title of land measuring 672 Kanals and 18 Marlas of Ashiana-e-Quaid, Lahore with cost of Rs.277.571 million is in name of Punjab Land Development Company, while the Title of land measuring 247 Kanals 13 Marlas and 7 sersahies of Ashiana-e-Sahiwal with cost of Rs.108.363 million, Title of land measuring 741.70 Kanals of Ashiana-e-Faisalabad with cost of Rs.288.413 million and title of land 3160 kanals and 1 marla of Ashiana-e-iqbal having cost of Rs.2172.534 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 (Rs.412,500 per Kanal) for Ashiana-e-Quaid, Lahore, Rs. 5,500,000 per acre (Rs.687,500 per kanal) for Ashiana-e-Iqbal, Lahore, Rs.3,110,840 per acre (Rs.388,855 per Kanal) for Ashiana-e-Faisalabad and Rs. 3,500,000 per acre (Rs.437,500 per Kanal) for Ashiana-e-Sahiwal.			
6.3	Cost of land AQ, Lahore amounting to Rs. 10,329,424 (2015: Rs. 981,772) has been charged to profit and loss account against revenue recognized during the year and remaining land value comes to Rs.234,451,803 (568 Kanals and 7 Marlas approximately).			
6.4	Opening 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
			1,576,347,175	1,415,125,279
	Additions during the year			
	Ashiana Housing Project - Quaid (Lahore)		120,192,828	150,889,087
	Ashiana Housing Project - Sahiwal		14,414,443	15,257,249
	Ashiana Housing Project - Faisalabad		11,314,992	16,781,165
	Ashiana Housing Project - Iqbal (Lahore)		4,236,322	6,903,623
	Ashiana Housing Project - Bahawalpur		106,500	211,149
			150,265,085	190,042,273
	Cost available for recognition		1,726,612,260	1,605,167,552
	Cost recognized during the year			
	Ashiana Housing Project - Quaid (Lahore)		(102,201,743)	(17,303,649)
	Write down to Net Realizable Value - Sahiwal		-	(10,021,415)
	Written off - Kasur		-	(906,188)
	Written off - Chiniot		-	(589,125)
			<u>(102,201,743)</u>	<u>(28,820,377)</u>

*Contractor payment
Consultant fees
engineers' staff*

*Hand over
lower.*

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PUNJAB LAND DEVELOPMENT COMPANY LIMITED

6.5	Closing work in process	Note	2016 Rupees	2015 Rupees (Restated)
	Ashiana Housing Project - Quaid (Lahore)		1,078,309,763	1,060,318,678
	Ashiana Housing Project - Sahiwal		295,686,258	281,271,815
	Ashiana Housing Project - Faisalabad		199,100,355	187,785,363
	Ashiana Housing Project - Iqbal (Lahore)		48,106,802	43,870,480
	Ashiana Housing Project - Bahawalpur		3,207,339	3,100,839
	Ashiana Housing Project - Sargodha		-	-
	Ashiana Housing Project - Jhelum		-	-
			<u>1,624,410,517</u>	<u>1,576,347,175</u>
6.6	This represents cost of model houses in respect of following schemes of the Company:			
	Ashiana Housing Project - Quaid (Lahore)		10,906,727	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>38,569,349</u>	<u>38,412,066</u>
7.	ADVANCES			
	Advances to suppliers - considered good		1,360,675	5,282,684
	Advances to suppliers - considered doubtful	7.1	4,485,668	-
	Less: Provision for doubtful debt		<u>(4,485,668)</u>	<u>-</u>
			-	-
	Advances to employees - considered good			
	- Against expenses		148,962	312,284
	- Against salaries		431,718	119,000
			<u>580,680</u>	<u>431,284</u>
			<u>1,941,355</u>	<u>5,713,968</u>
7.1	This represents withholding tax of Rs.4,485,668 (2015: Rs. 4,485,668) recoverable from Ch. A. Latif & Sons (Private) Limited.			
8.	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
	Security deposits		907,107	117,100
	Prepayments		336,609	87,413
			<u>1,243,716</u>	<u>204,513</u>
9.	TAX REFUNDS DUE FROM GOVERNMENT			
	This represents the tax withheld by banks U/S 51 as withholding tax on profits on bank deposits.			

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10. CASH AND BANK BALANCES	Note	2016 Rupees	2015 Rupees
Cash at bank:			
- current accounts		21,536,438	16,165,742
- deposit account	10.1	<u>294,275,236</u>	<u>366,786,167</u>
		<u><u>315,811,674</u></u>	<u><u>382,951,909</u></u>

10.1 Deposit account carry interest ranging from 5.50% to 6.50% (2015: 6.50% to 8.20%) per annum.

11. SHARE DEPOSIT MONEY

Government of the Punjab	<u>249,800,000</u>	<u>249,800,000</u>
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12. LONG TERM FINANCING

	Note	2016 Rupees	2015 Rupees (Restated)
Long term loans against:			
- Land	12.1	<u>2,554,662,473</u>	<u>2,392,915,666</u>
- Construction of houses	12.2	<u>639,006,406</u>	<u>733,977,284</u>
		3,193,668,879	3,126,892,950
Current portion		<u>(2,306,510,520)</u>	<u>(1,827,684,781)</u>
		<u><u>887,158,359</u></u>	<u><u>1,299,208,169</u></u>

12.1 This represents loan payable to Board of Revenue (GOP) against land for Ashiana Housing Projects at Lahore, Sahiwal and Faisalabad as referred in notes 6.1 and 6.2 to the financial statements.

The loan was originally issued for a term of 5 years including 3 years as grace period. However, during the year, the loan terms were revised to 7 years including 5 years as grace period except for loan against Ashiana Iqbal. Since the new terms have been identified as a substantial modification, the original loan was extinguished and a new financial liability was recognized in its place with any gain or loss recognized in the profit and loss account. The details of revised terms of loans are as follows:

Ashiana	Repayment period	Grace period	Interest	2016	2015
			%	Rupees	Rupees
Quaid	7	5	0%	277,571,250	277,571,250
Iqbal	5	3	0%	2,172,534,375	2,172,534,375
Faisalabad	7	5	0%	288,413,754	288,413,754
Sahiwal	7	5	0%	<u>108,363,889</u>	<u>108,363,889</u>
				<u><u>2,846,883,268</u></u>	<u><u>2,846,883,268</u></u>

12.2 This represents loan received from Finance Department GOP for the purpose of construction of houses. This tranche has been utilized on the construction of housing projects at Ashiana-e-Quaid, Lahore, Ashiana-e-Sahiwal, Ashiana-e-Faisalabad and Ashiana-e-Iqbal, Lahore

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

Ashiana	Repayment period	Grace period	Interest	2016	2015
			%	Rupees	Rupees
Quaid	7	5	0.25%	513,642,000	513,642,000
Iqbal	7	5	0.25%	124,920,000	124,920,000
Faisalabad	7	5	0.25%	100,000,000	100,000,000
Sahiwal	7	5	0.25%	100,000,000	100,000,000
				<u>838,562,000</u>	<u>838,562,000</u>

12.3 This loan has been received from Government of Punjab for payment to Pakistan Rangers as compensation for structure already existed at land acquired for Ashiana Iqbal. This loan contains zero interest rate and is payable as soon as balloting process is completed for Ashiana Iqbal.

13. DEFERRED CREDIT	Note	2016 Rupees	2015 Rupees (Restated)
Opening balance as at 1 July		558,552,318	948,409,636
Deferred credit during the year		310,771,958	-
Restated / amortized during the year		(377,547,887)	(389,857,318)
Closing balance as at 30 June		<u>491,776,389</u>	<u>558,552,318</u>

Unearned Revenue

13.1 This represents initial gain on loans extended by GoPb at below commercial market terms.

14. ADVANCES

Advances from Government of Punjab	14.1	60,014,500	68,188,500
Advances from customers		842,592,331	827,657,516
		<u>902,606,831</u>	<u>895,846,016</u>

14.1 Advances from Govt of Punjab

Advance against upfront subsidy of mark-up, BOP (AHP Quaid)	14.1.1	52,234,000	59,149,000
25% Advance for quota applicants	14.1.2	7,780,500	20,540,500
Less: advances utilized during the year		-	(11,501,000)
		<u>60,014,500</u>	<u>68,188,500</u>

14.1.1 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 per house respectively.

14.1.2 This represents advance provided by the GoPb as 25% down payment for those applicants who fall under 10% quota of widows, Shaheed's and disabled persons in AHP Quaid.

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15. TRADE AND OTHER PAYABLES	2016 Rupees	2015 Rupees
Creditors	9,040,153	2,939,773
Accrued liabilities	3,783,786	6,004,183
Security deposits	903,250	265,000
Sales tax payable	362,269	28,050
Withholding tax payable	317,188	-
	<u>14,406,646</u>	<u>9,237,006</u>

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

- i) This CPLA has been filed by the appellant against the dismissal of Writ Petition No.13622-2011 titled "Muhammad Iftikhar Hussain VS Punjab Land Development Company" by the Lahore High Court, Lahore. The balloting conducted for allotment of the houses in Ashiana Housing Scheme has been challenged. The chances of the acceptance of this appeal are negligible. Date of hearing will be fixed by the Offices of the Supreme Court
- ii) Petitioner "Asif Ali" remained unsuccessful in Eligibility of an applicant for Ashiana Housing Scheme Sahiwal in verification reported by District Management. Subsequently he used his right and submitted an appeal before IGRC Committee PLDC. IGRC Committee PLDC supported the report of District Management. Through this petition the verification report and the decision of the IGRC has been challenged.
- iii) Petitioner "Zulfiqar Ali" remained unsuccessful in Eligibility of an applicant for Ashiana Housing Scheme Sahiwal in verification reported by District Management. Subsequently he used his right and submitted an appeal before IGRC Committee PLDC. IGRC Committee PLDC supported the report of District Management. Through this petition the verification report and the decision of the IGRC has been challenged
- iv) Petitioner "Nasir Ahmed" remained unsuccessful in Eligibility of an applicant for Ashiana Housing Scheme Sahiwal in verification reported by District Management. Subsequently he used his right and submitted an appeal before IGRC Committee PLDC. IGRC Committee PLDC supported the report of District Management. Through this petition the verification report and the decision of the IGRC has been challenged.
- v) Petitioner "Muhammad Riaz" remained unsuccessful in Eligibility of an applicant for Ashiana Housing Scheme Sahiwal in verification reported by District Management. Subsequently he used his right and submitted an appeal before IGRC Committee PLDC. IGRC Committee PLDC supported the report of District Management. Through this petition the verification report and the decision of the IGRC has been challenged.
- vi) Petitioner "Imran Siddique" applied for allotment of a house in Ashiana-e-Quaid Extension, Lahore. The verification team declared him ineligible for allotment. He filed an appeal before IGRC against the findings of the verification team. His appeal remained unsuccessful. Through this petition the findings of the verification team and the decision of IGRC have been assailed.
- vii) Petitioner "Asma Zafar" remained unsuccessful in Eligibility of an applicant for Ashiana Housing Scheme Sahiwal in verification reported by District Management. Subsequently he used his right and submitted an appeal before IGRC Committee PLDC. IGRC Committee PLDC supported the report of District Management. Through this petition the verification report and the decision of the IGRC has been challenged.

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- viii) The Petition filed by the Petitioner "Imdad Hussain" against the Respondents with the contention that the Petitioner and the Performa Respondents were in possession since the year 1971 as illegal occupants of land owned by the Govt of Punjab bearing Khasra Nos.1338 (108K), 134/123 (185K & 18M), 1341/121 (01K & 11M), 1348 (22K), 1357 (26K-17M), Qittat 7, measuring all together 517-K in the Revenue Estate of RakhTaira, Tehsil Cantt District Lahore. His entire case is based upon certain documents of the Revenue department for confirmation of his illegal possession over the said land. To acquire the ownership of the said land, on the basis of his illegal possession, he initiated a series of litigation in the year 2005 before different forums, and at the end this captioned petition.
- ix) Petitioner is an allottee "Rizwan Ahmed" of a 02 marla house in Ashiana-e-Quaid Attari Saroba Ferozepur Road, Lahore. Being aggrieved of unsatisfactory and incomplete civil works of his house he filed the captioned petition, and installation of electricity connection has also been prayed for.
- x) The case is pending adjudication before the Court of Mr. Hedayat Ullah Shah Civil Judge 1St Class, Lahore. This case filed by the DHA allegedly having control of the area against the very creation of the Ashiana-e Quaid, Attari Saroba.
- xi) The case is pending adjudication before the Court of Malik Muhammad Asif Civil Judge, 1st Class, Lahore. This case for recovery of Rs. 6,497,063/- on basis of misleading and fabricated facts filed by the plaintiff (M. Irfan) being owner of the premises which PLDC took on rent on 02-05-2010 and vacated the same after few months.
- xii) The case is pending adjudication before the Court of Mr. Farhan Shakoor Civil Judge, 1St Class, Lahore. This case pertains to transfer of ownership of a house in Ashiana-e-Quaid from the name of its deceased Allotee (Mr Asghar Sagheer) in favor of her legal heirs.
- xiii) The case is pending adjudication before the Court of Mr. Mudassar Farid Khokhar, Civil Judge 1St Class, Lahore. This case pertains to a temporary shop of PLDC filed by the plaintiff being tenant. The PLDC has been restrained to evict the tenant/ Plaintiff (Arif Hussain) illegally and unlawfully.
- xiv) The case is pending adjudication before the Court of Mr. Muhammad Ashraf Gondal, Special Judge Rent, Lahore. The case pertains to the Temporary Shop No. 5 situated in Ashiana-e Quaid. This petition has been filed by PLDC against the tenant Mr. Arif Hussain for his eviction from the said shop being defaulter of rent.
- xv) The case is pending adjudication before the Court of Mr. Mudassar Farid Kokhar, Civil Judge, 1st Class, Lahore. This petition has been filed against the officials of PLDC in respect of violation of the restraining orders of the Civil Judge, Lahore Mr. Mudassar Farid Khokhar in the civil suit titled "Arif Hussain VS PLDC".
- xvi) The case is pending adjudication before the Court of Mr. Hedayat Ullah Shah, Civil Judge, 1st Class, Lahore. This case has been filed by a petty contractor against the sub-contractor M/s Bahria Town (Pvt) Limited with reference to controversy on the issue of payments of invoices presented by the petty contractor. As PLDC was not the party therefore, an application Under Order 1 Rule 10 CPC has been filed on behalf of PLDC to become a party in the tiled suit to safeguard the interest of the company.
- xvii) The case is pending adjudication before the Court of Mr. Farhan Shakoor Civil Judge, 1st Class, Lahore. This case pertains to transfer of ownership of a house in Ashiana-e-Quaid from the name of its deceased Allotee in favor of his legal heirs.

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- xviii) The case is pending adjudication before the Court of Mr. Mudassar Hussain Sandhu Civil Judge, 1st Class, Lahore. The plaintiff is a land grabber trying to occupy the land adjacent to the Mosque constructed in Ashiana-e-Quaid. The PLDC is contesting this case on its merits and no adverse order has been passed till to date.
- xix) The case is pending adjudication before the Court of Mr. Mudassar Hussain Sandhu Civil Judge, Lahore. The plaintiff is a land grabber trying to occupy the land adjacent to the Mosque constructed in Ashiana-e-Quaid. The PLDC is contesting this case on its merits and no adverse order has been passed till to date.
- xx) The case is pending adjudication before the Court of Mr. Shafique Abbas Civil Judge, Lahore. The plaintiff was awarded a contract for construction of a school at Ashiana-e-Quaid Lahore. Because of unsatisfactory work and violation of settled terms and conditions his contract has been cancelled, and through this suit the said cancellation has been challenged. The PLDC is contesting this case on its merits and no adverse order has been passed till to date.
- xxi) The case is pending adjudication before the Court of Miss Fozia Saira Civil Judge, Lahore. Plaintiff applied for allotment of a house in Ashiana-e-Quaid Extension, Lahore. The verification team declared her ineligible for allotment. She filed an appeal before IGRC against the findings of the verification team. Her appeal remained unsuccessful. Through this suit the findings of the verification team and the decision of IGRC have been assailed.
- xxii) The case is pending adjudication before the Court of Mr. Zaheer Ahmed Khan Civil Judge, 1st Class, Sahiwal. The plaintiff is claiming his rights regarding house No.256, Block-A, Ashiana Housing Scheme, Sahiwal being Benamidar owner (M. Habib) . PLDC is contesting this case on its merits to safeguard the interest of PLDC.

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

16.2 Commitments	Note	2016 Rupees	2015 Rupees
16.2.1 Commitments for contracts at balance sheet date		<u>2,245,632,558</u>	<u>1,407,538,558</u>

16.2.2 Government of Punjab through its competent authority has approved summaries of Housing, Urban Development & Public Health Engineering Department for establishment of Ashiana Housing Schemes. However, transfer of land formalities are pending and ownership and title is not in the name of the Company.

Detail of these lands is as follows:

District	Proposed Location	Area (Kanal)	Provisional Reserve Price (Rs.)
Bahawalpur	Mouza Zakhira Samasatta	213	426,000,000
Kasur	Kasur Androon	230.4	23,040,000
Chiniot	Jhumra Road	212.3	51,905,250
Sargodha	Chak # 49/NB	1054.9	263,725,000
Jhelum	Chak Akka, Bura Jungle, Dhok Awan, Haral	787.15	708,435,000

The management intends to pursue transfer of land formalities for establishment of Ashiana Housing Schemes. However, recognition of land and related financing from Board of Revenue (BoR) is subject to determination of terms and conditions and transfer of land formalities.

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17. REVENUE	Note	2016 Rupees	2015 Rupees
Revenue		99,290,000	9,310,000
Less: Discount allowed	17.1	(42,750)	-
		<u>99,247,250</u>	<u>9,310,000</u>
17.1 Discount of 5% of balance payment is allowed to allottee who availed the option to pay the balance payment on lumpsum basis instead of availing loan facility.			
18. DEVELOPMENT COST			
Project land	6.3	10,329,424	981,722
Development Expenses:			
Site facilities including salaries		7,418,494	8,100,834
Construction of shops and apartments		2,046,376	194,490
Engineering and other services		4,915,245	467,151
Amenities		7,165,459	681,015
Construction of building and infrastructure development		80,656,169	7,860,159
		<u>102,201,743</u>	<u>17,303,649</u>
		<u>112,531,167</u>	<u>18,285,371</u>
19. MARKETING EXPENSES			
Advertisement		1,161,548	63,345,689
Promotional expenses		336,115	2,187,549
		<u>1,497,663</u>	<u>65,533,238</u>
20. GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and allowances		25,233,957	9,773,440
Utilities	20.1	1,912,910	1,306,368
Security charges		1,758,395	1,851,567
Travelling and conveyance		792,755	273,860
Running and maintenance of vehicles		2,105,220	1,526,396
Printing and stationery		1,170,778	547,731
Entertainment		584,503	190,034
Communication		553,637	290,121
Newspapers and periodicals		14,200	5,890
Rent, rates and taxes		1,274,056	1,047,942
Legal, professional and consultancy charges		2,639,244	1,630,000
Repairs and maintenance		801,998	547,651
Fee and subscription		73,954	67,005
Auditors' remuneration		395,000	350,000
Depreciation	4	1,419,337	1,686,516
Amortization	5	35,050	43,812
Insurance		19,993	45,037
Others		238,986	6,863
		<u>41,023,973</u>	<u>21,190,233</u>

20.1 This includes utilities expense amounting to Rs. Nil (2015: 1.25 Million) on account of provision of water and sanitation services to the residents of AHP Quaid, Lahore.

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21. OTHER OPERATING EXPENSES	Note	2016 Rupees	2015 Rupees
Application processing fee	21.1	-	12,910,610
Development properties written off	21.2	-	1,495,313
Write down of inventories to Net Realizable Value	21.3	-	10,021,415
Provision for doubtful advances		4,485,668	-
		<u>4,485,668</u>	<u>24,427,338</u>

21.1 This represents Rs. Nil (2015 :Rs. 12,910,610) application processing charges in respect of Ashiana Housing Project Iqbal charged by the Bank of Punjab.

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

21.3 This represents write-down of inventories in AHP Sahiwal to their net realizable value.

22. OTHER INCOME	Note	2016 Rupees	2015 Rupees (Restated)
Income from financial assets			
Profit on bank deposit		18,923,260	34,659,237
Income from assets other than financial assets			
Fines on late installments		1,292,942	-
Application form fee		-	59,138,050
Rental income		66,000	-
Other income	22.1	377,605,148	389,914,719
		<u>397,887,350</u>	<u>483,712,006</u>

22.1 This represents the amortization of deferred credit on effective rate of interest on long term loans.

23. FINANCE COSTS

Bank charges		4,288	-
Interest on long term loan		1,909,105	1,909,105
amortization of financial liability		377,547,887	389,857,318
		<u>379,461,280</u>	<u>391,766,423</u>

24. TAXATION

Current	24.1	-	-
Deferred	24.2	-	-
		<u>-</u>	<u>-</u>

24.1 The current tax figure is Rs. Nil (2015: Nil) due to the reason that Company is in losses.

24.2 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 (2015: Rs. 3,232,608)

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25. 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	2016 Rupees	2015 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	2,846,478,129	2,846,478,129
Outstanding balance of share deposit money from GoPb	11	249,800,000	249,800,000
Advances from GoPb against:			
Upfront subsidy		52,234,000	57,688,000
Quota applicants		7,780,500	10,500,500

25.1 Remuneration of key management personnel

Salaries and allowances paid during the year

- Chief Executive Officer	9,466,667	400,000
- Chief Financial Officer	2,603,333	110,000
- Project Director	1,888,629	3,312,000
- Chief Engineer	2,218,767	2,160,000
- General Manager estate management	1,625,000	1,800,000
- General Manager coordination and outreach	1,513,650	780,000

In addition, all the above personnel are also provided with Company maintained vehicle for official purpose.

26. FINANCIAL RISK MANAGEMENT

Financial instruments comprise trade deposits, other receivables, cash and bank balances, trade and other payables, long term loans and share deposit money.

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The Board of Directors has the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

This note represents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Company's activities.

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26.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. Outstanding customer receivables are regularly monitored.

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties and subscribers in case of trade debts.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2016 Rupees	2015 Rupees
Trade deposits	907,107	907,107
Other receivables	2,637,231	194,020
Bank balances	315,811,674	382,951,909
	<u>319,356,012</u>	<u>384,053,036</u>

Banks	Rating			2016	2015
	Short	Long	Agency	Rupees	Rupees
Bank of Punjab	A1+	AA-	PACRA	315,799,732	382,939,767
Habib Bank Limited	A1+	AA	JCR-VIS	11,942	12,142
				<u>315,811,674</u>	<u>382,951,909</u>

26.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The following are the contractual maturities of financial liabilities:

The following are the contractual maturities of financial liabilities as at 30 June 2016:

	Carrying	Less than one	One to five	More than five
	-----Rupees-----			
Long term financing	3,193,668,879	3,685,445,268	3,685,445,268	-
Trade and other payables	9,040,153	9,040,153	-	-
Accrued markup	3,783,786	3,783,786	-	-
	<u>12,823,939</u>	<u>12,823,939</u>	-	-

The following are the contractual maturities of financial liabilities as at 30 June 2015:

Long term financing	3,126,892,950	3,685,445,268	3,685,445,268	-
Trade and other payables	2,939,773	2,939,773	-	-
Markup accrued on loans	6,004,183	6,004,183	-	-
	<u>8,943,956</u>	<u>8,943,956</u>	-	-

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26.3 Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Monetary items, including financial assets and financial liabilities, denominated in currency other than functional currency of the Company are periodically remeasured to Pak rupee equivalent and the associated gain or loss is taken to the profit and loss account.

As of balance sheet date, the Company is not exposed to any foreign currency risk.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity and equity price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk arises from the possibility that changes in interest rate will affect the fair value or future cash flows of financial instruments. The Company is exposed to interest rate risk for bank balances in saving accounts, which have been disclosed in the relevant note to the financial statements.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:

	2016 Rupees	2015 Rupees
Financial asset:		
Bank balances - deposit account	294,275,236	366,786,167
Financial liability:		
Long term financing	3,193,668,879	3,126,892,950

		Changes in Interest Rate	Effects on Profit Before Tax
		Rupees	
Bank balances - deposit account	2016	+1.00	2,942,752
		-1.00	(2,942,752)
	2015	+1.00	3,667,862
		-1.00	(3,667,862)
Long term financing	2016	+1.00	31,936,689
		-1.00	(31,936,689)
	2015	+1.00	31,268,930
		-1.00	(31,268,930)

26.4 FAIR VALUES OF ASSETS AND LIABILITIES

The carrying values of other financial assets and financial liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Financial instruments by categories	Financial asset at fair value through profit or loss	Cash and cash equivalents	Loans and receivables
As at 30 June 2016			
Assets as per balance sheet	-----Rupees-----		
Trade deposits	-	-	907,107
Other receivables	-	-	2,637,231
Bank balances	-	315,811,674	-
	-	315,811,674	3,544,338

Liabilities as per balance sheet	Financial liability at	
	Fair value through	Amortized cost
	-----Rupees-----	
Long term financing	-	3,193,668,879
Trade and other payables	-	9,040,153
Accrued markup	-	3,783,786
	-	3,202,709,032

Financial instruments by categories	Financial asset at fair value through profit or loss	Cash and cash equivalents	Loans and receivables
As at 30 June 2015			
Assets as per balance sheet	-----Rupees-----		
Trade deposits	-	-	907,107
Other receivables	-	-	194,020
Bank balances	-	382,951,909	-
	-	382,951,909	1,101,127

Liabilities as per balance sheet	Financial liability at	
	Fair value through	Amortized cost
	-----Rupees-----	
Long term financing	-	3,126,892,950
Trade and other payables	-	2,939,773
Accrued markup	-	6,004,183
	-	3,129,832,723

26.3 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 quoted (unadjusted) prices in active markets for identical assets or liabilities.

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Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

At 30 June, the Company had following financial instruments with respect to their level of fair value modelling:

	Level 1	Level 2	Level 3
	-----Rupees-----		
2016			
Trade deposits	-	-	907,107
Other receivables	-	-	2,637,231
Bank balances	-	-	315,811,674
2015			
Trade deposits	-	-	907,107
Other receivables	-	-	194,020
Bank balances	-	-	382,951,909

During the year ended 30 June 2016, there were no transfers between level 1 and level 2 fair value measurements.

There were no liabilities measured at fair value as at 31 December 2016 and 2015.

26.4 Capital risk management

The Company's policy is to safeguard the Company's ability to remain as a going concern and ensure a strong capital base in order to maintain investors', creditors' and market's confidence and to sustain future development of the business. The Board of Directors monitors the returns on capital, which the Company defines as net operating income divided by total shareholders' equity. The Company's objectives when managing:

- a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- b) to provide an adequate return to shareholders by pricing products.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

Consistent with the industry norms, the Company monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the balance sheet less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt (as defined above).

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The debt - to- equity ratio as to 30 June is as follows

	2016	2015
	Rupees	Rupees
Total Debt	3,193,668,879	3,126,892,950
Total Equity	215,660,651	257,525,802
Total Capital	<u>3,409,329,530</u>	<u>3,384,418,752</u>
Debt to equity ratio	95:05	92:08

The Company's financing is backed up by GoPb and depends entirely on cash flows obtained from long-term financing.

The Company is not subject to any externally-imposed capital requirements.

27. NUMBER OF EMPLOYEES

2016 2015

Average number of employees during the year

Number of employees at year end

41 40

28. 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 except as disclosed in Note 2.2

29. DATE OF AUTHORIZATION

These financial statements were approved for issue on MAR 02, 2017 by the Board of Directors of the Company.

30. GENERAL

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



 CHIEF EXECUTIVE OFFICER

71.


 DIRECTOR