
HUSEIN INDUSTRIES LIMITED

ANNUAL REPORT 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	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 68th Annual General Meeting (AGM) of Husein Industries Limited (the "Company") will be held on Thursday, October 28, 2021 at 11:30 AM at the Registered Office of the Company at Plot No. HT-8, Landhi Industrial & Trading Estate, Landhi, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2021 together with the Auditors' and Directors' Reports thereon and the Review Report of the Chairman;
2. To appoint auditors and to fix their remuneration. The members are hereby notified that the Board of Directors and the Board Audit Committee have recommended the name of Reanda Haroon Zakaria & Co. Chartered Accountants, for re-appointment as auditors of the Company for the year ending June 30, 2022.

By Order of the Board

**Muhammad Aslam Moten
Company Secretary**

Karachi: October 05, 2021

Notes:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 22, 2021 to October 28, 2021 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, M/s C & K Management Associates (Pvt.) Limited, 404 Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi 75330, PABX No (92-21)35685930/35687839 and Email at info@ckmgt.org by close of business on October 21, 2021, will be treated as being in time for the purposes of attending and voting at the AGM.

Only those persons whose names appear in the Register of Members of the Company as at October 21, 2021 are entitled to attend and vote at the Annual General Meeting.

2. Proxy

Member of the company entitled to attend and vote at a meeting of the company may appoint another member as his proxy to exercise his rights to attend, speak and vote at a meeting. A proxy form is attached with this notice. The proxy form be signed by the appointer, or his attorney duly authorized in writing, or if the appointer is a corporate entity, be under its seal or, be signed by an officer or an attorney duly authorized by it.

The proxies must be lodged with the company not later than forty-eight hours before the time for holding a meeting.

A corporate entity being a member of the company may, by resolution of its board act as its representative at the meeting, and the individual so authorized shall be entitled to exercise the same powers on behalf of the corporate entity which he represents.

A member or proxy shall authenticate his/her identity by showing original CNIC/passport at the time of attending the meeting.

3. Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017; the shareholders residing in a city and collectively holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Company at least 7 days prior to the date of the meeting.

I/we _____ of _____ being members of Husein Industries Limited holder _____ Ordinary Shares(s) as per Registered Folio No. CDC/Account No. _____ hereby opt for video conference facility at [name of city] in respect of Annual General Meeting of the Company.

The Company will intimate respective members regarding venue of the video-link facility before five days of the meeting along with complete information necessary to enable them to access the facility.

4. Measures taken owing to prevailing situation of Covid-19 Pandemic

To ensure the safety and well-being of all the Members keeping in view of the prevailing situation due to COVID-19 pandemic and pursuant to the guidelines issued by Securities and Exchange Commission of Pakistan, vide its Circular No. 04 of 2021 dated February 15, 2021, members interested in attending the AGM through ZOOM are requested to get themselves registered by sending an email at least 48 hours prior to the date of the meeting at sales@husein.com by providing the following details:

Name of the Member	CNIC No.	Folio / CDC No.	Cell No.	Email Address

Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after the identification process. Members will be able to login and participate in the Annual General Meeting proceedings through their devices after completing all the formalities required for the identification and verification.

5. Placement of Financial Statements

In accordance to Section 223 of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2021 together with Chairman's Review Report, Directors' and Auditors' Report thereon have been made available on the Company's website: <http://www.husein.com> Further, the members of the company are entitled, on request at below mentioned emails, to be provided with a copy (physical or electronic) of the financial statements together with other reports at any time.

6. Members are requested to immediately notify the Company's Shares Registrar of any change in their registered address.

7. As per Circular No. 05 of 2020 dated March 16, 2020 read with Circular No. 4 of 2021 dated February 15, 2021; the shareholders may contact the Company at either of following:

Company: Email: sales@husein.com

WhatsApp/Mobile: 03332213903

Our Vision

The Company wishes to forge ahead, experiments with new ideas and challenge new frontiers. It will endeavor to achieve excellence in all undertaking and intends to provide customer satisfaction by being efficient and competitive.

Our Mission

To become a profitable organization and exceeds the expectations of our customers and stakeholders by producing and marketing high quality products at competitive prices through concentration on quality, business value and fair play. To develop and promote the best use of human talent in a safe environment, as an equal opportunity employer while using advance technology for efficient and cost-effective operations.

Chairman's Review Report

I am pleased to present the review for the year ended June 30, 2021 highlighting the Company's performance and the role of the Board of Directors in guiding the management to carry out its responsibility for the benefits of all its stakeholders.

The Board of Directors ('the Board') of Husein Industries Limited has performed their duties diligently in upholding the best interest of the shareholders of the Company and has managed the affairs of the Company in an effective and efficient manner. By the grace of Allah; the Company has demonstrated a strong financial performance in a challenging business environment by attaining profit after tax of Rupees 382,071,859 and earning a Revenue of rupees 149,683,713.


The Board exercised its powers and has performed its duties as stated in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 read with the provisions of the Code contained in the Rule Book of the Pakistan Stock Exchange Limited where the Company's shares are listed. The Board performed its duties and responsibilities diligently and contributed effectively in guiding the Company in all its strategic affairs. The Board also played a key role in monitoring of management performance and focus on major risks areas. All Directors including Independent Directors fully participated and contributed in decision making process of the Board. The Board during the year ended June 30, 2021 played an effective role in managing the affairs of the Company and achieving its objectives.

The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill experience and acknowledge to manage the affairs of the Company. The Board also ensured that the meetings of the Board and that of its committees were held with the requisite quorum, all the decision making were taken through Board resolutions and that the minutes of all the meetings including committees are appropriately recorded and maintained. The Board exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the compliance with all the applicable laws and regulation in terms of their conduct as directors and in exercising their powers and decision making.

As Chairman of your Company; I will continue to be responsible for leading the Board. I will remain firmly committed to ensuring that your Company complies with all relevant codes and regulations and ensuring that our management team continues to take decisions that will create value for you in the short, medium and long term.

I am pleased to record appreciation for the continued dedications, commitment and loyalty of the employees of your Company. I am also thankful to all stakeholders for the loyalty they have shown during our difficult period. I also appreciate the assistance and continued support of the various Government Departments, Bankers, Customers and Stakeholders.

October 5, 2021


Abdul Aziz Jamal
Chairman

Directors' Report

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

The directors of your Company are pleased to present the Annual Report and the Audited Financial Statements for the year ended June 30, 2021 together with the independent auditors' report thereon.

Operating and Financial Results

The Comparative financial results of the company are summarized below:

	2021	2020
	<i>Rupees</i>	
Revenue	149,683,713	108,338,976
Cost of sales and expenses	(58,950,161)	(30,118,972)
Gross Profit	90,733,552	78,220,004
Administrative expenses	(19,341,554)	(14,005,040)
Operating profit	71,391,998	64,214,964
Other charges	-	(96,153)
Finance cost	(27,279,155)	(60,515,860)
Other income	416,216,680	16,148
Profit before taxation	460,329,523	3,619,099
Taxation –net	(78,257,664)	(1,156,225)
Profit after taxation	382,071,859	2,462,874
Earnings per share	35.96	0.23

Financial Performance of the Company

I am pleased to inform our members that your company has maintained its upward trajectory this year with Earnings per Share of 35.96. It may be noted that the EPS for this year includes a large write back caused by the settlement of loan we retired this year. Therefore, other than the write back of loan, our core earnings amount to Rs. 3.45 per share (2020: Rs. 0.23 per share). Having dealt with the adversity of Covid, we expect the company will make further gains in the coming years.

Future Outlook

Going forward the Company has come up with a multi-pronged strategy to grow earnings by utilizing all its existing assets. Presently, we are earning income on its main industrial property in Landhi and we intend to construct further buildings within the property to increase revenue. Furthermore, HIL intends to develop in future, two of its commercial properties at its Jamal Garden project. The development of the first property is at the planning stage and we hope to get all the relevant approvals soon. Also, we are exploring options to develop our Land located at District Sheikhpura in the province of the Punjab.

Risks and Challenges

The last year has seen major changes in the macroeconomic environment with the rupee rapidly losing value and persistent inflation in the double digits. This constant upward trend in the prices of essential construction materials has had an adverse impact on profitability and in the near future we expect this pressure to persist. Your company will be monitoring these shifts in prices and will do their utmost to protect profit margins.

Related Party Transactions

All related party transactions during the financial year ended on 30 June 2021 were placed before the Audit Committee and the Board for their review and subsequently approved. These transactions were reviewed by the Audit Committee and approved by the Board. All these transactions were in line with the transfer pricing methods and the policy for related parties approved by the Board.

Corporate Social Responsibility (CSR)

The Company gives high priority to its social responsibilities and is committed to the highest standards of corporate behavior despite of the fact that it has increased its cost of doing business. The Company believes in having shared value and having healthy work place. The Company, upon achieving desired results, aims to continue its CSR initiatives in the areas of healthcare, education, water and sanitation, child welfare, infrastructure development and other social welfare activities.

Code of Conduct

The Company strives to enhance corporate governance as one of the most important tasks for its management, based on the Company's basic principle, in order to strengthen the trust of our shareholders, customers & society and seek sustainable growth and enhance corporate value.

Corporate and Financial Reporting Framework

The Company has complied with all the requirements of the Code of Corporate Governance as required by the listing regulations.

Accordingly, the Directors are pleased to confirm the following:

- a) The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 2017. These present fairly its state of affairs, the result of its operations, its cash flows and its changes in equity.
- b) Proper books of accounts have been maintained by the Company.
- c) The accounting estimates, wherever required are based on reasonable and prudent judgment.
- d) Appropriate accounting policies have been consistently applied in the preparation of financial statements which conform to the International Accounting Standards as applicable in Pakistan.
- e) International Accounting and Financial Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- f) The system of internal control is sound in design and has been effectively implemented and monitored.
- g) There are no doubts about the company's ability to continue as a going concern.
- h) There has been no material departure from the best practice of Corporate Governance.
- i) The Board of directors and its management team are fully determined to move the Company from present situation of uncertainties and for this a strategic plan has been developed and you will see positive improvements in the foreseeable future.
- j) Key operating and financial data for last six years, Pattern of shareholding and additional related information is annexed.
- k) There has been no material departure from the best practices of corporate governance as detailed in listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) expect for those mentioned in the statement of compliance.
- l) During the year; four meetings of the Board of Directors and four audit committee meetings were held separately. Attendance by each Director and member of audit committee is annexed.
- m) Majority of the members of the Audit Committee are amongst independent and non-executive directors.

Compliance with the Code of Corporate Governance

The requirement of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their listing regulations relevant for the year ended June 30, 2021 were duly complied with and a statement to this effect is attached with the report.

The Board of Directors

The Board of Directors is composed of seven members, with statutory representation of different category of directors, which includes an independent director, non-executive directors and executive directors as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board is responsible for making strategic decisions with respect to important management matters, including the execution of important business activities and other matters as prescribed by law. These decisions are made after deliberating matters according to established criteria: assessing risks and giving due consideration to ground realities. The Board is also responsible for supervising and monitoring conduct guidelines.

1. The total number of directors are seven (7) comprising of 6 male and one female directors.
2. The composition of Board of Directors (the Board) is as follows:

Category	Names
Independent Directors	Mr. Suleman Aswani Mr. Abdul Rehman Yousuf
Non-Executive Directors	Mr. Abdul Aziz Jamal Ms. Saman Aziz Jamal – Female Director Mr. Abdul Rashid Jamal Mr. Muhammed Ali Rashid
Executive Directors	Mr. Husein Jamal

The Board of Directors has established Audit Committee as well as HR and Remuneration Committee in compliance with the Code of Corporate Governance which comprises of the following members, no of meetings by each person is also given:

Board Meeting and Attendance

During the year 4 meetings of the Board of Directors of the company were held attendance by each director is shown below:

Sr. No.	Name	Designation	Number of meetings Attended
1	Abdul Aziz Jamal	Chairman / Director	4
2	Husein Aziz Jamal	Chief Executive / Director	4
3	Ms. Saman Aziz Jamal	Director	2
	Mrs. Aisha Bai Suleman (Deceased)	Director	2
4	Mr. Suleman Aswani	Director	4
5	Mr. Abdul Rashid Jamal	Director	4
6	Abdul Rehman Yousuf	Director	4
7	Mr. Muhammed Ali Rashid	Director	4

With a heavy heart, we would like to inform you that our long-standing Director, Mrs. Aisha Bai Suleman passed away during the year. We would like to take this opportunity to acknowledge her contribution and pray that Allah grant her the highest place in Jannah. The casual vacancy created by Mrs. Aisha Bai Suleman's death was filled by Ms. Saman Aziz Jamal from Nov 1, 2021 and accordingly she attended the subsequent board meetings.

Audit Committee Meeting and Attendance

During the year four meetings of the Board Audit Committee of the Company were held; attendance by each member is as under:

Sr. No.	Name	Designation	Number of meetings Attended
1	Mr. Suleman Aswani	Chairman	4
2	Mr. Muhammed Ali Rashid	Member	4
3	Abdul Rehman Yousuf	Member	4

Human Resource & Remuneration Committee Meeting and Attendance

During the year; one meeting of the Human Resource Committee of the Company was held; attendance by each member is as under:

Sr. No.	Name	Designation	Number of meetings Attended
1	Mr. Suleman Aswani	Chairman	1
2	Mr. Abdul Rashid Jamal	Member	1
3	Abdul Rehman Yousuf	Member	1

Internal Financial Controls

A system of sound internal control is established and implemented at all levels within the Company. The system of internal control is sound in design for ensuring achievement of company's objectives, operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

Financial Statements

The financial statements of the company have been duly audited and signed by the auditors of the Company, M/S Reanda Haroon Zakaria & Company, Chartered Accountants, and their report is attached with the financial statements.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2021 along with disclosure as required under the Code of Corporate Governance is included in this Annual Report.

Statutory Auditors of the Company

The present auditors' M/S Reanda Haroon Zakaria & Company, Chartered Accountants will retire on conclusion of Annual General Meeting being held on October 28, 2021. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the Company for the year ending June 30, 2022.

Remuneration to Chief Executive Officer and Directors

The remuneration of the directors including Chief Executive is determined by the Board as per provisions of section 170 of the Companies Act, 2017 on the basis of standards in the market and reflects demand to competencies and efforts in the light of the scope of their work and responsibilities of the directors. Remuneration of Chief Executive is reviewed annually by the board of directors. All the remuneration of Chief Executive, Directors and Executives as stated in Note 30 to the financial statements were approved by the audit committee as well as the board of directors.

Impact of Covid-19

The year 2021 has been a very challenging year due to global pandemic COVID-19. Your Company has been mostly immune to any adverse financial consequences. However, as economic activity slowed many of the Company's new initiatives were held back for a more suitable economic climate. And as such we expect the next year to be a positive one which will future build on the strong recovery of the Company from years of financial turmoil. Moreover, as responsible Corporate citizens your company has ensured that all staff were fully vaccinated as soon as vaccines became available.

Chairman's Review

The accompanied Chairman review deals with the performance of the Company for the year ended June 30, 2021 and future outlook. The directors endorse the contents of the review.

Relationship with Stakeholders

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

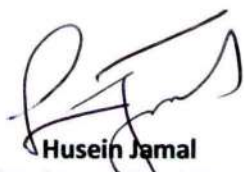
Post Balance Sheet Events

No material changes or commitments affecting the financial position of the Company have occurred between the end of financial year of the Company and date of this report.

Acknowledgement

Yours directors record with appreciation, the efforts of the company's managers, technicians, staff and workers who have vigorously to meet the target. Your directors also extend their appreciation to the company's banker, buyers and suppliers for their cooperation. Your directors also appreciate 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



Abdul Aziz Jamal
Director

October 5, 2021



REANDA

Reanda Haroon Zakaria & Company
Chartered Accountants



**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF HUSEIN INDUSTRIES LIMITED**

Review Report on The Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Husein Industries Limited** (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference, where these are stated in the Statement of Compliance:

<i>Paragraph Reference</i>	<i>Description</i>
18	The Company's independent directors are not selected from the data bank as required by section 166 of the Companies Act, 2017.


Reanda Haroon Zakaria & Company
Chartered Accountants

Engagement Partner
Muhammad Haroon

Place: Karachi
Dated: **05 OCT 2021**

**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE REGULATIONS)**

Name of Company: Husein Industries Limited
Year ended: June 30, 2021

Husein Industries Limited (the Company) has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are seven as per the following:

- a. Male: 6
- b. Female: 1

2. The composition of the Board of Directors (the Board) is as follows:

Category	Names
Independent Directors*	Mr. Suleman Aswani
	Mr. Abdul Rehman Yousuf
Other Non-Executive Directors	Mr. Abdul Rashid Jamal
	Mr. Muhammed Ali Rashid
	Mr. Abdul Rehman Yousuf
	Mr. Abdul Aziz Jamal
	Miss. Saman Aziz Jamal (Female director)
Executive Director	Mr. Husein Jamal

*Best practices of code of corporate governance requires that the Company's Independent Directors shall be higher of two or one third (2.33) of its total Directors (7). However, fraction (0.33) contained in one-third number for independent directors has not been rounded up as one, as the existing independent directors have the requisite skills, knowledge and diversified work experience to take independent decision in the interest of the Company;

- 3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- 4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- 5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements

of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
9. The Board has not arranged Directors' Training Program (DTP) for any of its directors. Three Directors are exempt from DTP and the remaining directors will be trained within the prescribed time period. All the Directors on the Board are fully conversant with their duties and responsibilities.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and the head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer (CEO) duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

Name of Committee	Name	Designation
Audit Committee	Mr. Suleman Aswani	Chairman
	Mr. Muhammed Ali Rashid	Member
	Mr. Abdul Rehman Yousuf	Member
Human Resource & Remuneration Committee	Mr. Suleman Aswani	Chairman
	Mr. Abdul Rehman Yousuf	Member
	Mr. Abdul Rashid Jamal	Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance;
14. The frequency of meetings of the committees were as per following:


Committee	Frequency of Meetings
a) Audit Committee	Quarterly
b) HR and Remuneration Committee	Yearly

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with except for;

Regulation	Explanation
Regulation 6	The Company's independent directors' although meet all the criteria of independence laid down in the Act, however, they are not selected from the data bank mentioned u/s 166 of the Act. The BOD is committed for swift induction of its independent directors into the data bank.

On Behalf of the Board,



Chairman

Dated: October 5, 2021



REANDA

Reanda Haroon Zakaria & Company
Chartered Accountants



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HUSEIN INDUSTRIES LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **Husein Industries Limited (the Company)**, which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

The Company has earned after tax profit amounting to Rs. 382.072 (2020: 2.463) million, however, its accumulated losses stood at Rs. 1,169.926 (2020: Rs. 1,551.998) million resulting in negative shareholders' equity of Rs. 560.033 (2020: Rs. 942.105) million. At reporting date, current liabilities of the Company exceeded the current assets by Rs. 834.317 (2020: Rs. 1,226.116) million. These conditions along with other matters set forth in note 1.2 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.



REANDA

Reanda Haroon Zakaria & Company

Chartered Accountants



Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the '*Material Uncertainty related to Going Concern*' section we have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The Other Information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Haroon**.



Reanda Haroon Zakaria & Company
Chartered Accountants

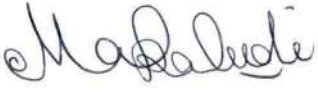
Place: Karachi
Dated: 05 OCT 2021

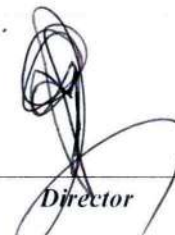
HUSEIN INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

<u>ASSETS</u>	Note	2021 ----- Rupees -----	2020
Non-Current Assets			
Property, plant and equipment	5	270,184,704	279,710,200
Long term investment	6	529,754	435,622
Long term deposits	7	3,570,160	3,866,025
Deferred taxation - net	8	-	-
		274,284,618	284,011,847
Current Assets			
Development property	9	69,442,371	77,756,335
Trade debts	10	10,444,191	24,155,156
Advances and prepayments		99,385	63,000
Tax refunds due from the Government	11	5,976,060	5,976,060
Cash and bank balances	12	28,123,648	939,956
		114,085,655	108,890,507
Total Assets		388,370,273	392,902,354
<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	13	106,258,520	106,258,520
Capital Reserves			
Share premium	14	33,858,000	33,858,000
Revaluation surplus on property	14	177,635,000	177,635,000
		211,493,000	211,493,000
Revenue Reserves			
General reserve	14	292,142,000	292,142,000
Accumulated losses	14	(1,169,926,267)	(1,551,998,126)
		(877,784,267)	(1,259,856,126)
Shareholders' equity		(560,032,747)	(942,104,606)
Non-Current Liabilities			
Long term borrowings	15	-	-
Current Liabilities			
Trade and other payables	16	205,791,570	210,571,111
Contract liabilities	17	329,233,315	349,124,818
Short term borrowings	18	281,833,572	280,460,371
Overdue portion of long term borrowings	15	-	274,104,034
Mark-up accrued	19	37,948,314	198,625,320
Unclaimed dividend	20	21,710,187	21,710,187
Provision for taxation		71,886,062	411,119
		948,403,020	1,335,006,960
Contingencies and Commitments	21		
Total Equity and Liabilities		388,370,273	392,902,354

The annexed notes from 1 to 37 form an integral part of these financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

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HUSEIN INDUSTRIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

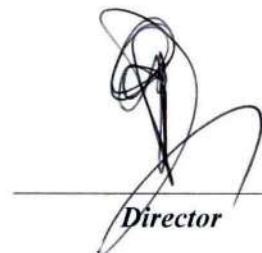
	Note	2021 ----- Rupees -----	2020
Revenue	22	149,683,713	108,338,976
Cost of sales and expenses	23	<u>(58,950,161)</u>	(30,118,972)
Gross profit		90,733,552	78,220,004
Administrative expenses	24	<u>(19,341,554)</u>	(14,005,040)
Operating profit		71,391,998	64,214,964
Other charges		-	(96,153)
Finance cost	25	<u>(27,279,155)</u>	(60,515,860)
Other income	26	<u>416,216,680</u>	16,148
Profit before taxation		460,329,523	3,619,099
Taxation - net	27	<u>(78,257,664)</u>	(1,156,225)
Profit after taxation		382,071,859	2,462,874
Other comprehensive income		-	-
Total comprehensive income for the year		<u>382,071,859</u>	<u>2,462,874</u>
Earnings per share	28	<u>35.96</u>	<u>0.23</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

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 Chief Executive Officer


 Chief Financial Officer


 Director

HUSEIN INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021


Particulars	Issued, subscribed and paid up capital	Reserves					Shareholders' equity
		Capital		Revenue			
		Share premium	Revaluation surplus on property	General	Accumulated losses	Total reserves	
----- Rupees -----							
Balance as at June 30, 2019	106,258,520	33,858,000	177,635,000	292,142,000	(1,554,461,000)	(1,050,826,000)	(944,567,480)
Total Comprehensive income for the year							
Profit for the year	-	-	-	-	2,462,874	2,462,874	2,462,874
Other comprehensive income for the year	-	-	-	-	-	-	-
	-	-	-	-	2,462,874	2,462,874	2,462,874
Balance as at June 30, 2020	106,258,520	33,858,000	177,635,000	292,142,000	(1,551,998,126)	(1,048,363,126)	(942,104,606)
Total Comprehensive income for the year							
Profit for the year	-	-	-	-	382,071,859	382,071,859	382,071,859
Other comprehensive income for the year	-	-	-	-	-	-	-
	-	-	-	-	382,071,859	382,071,859	382,071,859
Balance as at June 30, 2021	106,258,520	33,858,000	177,635,000	292,142,000	(1,169,926,267)	(666,291,267)	(560,032,747)

The annexed notes from 1 to 37 form an integral part of these financial statements.

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 Chief Executive Officer


 Chief Financial Officer


 Director


HUSEIN INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		460,329,523	3,619,099
Adjustments for:			
Depreciation	5.2	9,525,496	10,938,000
Remeasurement (gain) / loss on investment	6	(94,132)	94,378
Interest on gratuity payable	16.3	1,606,556	1,556,156
Finance cost	25	27,279,155	60,515,860
Waiver of long term borrowings	26	(416,103,708)	-
Dividend income	26	(10,968)	(8,226)
		(377,797,601)	73,096,168
Cash generated from operations before working capital changes		82,531,922	76,715,267
Changes in working capital			
Decrease / (increase) in current assets			
Development property		8,313,964	(4,038,335)
Trade debts		13,710,965	(24,155,156)
Advances and prepayments		(36,385)	(63,000)
		21,988,544	(28,256,491)
Decrease in current liabilities			
Trade and other payables		(5,230,895)	(24,348,000)
Contract liabilities		(19,891,503)	(434,000)
		(25,122,398)	(24,782,000)
Net cash generated from operations		79,398,068	23,676,776
Taxes paid - net		(6,782,721)	(6,082)
Gratuity paid	16.3	(1,155,202)	-
Financial charges paid		(45,956,487)	(5,719)
Net cash generated from operating activities		25,503,658	23,664,975
B. CASH FLOW FROM INVESTING ACTIVITIES			
Dividend received	26	10,968	8,226
Long term deposits received		295,865	4,067,755
Net cash generated from investing activities		306,833	4,075,981
C. CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term borrowings		-	(157,285,000)
Short term borrowings obtained - net		1,373,201	130,016,000
Net cash generated from / (used in) financing activities		1,373,201	(27,269,000)
Net increase in cash and cash equivalents (A+B+C)		27,183,692	471,956
Cash and cash equivalent at beginning of the year	12	939,956	468,000
Cash and cash equivalents at the end of the year	12	28,123,648	939,956

The annexed notes from 1 to 37 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

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HUSEIN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 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 (PSX) on December 09, 2013 on account of non holding of Annual General Meeting and other secretarial non-compliances. Subsequent to the year end, 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 The geographical location and addresses of business units are as under:

<i>Location</i>	<i>Address</i>
Head Office & Sales Office	Plot no. HT-8, Landhi Industrial Area, Karachi
Jamal Garden	Plot no. LT-21, Landhi Industrial Area, Karachi

1.2 Going Concern Assumption

The Company has earned after tax profit amounting to Rs. 382.072 (2020: 2.463) million, however, its accumulated losses stood at Rs. 1,169.926 (2020: Rs. 1,551.998) million resulting in negative shareholders' equity of Rs. 560.033 (2020: Rs. 942.105) million. At reporting date, current liabilities of the Company exceeded the current assets by Rs. 834.317 (2020: Rs. 1,226.116) million. Further the Company has not been able to pay its creditors on due dates.

Further, the COVID-19 pandemic has developed rapidly in 2020. The resulting impact of the virus on the operations and measures taken by various governments to contain the virus have negatively affected the Company's results in the reporting period. The currently known impacts of COVID-19 on the Company includes, but not limited to, halts of development activities at Jamal Garden on several occasions during the year due to COVID lockdowns, thereby, delaying the infrastructure development progress and resulting in significant increase in both incurred and estimated costs to complete the residential project. Overall increase in project cost of 40% represents both the impact of COVID as well as the increase in prices of construction material during the year.

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.

However, due to the following factors the directors believe that the Company has adequate resources to continue as a going concern in the foreseeable future;

- a) Adoption of business diversification strategy in prior years, as disclosed in note 1 to these financial statements, have already started contributing towards the stability of the Company which is also evident from 'profit before tax and waiver of banking loan and markup' for the year amounting to Rs. 416.103 million.

- b) Repayment of all banking liabilities and resulting waiver of Rs. 416.103 million as disclosed in note 1.2(a) had significantly improved the current ratios and eased liquidity issues. Further, total financial liability of Rs. 546.898 million includes Rs. 281.834 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, after considering the impact of increase in construction costs, 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.
- e) Income from rented properties, during the year, including textile plant and machinery currently amounts to Rs. 126.232 million which is 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 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 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of such International Financial Reporting Standards (IFRSs), issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- Free hold land is stated at revalued amount; and
- Long term investment (fair value through profit or loss) is stated at fair value;

These financial statements have been prepared under the accrual basis of accounting except for the cash flow information.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment is exercised in application of accounting policies are as follows:

- The recoverable amount, residual values and useful lives of property, plant and equipment - note 3.1 and 5;
- Long term investment - note 3.3.2 and 6;
- Impairment of development property and other non-financial assets - note 3.2, 3.4 and 9;
- The provision for debts considered doubtful - note 3.6 and 10;
- Provisions - note 3.12;
- The recognition of current and deferred taxation - note 3.11, and 27;
- Revenue recognition - note 3.13 and 22.

2.5 New standards, amendments to standards and IFRS interpretations that are effective for the year ended June 30, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. 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:

	<i>Effective for period beginning on or after</i>
Amendments to IFRS 3 'Business Combinations': Amendments to clarify the definition of a business	January 1, 2020
Amendments to IFRS 16 'Leases': Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.	June 1, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of material.	January 1, 2020
Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.	January 1, 2020

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

2.6 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 interim financial statements other than certain additional disclosures:

	<i>Effective from accounting period beginning on or after</i>
Amendments to IFRS 4 'Insurance Contracts': Amendments regarding the expiry date of the deferral approach	January 1, 2023
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
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 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	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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are as follows:

3.1 *Property, plant and equipment*

These are stated at cost less accumulated depreciation except for freehold land and leasehold land which are stated at revalued amount and cost respectively. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

The depreciation is charged to income applying reducing balance method. The depreciation on additions during the year is charged at half of the applicable rate while no depreciation is charged on deletion during the period. Gain or loss on disposal of property, plant and equipment, if any, are recognized in profit or loss, as and when incurred. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvement are capitalized and the assets so replaced, if any, are retired.

Assets' residual values and their useful lives are reviewed and adjusted at each reporting date, if significant and appropriate. Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal.

3.2 *Impairment of non-financial assets*

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value in use is determined through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.3 *Financial assets and liabilities*

3.3.1 *Initial recognition*

consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

3.3.2 *Classification of financial assets*

The Company classifies its financial instruments in the following categories:

- at amortized cost;
- at fair value through other comprehensive income ("FVTOCI"); or
- at fair value through profit or loss ("FVTPL").

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, the Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income provided that the investment is neither held for trading nor is a contingent consideration in a business combination.

Financial assets at fair value through P&L

A financial asset is measured at fair value through P&L unless it is measured at amortized cost or at fair value through OCI.

3.3.3 Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

3.3.4 Subsequent measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in OCI.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recognized at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income. Currently, there are no financial liabilities designated at FVTPL.

3.3.5 Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets that are measured at amortized cost. Loss allowances are measured on the basis of life time (ECLs) that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL is only recognized if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Credit risk of a financial asset is assumed to be increased significantly if it is more than past due for a reasonable period of time as decided by the senior management of the Company. Further, the Company considers information based on the Company's historical experience and the impact of forward looking information (such as Company's internal factors and economic environment of the country of customers) on ECLs that is available without undue cost or effort. However, in certain cases, the Company may also consider a financial assets to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive). A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3.3.6 Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

3.3.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.4 Development property

Property acquired, constructed or in the course of construction and is held for sale in the ordinary course of business, rather than held to earn lease income or capital appreciation, is classified as development property and is measured at lower of cost and net realisable value. The Company will sell residential and commercial plots and bungalows and will not provide any construction services as a contractor engaged by the buyer. All project costs incurred are capitalised as a cost of development properties and mainly includes:

- Cost of leasehold land.
- Amounts paid to contractors for construction or development of amenities.
- Development or other charges including those paid to relevant authorities.

Net realizable value is the estimated selling price in the ordinary course of the business, based on market prices at reporting date less estimated costs of completion and the estimated costs necessarily to be incurred to make the sale.

The cost of sales recognised in profit or loss on disposal is determined with reference to the costs incurred on the plots / commercial sites sold and an allocation of any non-specific costs based on the total area of land sold for plots / commercial sites, in relation to total area of land.

3.5 Deposits, advances and prepayments

Advances and prepayments are stated at cost less provision for doubtful balances, if any. Deposits are initially stated at fair value and subsequently measured at amortized cost after deducting allowance for uncollectable amount, if any. Deposits, advances and prepayments considered irrecoverable are written off.

3.6 Trade debts

Trade debts are recognized initially at fair value and subsequently measured at amortized cost after deducting allowance for uncollectable amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses a lifetime expected loss allowance for trade debts. Trade debts considered irrecoverable are written off.

Since all the trade debts except for lease receivables were credit impaired at reporting date, therefore, the Company had used practical expedient in accordance with IFRS 9 for calculation of the ECL on trade debts using a provision matrix.

3.7 Cash and cash equivalents

It comprises of cash in hand and cash at bank which are carried at amortized cost. For the purpose of cash flow statements, cash and cash equivalent include cash in hand and current and deposit account held with the banks.

3.8 Revaluation surplus on property

A revaluation surplus is recorded in other comprehensive income and credited to the revaluation surplus on property in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in the profit or loss, the increase is recognized in the profit or loss. A revaluation deficit is recognized in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the revaluation surplus on property. Upon disposal, any revaluation surplus relating to the particular operating fixed asset being sold is transferred to equity.

3.9 Bank borrowings

All bank borrowings are initially recognised at fair value less directly attributable transaction costs, if any. Subsequently, these are measured at amortised cost using effective interest rate method.

3.10 Trade and other payables

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

3.11 Taxation

Current

Provision for current taxation is made in accordance with provision's of Income tax ordinance 2001. The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any, or applicable minimum tax on turnover or Alternate Corporate Tax, whichever is higher.

Deferred

Deferred income tax is provided using the balance sheet liability method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or the settlement of the carrying amounts of assets and liabilities, using the tax rates enacted or substantively enacted at reporting date.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward unused tax losses, if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such temporary differences and tax losses can be utilized.

3.12 Provisions

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.13 Revenue recognition

Revenue is recognised at the amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis;

Revenue from sale of plots and commercial sites are recognized as the performance obligations are satisfied. The Company satisfies its performance obligations over time because the customer controls the asset as the asset is developed. The control of plots or sites is transferred to the customers generally upon issuance of letter of possession to the customers upon the Company's satisfaction that the economic benefits of the transaction will flow to the Company in its entirety. Revenue is recognized based on amount of transaction price specified in the contract by allocating to performance obligation satisfied during the year. The Company uses input methods to measure the progress towards complete satisfaction of performance obligations instead of output methods because the outputs used to measure progress are not directly observable and information required is not available without undue cost. Input methods are based on development costs incurred till reporting date and costs to be incurred. The transaction price of the Company's contract with customers does not include any variable consideration, any significant financing component, any non cash consideration or any consideration payable to its customers.

Lease income is recognized on straight line basis and is accrued in accordance with terms of agreement. The credit term ordinarily ranges from 7 to 10 days.

Dividend from investment at fair value through profit or loss are recorded when right to receive the same is established.

Gain on sale of fixed assets is recognized on occurrence of transactions.

Other income is recognized on the occurrence of related transactions.

3.14 Foreign currency translation

Transactions in foreign currency are translated into rupees at the rate of exchange prevailing at the date of transaction. Exchange gains and losses are included in income currently. All monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at reporting date.

4 DETAILS OF RELATED PARTIES

Followings are the names of those related parties with whom the Company has made transactions during the current financial year.

<i>Name of related parties</i>	<i>% of holding</i>	<i>Basis of relationship</i>
Abdul Aziz Jamal	11.93%	Director
Abdul Rashid Jamal	12.65%	Director
Aisha Bai Suleman (late)	0.71%	Member

5 PROPERTY, PLANT AND EQUIPMENT

5.1 Operating fixed assets

Particulars	Free hold land*	Lease hold land	Buildings on lease hold land	Plant and machinery	Furniture and fittings / office equipment	Vehicles	Total
	----- (Rupees) -----						
Net book value as at June 30, 2019	183,427,000	333,000	49,132,000	53,504,000	1,059,000	3,194,000	290,649,000
<i>Year ended June 30, 2020</i>							
Depreciation for the year - note 5.2	-	-	(2,457,400)	(7,736,400)	(106,000)	(639,000)	(10,938,800)
Net book value as at June 30, 2020	183,427,000	333,000	46,674,600	45,767,600	953,000	2,555,000	279,710,200
<i>Year ended June 30, 2021</i>							
Depreciation for the year - note 5.2	-	-	(2,333,730)	(6,586,811)	(93,677)	(511,278)	(9,525,496)
Net book value as at June 30, 2021	183,427,000	333,000	44,340,870	39,180,789	859,323	2,043,722	270,184,704
<i>At June 30, 2020</i>							
Cost / revalued amount *	* 183,427,000	333,000	123,675,000	734,395,000	13,303,400	21,962,000	1,077,095,400
Accumulated depreciation	-	-	(77,000,600)	(688,627,400)	(12,350,400)	(19,406,800)	(797,385,200)
Net book value	183,427,000	333,000	46,674,400	45,767,600	953,000	2,555,200	279,710,200
<i>At June 30, 2021</i>							
Cost / revalued amount *	* 183,427,000	333,000	123,675,000	734,395,000	13,303,400	21,962,000	1,077,095,400
Accumulated depreciation	-	-	(79,334,330)	(695,214,211)	(12,444,077)	(19,918,078)	(806,910,696)
Net book value	183,427,000	333,000	44,340,670	39,180,789	859,323	2,043,922	270,184,704
Depreciation rate	-	-	5%	10-17%	6-15%	20-25%	

	Note	2021 ---- (Rupees) ----	2020
5.2 Depreciation for the year has been allocated as follows:			
Cost of sales	23	8,920,541	10,193,800
Administrative expenses	24	604,955	745,000
		<u>9,525,496</u>	<u>10,938,800</u>

5.3 The management has not classified lease hold land bearing No. HT-8 as investment property in accordance with IAS - 40 because the owner occupied portion is significant as compared to the portions leased out.

5.4 *Particulars of immovable fixed assets in the name of the Company are as follows:*

<i>Particulars</i>	<i>Locatio</i>	<i>Total Area (Acres)</i>
Free hold land (Agricultural land)	Lahore - Faisalabad road, Mauza Feroz, tehsil and district Sheikhpura.	37.356
Lease hold land and Buildings thereon (Head Office and Textile Plant)	Plot no. HT-8, Landhi Industrial Area, Karachi.	22.95

	Note	2021 ---- (Rupees) ----	2020
6 LONG TERM INVESTMENT			
<i>- At fair value through profit or loss</i>			
<i>In securities of listed company</i>			
Dawood Lawrencepur Limited		435,622	530,000
Unrealized gain / (loss) on remeasurement	26	94,132	(94,378)
	6.1	<u>529,754</u>	<u>435,622</u>

6.1 Dawood Lawrencepur Limited

Number of shares	2,742	2,742
Market price per share (Rupees)	193.20	158.87
Fair value (Rupees)	<u>529,754</u>	<u>435,622</u>

7 LONG TERM DEPOSITS

Against:

Utilities	3,417,370	3,417,370
CDC account	25,000	25,000
Services	20,000	20,000
Bank guarantee	107,790	403,655
	<u>3,570,160</u>	<u>3,866,025</u>

8 DEFERRED TAXATION - NET

	Note	2021 ---- (Rupees) ----	2020
<i>This comprises of the following: -</i>			
<i>Taxable temporary difference</i>			
Accelerated tax depreciation		(14,807,631)	(16,023,000)
<i>Deductible temporary differences</i>			
Provision for doubtful debts		20,491,400	20,491,400
Effect of unabsorbed tax depreciation		182,719,791	280,458,000
Effect of minimum tax		2,175,195	1,823,425
Effect of alternate corporate tax		78,929,234	1,024,985
Effect of tax losses		-	37,071,570
		284,315,620	340,869,380
		269,507,989	324,846,380
<i>Net deferred tax asset not recognized</i>	8.1	(269,507,989)	(324,846,380)
		-	-

8.1 Deferred tax asset as at June 30, 2021 to the extent of Rs. 269.508 (2020: Rs. 324.846) 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.

8.2 Breakup of unused tax losses and tax credits is as follows:

Description	Expiry Date	Note	2021 ---- (Rupees) ----	2020
<i>Normal business losses</i>				
Tax year 2015	June, 30 2021		-	75,550,000
Tax year 2018	June, 30 2024		-	52,283,000
<i>Unabsorbed tax depreciation</i>	Indefinite		630,068,244	967,097,000
<i>Tax credits</i>				
Minimum tax 2017	June, 30 2022		767,000	767,000
Minimum tax 2018	June, 30 2023		930,000	930,000
Minimum tax 2019	June, 30 2024		67,400	67,400
Minimum tax 2020	June, 30 2025		59,025	59,025
Minimum tax 2021	June, 30 2026		351,770	-
Alternate corporate tax 2019	June, 30 2029		468,780	468,780
Alternate corporate tax 2020	June, 30 2030		556,205	556,205
Alternate corporate tax 2021	June, 30 2031		77,904,249	-

9 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	-
Amenities - development expenditure	9.1	43,981,106	38,347,000
		94,983,985	81,417,971
Transferred to cost of sales to date	9.2	(25,541,614)	(3,661,636)
		69,442,371	77,756,335

		2021	2020
	<i>Note</i>	---- (Rupees) ----	
9.1 Amenities - development expenditure			
Opening balance		38,347,000	32,779,000
Add: incurred during the year		5,634,106	5,568,000
		<u>43,981,106</u>	<u>38,347,000</u>

9.2 Cost of sales to date

9.2.1 - Residential plots

Opening balance		3,661,636	2,132,015
Transferred to cost of sales during the year	23	21,879,978	1,529,621
		<u>25,541,614</u>	<u>3,661,636</u>

9.2.2 - Commercial plots

As at June 30, 2021, the company has not recognized any sales of commercial plots.

		2021	2020
	<i>Note</i>	---- (Rupees) ----	

10 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		10,444,191	24,155,156
Allowance for expected credit loss		(70,660,000)	(70,660,000)
		<u>10,444,191</u>	<u>24,155,156</u>

11 TAX REFUNDS DUE FROM THE GOVERNMENT

Duty drawback		3,676,060	3,676,060
Sales tax		2,300,000	2,300,000
		<u>5,976,060</u>	<u>5,976,060</u>

12 CASH AND BANK BALANCES

Cash in hand		3,500	536,477
Cash at bank	12.1 & 12.2	28,120,148	403,479
		<u>28,123,648</u>	<u>939,956</u>

12.1 Includes foreign currency accounts amounting to Rs. 0.115 (2020: Rs. 0.109) million.

12.2 Includes balance of Rs. 0.021 (2020: Rs. 0.032) million in multiplier account having effective interest rate ranging from 5.05% to 6.39% (2020: 7.66% to 11.87%).

13 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2021	2020		2021	2020
Number of Shares			---- (Rupees) ----	
		Ordinary shares of Rs.10 each		
4,119,366	4,119,366	fully paid in cash	41,193,660	41,193,660
6,506,486	6,506,486	issued as bonus shares	65,064,860	65,064,860
10,625,852	10,625,852		106,258,520	106,258,520

13.1 Includes 2,185,964 (2020: 2,185,964) ordinary shares of Rs. 10 each held by the Husein Ebrahim Foundation, an associated undertaking (related party) of the Company.

13.2 The ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

14 RESERVES

Capital Reserves

	Note	2021	2020
		---- (Rupees) ----	
Share premium	14.1	33,858,000	33,858,000
Revaluation surplus on property	14.2	177,635,000	177,635,000
		211,493,000	211,493,000

Revenue Reserves

General reserve	14.3	292,142,000	292,142,000
Accumulated losses		(1,169,926,267)	(1,551,998,126)
		(877,784,267)	(1,259,856,126)
		(666,291,267)	(1,048,363,126)

14.1 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.

14.2 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.

14.3 Represents appropriation of profit in preceding years.

15 LONG TERM BORROWINGS

From a banking company - secured

	2021	2020
	---- (Rupees) ----	
Term finance as per loan agreement of May 23, 2011	274,104,034	274,104,034
Less: Waiver during the year	(274,104,034)	-
Less: Overdue portion	-	(274,104,034)
	-	-

15.1 During the year, in accordance with the Settlement (Restructuring) Agreement 2016, the Company has repaid all remaining bank liabilities including Rs. 35 million as markup on delayed payment of restructured loan and the respective mortgage charges were released by the SECP.

Accordingly, the management, as a matter of prudence, recognized waiver amount of Rs. 416.103 million as other income in the statement of profit or loss comprising of Rs. 274.104 million principal term finance as above and overdue markup of Rs. 141.999 million.

16 TRADE AND OTHER PAYABLES	Note	2021	2020
		---- (Rupees) ----	
Trade creditors		27,121,881	28,568,401
Accrued liabilities	16.1 & 16.2	148,438,154	147,901,945
Gratuity payable	16.3	14,456,760	14,005,406
Commission on bank guarantees	15.1	-	3,883,000
Security deposit against rent		15,389,140	15,412,359
Advance rental income		385,635	800,000
		<u>205,791,570</u>	<u>210,571,111</u>

16.1 Includes Rs. 124.969 (2020: 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 Honourable 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 Honourable Court till the date of these financial statements. In the mean time, SSGC continued to charge minimum gas levy and mark-up on outstanding amount including mark-up which aggregated to Rs. 163.023 (2020: Rs. 163.023) million as at reporting date. The management is confident, based on opinion of its legal advisor's and the fact that mark-up on mark-up 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 (2020: Rs. 38.054) million in these financial statements.

16.2 Includes director's (related party) and executive's remuneration payable amounting to Rs. 1.080 (2020: Rs. 1.080) million and Rs. 0.9 (2020: Rs. 0.9) million respectively.

16.3 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.

	Note	2021	2020
		---- (Rupees) ----	
Movement in gratuity payable			
Opening		14,005,406	12,449,250
Paid during the year		(1,155,202)	-
Interest charged during the year		1,606,556	1,556,156
Closing		<u>14,456,760</u>	<u>14,005,406</u>

17 CONTRACT LIABILITIES

Advance from allottees - unsecured	17.1	<u>329,233,315</u>	<u>349,124,818</u>
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17.1 Represents liabilities against contract with customers / allottees for sale of open plots / sites. Revenue of Rs. 23.451 (2020: Rs. 3.935) million recognized during the year is adjusted against advance from allottees.

	Note	2021 ---- (Rupees) ----	2020
18 SHORT TERM BORROWINGS			
Loan from directors	18.1	264,989,420	236,089,420
Loan from shareholder	18.2	16,844,152	17,885,460
Bank overdraft		-	26,485,491
		<u>281,833,572</u>	<u>280,460,371</u>

18.1 Represents unsecured loans obtained from directors (related parties) of the Company. These loans are repayable on demand and carries mark-up chargeable at the rate of 10% per annum with effect from July 01, 2019.

18.2 Loan from Mrs. Aisha Bai Suleman (Late) is reclassified from 'Loan from directors' to 'Loan from shareholder' upon her sad demise during the year. This amount will be paid to her legal successors once the legal formalities will be completed.

	Note	2021 ---- (Rupees) ----	2020
19 MARK-UP ACCRUED			
<i>- on overdue bank loans</i>			
long term finance		-	51,680,768
short term borrowings		-	90,318,231
	19.1	<u>-</u>	<u>141,998,999</u>
<i>- on delayed payment of restructured loan</i>	15.1	-	35,000,000
<i>- on directors' loan</i>		34,463,750	18,815,027
<i>- on shareholder loan</i>		3,484,564	1,763,624
<i>- on bank overdraft</i>		-	1,047,670
		<u>37,948,314</u>	<u>198,625,320</u>

19.1 This represents markup waived by bank as fully disclosed in note 15.1 of these financial statements.

	2021 ---- (Rupees) ----	2020
20 UNCLAIMED DIVIDEND		
Unclaimed dividend	<u>21,710,187</u>	<u>21,710,187</u>

20.1 Since the directors of the Company are the major shareholders, therefore the unclaimed dividend mainly pertain to the directors. The Company will pay these in future when positive cash flows will arise in the form of profits.

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

The Company has no contingent liabilities in respect of any legal claim in the ordinary course of business other than disclosed elsewhere in these financial statements.

21.2 Commitments

The banking companies have issued letter of guarantees amounting to Rs. 0.108 (2020: Rs. 0.602) million in favour of Karachi Electric Limited and SSGC on behalf of the Company. The available and unavailed balance as on June 30, 2021 amounting to Rs. 107.79 (2020: Rs. 0.966) million and Rs. Nil (2020: Rs. 0.364 million) respectively.

		2021	2020
	<i>Note</i>	---- (Rupees) ----	
22 REVENUE			
Sale of residential plots	22.1	23,451,326	3,934,935
Lease income		126,232,387	104,404,041
		<u>149,683,713</u>	<u>108,338,976</u>

22.1 The aggregate amount of the transaction price allocated to the unfulfilled performance obligations is Rs. 95.822 (2020: Rs. 15.973) million. The Company will recognise this revenue based on percentage of completion of development work.

		2021	2020
	<i>Note</i>	---- (Rupees) ----	
23 COST OF SALES AND EXPENSES			
<i>Cost of development property sold</i>	9.2	21,879,978	1,529,621
<i>Expenses attributable to lease income</i>			
Fuel and power		5,338,040	4,208,890
Repairs and maintenance		22,811,602	12,621,473
Depreciation	5.2	8,920,541	10,193,800
Commission		-	1,465,188
Consultancy		-	100,000
		<u>37,070,183</u>	<u>28,589,351</u>
		<u>58,950,161</u>	<u>30,118,972</u>

24 ADMINISTRATIVE EXPENSES

Salaries, wages and allowances	24.1	13,069,863	9,338,426
Directors' remuneration	30	374,000	374,000
Legal and professional charges		857,000	224,000
Travelling expenses		188,250	36,381
Fees and subscriptions		815,535	208,495
Fuel and power		2,287,732	1,803,810
Insurance		115,806	44,295
Depreciation	5.2	604,955	745,000
Donations		130,000	-
Auditors' remuneration	24.2	870,000	855,000
Penalties		-	360,000
Others		28,413	15,633
		<u>19,341,554</u>	<u>14,005,040</u>

24.1 Includes an amount of Rs. 1.607 (2020: Rs. 1.556) million in respect of interest charged on outstanding gratuity payable.

		2021	2020
		---- (Rupees) ----	
24.2 Auditors' remuneration			
Annual audit		635,000	635,000
Half yearly review		125,000	110,000
Corporate governance review		60,000	60,000
Out of pocket expenses		50,000	50,000
		<u>870,000</u>	<u>855,000</u>

25 FINANCE COST	<i>Note</i>	<i>2021</i>	<i>2020</i>
		<i>---- (Rupees) ----</i>	
<i>Mark-up on</i>			
Delayed payment of restructured loan		-	35,000,000
Directors' and shareholder loan	18.1	27,269,663	20,579,471
Bank overdraft	18.2	-	1,047,670
		<u>27,269,663</u>	<u>56,627,141</u>
Commission on bank guarantees		-	3,883,000
Bank charges		9,492	5,719
		<u>27,279,155</u>	<u>60,515,860</u>

26 OTHER INCOME

Income from financial assets

Remeasurement gain on investment carried at fair value through profit or loss		94,132	-
Waiver of long term borrowings and markup thereon	15.1	416,103,708	-
Dividend income		10,968	8,226
Miscellaneous		7,872	7,922
		<u>416,216,680</u>	<u>16,148</u>

26.1 Includes exchange gain on translation of foreign currency balances of export debtors into reporting currency amounting to Rs. 0.006 (2020: Rs. nil million).

27 TAXATION - NET	<i>2021</i>	<i>2020</i>
	<i>---- (Rupees) ----</i>	
Current	78,257,664	616,225
Prior	-	540,000
	<u>78,257,664</u>	<u>1,156,225</u>

27.1 Income tax assessments of the Company have been finalized up to and including tax year 2020. However, the Commissioner of Income tax may, at any time during the period of five years from the date of filing of return, select the deemed assessment for audit.

27.2 Relationship between tax expense and accounting profit	<i>2021</i>	<i>2020</i>
	<i>---- (Rupees) ----</i>	
Accounting profit	<u>460,329,523</u>	3,619,000
Tax at applicable tax rate of 29% (2020: 29%)	(133,495,562)	(1,050,000)
Effect of adjustments related to prior years	-	540,000
Effect of admissible and inadmissible deductions	(1,314,342)	(1,857,000)
Effect of losses	134,809,903	2,906,000
Effect of alternate corporate tax	78,256,019	616,000
Effect of final tax regime	1,645	1,000
Tax expense for the year	<u>78,257,663</u>	<u>1,156,225</u>

28 EARNINGS PER SHARE

2021 2020
----- (Rupees) -----

Basic

Basic earnings per share has been computed by dividing the net profit for the year with the number of ordinary shares issued by the Company.

Profit after taxation	382,071,859	2,463,000
Number of ordinary shares (Number of shares)	10,625,852	10,625,852
Earnings per shares - basic - note 28.1	35.96	0.23

Diluted

Diluted earnings per share has not been computed because there are no dilutive potential ordinary shares.

28.1 Increase in the basic earnings per share is mainly due to non recurring waiver of bank liabilities of Rs. 416.103 million as fully disclosed in note 15.1 to these financial statements.

		2021	2020
29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES	Note	----- (Rupees) -----	
29.1 Financial Instrument by Category			
<i>Financial Assets</i>			
<i>- Fair value through profit or loss</i>			
Long term investment	6	529,754	435,622
<i>- At amortized cost</i>			
Long term deposits	7	3,570,160	3,866,025
Trade debts	10	81,104,191	94,815,156
Cash and bank balances	12	28,123,648	939,956
		112,797,999	99,621,137
		113,327,753	100,056,759
<i>Financial Liabilities</i>			
<i>- At amortized cost</i>			
Trade and other payables	16	205,405,935	209,771,111
Short term borrowings	18	281,833,572	280,460,371
Overdue portion of long term borrowings	15	-	274,104,034
Mark-up accrued	19	37,948,314	198,625,320
Unclaimed dividend	20	21,710,187	21,710,187
		546,898,008	984,671,023

29.2 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including currency risk, interest rate risk and price risk) and operational risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risks without any material change from previous period in the manner described in the notes below.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

29.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause a financial loss for the other party, without taking into account the fair value of any collateral.

Exposure to credit risk

Credit risk of the Company arises principally out of trade debts, deposits and cash at banks. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines relating mainly to customer credit risk assessment. The management continuously monitors the credit exposure towards the clients and makes allowance for expected credit losses against those balances considered uncollectable.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company has decent number of customers, both corporate and individual, that are not engaged in similar business activities, therefore, concentration of credit risk is assumed to be limited.

The carrying amounts of financial assets represent the maximum credit exposure, as specified below:

	<i>Note</i>	2021 ---- (Rupees) ----	2020
Long term deposits	7	3,570,160	3,866,025
Trade debts	10	81,104,191	94,815,156
Bank balances	12	28,120,148	403,479
		<u>112,794,499</u>	<u>99,084,660</u>

Trade debts

Ageing of debtors and impairment losses

The ageing of trade debts at the reporting date was:-

Not past due		10,444,191	8,659,004
Past due 1-180 days		-	15,495,688
Past due 181-365 days		-	-
More than one year		70,660,000	70,660,000
		<u>81,104,191</u>	<u>94,814,692</u>
Less: Allowance for expected credit loss	10.1	<u>(70,660,000)</u>	<u>(70,660,000)</u>
		<u>10,444,191</u>	<u>24,154,692</u>

Based on the past experience, consideration of financial position, past track records and recoveries, the Company had made necessary allowance for expected credit loss against debts considered uncollectable as disclosed in note 10 to these financial statements.

Bank Balances

The credit quality of the Company's bank balances can be assessed with reference to external credit rating as follows: -

<i>Name of the Bank</i>	<i>Rating agency</i>	<i>Short term ratings</i>
MCB Bank Limited	PACRA	A1+
Habib Metropolitan Bank Limited	PACRA	A1+
Soneri Bank Limited	PACRA	A1+
Dubai Islamic Bank Limited	VIS	A-1+

Long term deposits

The management evaluates the credit risk with respect to long term deposits as low, as these are mainly deposited with the utility and banking companies and there is no history of credit defaults in past.

29.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, timely collection from trade debtors, the availability of adequate funds through committed credit facilities and the ability to close out and meet business needs due to dynamic nature of the business. The Company finances its operations through equity, working capital management, short term and borrowings from directors with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The following are the contractual maturities of financial liabilities: -

	2021				
	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>On demand</i>	<i>3 to 12 months</i>	<i>More than twelve months</i>
	----- Rupees -----				
Financial Liabilities					
Short term borrowings	281,833,572	281,833,572	281,833,572	-	-
Trade and other payables	205,405,935	205,405,935	124,969,000	80,436,935	-
Mark-up accrued	37,948,314	37,948,314	37,948,314	-	-
Unclaimed dividend	21,710,187	21,710,187	-	21,710,187	-
	546,898,008	546,898,008	444,750,886	102,147,122	-
	2020				
	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>On demand</i>	<i>3 to 12 months</i>	<i>More than twelve months</i>
	----- Rupees -----				
Financial Liabilities					
Short term borrowing	280,460,371	280,460,371	236,089,420	26,485,491	-
Trade and other payables	209,771,111	209,771,111	124,969,000	84,802,111	-
Overdue portion of long term borrowings	274,104,034	274,104,034	-	274,104,034	-
Mark-up accrued	198,625,320	198,625,320	18,815,027	179,810,293	-
Unclaimed dividend	21,710,187	21,710,187	-	21,710,187	-
	984,671,023	984,671,023	379,873,447	586,912,116	-

29.5 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: currency risk, interest rate risk and price risk. The market risks associated with the Company's business activities are discussed as under:

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. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Currently, the Company is exposed to currency risk on account of export debtors and foreign currency bank account.

	<i>Note</i>	<i>2021</i> ---- (Rupees) ----	<i>2020</i>
Trade debts - exports	10	59,298,000	59,298,000
Foreign currency bank accounts	12.1	115,000	109,000
		<u>59,413,000</u>	<u>59,407,000</u>

<i>The following significant exchange rates have been applied:</i>	<i>Average Rate</i>		<i>Spot Rate at Reporting Date</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Pound Sterling to Rupees	215.28	206.21	218.58	205.89
USD to Rupees	160.02	162.19	157.80	167.60

Currency risk sensitivity analysis

Foreign trade debts are considered doubtful by the management, therefore, sensitivity analysis is disclosed only with respect to foreign currency bank accounts. At reporting date, if the Rupees is strengthened by 10% against the US dollar and Pound Sterling with all other variables held constant, profit for the year would have been lower by the amount shown below:

	<i>2021</i> ---- (Rupees) ----	<i>2020</i>
Effect on profit or loss	<u>(11,500)</u>	<u>(10,900)</u>

The weakening of the Rupees against US dollar and Pound Sterling would have had an equal but opposite impact on the loss for the year.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets of the Company.

Interest rate risk

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

The Company does not have significant interest bearing assets except for fixed rate short term borrowings from directors. At the reporting date, the interest rate profile of the Company's interest bearing financial liabilities is:

	<i>2021</i>	<i>2020</i>
	<i>---- (Rupees) ----</i>	
<i>Variable rate instruments</i>		
<i>Financial liabilities</i>		
- Short term borrowings - bank overdraft	-	26,485,491
- Overdue portion of long term borrowings	-	274,104,034

As at June 30, 2021, there are no variable rate instruments, therefore, sensitivity analysis is not performed.

Price risk

Price risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. At reporting date, the Company is exposed to equity price risk related to long term investment in listed equity securities.

Equity price risk sensitivity analysis

At reporting date, if the market price of securities held by the Company as long term investment had increased / decreased by Rupee 1 with all other variables remain constant, profit for the year would have been higher / lower by the amount shown below. The analysis is performed on same basis for year 2019.

	<i>---- (Rupees) ----</i>	
	<i>Increase</i>	<i>(Decrease)</i>
<i>As at June 30, 2021</i>		
Effect on profit or loss	2,742	(2,742)
<i>As at June 30, 2020</i>		
Effect on profit or loss	2,742	(2,742)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets of the Company.

29.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with processes technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour and is the risk arising from the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. The responsibility encompasses the controls in the following areas:

- i* Requirements for appropriate segregation of duties between various functions, roles and responsibility;
- ii* Requirements for the reconciliation and monitoring of transactions;
- iii* Compliance with regulatory and other legal requirements;
- iv* Documentation of control and procedures;
- v* Requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;
- vi* Ethical and business standards;
- vii* Risk mitigation, including insurance where this is effective.

29.7 Risk management policies

Risk management is carried out by the management under policies approved by the board of Directors. The board provides principles for overall risk management, as well as policies covering specific areas like credit risk, market price risk, interest rate risk and investing excessive liquidity.

29.8 Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain future development of the business and maximize shareholders value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders. No changes were made in the objectives, policies or processes during the year ended June 30, 2021.

Consistent with others in the industry, the Company monitors capital on the basis of its gearing ratio. This is calculated as net debt divided by total shareholders' equity plus net debt. Net debt is calculated as total debts from financial institutions less cash and bank balances. However, as at June 30, 2021, there are no outstanding debts from financial institutions, therefore, gearing ratios are not calculated.

29.9 Fair Value of Financial Instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at arm's length transaction.

Fair value hierarchy

In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its property and investments in terms of the following fair value hierarchy:

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable).

Details of the Company's long term investment and free hold land in terms of fair value hierarchy, explained above, at reporting date is as follows:

	2021		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
Assets measured at fair value			
Long term investment	529,754	-	-
Free hold land	-	183,427,000	-
	2020		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
Assets measured at fair value			
Long term investment	435,622	-	-
Free hold land	-	183,427,000	-

30 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS

The aggregate amount charged in the financial statements for remuneration, including certain benefits, to the Chief Executive, Directors and Executive of the Company are as follows: -

	Chief Executive		Directors		Executive	
	2021	2020	2021	2020	2021	2020
	----- Rupees-----					
Managerial remuneration	264,000	264,000	-	-	1,200,000	1,200,000
House rent	96,000	96,000	-	-	-	-
Meeting fee	2,000	2,000	12,000	12,000	-	-
	362,000	362,000	12,000	12,000	1,200,000	1,200,000
Number of persons	1	1	6	6	1	1

In addition, the Chief Executive and Directors have also been provided with free use of the Company's owned and maintained cars.

31 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of key management personnel. Amounts due to related parties are disclosed in relevant notes to these financial statements. The details of transactions with related parties during the year, other than those 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>2021</i> <i>---- (Rupees) ----</i>	<i>2020</i> <i>---- (Rupees) ----</i>
<i>Short term borrowings obtained during the year</i>				
Abdul Aziz Jamal	Key management personal	11.93%	23,000,000	50,281,000
Abdul Rashid Jamal	Key management personal	12.65%	5,900,000	55,750,000
Aisha Bai Suleman (Late)	Member	0.71%	-	4,500,000
<i>Short term borrowings repaid during the year</i>				
Abdul Aziz Jamal	Key management personal	11.93%	-	6,000,000
Abdul Rashid Jamal	Key management personal	12.65%	-	1,000,000
Aisha Bai Suleman (Late)	Member	0.71%	1,041,308	-
<i>Mark-up expenses during the year</i>				
Abdul Aziz Jamal	Key management personal	11.93%	14,449,965	10,552,221
Abdul Rashid Jamal	Key management personal	12.65%	11,098,758	8,263,136
Aisha Bai Suleman (Late)	Member	0.71%	1,720,940	1,764,114
<i>Mark-up paid during the year</i>				
Abdul Aziz Jamal	Key management personal	11.93%	4,950,000	820
Abdul Rashid Jamal	Key management personal	12.65%	4,950,000	-

32 CAPACITY AND PRODUCTION

The Company has ceased its operational activities related to textile business and adopted business diversification strategy to enter into real estate development, construction and allied businesses as disclosed in note 1.2 to these financial statements and accordingly plant capacities were not disclosed in these financial statements.

33 OPERATING SEGMENTS

For management purposes, the activities of the Company are organised into one operating segment i.e. development of real estate. The Company operates in the said reportable operating segment based on the nature of products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements are related to the Company's only reportable segment.

Gross turnover of the Company is generated from customers located in Pakistan only.

Non-current assets of the Company are confined within Pakistan and consist of property, plant and equipment, long term investments and long term deposits.

Revenue earned by the Company during the year from two customers which approximately comprises 61 percent and 31 percent (2020: 48 percent and 29 percent) respectively, of the Company's overall revenue.

34 CORRESPONDING FIGURES

Corresponding figures have been reclassified, whenever necessary for the purpose of compliance, comparison and better presentation. Major reclassification during the year are as follow;

<i>Reclassification from the caption component</i>	<i>Reclassification to the caption component</i>	<i>Note</i>	<i>Amount</i>
<i>Short term borrowings</i>	<i>Short term borrowings</i>		
Loan from directors	Loan from shareholder	18	<u>17,885,460</u>
<i>Markup accrued</i>	<i>Markup accrued</i>		
On directors' loan	On shareholder loan	19	<u>1,763,624</u>
<i>Administrative expenses</i>	<i>Cost of sales</i>		
Depreciation	Depreciation	23	<u>7,736,400</u>

35 NUMBER OF EMPLOYEES

Total number of employees at the end of the year

	2021	2020
Total number of employees at the end of the year	<u>10</u>	<u>10</u>
Average number of employees during the year	<u>10</u>	<u>7</u>

Average number of employees during the year

36 GENERAL

Figures have been rounded off to the nearest of Rupees.

37 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on 05 OCT 2021.



Chief Executive Officer



Chief Financial Officer



Director

MZ

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

No. of Shareholders	Shareholdings		Shares Held
	From	To	
500	1	100	13,123
267	101	500	69,766
94	501	1,000	46,763
94	1,001	5,000	229,704
16	5,001	10,000	137,372
7	10,001	15,000	84,758
6	15,001	20,000	109,314
3	20,001	25,000	68,922
1	25,001	30,000	28,339
1	35,001	40,000	39,279
3	40,001	45,000	129,173
2	45,001	50,000	98,500
1	50,001	55,000	50,500
4	55,001	60,000	229,589
7	60,001	65,000	436,930
1	70,001	75,000	71,332
1	75,001	80,000	75,824
2	85,001	90,000	171,776
1	100,001	105,000	102,831
1	130,001	135,000	134,773
1	160,001	165,000	161,638
1	240,001	245,000	243,424
1	380,001	385,000	381,331
1	850,001	855,000	851,197
1	970,001	975,000	975,000
1	1,000,001	1,005,000	1,004,205
1	1,215,001	1,220,000	1,216,193
1	1,275,001	1,280,000	1,278,332
1	2,185,001	2,190,000	2,185,964
1019			10,625,852

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

CATEGORIES OF SHAREHOLDERS	Number	Shares Held	Percentage
ASSOCIATED COMPANIES			
NIT AND ICP	2	211	
National Bank of Pakistan Trustee Deptt		37	0.00%
Investment Corporation of Pakistan		174	0.00%
CEO			
Mr. Husein Jamal	1	154,489	1.45%
DIRECTORS	6	2,616,072	
Mr. Abdul Aziz Jamal		1,264,693	11.90%
Mr. Abdul Rashid Jamal		1,341,379	12.62%
Mr. Muhammed Ali Rashid		2,500	0.02%
Mr. Abdul Rehman Yousuf		2,500	0.02%
Ms. Saman Aziz Jamal		2,500	0.02%
Mr. Suleman Aswani		2,500	0.02%
	36	3,976,997	
Banks	6	979,444	9.22%
Insurance Companies	2	867,017	8.16%
Modarabas	2	1,821	0.02%
Investment Companies	2	1,006,892	9.48%
Business Institutions	4	1,729	0.02%
Joint Stock Companies	4	106,370	1.00%
Charitable Institutions	4	624,763	5.88%
Abandoned Properties	4	1,560	0.01%
Trade Associations	4	1,839	0.02%
Trusts	4	385,562	3.63%
SHAREHOLDERS HOLDING TEN PERCENT OR MORE VOTING INTEREST IN THE COMPANY			
Husein Ebrahim Foundation	1	2,185,964	20.57%
INDIVIDUALS	973	1,692,119	15.92%
	1019	10,625,852	100.00%

ATTENDANCE AT BOARD MEETINGS**FOR THE YEAR 2020 - 2021**

Name of Directors	Designation	Board		Audit Committee		Human Resource & Remuneration Committee	
		Required	Attended	Required	Attended	Required	Attended
Mr. Abdul Aziz Jamal	Chairman	4	4				
Mr. Husein Jamal	CEO	4	4				
Mr. Abdul Rashid Jamal	Director	4	4			1	1
Mr. Muhammed Ali Rashid	Director	4	4	4	4		
Ms. Saman Aziz Jamal	Director	2	2				
Mrs. Aisha Bai Suleman	Director	2	2				
Mr. Abdul Rehman Yousuf	Director	4	4	4	4	1	1
Mr. Suleman Aswani	Director	4	4	4	4	1	1

KEY OPERATING & FINANCIAL DATA

Description	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Revenue	149,683,713	108,339,000	63,832,000	74,371,000	76,769,000	-
Cost of Sales	(58,950,161)	(22,382,000)	(14,028,000)	(123,530,000)	(80,417,000)	-
Gross Profit / (loss)	90,733,552	85,957,000	49,804,000	(49,159,000)	(3,678,000)	-
Operating Profit / (loss)	71,391,998	64,217,000	33,861,000	(70,857,000)	(27,137,000)	(27,447,000)
Profit / (loss) before Tax	460,329,523	3,619,000	3,154,000	(65,804,000)	388,000	(15,858,000)
Profit / (loss) After Tax	382,071,859	2,463,000	5,467,000	(66,734,000)	(379,000)	(15,858,000)
Paid up Capital	106,259,000	106,259,000	106,259,000	106,259,000	106,259,000	106,259,000
Current Assets	114,085,655	108,889,000	80,902,000	112,612,000	250,047,000	295,767,000
Current Liabilities	948,403,020	1,335,006,000	1,324,581,000	1,368,573,000	1,135,755,000	727,928,000

HUSEIN INDUSTRIES LIMITED.

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

PROXY FORM

I/We _____
of _____ being a member of Husein Industries Limited and holder
of _____ Ordinary Shares, as per:

Shares Register Folio.No. _____ and/or
CDC Participant ID No. _____ Sub A/c No. _____

hereby appoint Mr./Ms. _____ of
_____ another member of the Company* (or failing him
Mr./Ms. _____ of _____ another member
of the Company*) as my/our proxy to attend, speak and vote for me/us and on my/our behalf,
at the Annual General Meeting of the Company to be held on 28th October, 2021
at the Company's Registered Office at Plot.No. HT-8, Landhi Industrial & Trading
Estate, Landhi, Karachi, and at any adjournment thereof.

As witness my hand this _____ day of _____ 2021

Witnesses:

1. Signature: _____
Name: _____
Address _____

CNIC No. or _____
Passport No _____

Signature on
Revenue Stamps
of Rupees Five

2. Signature: _____
Name: _____
Address _____

CNIC No. or _____
Passport No _____

Signature should agree with the
specimen signature with the
Company

* Proxy representing a corporation may or may not himself be a member of the Company.

IMPORTANT:

1. This Proxy Form, duly completed, must be deposited at the Company's Registered Office, not less than forty eight hours before the meeting.
2. CDC shareholders and their proxies are each requested to attach an attested photocopy of their new/computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.
3. All proxies attending the AGM are requested to bring their original CNIC/Passport for identification.