
HUSEIN INDUSTRIES LIMITED

QUARTERLY REPORT

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SECOND QUARTER ENDED 31st DECEMBER 2021





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 Non-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, 2021 together with the Independent Auditor's Review Report on condensed Interim Financial Statements to the members.


	December 2021	December 2020
	Rupees	
Financial Results		
Revenue	80,340,165	50,094,000
Cost of Sales and Expenses	(34,256,216)	(13,630,000)
Gross Profit	46,083,949	36,464,000
Administrative Expenses	(19,029,085)	(15,659,000)
Operating profit	27,054,864	20,805,000
Finance Cost	(11,702,901)	(13,722,000)
Other Income	43,067	416,328,000
Profit before Taxation	15,395,030	423,411,000
Taxation - net	(2,619,726)	(71,982,000)
Profit after Taxation	12,775,304	351,429,000
Earning per share-basic and diluted	1.20	33.07

The 2nd Quarter for the year 2022 was very challenging due to impact of global pandemic COVID-19. Your Company has been mostly immune to any adverse financial consequences. As responsible Corporate citizen; your Company has ensured that all staff were fully vaccinated. During the period; the Company has been able to Earnings per Share of Rupees 1.20 from its core business activity.

The Company is committed to establishing mutually beneficial relations with all stakeholders, stock exchange, the Commission and other business partners of the Company. Alhamdulillah during the period under review relations with all stakeholders remained cordial.

Your directors record with appreciation, the efforts of the company's managers, technicians, staff and workers who have vigorously acted to meet the target. Your directors also extend their appreciation to the company's bankers, buyers and suppliers for their cooperation. Your directors also appreciate the assistance and continued support of the various Government Departments and shareholders.

For and On behalf of the Board


Abdul Aziz Jamal
Chairman


Husein Jamal
Chief Executive officer

February 11, 2022
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, 2021 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, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

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. 12.775 (December 31, 2020: 351.43) million, however, its accumulated losses stood at Rs. 1,157.151 (June 30, 2021: Rs. 1,169.926) million resulting in negative shareholders' equity of Rs. 547.257 (June 30, 2021: Rs. 560.033) million. At reporting date, current liabilities of the Company exceeded the current assets by Rs. 825.621 (June 30, 2021: Rs. 834.317) 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 **Muhammad Haroon**.


Reanda Haroon Zakaria & Company
Chartered Accountants

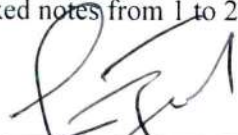
Place: Karachi
Dated: 11 FEB 2022

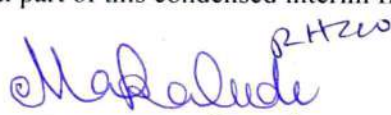
UDIN No.: RR2021101360njstql96

HUSEIN INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

<u>ASSETS</u>	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
----- (Rupees) -----			
Non-Current Assets			
Property, plant and equipment	5	274,249,108	270,184,704
Long term investment		544,753	529,754
Long term deposits		3,570,160	3,570,160
Deferred taxation - net	6	-	-
		278,364,021	274,284,618
Current Assets			
Development property	7	99,452,473	69,442,371
Trade debts	8	4,191,883	10,444,191
Prepayments		43,197	99,385
Tax refunds due from the Government		5,976,060	5,976,060
Cash and bank balances	9	29,484,870	28,123,648
		139,148,483	114,085,655
Total Assets		417,512,504	388,370,273
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Capital			
15,000,000 Ordinary shares of Rs. 10 each		150,000,000	150,000,000
Share Capital			
Issued, subscribed and paid up capital		106,258,520	106,258,520
Capital Reserves			
Share premium		33,858,000	33,858,000
Revaluation surplus on property		177,635,000	177,635,000
		211,493,000	211,493,000
Revenue Reserves			
General reserves		292,142,000	292,142,000
Accumulated losses		(1,157,150,963)	(1,169,926,267)
		(865,008,963)	(877,784,267)
Shareholder's equity		(547,257,443)	(560,032,747)
Current Liabilities			
Trade and other payables	10	207,947,949	205,791,570
Contract liabilities	11	318,749,717	329,233,315
Short term borrowings	12	296,613,310	281,833,572
Accrued markup	13	49,645,688	37,948,314
Unclaimed dividend	14	21,710,187	21,710,187
Provision for taxation		70,103,096	71,886,062
		964,769,947	948,403,020
Contingencies and Commitments	15		
Total Equity and Liabilities		417,512,504	388,370,273

The annexed notes from 1 to 20 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, 2021


	Note	<i>Half year ended</i>		<i>Quarter ended</i>	
		<i>December 31,</i>		<i>December 31,</i>	
		2021	2020	2021	2020
		----- (Rupees) -----			
Revenue	16	80,340,165	50,094,000	52,331,793	27,183,000
Cost of sales and expenses		(34,256,216)	(13,630,000)	(19,605,541)	(6,214,000)
Gross profit		46,083,949	36,464,000	32,726,252	20,969,000
Administrative expenses		(19,029,085)	(15,659,000)	(14,152,091)	(10,455,000)
Operating profit		27,054,864	20,805,000	18,574,161	10,514,000
Finance cost		(11,702,901)	(13,722,000)	(4,654,461)	(6,413,000)
Other income	17	43,067	416,328,676	17,898	416,239,000
Profit before taxation		15,395,030	423,411,676	13,937,598	420,340,000
Taxation - net		(2,619,726)	(71,982,000)	(2,370,390)	-
Profit after taxation		12,775,304	351,429,676	11,567,208	420,340,000
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		12,775,304	351,429,676	11,567,208	420,340,000
Earning per share - basic and diluted		1.20	33.07	1.09	39.56

The annexed notes from 1 to 20 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, 2021

Ordinary share capital	Reserves					Shareholder's equity	
	Capital		Revenue				
	Share premium*	Revaluation surplus on property**	General reserves***	Accumulated losses	Total reserves		
----- (Rupees) -----							
Balance as at July 01, 2020	106,258,520	33,858,000	177,635,000	292,142,000	(1,551,998,000)	(1,048,363,126)	(942,104,000)
Profit for the period	-	-	-	-	351,429,676	351,429,676	351,429,676
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	351,429,676	351,429,676	351,429,676
Balance as at December 31, 2020	<u>106,258,520</u>	<u>33,858,000</u>	<u>177,635,000</u>	<u>292,142,000</u>	<u>(1,200,568,324)</u>	<u>(696,933,450)</u>	<u>(590,674,324)</u>
Balance as at July 01, 2021	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
Balance as at December 31, 2021	<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>

* 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 20 form an integral part of this condensed interim financial statements.

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 Chief Executive Officer


 Chief Financial Officer


 Director

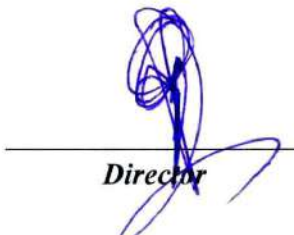
HUSEIN INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		<i>December 31,</i>	
		<i>2021</i>	<i>2020</i>
A. CASH FLOW FROM OPERATING ACTIVITIES		----- (Rupees) -----	
	<i>Note</i>		
Profit before taxation		15,395,030	423,411,000
Adjustments for:			
Depreciation	5.1	4,160,596	4,763,000
Interest on gratuity payable		903,548	842,000
Remeasurement gain on investment	17	(14,999)	(208,000)
Dividend income	17	(17,138)	(11,000)
Income on waiver of long term borrowings	17	-	(416,103,000)
Finance cost		11,702,901	13,722,000
		16,734,908	(396,995,000)
Cash generated from operating activities before working capital changes		32,129,938	26,416,000
(Increase) / decrease in current assets			
Development property		(30,010,102)	-
Prepayments		56,188	25,000
Trade debts		6,252,308	24,155,000
		(23,701,606)	24,180,000
Increase / (decrease) in current liabilities			
Trade and other payables		1,252,831	(6,239,000)
Contract liabilities		(10,483,598)	4,060,000
		(9,230,767)	(2,179,000)
Net cash (used in) / generated from operations		(802,435)	48,417,000
Taxes paid - net		(4,402,692)	(2,000)
Financial charges paid		(5,527)	(36,526,000)
Net cash (used in) / generated from operating activities		(5,210,654)	11,889,000
B. CASH FLOW FROM INVESTING ACTIVITIES			
Long term deposit		-	296,000
Dividend received	17	17,138	11,000
Advance against purchase of vehicles	5.2	(8,225,000)	-
Net cash (used in) / generated from investing activities		(8,207,862)	307,000
C. CASH FLOW FROM FINANCING ACTIVITIES			
Short term borrowings obtained - net		14,779,738	1,534,000
Net cash generated from financing activities		14,779,738	1,841,000
Net increase in cash and cash equivalents (A+B+C)		1,361,222	14,037,000
Cash and cash equivalent at beginning of the period	9	28,123,648	939,956
Cash and cash equivalent at end of the period	9	29,484,870	14,976,956

The annexed notes from 1 to 20 form an integral part of this condensed interim financial statements.


 Chief Executive officer


 Chief Financial Officer


 Director

HUSEIN INDUSTRIES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

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 on December 09, 2013 on account of non holding of Annual General Meeting and other secretarial non-compliances. During the period, 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 and mitigating factors

The Company has earned after tax profit amounting to Rs. 12.775 (December 31, 2020: 351.43) million, however, its accumulated losses stood at Rs. 1,157.151 (June 30, 2021: Rs. 1,169.926) million resulting in negative shareholders' equity of Rs. 547.257 (June 30, 2021: Rs. 560.033) million. At reporting date, current liabilities of the Company exceeded the current assets by Rs. 825.621 (June 30, 2021: Rs. 834.317) 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 the financial statements for the year ended June 30, 2021, have already started contributing towards the stability of the Company which is also evident from waiver of all banking liabilities including markup amounting in total to Rs. 416.103 million in prior year on prompt payment of restructured liabilities which has also significantly improved the current ratios and eased liquidity issues.
- b) Total financial liability of Rs. 575.917 million includes Rs. 296.613 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 and 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 not only in paying off liabilities but also will contribute towards initiation of new projects.
- e) Income from rented properties, during the period, including textile plant and machinery currently amounts to Rs. 69.407 million which shows an overall increase of 39% in comparison with period ended December 31, 2020 and is also expected to grow in foreseeable future and management considers it sufficient 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 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 condensed interim 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, 2021 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, 2021
- 2.4 The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarter ended December 31, 2021 and December 31, 2020 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, 2021 and December 31, 2020.

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, 2021.

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:

	<i>Effective for period beginning on or after</i>
Amendments to IFRS 4 'Insurance Contracts', IFRS 7 'Financial Instruments: Disclosures', IFRS 9 'Financial Instruments', IFRS 16 'Leases', IAS 39 'Financial Instruments: Recognition and Measurement': Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021
Amendments to IFRS 16 'Leases': Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification	April 1, 2021

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 condensed interim financial statements other than certain additional disclosures:

	<i>Effective from accounting period beginning on or after</i>
Classification of Liabilities as Non Current or Current - Amendments to IAS 1	January 1, 2022
Amendments to IFRS 4 'Insurance Contracts': Amendments regarding the expiry date of the deferral approach	January 1, 2023
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 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
Annual improvements to IFRS standards 2018-2020	January 1, 2022

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, 2021.
- 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, 2021.

5 PROPERTY, PLANT AND EQUIPMENT

5.1 Operating Fixed Assets

	'December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
Opening written down value	270,184,704	279,710,200
Depreciation charge for the period / year	<u>(4,160,596)</u>	<u>(9,525,496)</u>
	<u>266,024,108</u>	<u>270,184,704</u>

5.2 Capital in Work in Progress

Advance against purchase of vehicles	<u>8,225,000</u>	<u>-</u>
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6 DEFERRED TAXATION - NET

This comprises of the following: -

Taxable temporary difference

Accelerated tax depreciation	(14,269,621)	(14,807,631)
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Deductible temporary differences

Provision for doubtful debts	20,491,400	20,491,400
Effect of unabsorbed tax depreciation	177,458,807	182,719,791
Effect of minimum tax	2,339,199	2,175,195
Effect of alternate corporate tax	81,382,385	78,929,234
	<u>281,671,791</u>	<u>284,315,620</u>
	<u>267,402,170</u>	<u>269,507,989</u>
<i>Net deferred tax asset not recognized</i>	<u>(267,402,170)</u>	<u>(269,507,989)</u>
	<u>-</u>	<u>-</u>

6.1 Deferred tax asset as at December 31, 2021 to the extent of Rs. 267.402 (June 30, 2021: Rs. 269.508) 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.

	'December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
Note	----- (Rupees) -----	

7 DEVELOPMENT PROPERTY

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	<u>82,510,857</u>	<u>43,981,106</u>
		133,513,736	94,983,985
Transferred to cost of sales to date	7.2	<u>(34,061,263)</u>	<u>(25,541,614)</u>
		<u>99,452,473</u>	<u>69,442,371</u>

7.1 Amenities - development expenditure

Opening balance		43,981,106	38,347,000
Add: incurred during the period / year		<u>38,529,751</u>	<u>5,634,106</u>
		<u>82,510,857</u>	<u>43,981,106</u>

<i>'December 31, 2021 (Un-audited)</i>	<i>June 30, 2021 (Audited)</i>
<i>----- (Rupees) -----</i>	

7.2 Cost of sales to date

- Residential plots

Opening balance	25,541,614	3,661,636
Transferred to cost of sales during the period / year	8,519,649	21,879,978
	<u>34,061,263</u>	<u>25,541,614</u>

- Commercial plots

As at December 31, 2021, the company has not recognized any sales of commercial plots.

<i>'December 31, 2021 (Un-audited)</i>	<i>June 30, 2021 (Audited)</i>
<i>----- (Rupees) -----</i>	

8 TRADE DEBTS

Considered doubtful

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	4,191,883	10,444,191
Allowance for expected credit loss	(70,660,000)	(70,660,000)
	<u>4,191,883</u>	<u>10,444,191</u>

9 CASH AND BANK BALANCES

Cash in hand	39,000	3,500
Cash at bank - in current accounts	29,445,870	28,120,148
	<u>29,484,870</u>	<u>28,123,648</u>

9.1 Includes foreign currency accounts amounting to Rs. 0.126 (June 30, 2021: Rs. 0.115) million.

9.2 Includes balance of Rs. 0.021 (June 30, 2021: Rs. 0.021) million in multiplier account having effective interest rate ranging from 5.31% to 5.86% (June 30, 2021: 5.05% to 6.39%).

<i>'December 31, 2021 (Un-audited)</i>	<i>June 30, 2021 (Audited)</i>
<i>----- (Rupees) -----</i>	

10 TRADE AND OTHER PAYABLES

Note

Trade creditors		15,416,634	27,121,881
Accrued liabilities	10.1 & 10.2	157,147,333	148,438,154
Gratuity payable	10.3	15,360,308	14,456,760
Security deposit against rent		19,626,470	15,389,140
Advance rental income		397,204	385,635
		<u>207,947,949</u>	<u>205,791,570</u>

- 10.1** Includes Rs. 124.969 (June 30, 2021: 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.
- 10.2** Includes director's and executive's remuneration payable amounting to Rs. 1.260 (June 30, 2021: 1.260) million and Rs. 0.9 (June 30, 2021: 0.9) million respectively.
- 10.3** 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.

	'December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
Note	----- (Rupees) -----	
Movement in gratuity payable		
Opening	14,456,760	14,005,406
Paid during the period/year	-	(1,155,202)
Interest charged during the period/year	903,548	1,606,556
Closing	15,360,308	14,456,760

11 CONTRACT LIABILITIES

Advance from allottees - unsecured	11.1	318,749,717	329,233,315
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- 11.1** Represents liabilities against contract with customers / allottees for sale of open plots / sites. Revenue recognized during the period / year is adjusted against advance from allottees amounting to Rs. 10.934 (June 30, 2021: Rs. 23.451) million.

	'December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
Note	----- (Rupees) -----	

12 SHORT TERM BORROWINGS

Loan from directors	12.1	280,989,420	264,989,420
Loan from Shareholder		15,623,890	16,844,152
		296,613,310	281,833,572

- 12.1** 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% with effect from July 01, 2021. (June 30, 2021: 10% per annum)

	<i>'December 31, 2021 (Un-audited)</i>	<i>June 30, 2021 (Audited)</i>
<i>Note</i>	<i>----- (Rupees) -----</i>	

13 ACCRUED MARKUP

- on directors loan (related parties)	46,161,124	34,463,750
- on shareholder (related party)	3,484,564	3,484,564
	<u>49,645,688</u>	<u>37,948,314</u>

14 UNCLAIMED DIVIDEND

Unclaimed dividend	14.1 <u>21,710,187</u>	<u>21,710,187</u>
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14.1 Since the directors of the Company are the major shareholders, therefore the unclaimed dividend mainly pertains to the directors. The Company will pay these in future when positive cash flows will arise in the form of profits.

15 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, 2021.

	<i>'December 31, 2021 (Un-audited)</i>	<i>2020</i>
<i>Note</i>	<i>----- (Rupees) -----</i>	

16 REVENUE

Sale of plots	16.1 10,933,598	-
Rental income	69,406,567	50,094,000
	<u>80,340,165</u>	<u>50,094,000</u>

16.1 The aggregate amount of the transaction price allocated to the unfulfilled performance obligations is Rs. 84.888 (June 30, 2021: Rs. 95.822) million. The Company will recognize this revenue upon percentage of completion of development work.

	<i>'December 31, 2021 (Un-audited)</i>	<i>June 30, 2021 (Audited)</i>
	<i>----- (Rupees) -----</i>	

17 OTHER INCOME

Income from financial assets

Remeasurement gain on investment carried at fair value through profit or loss	14,999	208,000
Dividend income	17,138	10,968
Income on waiver of long term borrowings	-	416,103,708
Miscellaneous	10,930	6,000
	<u>43,067</u>	<u>416,328,676</u>

18 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-21</i>	<i>Jun-21</i>
			<i>---- (Rupees) ----</i>	
<i>Short term borrowings obtained during the period</i>				
Abdul Aziz Jamal	Key management personal	11.93%	16,000,000	23,000,000
Abdul Rashid Jamal	Key management personal	12.65%	-	5,900,000
<i>Short term borrowings adjusted (2020: repaid) during the period</i>				
Aisha Bai Suleman (Late)	Key management personal	0.71%	1,220,262	1,041,308
<i>Markup expense during the period</i>				
Abdul Aziz Jamal	Key management personal	11.93%	6,858,517	14,449,965
Abdul Rashid Jamal	Key management personal	12.65%	4,838,857	11,098,758
Aisha Bai Suleman (Late)	Key management personal	0.71%	-	1,720,940
<i>Mark-up paid during the year</i>				
Abdul Aziz Jamal	Key management personal	11.93%	-	4,950,000
Abdul Rashid Jamal	Key management personal	12.65%	-	4,950,000

19 GENERAL

Figures have been rounded off to the nearest of Rupees.

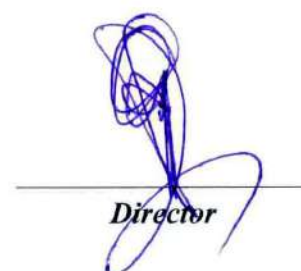
20 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 11 FEB 2022 by the Board of Directors of the Company.


Chief Executive Officer

RH200

Chief Financial Officer


Director