

# QUARTERLY REPORT

CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE QUARTER ENDED  
31ST DECEMBER 2022



## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Abdul Aziz Jamal  
Mr. Husein Jamal  
Mr. Abdul Rashid Jamal  
Ms. Saman Aziz Jamal  
Mr. Muhammed Ali Rashid  
Mr. Abdul Rehman Yousuf  
Mr. Suleman Aswani

Chairman  
Chief Executive Officer  
Non-Executive Director  
Executive Director  
Non-Executive Director  
Independent Director  
Independent Director

### CHIEF FINANCIAL OFFICER

Mr. M. Anwar Kaludi

### COMPANY SECRETARY

Mr. Muhammed Aslam Moten

### BOARD OF AUDIT COMMITTEE

Mr. Suleman Aswani  
Mr. Abdul Rashid Jamal  
Mr. Abdul Rehman Yousuf  
Mr. Mirza Akhtar Shikoh

Chairman  
Member  
Member  
Secretary

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Suleman Aswani  
Mr. Abdul Rashid Jamal  
Mr. Abdul Rehman Yousuf  
Mr. Shan ul Haq

Chairman  
Member  
Member  
Secretary

### BANKERS

Habib Metropolitan Bank Limited  
MCB Bank Limited  
Soneri Bank Limited  
Dubai Islamic Bank Limited

### AUDITORS

Reanda Haroon Zakaria & Co.  
Chartered Accountants

### LEGAL ADVISOR

Ms. Marium Badar

### REGISTERED & HEAD OFFICE

HT-8, Landhi Industrial & Trading Estate,  
Landhi, Karachi-75120.

### SHARE REGISTRAR

C & K Management Associates (Pvt) Limited  
404, Trade Towers, Near Hotel Metropole,  
Abdullah Haroon Road, Karachi.

### E-Mail

Sales@husein.com

### URL

www.husein.com





## DIRECTORS' REPORT

In the name of Allah the Most Merciful and the Most Benevolent.

The Directors of Husein Industries Limited are pleased to present the Half Yearly Report for the period ended December 31, 2022 together with the Independent Auditor's Review Report on condensed Interim Financial Statements to the members.

	December 2022 Rupees	December 2021 Rupees
<b>Financial Results</b>		
Revenue	61,569,897	80,340,165
Cost of Sales and Expenses	(23,933,670)	(34,256,216)
Gross Profit	37,636,227	46,083,949
Administrative Expenses	(16,758,488)	(19,029,085)
Operating Profit	20,877,739	27,054,864
Finance Cost	(21,675,647)	(11,702,901)
Other Income	120,645	43,067
Profit before Taxation	(677,263)	15,395,030
Taxation - net	1,370,701	(2,619,726)
Profit after Taxation	693,438	12,775,304
Earning Per Share - Basic and Diluted	0.07	1.20

For the period ended 31 December 2022, your Company's revenue was Rs. 61.570 Million as compared to Rs. 80.340 Million for the same period last year. Gross Profit of the Company was Rs.37.636 Million as compared to Rs. 46.084 Million for the same period last year. Administrative expenses incurred during the period was 16.758 Million whereas for the last period it was Rs. 19.029 Million showing decrease in Administrative expenses. Net profit of the Company was reduced to Rs. 0.693 Million from Rs. 12.775 Million in the corresponding period last year, this decrease is due to increase in Financial Cost from Rs. 11.703 Million to Rs. 21.676 Million.

As mentioned earlier in previous Director's Report, your Directors have Converted one of the Company's properties into a commercial cum residential project which will help generate positive cash flows for your Company in the forthcoming years. Your Directors are also thankful to all stakeholders for the loyalty they have shown during turbulent times.

The Directors of your Company are also pleased to record their appreciation for the assistance and continued support of the various Government Departments, Bankers, Customers and shareholders.

For and On behalf of the Board

Husein Jamal  
Chief Executive Officer

Saman Aziz Jamal  
Director

March 1, 2023  
Karachi

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF HUSEIN INDUSTRIES LIMITED  
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

***Introduction***

We have reviewed the accompanying condensed interim statement of financial position of **Husein Industries Limited** ("the Company") as at December 31, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the three months ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

***Scope of Review***

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

***Conclusion***

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

***Emphasis of Matter***

The Company has earned after tax profit amounting to Rs. 0.693 (December 31, 2021: 12.775) million, however, its accumulated losses stood at Rs. 1,101.115 (June 30, 2022: Rs. 1,109.931) million resulting in negative shareholders' equity of Rs. 174,452 (June 30, 2022: Rs. 500,037) million. At reporting date, current liabilities of the Company exceeded the current assets by Rs. 764.285 (June 30, 2022: Rs. 777.819) million. These conditions along with other matters set forth in note 1.1 to the accompanying financial statements indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and also discusses the reasons for preparing the financial statements on going concern basis including the expectation of future profitability on account of change in business of the Company, financial support from directors and other matters. These plans including the viability of the new business are subject to inherent uncertainty as future events are always subject to change. Our opinion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is **Mohammad Iqbal**.

  
Reanda Haroon Zakaria & Company  
Chartered Accountants

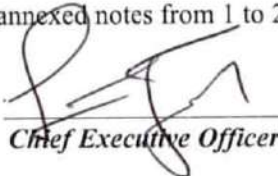
**Place:** Karachi  
**Dated:** 01 MAR 2023  
**UDIN:** RR2022100862i1Imajyf




**HUSEIN INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

<u>ASSETS</u>	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
----- (Rupees) -----			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	717,324,880	275,978,348
Long term investment		575,820	487,473
Long term deposits		1,316,096	1,316,096
Deferred taxation - net	6	-	-
		719,216,796	277,781,917
<b>Current Assets</b>			
Development property	7	83,179,361	77,304,885
Trade debts	8	1,233,886	797,926
Advances and prepayments		134,106	156,330
Tax refunds due from the Government		5,976,060	5,976,060
Cash and bank balances	9	17,453,425	14,907,590
		107,976,838	99,142,791
<b>Total Assets</b>		827,193,634	376,924,708
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
15,000,000 Ordinary shares of Rs. 10 each		150,000,000	150,000,000
<b>Share Capital</b>			
Issued, subscribed and paid up capital		106,258,520	106,258,520
<b>Capital Reserves</b>			
Share premium		33,858,000	33,858,000
Surplus on revaluation of property	10	494,404,169	177,635,000
		528,262,169	211,493,000
<b>Revenue Reserves</b>			
General reserves		292,142,000	292,142,000
Accumulated losses		(1,101,115,024)	(1,109,930,748)
		(808,973,024)	(817,788,748)
<b>Shareholder's equity</b>		(174,452,335)	(500,037,228)
<b>Non-Current Liabilities</b>			
Deferred tax liability	6	129,384,590	-
<b>Current Liabilities</b>			
Trade and other payables	11	165,891,779	181,160,162
Contract liabilities	12	254,799,285	262,743,450
Short term borrowings	13	278,485,490	278,485,490
Mark-up accrued	14	77,895,083	56,222,899
Unclaimed dividend	15	19,040,173	21,710,187
Provision for taxation		76,149,569	76,639,748
		872,261,379	876,961,936
<b>Contingencies and Commitments</b>			
<b>Total Equity and Liabilities</b>	16	827,193,634	376,924,708

The annexed notes from 1 to 21 form an integral part of this condensed interim financial statements.

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director


**HUSEIN INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**(UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

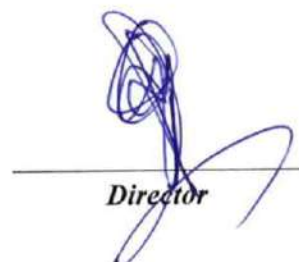
	Note	<i>Half year ended</i>		<i>Quarter ended</i>	
		<i>December 31,</i>		<i>December 31,</i>	
		<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
<i>----- (Rupees) -----</i>					
Revenue	17	61,569,897	80,340,165	33,877,800	52,331,793
Cost of sales and expenses		<b>(23,933,670)</b>	(34,256,216)	<b>(15,685,719)</b>	(19,605,541)
<b>Gross profit</b>		<b>37,636,227</b>	46,083,949	<b>18,192,081</b>	32,726,252
Administrative expenses		<b>(16,758,488)</b>	(19,029,085)	<b>(8,977,607)</b>	(14,152,091)
<b>Operating profit</b>		<b>20,877,739</b>	27,054,864	<b>9,214,474</b>	18,574,161
Finance cost		<b>(21,675,647)</b>	(11,702,901)	<b>(10,851,737)</b>	(4,654,461)
Other income		<b>120,645</b>	43,067	<b>47,948</b>	17,898
<b>Loss before taxation</b>		<b>(677,263)</b>	15,395,030	<b>(1,589,315)</b>	13,937,598
Taxation - net	18	<b>1,370,701</b>	(2,619,726)	<b>1,526,984</b>	(2,370,390)
<b>Profit after taxation</b>		<b>693,438</b>	12,775,304	<b>(62,331)</b>	11,567,208
<b>Other comprehensive income for the period</b>					
<b>Items that will not be reclassified to profit or loss in subsequent period / year(s)</b>					
Surplus on revaluation arising during the period	10	457,593,598	-	-	-
Less: deferred tax thereon	10	(132,702,143)	-	-	-
		<b>324,891,455</b>	-	-	-
<b>Total comprehensive income for the period</b>		<b>325,584,893</b>	<b>12,775,304</b>	<b>(62,331)</b>	<b>11,567,208</b>
<b>Earning per share - basic and diluted</b>		<b>0.07</b>	1.20	<b>(0.01)</b>	1.09

The annexed notes from 1 to 21 form an integral part of this condensed interim financial statements.

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 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

**HUSEIN INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Reserves						Shareholder's equity
	Ordinary share capital	Capital		General reserves***	Revenue		
		Share premium*	Surplus on revaluation of property**		Accumulated losses	Total reserves	
----- (Rupees) -----							
<b>Balance as at July 01, 2021</b>	106,258,520	33,858,000	177,635,000	292,142,000	(1,169,926,267)	(666,291,267)	(560,032,747)
Profit for the period	-	-	-	-	12,775,304	12,775,304	12,775,304
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	12,775,304	12,775,304	12,775,304
<b>Balance as at December 31, 2021</b>	<u>106,258,520</u>	<u>33,858,000</u>	<u>177,635,000</u>	<u>292,142,000</u>	<u>(1,157,150,963)</u>	<u>(653,515,963)</u>	<u>(547,257,443)</u>
<b>Balance as at July 01, 2022</b>	106,258,520	33,858,000	177,635,000	292,142,000	(1,109,930,748)	(606,295,748)	(500,037,228)
Profit for the period	-	-	-	-	693,438	693,438	693,438
Other comprehensive income for the period	-	-	324,891,455	-	-	324,891,455	324,891,455
Transferred from surplus on revaluation of property on account of incremental depreciation - net of deferred tax	-	-	(8,122,286)	-	8,122,286	-	-
<b>Total comprehensive income for the period</b>	-	-	316,769,169	-	8,815,724	325,584,893	325,584,893
<b>Balance as at December 31, 2022</b>	<u>106,258,520</u>	<u>33,858,000</u>	<u>494,404,169</u>	<u>292,142,000</u>	<u>(1,101,115,024)</u>	<u>(280,710,855)</u>	<u>(174,452,335)</u>

\* Represents share premium received in the preceding years and is held for utilization of purposes as stated in Section 81 of the Companies Act, 2017.


\*\*The revaluation surplus on property is not available for distribution to the share holders of the Company unless realized and transferred to accumulated profits. However, these reserves can be individually off set against losses arising in future periods (if any) from revalued assets.


\*\*\*Represents appropriation of profit in preceding years.

The annexed notes from 1 to 21 form an integral part of this condensed interim financial statements.

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 Chief Executive Officer

  
 Chief Financial Officer

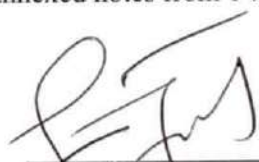
  
 Director

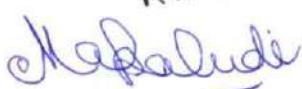


**HUSEIN INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	December 31,	
		2022	2021
		----- (Rupees) -----	
<b>A. CASH FLOW FORM OPERATING ACTIVITIES</b>			
(Loss) / Profit before taxation		(677,263)	15,395,030
<b>Adjustments for:</b>			
Depreciation	5.1	16,287,655	4,160,596
Interest on gratuity payable	11.4	1,015,970	903,548
Remeasurement gain on investment		(88,347)	(14,999)
Dividend income		(19,194)	(17,138)
Finance cost		21,675,647	11,702,901
		<u>38,871,731</u>	<u>16,734,908</u>
<b>Cash generated from operating activities before working capital changes</b>		<b>38,194,468</b>	<b>32,129,938</b>
<b>(Increase) / decrease in current assets</b>			
Development property		(5,874,476)	(30,010,102)
Prepayments		22,224	56,188
Trade debts		(435,960)	6,252,308
		<u>(6,288,212)</u>	<u>(23,701,606)</u>
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		(16,234,353)	1,252,831
Contract liabilities		(7,944,165)	(10,483,598)
		<u>(24,178,518)</u>	<u>(9,230,767)</u>
<b>Net cash generated / (used in) from operations</b>		<b>7,727,738</b>	<b>(802,435)</b>
Taxes paid - net		(2,437,032)	(4,402,692)
Gratuity paid	11.4	(50,000)	-
Financial charges paid		(3,462)	(5,527)
<b>Net cash generated / (used in) from operating activities</b>		<b><u>5,237,244</u></b>	<b><u>(5,210,654)</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Dividend received		19,194	17,138
Advance against purchase of vehicles	5.2	(40,589)	(8,225,000)
Dividend paid	15	(2,670,014)	-
<b>Net cash used in investing activities</b>		<b><u>(2,691,409)</u></b>	<b><u>(8,207,862)</u></b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short term borrowings obtained - net		-	14,779,738
<b>Net cash generated from financing activities</b>		<b><u>-</u></b>	<b><u>14,779,738</u></b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>2,545,835</b>	<b>1,361,222</b>
<b>Cash and cash equivalent at beginning of the period</b>	9	<b>14,907,590</b>	<b>28,123,648</b>
<b>Cash and cash equivalent at end of the period</b>	9	<b><u>17,453,425</u></b>	<b><u>29,484,870</u></b>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial statements.

  
 Chief Executive officer

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 Chief Financial Officer

  
 Director

**HUSEIN INDUSTRIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**1 NATURE AND STATUS OF BUSINESS**

The Company was incorporated in Pakistan on May 25, 1953 as a Public Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017) in the name of Husein Textile Mills Limited, which was changed to Husein Industries Limited in 1964 and it is listed on Pakistan Stock Exchange Limited. The trading of Company's shares has been suspended by Pakistan Stock Exchange Limited (PSX) on December 09, 2013 on account of non holding of Annual General Meeting and other secretarial non-compliances. During the last financial year, the Company has rectified the default and accordingly the trading of the Company's shares is restored with effect from August 02, 2021. The registered office of the Company is situated at HT-8, Landhi Industrial Area, Karachi.

The Company has ceased its textile business since the financial year 2014 and the management has developed business diversification strategy to enter into real estate development, construction and allied businesses including residential plots and commercial sites for which necessary approval from the shareholders and the regulator for change in 'object clause' is obtained during the years ended June 30, 2018 and 2019 respectively.

**1.1 Going Concern Assumption**

The Company has earned after tax profit amounting to Rs. 0.693 (2021: earned after tax profit of Rs. 12.775) million, however, its accumulated losses stood at Rs. 1,101.115 (June 30, 2022: Rs. 1,109.931) million resulting in negative shareholders' equity of Rs. 174.452 (June 30, 2022: Rs. 500.037) million. At reporting date, current liabilities of the Company exceeded the current assets by Rs. 764.285 (June 30, 2022: Rs. 777.819) million. Further the Company has not been able to pay its creditors on due dates.

The above conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The management of the Company has taken the following steps / measures including future plans to revive and improve the operational and financial conditions of the Company.

- a) Adoption of business diversification strategy in prior years, as disclosed in note 1 to these financial statements, has already started contributing towards the stability of the Company which is also evident from waiver of banking loans and markup amounting to Rs. 416.103 million in 2021 on prompt payment of restructured liabilities which has also significantly improved the current ratios and eased liquidity issues.
- b) Total financial liability of Rs. 541.313 million includes Rs. 356.381 million payable to directors of the Company who have ensured their strong support, therefore, the management is confident that the remaining liabilities will be repaid in the due course.
- c) Launch of 'Jamal Garden's Residential Project' consisting of residential plots having an area of 23,077 square yards at LT-21, scheme 3, Landhi Industrial Area, Karachi, after obtaining the respective approvals from the regulators, in prior years was a success as evident from deposits by the Customers and it had contributed towards the repayment of previous bank liabilities. Further, the management is still confident about the over all profitability of the residential project.
- d) Launch of 'Jamal Garden's Commercial Project' having an area of 14,933 square yards at LT-21, Scheme 3, Landhi Industrial Area, Karachi in near future will significantly improve the Company's overall financial position and will help the Company towards initiation of new projects.

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- e) Income from leased properties, during the period, including textile plant and machinery amounting to Rs. 53.626 million which is considered sufficient by the management to finance Company's future operations.
- f) The Company has strong financial support from its directors and is confident about the viability of the real estate and allied business.

The Board has also approved five year financial projections prepared by the management of the Company covering all factors mentioned above according to which, the Company will have adequate cash inflows which will not only pay off trade and other payables and project development expenditures but also generate additional cash inflows in the form of profits.

Accordingly, these financial statements have been prepared on the going concern basis.

## **2 BASIS OF PREPARATION**

2.1 These condensed interim financial statements of the Company for the half year ended December 31, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

- 2.2 These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency.
- 2.3 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2022
- 2.4 The figures of the condensed interim statement of profit or loss and other comprehensive income for the period ended December 31, 2022 and December 31, 2021 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2022 and December 31, 2021.

## **3 SIGNIFICANT ACCOUNTING POLICIES**

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2022.



### 3.2 *Standards, amendments and improvements to IFRS's effective during the period:*

The company has adopted the following accounting standards and amendments to IFRSs and the improvements to accounting standards which became for the effective for the current period:

#### *Effective for period beginning on or after*

Amendments to IAS 16 'Property, Plant and Equipment':  
Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use

January 1, 2022

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets': Amendments regarding the costs to include when assessing whether a contract is onerous

January 1, 2022

### 3.3 *Amendments to standards and IFRS interpretations that are not yet effective*

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

#### *Effective from accounting period beginning on or after*

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture

Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.

Amendments to IAS 1 'Presentation of Financial Statements':  
Amendments regarding the classification of liabilities and disclosure of accounting policies

January 1, 2023

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of accounting estimates

January 1, 2023

Amendments to IAS 12 'Income Taxes': Amendments regarding deferred tax on leases and decommissioning obligations

January 1, 2023

Certain annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 - First Time Adoption of International Financial Reporting Standards  
IFRS 17 - Insurance Contracts

#### **4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT**

- 4.1** The preparation of these condensed interim financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2** In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2022.
- 4.3** The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2022.

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>December 31,</i>	<i>June 30,</i>
		<i>2022</i>	<i>2022</i>
	<i>Note</i>	<i>----- (Rupees) -----</i>	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>717,324,880</b>	269,978,348
Capital work in progress (CWIP)	5.2	-	6,000,000
		<b>717,324,880</b>	<b>275,978,348</b>

**5.1 Movement in operating fixed asset during the period / year:**

Opening written down value		<b>269,978,348</b>	270,184,704
Transfer / addition during the period / year		<b>6,040,589</b>	8,730,210
Surplus on revaluation of building on leasehold land	10	<b>457,593,598</b>	-
Disposal during the period / year - net		-	(34,008)
Depreciation charge for the period / year		<b>(16,287,655)</b>	(8,902,558)
		<b>717,324,880</b>	<b>269,978,348</b>

**5.1.1** Had there been no revaluation, the written down values of specific classes of property, plant and equipment would have been as follows:

	<i>December 31,</i>	<i>June 30,</i>
	<i>2022</i>	<i>2022</i>
Free hold land	<b>5,792,000</b>	5,792,000
Building on lease hold land	<b>41,070,538</b>	42,123,629
	<b>46,862,538</b>	<b>47,915,629</b>

**5.2 Capital in Work in Progress**

**Advance against purchase of vehicles**

Opening	<b>6,000,000</b>	-
Addition during the period / year	<b>149,500</b>	6,000,000
Advance tax included in opening balance	<b>(108,911)</b>	-
Transfer during the period / year	<b>(6,040,589)</b>	-
Closing	<b>-</b>	<b>6,000,000</b>

**6 DEFERRED TAXATION - NET**

**This comprises of the following: -**

**Net deferred tax asset not recognized**

**Deductible temporary differences**

Provision for doubtful debts	<b>20,491,400</b>	20,491,400
Effect of unabsorbed tax depreciation	<b>169,869,682</b>	171,813,655
Effect of minimum tax	<b>1,408,195</b>	1,408,195
Effect of alternate corporate tax	<b>80,311,865</b>	80,311,865
	<b>272,081,142</b>	274,025,115

**Taxable temporary differences**

Accelerated tax depreciation	<b>(13,236,476)</b>	(14,486,014)
	<b>258,844,666</b>	259,539,101

**Net deferred tax asset not recognized**

	<b>(258,844,666)</b>	(259,539,101)
	<b>-</b>	<b>-</b>

**Deferred tax liability recognized**

**Taxable temporary differences**

Surplus on revaluation of property	<b>(129,384,590)</b>	-
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- 6.1 Deferred tax asset as at December 31, 2022 to the extent of Rs. 258.845 (June 30, 2022: Rs. 259.539) million has not been recognized because of the inherent uncertainties in forecasts of sufficient taxable profits in foreseeable future against which such benefits can be utilized.
- 6.2 Deferred tax liability as at December 31, 2022 to the extent of Rs. 129.385 (June 30, 2022: Rs. Nil) million has been recognized due to surplus on revaluation of building.

	<i>December 31, 2022 (Un-audited)</i>	<i>June 30, 2022 (Audited)</i>
<i>Note</i>	<i>----- (Rupees) -----</i>	
<b>7 DEVELOPMENT PROPERTY</b>		
Cost of land (LT-21)	259,971	259,971
Commercialization fee	42,811,000	42,811,000
Fee for approval of commercial plan (COMM1)	7,931,908	7,931,908
Amenities - development expenditure	7.1 111,937,270	101,544,715
	<u>162,940,149</u>	<u>152,547,594</u>
Transferred to cost of sales to date	7.2 (79,760,788)	(75,242,709)
	<u>83,179,361</u>	<u>77,304,885</u>
<b>7.1 Amenities - development expenditure</b>		
Opening balance	101,544,715	43,981,106
Add: incurred during the period / year	10,392,555	57,563,609
	<u>111,937,270</u>	<u>101,544,715</u>
<b>7.2 Cost of sales to date</b>		
<b>- Residential plots</b>		
Opening balance	75,242,709	25,541,614
Transferred to cost of sales during the period / year	4,518,079	49,701,095
	<u>79,760,788</u>	<u>75,242,709</u>
<b>- Commercial plots</b>		
As at December 31, 2022, the company has not recognized any sales of commercial plots.		
<b>8 TRADE DEBTS</b>		
<b>Considered doubtful</b>		
Exports	59,298,000	59,298,000
Local	11,362,000	11,362,000
	<u>70,660,000</u>	<u>70,660,000</u>
Lease receivables - considered good	1,233,886	797,926
Allowance for expected credit loss	(70,660,000)	(70,660,000)
	<u>1,233,886</u>	<u>797,926</u>
<b>9 CASH AND BANK BALANCES</b>		
Cash in hand	8,500	9,500
Cash at bank - in current accounts	9.1 17,444,925	14,898,090
	<u>17,453,425</u>	<u>14,907,590</u>

9.1 Includes foreign currency accounts amounting to Rs. 0.144 (June 30, 2022: Rs. 0.131) million.

		<i>December 31,</i> <i>2022</i> <i>(Un-audited)</i>	<i>June 30,</i> <i>2022</i> <i>(Audited)</i>
	<i>Note</i>	----- <i>(Rupees)</i> -----	
<b>10 SURPLUS ON REVALUATION OF PROPERTY</b>			
<i>Free hold land</i>	10.2	<b>177,635,000</b>	177,635,000
<i>Buildings on lease hold land</i>			
Opening		-	-
Surplus on revaluation arising during the period / year	10.1	<b>457,593,598</b>	-
Transfer to equity in respect of incremental depreciation - net of deferred tax		<b>(8,122,286)</b>	-
Related deferred tax liability		<b>(3,317,554)</b>	-
		<b>446,153,758</b>	-
<b>Gross Balance as at Dec 31 / June 30,</b>		<b>623,788,758</b>	177,635,000
<i>Less: Related deferred tax liability</i>			
- at the beginning of the period / year		-	-
- effect of surplus on revaluation during the period / year		<b>(132,702,143)</b>	-
- on incremental depreciation for the period / year		<b>3,317,554</b>	-
- at the end of the period / year		<b>(129,384,589)</b>	-
		<b>494,404,169</b>	177,635,000

**10.1** The company carried out revaluation of its building on leasehold by an independent valuer namely M/s. RBS Associates on July 1, 2022 who determined the fair value of building on leasehold land on the basis of market value amounting to Rs. 499.717 million resulting in revaluation surplus amounting to Rs. 457.593 million. The forced sale value of building on leasehold land amounts to Rs. 399.774 million.

**10.2** The Company carried out revaluation of its free hold land by an independent valuer namely M/s. Akbani and Javed Associates on March 04, 2011, who determined the fair value of free hold land on the basis of market value amounting to Rs. 157.925 million resulting in revaluation surplus amounting to Rs. 152.133 million. As at June 30, 2018, the Company carried out revaluation of its free hold land by an independent valuer who determined the fair value of freehold land, amounting to Rs. 183.427 million resulting in revaluation surplus amounting to Rs. 25.502 million. The forced sale value of freehold land amounts to Rs. 146.741 million.

The revaluation surplus on property is not available for distribution to the share holders of the Company unless realized and transferred to accumulated profits.

		<i>December 31,</i> <i>2022</i> <i>(Un-audited)</i>	<i>June 30,</i> <i>2022</i> <i>(Audited)</i>
	<i>Note</i>	----- <i>(Rupees)</i> -----	
<b>11 TRADE AND OTHER PAYABLES</b>			
Trade creditors		<b>5,912,766</b>	9,300,511
Accrued liabilities	11.1 & 11.2 & 11.3	<b>133,068,349</b>	140,945,604
Gratuity payable	11.4	<b>17,229,825</b>	16,263,855
Security deposit against rent		<b>9,680,839</b>	14,650,192
		<b>165,891,779</b>	181,160,162

**11.1** Includes Rs. 124.969 (June 30, 2022: Rs. 124.969) million prudently recorded by the Company against liability of Sui Southern Gas Company Limited (SSGC). In year 2012, the Company filed a case in the Honorable District and Session Court Malir Karachi against SSGC praying that no amount of the liability is payable against the initial claim of 17.6 million. The case is pending for adjudication in the Honorable Court till the date of these financial statements. In the mean time, SSGC continued to charge minimum gas levy and markup on outstanding amount including markup upto December 2020 which aggregated to Rs. 163.023 (June 30, 2021: Rs. 163.023) million as at reporting date. The management is confident based on legal advisor's opinion and the fact that markup on markup is illegal, that the Company is likely to succeed in waiving of the aforesaid additional charges. Accordingly, the Company has not recorded liability of Rs. 38.054 (June 30, 2021: Rs. 38.054) million in these financial statements.

**11.2** Includes director's and executive's remuneration payable amounting to Rs. 0.200 (June 30, 2022: 0.240) million and Rs. Nil (June 30, 2022: 0.9) million respectively.

**11.3** Includes Rs. 3.340 (June 30, 2022: 3.340) million recorded by the company against water bill of year 2016 raised by Karachi Water and Sewerage Board (KWSB). Later, KWSB has also billed late payment surcharge from 2016 till 2020 amounting in total to Rs. 5.533 million. The provision for late payment surcharge has not been recorded by the Company as currently the matter is under negotiation with the authorities and the management is confident that the matter will be resolved amicably and these late payment surcharges will be waived by the KWSB.

**11.4** Represents payable to employees in respect of gratuity scheme reclassified from deferred liabilities because the Company had decided to discontinue its gratuity scheme as the total strength of employees, by law, do not qualify for entitlement of any retirement benefits. The Company continued to record the provision for interest at the rate of 12.5% on outstanding liability.

	<i>December 31, 2022 (Un-audited)</i>	<i>June 30, 2022 (Audited)</i>
<i>Note</i>	<i>----- (Rupees) -----</i>	
<b><i>Movement in gratuity payable</i></b>		
Opening	16,263,855	14,456,760
Paid during the period	(50,000)	-
Interest charged during the period / year	1,015,970	1,807,095
Closing	<u>17,229,825</u>	<u>16,263,855</u>

## **12 CONTRACT LIABILITIES**

Advance from allottees - unsecured 12.1 254,799,285 262,743,450

**12.1** Represents liabilities against contract with customers / allottees for sale of open plots / sites. Revenue of Rs. 7.944 (June 30, 2022: Rs. 71.518 million) recognized during the period is adjusted against advance from allottees.

	<i>December 31, 2022 (Un-audited)</i>	<i>June 30, 2022 (Audited)</i>
<i>Note</i>	<i>----- (Rupees) -----</i>	

## **13 SHORT TERM BORROWINGS**

Loan from directors 13.1 262,861,600 262,861,600  
 Loan from Shareholder 15,623,890 15,623,890  
278,485,490 278,485,490



13.1 Represents unsecured loans obtained from directors (related parties) of the Company. These loans are repayable on demand and carries markup chargeable at the rate of 6 months KIBOR + 1%.

13.2 Represents loan from Mrs. Aisha Bai Suleman (Late) that was reclassified from 'Loan from directors' to 'Loan from shareholder' upon her sad demise during the year ended 2021. This amount will be paid to her legal successors once the legal formalities will be completed.

		<i>December 31,</i> <i>2022</i> <i>(Un-audited)</i>	<i>June 30,</i> <i>2022</i> <i>(Audited)</i>
	<i>Note</i>	<i>----- (Rupees) -----</i>	
<b>14 MARK-UP ACCRUED</b>			
- on directors loan (related parties)		74,410,519	52,738,335
- on shareholder (related party)		<u>3,484,564</u>	<u>3,484,564</u>
		<u><u>77,895,083</u></u>	<u><u>56,222,899</u></u>
<b>15 UNCLAIMED DIVIDEND</b>			
Unclaimed dividend	15.1	<u><u>19,040,173</u></u>	<u><u>21,710,187</u></u>

15.1 During the period, unclaimed dividend of Rs. 2.670 million has been paid. Further, since the directors of the Company are the major shareholders, therefore outstanding balance of unclaimed dividend mainly pertains to the directors and will be paid in subsequent year(s) based on liquid cash flows will arise in the form of profits.

#### 16 CONTINGENCIES AND COMMITMENTS

There are no major changes in the status and nature of contingencies except for those elsewhere disclosed in these condensed interim financial statements and commitments as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2022.

		<i>'December 31,</i>	
		<i>2022</i>	<i>2021</i>
		<i>(Un-audited)</i>	
	<i>Note</i>	<i>----- (Rupees) -----</i>	
<b>17 REVENUE</b>			
Sale of residential plots	17.1	7,944,165	10,933,598
Lease income		<u>53,625,732</u>	<u>69,406,567</u>
		<u><u>61,569,897</u></u>	<u><u>80,340,165</u></u>

17.1 The aggregate amount of the transaction price allocated to the unfulfilled performance obligations is Rs. 158.259 (June 30, 2022: Rs. 166.203) million. The Company will recognize this revenue upon percentage of completion of development work.

		<i>'December 31,</i>	
		<i>2022</i>	<i>2021</i>
		<i>(Un-audited)</i>	
	<i>Note</i>	<i>----- (Rupees) -----</i>	
<b>18 TAXATION - NET</b>			
Current tax expense		1,946,853	2,619,726
Deferred tax credit	10	<u>(3,317,554)</u>	<u>-</u>
		<u><u>(1,370,701)</u></u>	<u><u>2,619,726</u></u>

## 19 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise directors and key management personnel. Period end balances of related parties are disclosed in relevant notes to these condensed interim financial statements. The details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

<i>Name of Related Party</i>	<i>Basis of Relationship</i>	<i>Percentage of holding</i>	<i>Dec-22</i> <i>---- (Rupees) ----</i>	<i>Jun-22</i> <i>---- (Rupees) ----</i>
<b>Short term borrowings obtained during the period</b>				
Abdul Aziz Jamal	Key management personal	11.93%	-	16,000,000
Abdul Rashid Jamal	Key management personal	12.65%	-	-
Aisha Bai Suleman (Late)	Member	0.71%	-	-
<b>Short term borrowings repaid during the period</b>				
Abdul Aziz Jamal	Key management personal	11.93%	-	16,600,000
Abdul Rashid Jamal	Key management personal	12.65%	-	1,527,000
Aisha Bai Suleman (Late)	Key management personal	0.71%	-	1,221,082
<b>Markup expense during the period</b>				
Abdul Aziz Jamal	Key management personal	11.93%	12,487,548	16,408,595
Abdul Rashid Jamal	Key management personal	12.65%	9,184,635	11,765,991
Aisha Bai Suleman (Late)	Key management personal	0.71%	-	-
<b>Mark-up paid during the year</b>				
Abdul Aziz Jamal	Key management personal	11.93%	-	4,950,000
Abdul Rashid Jamal	Key management personal	12.65%	-	4,950,000

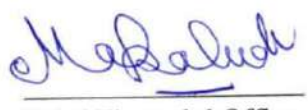
## 20 GENERAL

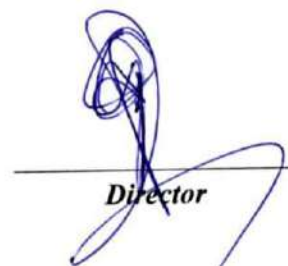
Figures have been rounded off to the nearest of Rupees.

## 21 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 01 MAR 2023 by the Board of Directors of the Company.

  
Chief Executive Officer

RH200  
  
Chief Financial Officer

  
Director