WE DON'T BUILD STRUCTURES, WE BUILD EXCELLENCE!

Annual Report 2018

Contents

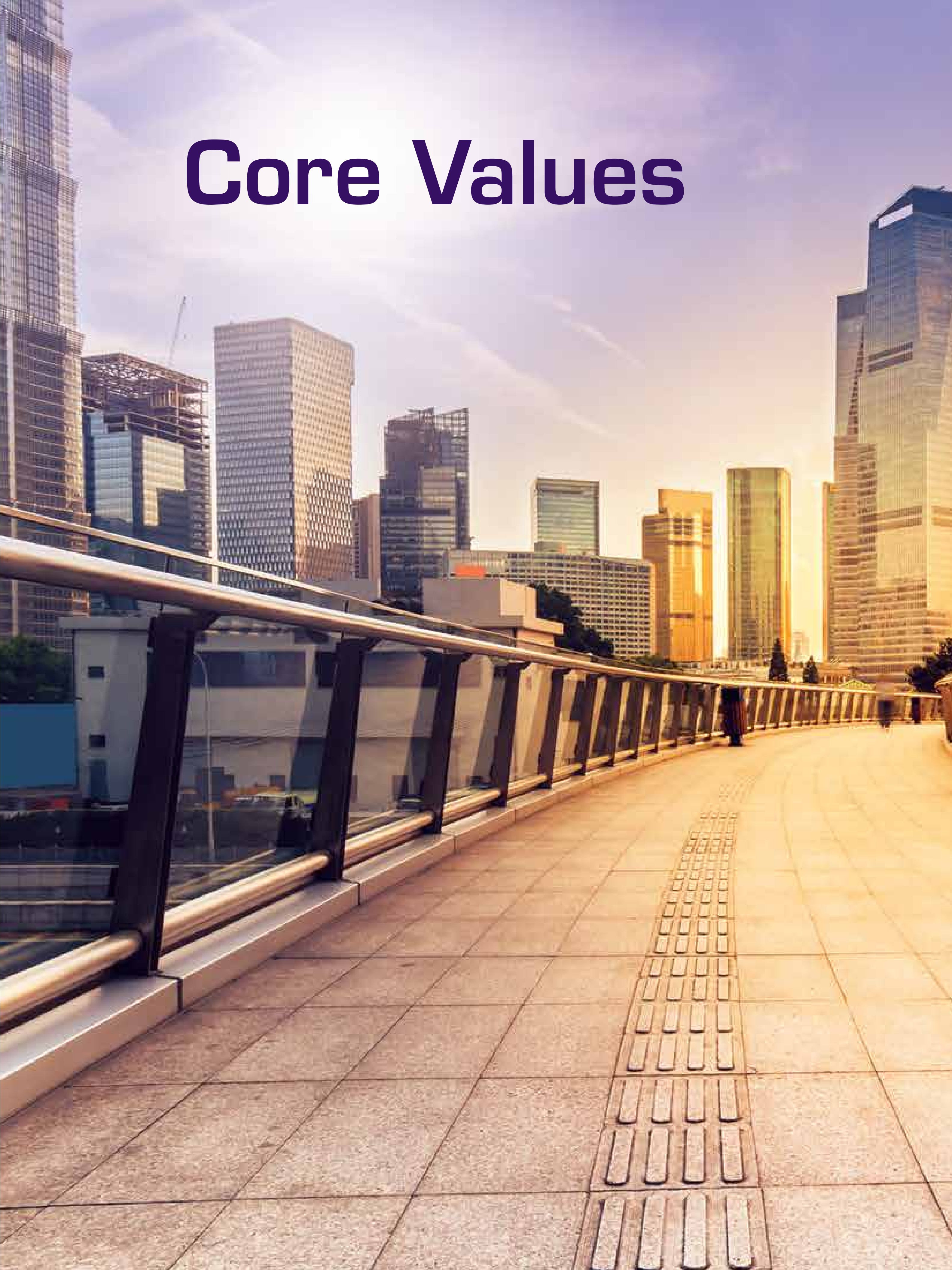
Vision

To be the region's premier property developers providing world-class infrastructure and quality to investors, supported by the country's leading team of professionals.

Mission

To set the benchmark for other developers to follow.

Core Values



Corporate Social Responsibility:

We are committed to be a sustainable and responsible organization. Social responsibility is integral to the way we conduct our business.

Innovation:

We are focused on talented employees, who effectively apply advanced technologies and innovative solutions to make our community a better place.

Equal Opportunity Employer:

We do not discriminate against any employee or job applicant because of their race, color, religion, national origin, gender, physical or mental disability or age.

Integrity:

We are accountable for the highest standards of conduct including honesty, productivity and fairness in all aspects of our work. We fulfill our commitments as responsible citizens and employees.

Excellence:

We deliver excellence, strive for continuous improvement and respond vigorously to change.

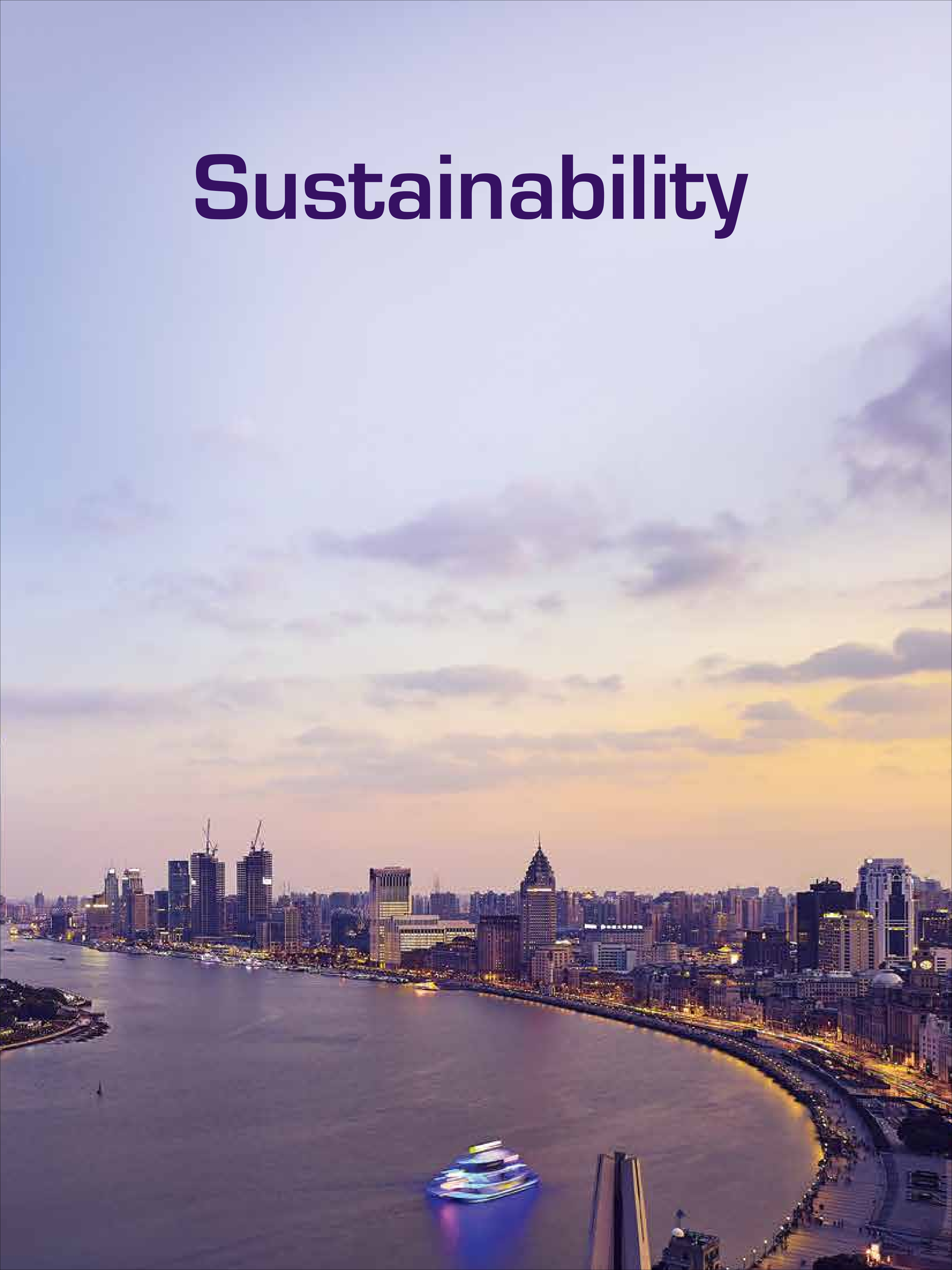
Maximum Stakeholder Return:

We are focused on creating sustainable value for all stakeholders.

Respect:

We consistently treat stakeholders with respect, take pride in their contributions to the business and understand their needs.

Sustainability



SUSTAINABILITY REPORT

INTRODUCTION

TPL Properties recognizes sustainability as a core element of its operations. Working towards a more sustainable environment, we aspire to diversify our portfolio and transform sustainability as a fundamental part of our business strategy.

Environment

Health

Employee Training

Education

IMPACT PORTFOLIO

Environment	Around **1 km radius public area** surrounding our corporate head office impacted by gardening and cleaning facilities Around **65% energy conserved** by using efficient technologies **1,000 trees** were planted in the area around our office
Health	**18253 beneficiaries** were provided healthcare facilities
Employee Training	**17 employees trained** in various technical and soft skills
Education	**327 beneficiaries** were provided with educational opportunities

SUSTAINABILITY GOALS

Our sustainability goals are based on the Sustainable Development Goals 2030 by United Nations. TPL Properties Limited has invested over PKR 5.5 Million in the areas of health, education and environment during the last financial year.

ENVIRONMENTAL PERFORMANCE

TPL Properties is committed to carrying out business activities while remaining responsible to the environment and its limited resources. We implement high environmental standards so that our actions today will provide the energy needed for economic growth, social well-being, and a healthy environment. We seek to reduce the environmental impact of our business activities and contribute to global environmental protection by recognizing that a better, more prosperous future is intrinsically linked to the well-being and health of our planet, and we are committed to reducing our impact on the environment.

Since Pakistan is ranked seventh in the list of countries most vulnerable to climate change, we work to manage our operations as efficiently as possible, taking initiatives to promote cleanliness, greenery and reduction in carbon emissions. We also strive to conserve energy which in return further reduces the emission of Greenhouse Gases (GHC) using smart technologies and solutions.

Cleanliness and Plantation around TPL offices

TPL Properties has taken charge of cleanliness and plantation around a 1 KM radius surrounding the corporate head office. We contribute tireless efforts to make sure we create a positive impact on the environment through cleanliness and plantation drives. Moreover, 1000 trees were planted on Independence Day in order to take a sustainable initiative for the environment and biodiversity.

Conservation of Energy

Smart-lighting Solutions: We strongly believe in the conservation of energy and have taken significant measures to implement smart lighting solutions in our offices for improved energy efficiency.

Double-glazed Glass Façade:

A research carried out by United Kingdom's, Department of Environment, shows that double glazed glass façade reduces energy consumption. To save the energy used in lighting and air conditioning, we have now installed the high quality energy efficient glass façade.

Heat-recovery System:
In addition to a 2 x 1 MW gas generator for an uninterrupted 24/7 independent power supply, we have installed heat recovery systems to conserve energy.

New Suppliers Screening
All vendors and suppliers intending to build a business relationship with TPL Properties have to first go through an extensive screening process.

Ozone Depleting Substances
We recognize the potential environment impacts of our digital transformation, and give utmost priority to the reduction of carbon footprints and energy used in our services to meet environmental standards.

Environmental Impacts in the Supply Chain
TPL Properties ensures safe environmental practices throughout its extended supply chain process.
We manage our supply chain in a socially and environmentally responsible manner and source from approved suppliers whose ethical values and strict social and environmental standards mirror our own.

Preservation of Karachi Heritage
TPL Properties contributed PKR 1 million to sponsor a seminar on heritage preservation organized by the Institute of Architects Pakistan - Karachi Chapter on the challenges and opportunities faced when preserving Karachi's heritage sites.

SOCIAL PERFORMANCE HUMAN RESOURCE

Workforce Diversity
We believe in and stand for fair and equal treatment for all, irrespective of origin, race, or gender. Under no circumstances do we tolerate under-age employment and forced labor.

08
Female employees

134
Male employees

34.4
Average age of employees

Health & Safety

We are committed to maintaining a healthy and safe environment for all our employees as well as taking all the reasonable steps the ensure that the environment is exposed to the lowest practicable of risk.

02
Fire drills conducted

Employee Training and Development

We take pride in investing time and funds on the training and education of our workforce. We believe one of the best investments we can make is in our employees, and we provide them with the tools, training and opportunities they need to grow and reach their full potential, preparing them for future experiences and growth opportunities. We thus have a special yearly budget allocated to regularly conduct technical and soft-skills training sessions for our employees.

Impact Numbers

17
employees were trained

SOCIAL RESPONSIBILITY

HEALTH

According to the Ministry of Planning Development and Reforms, 29.5% of Pakistan's population falls below the national poverty line. In Order To ensure the sustainable well-being of the society there is a dire need of quality healthcare facilities, which can contribute positively towards the country's prosperity. In view thereof, TPL Properties has prioritized healthcare in its CSR initiatives.

Patients Behbud Society for AKUH

Patients Behbud Society for AKUH is an independent, charitable society responsible for collecting and distributing zakat to deserving patients who visit the Aga Khan University Hospital and its secondary hospitals.

What we did?

TPL Properties donated PKR 500,000 to PBS for AKUH to ensure that the zakat money reached deserving people. The average cost of one patient at AKUH is PKR 180,000. We undertook the treatment cost of 3 patients with cases so severe that they were turned down by other hospitals due to the complexity of the case or the unavailability of funds.

Indus Hospital

Indus hospital focuses on providing free of charge healthcare facilities accessible to everyone. It has served over 900,000 underprivileged citizens of Pakistan. Indus Hospital is the only initiative of its kind, in the country, to provide premium health-care in an impressive, state-of-the art health center completely free of charge.

What we did?

TPL Properties provided PKR 2.5 million financial assistance to Indus Hospital. This contribution will be used in infrastructural developments which will help cater to larger number of patients. Moreover, 150 additional beds will be installed at the hospital for the treatment of patients.

Sindh Institute of Urology and Transplantation (SIUT)

SIUT provides free medical treatment for problems relating to the kidney, liver, and different cancers. It is also a renowned center in Pakistan for ethical kidney transplantation. SIUT's extensive facilities house state-of-the-art equipment, which enable them to provide free treatment.

What we did?

TPL Properties donated PKR 2.5 million as financial assistance for treatment and procured a dialysis machinefor the institute.

Pakistan Blind Sports Federation

Pakistan Blind Cricket Council (PBCC) is a foundation for visually impaired cricketers in Pakistan. It controls and manages all the tours and matches undertaken by the cricket team. It was founded by Agha Shoukat Ali in 1996 for the development of cricket for blind and visually impaired individuals.

What we did?

TPL Properties organized an event, "Cricmania" for the Federation with the TPL's Cricket team in order to promote inclusion and give them due recognition as part of our society.

EDUCATION

Venice Biennale

The Venice Biennale is one of the most prestigious cultural institutions in the world. Ever since it's founding in 1895, it has been the avant-garde promoter of new artistic trends and organizer of international events in contemporary arts in accordance with a multi-disciplinary model, which characterizes its unique nature.

What we did?
TPL Properties sponsored the Venice Biennale to support art and architecture by contributing PKR 300,000.

Street School
The Street School is the initiative of two teen siblings Hasan Zafar and Shireen Zafar who provide basic education to children in need. The Street School was the first of its kind in Pakistan, which provides education to children found begging on the streets.

What we did?
TPL Properties organized a zoo visit as an educational activity for the students enrolled in the the Street School. This activity was initiated to spread smiles across the faces of 25 students studying there.

Institute of Architects, Pakistan
Institute of Architects, Pakistan is a voluntary body of architects in the country. It was established in 1957 by a small group of architects who had been trained in the west either working for the government or were in practice. IAP was formally registered in 1968 under the Societies Act, and subsequently registered in 1968 under the Companies Ordinance, with the Securities and Exchange Commission of Pakistan (SECP).

What we did?
TPL Properties sponsored a seminar, which was organized by IAP for the Preservation of Karachi's Heritage. This seminar was attended by numerous journalists from print and electronic media. At the seminar TPL Properties announced the "Jameel Yusuf Heritage Award" of PKR 100,000 to motivate the youth and recognize the efforts of young architects in Pakistan. The award will be presented annually, to young architects with outstanding contributions to the field of heritage.

PAF KIET
Pakistan Air Force - Karachi Institute of Economics & Technology (PAF-KIET) is an established degree awarding institute in the private sector, recognized by the Higher Education Commission (HEC) Pakistan. It's a joint collaboration of Pakistan Air Force (PAF) and Pakistan Educational Foundation (PEF).

What we did?
TPL Properties held a mentorship session at PAF KIET that addressed the topic of "Corporate Ethics".

Impact Numbers

100

Students benefitted from a session on Corporate Ethics conducted by Anika Effendi, Group Head External Relations and CSR.

Institute of Business Administration (IBA)
IBA is an autonomous degree awarding institute based in Karachi. It has established itself as a premier business school with a track record of over fifty years of producing quality undergraduates and post-graduates in Business and Computer Sciences.

What we did?
TPL Properties has a long-term commitment to develop the infrastructure of the institute.

Impact
To enhance the interpersonal skills of the students, an event hall was built which has been dedicated to the company in appreciation of the ongoing efforts for the institution.

Habib University
Habib University is a liberal arts and sciences university that offers an interdisciplinary education drawing from the fields of science, engineering, arts, humanities and the social sciences.

What we did?
PKR 2 Million was contributed to sponsor the education of two students studying in the undergraduate program.

Success Story in Education

Iqran Rasheed:

Aiming to become a documentary filmmaker, Iqran Rasheed, studies at the Communication Studies & Design programme at Habib University. Coming from an underprivileged background and having studied at the TCF schools, Iqran never imagined attending Pakistan's first liberal arts and Science University. The scholarship allowed him to attend the first-class institution and helped him to shape his future. Apart from keeping a remarkable academic standing of 3.5 CGPA at he also got a chance to explore his hidden talents.

During his first year he founded the student club, Kawish and served as its President. Kawish aims to help students from underprivileged areas with their education by teaching them Mathematics and English. Through his hard work and dedication, he made it to the Dean's list. He served as a student senator for CSD 2019 in student government for a year. Also being a member of Habib University's Choir, he got a chance to learn music from Rajab Ali Khan and polish his skills as a singer.

Moreover, he received an award for the best short story in Arzu Anthology and performed his piece at the Karachi Literature Festival 2018. This was his first ever short story and published piece of work, which would not have been possible without the help of his teachers at Habib University and the support received from TPL Properties.

Mehreen Khan:

Mehreen Khan, a Social Development and Policy student of the class of 2019 is a determined and ambitious student. She has worked her towards a higher education and is grateful for the support she received along the way. Having been educated on a scholarship at a TCF school in Baldia Town, she feels responsible to make a change for the future generations. Many of her peers from her neighborhood have discontinued their education to get technical training or to get married.

Thanks to the scholarship provided by TPL Properties at Habib University, Mehreen has been able to pursue her dream to receive a higher education. In her words, "Habib University is a diverse place with students representing all social classes and educational backgrounds from across the country. With this diversity, HU has built a strong community and together with the unique academic programme of the Liberal Core, I feel I am learning more than I dreamed of.

"By studying in the SDP program I have learnt to understand myself and respect the society and cultures around me. Through my higher education, I have been able to intern with The Tribune and have had 2 stories published. In future, I wish to join the UN so that I can connect my experiences with local development needs, especially for girls' education."

Group Profile

TPLProperties

The principal activities of TPL Properties are to invest, purchase, develop, sell, rent out or dispose of real estate assets including commercial and residential buildings. TPL Properties Limited successfully completed its initial public offering, conducted entirely through a Book Building process, in June 2016. Centrepoint is TPL Properties first project and is designed as a state of the art complex. It adheres to the highest international standards of design and technology in commercial buildings and is a unique addition to Karachi's skyline.

TPLTrakker

TPL Trakker Limited is Pakistan's first and largest Telematics company, operating since 1999, TPL Trakker offers vehicle based IoT solutions utilizing GPS/GSM technology. TPL Trakker works with various businesses spread across a broad spectrum of industries to equip them with advanced technology enabling monitoring of vehicle movement, driver behavior, fuel pilferage, driver safety and compliance. TPL Trakker is also one of the only tracking companies to offer stolen vehicle recovery services with recovery rate surpassing 90%.

TPLMaps

TPL Maps, a part of TPL Corp was launched in 2016 and is the first indigenous digital mapping company of Pakistan providing GIS-based scalable solutions to businesses with the aim of contributing data to the community. Licensed by the Survey of Pakistan, TPL Maps has the largest location-based data collection with over 250+ cities mapped, approximately 4.4 million geocoded addresses and over 320,000+ kilometers of road network mapped across the country.

In addition to our mapping services, TPL Maps' flagship offering includes the in-dash navigation hardware and software which is a state-of-the-art advanced system equipped with the latest technology that is tailored for the region to make navigation accurate, faster and on-point. Now TPL Maps has launched Pakistan's first Location Based Services platform that will empower the digital economy and economic growth of the country.

TPL Insurance

TPL Insurance is Pakistan's first direct insurance company with the aim to provide seamless insurance services to its customers through its 24 / 7 call center and integrated insurance systems. TPL Insurance has launched Pakistan's first insurance customer app with distinguished features of policy issuance, claim lodging, self-surveys, endorsements and renewal of policies with further features and products to be included in the app soon. It is disrupting the concept of insurance by digitally enabling its business partners and customers in issuance of policies and servicing of customers. With the promise to lodge claims in less than 60 seconds and to process in 45 minutes, TPL Insurance upholds it unmatchable quality service standards through highly diligent insurance team and customer friendly processes. The Company is offering all lines of general insurance viz. Auto, Fire, Marine, Health, Home and Travel with both conventional and Takaful (Islamic insurance) solutions to ensure peace of mind for its customers.

TPLLife

TPL Life Insurance Limited aims to provide innovative Insurance solutions - catering to both life & health insurance needs of Corporates and Individuals. These solutions are developed by following international standards and are tailor made to cater to the diverse and varying insurance needs of the Pakistani Market. Embedding Technology, Digitalization and Ease at the core of everything that TPL Life does is the key what enables us to deliver an absolute and unmatchable customer experience to our clients.

TPL Life's continuous investment towards innovation, technology and market intelligence allows in offering a wider range of unique and need based Life & Health Insurance solutions for individuals, small to large corporates and microfinance segments – A REALITY!

Group Profile

TPL روپیہ

TPL Rupiya, TPL Corps' payment service vertical, is an e-payments company, offering solutions that are facilitating payments via bank, government and mobile account transactions. State Bank of Pakistan has already issued in-Principle approval to TPLR during the previous year.

Digital economics transformation has revolutionized the way we transact and manage payments. TPL Rupiya aims to build a payment ecosystem that will help to reduce the individual's reliance on cash to acquire day-to-day services. It will re-engage the under-banked, unhappily banked and underserved market with an intuitive mechanism that will bring the bank to clients' phones while protecting their identities and ensuring secure transactions.

TPL Rupiya had also joined hands with UBL Omni to introduce cashless payments for the passengers of Lahore Transport Company enabling them to make daily commute payments using their UBL Omni bank accounts. It will also enable LTC passengers to avail a first of its kind "Tap n Pay" solution that allows fast payment and helps to reduce long checkout lines. TPL shall issue NFC (Near Field Communication) Cards for online payments and UBL Omni bank accounts will be linked for enabling these payments.

Being a preferred choice for generating powerful customer experiences, TPL Rupiya is proud to be nominated as a pre-qualified solution provider for Green line and Orange line bus projects. TPL Rupiya further envisions to extend its service reach across the transportation industry.

TPL Security Services

Established in 2001 as a licensed security company, TPL Security Services is a progressive and innovative security solutions provider, with unparalleled customer service. The company devotes extensive time and resources into hiring, training, developing and retaining the right people to fulfill each client's needs. Executive protection that includes mobile squads, 24/7 operations and an IT-enabled control room, amongst a host of other features, ensures deployment efficiency and customized solutions to keep you secure.

TPL e-Ventures

TPL e-Ventures is an early stage investor focused on deploying capital in Pakistani tech or tech enabled companies with a vision to build a world class platform known for catalyzing high potential / high impact entrepreneurs.

Membership of Industry

S.R. NO	Membererership Certificate
1	Pakistan Software Export Board (PSEB)
2	Pakistan Society for Training & Development (PSTD)
3	Pakistan Software Houses Association for IT & ITES (P@Sha)
4	Association of Chartered Certified Accountants (ACCA) Approved Employer -Professional Development
5	Karachi Chamber of Commerce & Industry (KCCI)
6	Overseas Investors Chamber of Commerce & Industry (OICCI)
7	Pakistan Business Council (PBC)

Company Information

BOARD OF DIRECTORS

Jameel Yusuf (S.St.)	Chairman
Ali Jameel	Director
Bilal Alibhai	Director
Ziad Bashir	Director
Maj Gen (R) Zafar-ul-Hasan Naqvi	Director
Vice Admiral (R) Muhammad Shafi HI (M)	Director
Siraj Dadabhoy	Director
Fawad Anwar	Director

CHIEF EXECUTIVE OFFICER
Ali Jameel

CHIEF FINANCIAL OFFICER
Aun Ali Sayani

AUDIT COMMITTEE

Ziad Bashir	Chairman
Siraj Dadabhoy	Member
Vice Admiral (R) Muhammad Shafi HI (M)	Member
Yousuf Zohaib Ali	Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ziad Bashir	Chairman
Maj. Gen. (Retd.) Zafar-ul-Hassan Naqvi	Member
Fawad Anwar	Member
Ali Jameel	Member
Nader Nawaz	Secretary

AUDITORS
EY Ford Rhodes Chartered Accountants

LEGAL ADVISOR
Mohsin Tayebali & Co

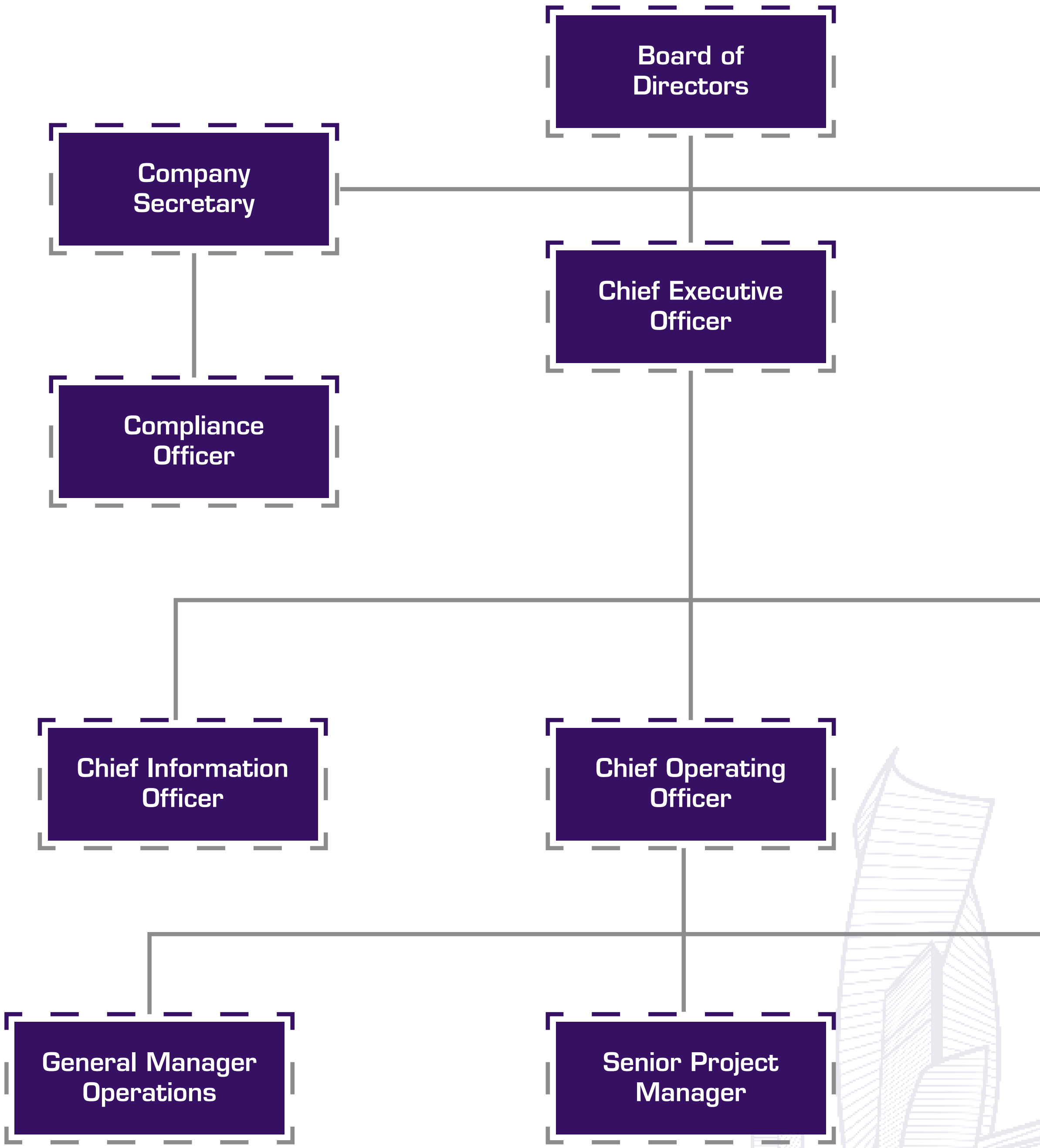
BANKERS
Habib Metropolitan Bank Limited
United Bank Limited
Habib Bank Limited
JS Bank Limited
Al Baraka Bank Limited
Summit Bank Limited
Bankislami Pakistan Limited
The Bank of Punjab
Silk Bank Limited

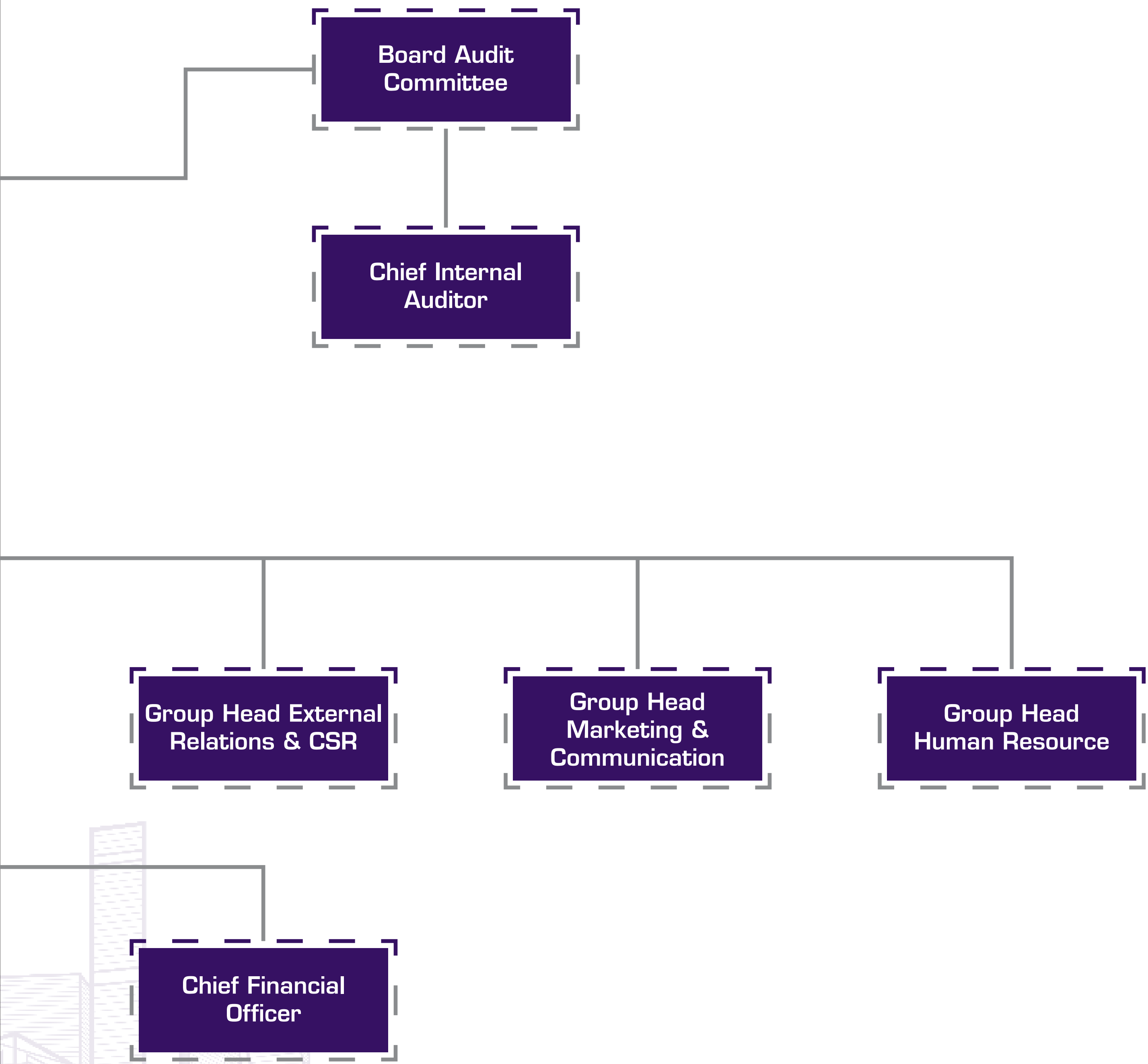
SHARE REGISTRAR
THK Associates (Pvt.) Limited
1st Floor, 40-C, Block-6
P.E.C.H.S., Dr. Karachi 75530,
Pakistan
Phone: +92 (21) 34168271
UAN: 111-000-322
FAX: +92 (21) 34168271
Email: secretariat@thk.com.pk

REGISTERED OFFICE
TPL Properties Limited
12th Floor, Centrepoint.
Off-Shaheed-e-Millat Expressway,
Adjacent KPT Interchange, Karachi,
Postal Code: 74900

WEB PRESENCE
www.tpl-property.com

Organogram


Board of Directors
Company Secretary
Chief Executive Officer
Compliance Officer
Chief Information Officer
Chief Operating Officer
General Manager Operations
Senior Project Manager


Board Audit Committee
Chief Internal Auditor
Group Head External Relations & CSR
Group Head Marketing & Communication
Group Head Human Resource
Chief Financial Officer

CEO's Message

The Real Estate and Construction sector is one of the most dynamic and secure investment propositions in the world. In Pakistan, the industry looks to grow across the board; from state-of-the-art commercial projects to high-end residential properties and low-cost housing schemes. At TPL Properties; we believe that we are positioned to capitalize these growth opportunities using our expertise to deliver value for our partners, customers and shareholders.

For our team, the need to adjust and adapt is continuous - while maintaining a meticulous approach to quality construction, management and design. Profitable business models, development of intelligent buildings based on technology driven solutions and environment conservation will always remain at the heart of any development we undertake.

In 2018-19, the world is forecasted to face even greater political and economic uncertainties. TPL Properties looks to stay steady and double down our focus to creating tangible value for our customers and maintaining sustainable growth. With 100% occupancy for our flagship project, Centrepoint, and a steady stream of cash flow, the company looks to continue industry leading property management best practices and ensure energy efficient operations. Furthermore, we are excited to announce that TPL Properties plans to launch its first REIT Scheme in 2019 which will consist of multiple Real Estate Assets including Centrepoint. Transferring Centrepoint into the REIT will allow the company to realize unrealized gain on Investment Property which currently stands at PKR 2.5 billion.

With two more high-end projects planned for 2020 and 2021 respectively; we are confident that we will achieve our long-term strategic goals. All this and more will firmly establish TPL Properties as the premier property development and management company in Pakistan.

With Pakistan at the cusp of a digital boom; smart cities could well be the innovation that transforms Pakistan in the future. At TPL Properties, our view is that cities are smart when the eco-system collaborates to unlock synergies and collective potential which supports investments in human and social capital.

Best
Ali Jameel

Chairman's Review Report

It gives me immense pleasure to present to the stakeholders, a highlight of the overall effectiveness and performance of the Board in taking TPL Properties Limited ("Company") forward by setting out the aims and objectives for the governance of the Company. I would like to take this opportunity to thank my fellow Board Members for their selfless dedication both in terms of time and effort.

I would express my thorough satisfaction with the overall performance of the Board of Directors, Executive, non-Executive and Independent Directors, who have contributed towards the achievements of the Company. I am gratified to affirm that the current Board has the most fitting skillset, knowledge and experience required for a Company to be able to thrive in its business, and that they meet the criteria as per the newly implemented the Listed Companies (Code of Corporate Governance) Regulations 2017 ("the Code").

The Board of the Company comprises of individuals poised with experience in the fields of banking, finance and real estate. During the year, the Board observed some changes of members and as a result thereof, the Company on boarded the suitable resources whose expertise contributed towards the progress of the Company. I am happy to say that the Board of Directors diligently discharged their duties in good faith keeping in view the interest of the shareholders and the organization.

Investment decisions made by the Company and the expenditures required to support the same were thoroughly scrutinized by the Board of Directors enabling the Company to make better decisions. Further, the Board of Directors also ensured that the financial disclosures are accurate and represent financial position of the Company.

During the year, the Board of Directors played a crucial role in formulation, implementation and evaluation of various policies. The Board Committees duly assisted the Board members, through the Audit Committee and Human Resource and Remuneration Committee. The Audit Committee focused on the risk management within the ordinary course of business, whereas the Human Resource and Remuneration Committee ensured that the HR Policies regarding performance management, staffing and compensation are properly aligned with the organizations long term plans.

A performance evaluation of the Board of Directors was conducted, for the financial year ended June 30, 2018 as required under the Code based on self-assessment, and the overall performance of the Board was assessed as satisfactory.

Lastly, I would like to extend my heartfelt gratitude and appreciation to the Board Members for their commendable performance throughout the year. Moving forward, I am confident that the Company has all the necessary ingredients to achieve the expectations of all its stakeholders.

Jameel Yusuf S.St.
Chairman of the Board
As of June 30, 2018

Board of Directors

Jameel Yusuf (S.St.)
Chairman

Mr. Jameel Yusuf Ahmed is a businessman by profession and is the Chairman of TPL Corp Ltd. He was the founder chairman of Citizen-Police Liaison Committee (CPLC), and remained its chairman from September 1989 to March 2003. He is also the Director of Asia Crime Prevention Foundation (ACPF) and is the founding trustee of "PANAH", a shelter home established for women in distress. Mr. Yusuf is also a member of Advisory Council Fellowship Fund for Pakistan (FFFD) since 2004. He was awarded Presidential Award "Sitara-e-Shujaat" for gallantry services in August 1992 and was also nominated for the first United Nations Vienna Civil Society Award in 1999.

Ali Jameel
CEO

Mr. Ali Jameel is also the CEO of TPL Corp Ltd. and the director of TRG Pakistan Ltd. Mr. Jameel has served as the CEO of Jahangir Siddiqui Investment Bank. He has also held several advisory posts in Board of Investment, Economic Advisory Council, Pakistan's information technology and telecommunication sectors, including appointments on the Task Force on Telecom Deregulation, the Fiscal Incentive Group on the IT Commission and the Task Force on Venture Capital. Mr. Jameel received his BSc. Degree in Economics from The London School of Economics. He is also an Associate Member of the Institute of Chartered Accountants in England & Wales and qualified in 1994 at KPMG Peat Marwick in London.

Bilal Alibhai

Director

Mr. Bilal Alibhai is a third generation entrepreneur and has been Group Executive Director at Bilal General Transport, Dubai, UAE (and subsidiaries) since 2002. The group is one of the UAE's leading providers of transportation, equipment rental, and other services to the construction industry. He is also a Director of Rashwell Company LLC, Dubai, a leading commodities trading business in UAE. Mr. Alibhai holds a BBA (Hons) degree from Queen's University, Canada, with concentration in finance and strategy.

Ziad Bashir

Director

Mr. Ziad Bashir has been on the Board of Gul Ahmed Textile Mills Limited since February 1999. A graduate from Babson College, USA, with a Bachelor degree in Entrepreneurial Studies. Mr. Bashir has extensive experience of the textile sector and is involved in various developmental and operational activities of the company. He is also associated with the Information Technology (IT) industry and has played a key role in the transformation of the company's IT infrastructure. He is a certified Director from the Pakistan Institute of Corporate Governance (PICG). Over the years he has served as Chairman of the Landhi Association of Trade and Industry and on the Board of Central Managing Committee of All Pakistan Textile Mills Association (APTMA). He is also currently on the Board of Governors of Young Presidents Organization (YPO), Pakistan.

Muhammad Shafi HI(M)
Director
Vice Admiral (Retd.)

Mr. Shafi was commissioned in 1974 into the operation branch of Pakistan Navy where he held various positions including Commander Coastal Areas (responsible for the defence of Pakistan's coast), Commander Logistics (Commanded over 12,000 service and civilian personnel and responsible for all logistics in the Pakistan Navy), Commander of 25th Destroyer Squadron of Pakistan Navy and also Commanded Pakistan Naval Destroyer PNS Shahjahan and Frigate PNS Shamsher. He has also held various other positions including Assistant Chief of the Naval Staff (Plans), Deputy Chief of Naval Staff (Training & Personnel as well as Operations), Director General Naval Intelligence and Principal Staff Officer to the Chief of Naval Staff. He has been the Member of the Board of Trustees of Karachi Port Trust, Chairman of Pakistan National Shipping Corporation and Chairman of Port Qasim Authority. He also holds prestigious Military awards which include Hilal-e-Imtiaz, Sitara-e-Imtiaz and Tamgha-e-Imtiaz. He has obtained his MSc in Defence and Strategic Studies from National Defence University, Islamabad in the year 2001 and his BSc in Physics and Mathematics from Karachi University, 1974.

Zafar-ul-Hasan Naqvi
Director
Maj. Gen. (Retd.)

Mr. Zafar Naqvi is a management professional with vast experience of management both in the local and multinational environment. He joined the Corporate Sector in 1996 as a Director in AGP (Pvt) Ltd, a leading Pharmaceutical Company and in three years time he became the Chief Operating Officer of the company and held this position till his retirement in 2007. Thereafter, he served as Director and Advisor, in Merck (Pvt) Ltd, a German Pharmaceutical Company for 5 years, till 2012. Currently, he is Director and Advisor in a Pharmaceutical Company of OBS group. Prior to joining corporate sector, Mr. Naqvi has also been conferred upon Presidential Award, Sitara-e-Imtiaz (Military). Mr. Naqvi holds an M.B.A. and M.Sc. degree in Strategic Management from Quaid-e-Azam University, Islamabad

Siraj Dadabhoy
Director

Mr. Siraj has more than 25 years of experience in real estate and financial industries where he has held a range of leadership roles.
Mr. Dadabhoy is a founding partner and Executive Chairman of AION Partners, a New York based real estate operating and investment management company.
Mr. Dadabhoy is also the founder and Managing Director of AION Global; an owner, operator and developer of real estate in the U.K.
Additionally, Mr. Dadabhoy serves as a member of the board of directors of Bank Islami and TPL Properties in Pakistan.
Mr. Dadabhoy is a 1988 graduate of Indiana University, with a Bachelor of Science in Accounting and Finance. He is also a qualified Certified Public Accountant.

Fawad Anwar
Director

Mr. Fawad Anwar is the Managing Director of AlKaram Textile Mills (Private) Limited, which is part of one of the most renowned Business groups in Pakistan, the AlKaram Group. Mr. Anwar also serves as an Independent Director on BankIslami's Board and serves as non-executive director on the Board of TPL Properties Limited.
He has over 20 years of professional experience. Mr. Anwar has done his MBA from Drexel University, USA and BBA from Temple University, USA.

Stakeholder's Information

HORIZONTAL ANALYSIS BALANCE SHEET

	2018	2017	2016	2015	2014	2013
Investment Property under construction	-	-	-	-	-	3,071,971,148
Investment Property	6,189,635,029	4,975,874,522	4,632,000,000	4,319,000,000	3,978,000,000	-
Property, plant and equipment	5,080,698	6,736,214	5,581,476	1,584,109	2,334,151	3,709,459
Intangible Assets	753,449					
Long-term investments	1,150,315,390	1,150,315,390	352,999,990	999,990	999,990	999,990
Long term subordinated loan	432,506,875	56,750,452	10,770,709	197,835,432	159,822,944	85,000,000
Long term deposits	286,919	186,919	186,919	86,919	86,919	86,919
Receivable against rent from tenants	45,419,372	26,555,792	20,966,759	10,776,706	6,956,019	-
Advance, deposit and prepayment	25,397,651	11,126,083	19,621,854	25,979,368	22,178,705	187,870,027
Interest Accrued	40,818,147	51,008,311	78,038,053	51,531,102	27,557,658	14,807,658
Advance against subcription of shares	-	-	-	-	-	-
Due from related parties	331,983		-	-	-	10,350,840
Taxation- net	93,258,132	94,021,444	97,864,137	55,764,427	16,780,975	7,652,735
Short-Term Investment	100,000,000					
Cash and bank balances	540,589,194	344,332,622	850,576,013	195,116,171	94,796,746	76,785,232
TOTAL ASSETS	8,624,392,839	6,716,907,749	6,068,605,910	4,858,674,224	4,309,514,107	3,459,234,008
Issued, subscribed and paid-up capital	2,735,113,670	2,735,113,670	2,080,000,000	1,100,000,000	1,100,000,000	1,100,000,000
Share premium account	560,563,555	560,563,555	140,497,151	-	-	-
Accumulated Profit	2,562,141,156	1,327,511,411	975,533,853	684,863,802	500,978,997	(15,464,436)
Long term financing	2,101,651,829	1,660,693,975	1,948,861,362	2,034,000,000	1,692,857,425	1,693,714,286
Surplus on revaluation of Property and equipment	-	-	-	-	-	-
Due to related parties	8,076,706	11,912,538	275,645,979	566,187,587	485,858,803	243,634,922
Deferred Tax liability	27,567,486	38,236,796	39,005,393	23,947,008	4,066,714	-
Accrued mark up	57,473,950	44,760,103	74,446,634	158,835,696	69,236,438	39,161,195
Trade and other payables	55,993,266	73,507,902	163,832,637	164,527,377	75,358,610	68,302,115
Short-term borrowing	400,000,000	-	200,000,000	-	-	-
Current portion of long term financing	44,000,000	204,750,000	126,000,000	63,295,831	343,610,292	288,885,926
Advance against rent from tenants	71,811,221	59,857,799	44,782,901	63,016,923	37,546,828	41,000,000
TOTAL EQUITY AND LIABILITIES	8,624,392,839	6,716,907,749	6,068,605,910	4,858,674,224	4,309,514,107	3,459,234,008

HORIZONTAL ANALYSIS PROFIT AND LOSS ACCOUNT

	2018	2017	2016	2015	2014	2013
Rental Income	**366,350,433**	362,784,829	364,056,604	231,904,092	68,079,862	-
Direct operating cost	**(9,602,513)**	(9,908,777)	(12,414,128)	(11,569,484)	(7,698,944)	-
Gross profit	**356,747,920**	352,876,052	351,642,476	220,334,608	60,380,918	-
Administrative and general expenses	**(107,534,438)**	(105,812,141)	(53,055,880)	(47,738,642)	(14,021,111)	(1,045,350)
Other operating expenses	-	-	-	(3,613,431)	(10,598,108)	-
Operating profit	**249,213,482**	247,063,911	298,586,596	168,982,535	35,761,699	(1,045,350)
Finance costs	**(207,664,482)**	(176,487,486)	(236,618,104)	(254,204,115)	(87,301,711)	-
Other Income	**26,735,265**	15,737,118	35,449,950	30,929,770	9,203,838	-
Remeasurement of investment property at fair value	**1,180,808,607**	288,765,209	274,217,887	317,506,439	431,675,020	-
Exchange (loss)/gain	-	-	(57,400,000)	(59,449,530)	131,171,301	-
Profit before taxation	**1,249,092,872**	375,078,752	314,236,329	203,765,099	520,510,147	(1,045,350)
Taxation	**(14,463,127)**	(23,101,194)	(23,566,278)	(19,880,294)	(4,066,714)	-
Profit / (Loss) after taxation	**1,234,629,745**	351,977,558	290,670,051	183,884,805	516,443,433	(1,045,350)

CASH FLOW STATEMENT

	2018	2017	2016	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES						
Net profit before taxation	**1,249,092,872**	375,078,752	314,236,329	203,765,099	520,510,147	(1,045,350)
Adjustment for non cash charges and other items:						
Depreciation	**2,341,814**	2,459,696	2,325,011	1,028,042	521,598	-
Fixed assets write-off	**10,000**	38,565	-	-	-	-
Finance cost	**207,664,482**	176,487,486	236,618,104	254,204,115	87,301,711	-
Remeasurement of investment property at fair value	**(1,180,808,607)**	(288,765,209)	(274,217,887)	(317,506,439)	(431,675,020)	-
Exchange loss / (gain) - net	**-**	-	57,400,000	59,449,530	(131,171,301)	-
Markrup on subordinated loan	**10,190,164**	(6,386,28 4)	(26,506,951)	(23,973,444)	(6,322,613)	-
Mark up on saving account	**(20,261,045)**	(3,814,384)	(3,576,768)	(6,956,326)	-	-
	(980,863,192)	(119,980,130)	(7,958,491)	(33,754,522)	(481,317,949)	-
Operating profit before working capital changes	**268,229,680**	255,098,622	306,277,838	170,010,577	39,192,198	(1,045,350)
(Increase) / decrease in current assets						
Advance, deposits and prepayments	**(114,271,568)**	8,495,771	6,357,513	(3,800,663)	165,691,322	(45,870,455)
Receivables against rent	**(18,863,580)**	(5,589,033)	(10,190,053)	(3,820,687)	(6,956,019)	-
Due from related parties	**(331,983)**	(9,131,238)	-	-	(24,472,104)	36,633,260
	(133,467,131)	(6,224,500)	(3,832,540)	(7,621,350)	134,263,199	(9,237,195)
Increase / (decrease) in current liabilities						
Trade and other payables	**(17,514,636)**	(90,324,735)	(694,740)	88,677,537	9,605,524	52,987,170
Due to a related party – unsecured	**-**	-	-	-	-	142,453,593
Advance against rent	**11,953,422**	15,074,898	(18,234,022)	25,470,095	(3,453,172)	41,000,000
Cash generated from operations	**129,201,335**	173,624,285	283,516,536	276,536,859	179,607,749	226,158,218
Receipts / (payments) for :						
Finance cost	**(194,950,635)**	(207,426,462)	(437,591,635)	(162,735,043)	(82,400,539)	(111,894,780)
Mark up on saving account account received	**20,261,045**	3,814,384	3,576,768	6,956,326	-	-
Long term deposits	**(100,000)**	-	-	-	-	-
Income taxes	**(24,369,124)**	(20,027,105)	(50,607,603)	(38,983,452)	(9,115,894)	(1,056,659)
	(199,158,714)	(223,639,183)	(484,622,470)	(194,762,169)	(91,516,433)	(112,951,439)
Net cash flows (used in) / from operating activities	**(69,957,379)**	(50,014,898)	(201,105,934)	81,774,690	88,091,316	113,206,779
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of - property and equipment	**(696,299)**	(3,652,999)	(6,322,378)	(278,000)	(140,069)	(173,300)
Expenditure - investment property under construction	**-**	-	-	-	(253,544,455)	(448,127,206)
- incurred on investment property	**(16,868,937)**	(46,918,610)	(38,782,113)	(23,493,561)	(19,019,159)	-
Addition to capital work-in-progress	**(16,082,963)**	(8,190,703)	-	-	-	-
Sale proceed from fixed assets	**-**	-	-	-	400,000	1,180,000
Long-term deposits	**-**	-	(100,000)	-	-	(16,854,000)
Purchase of Intangible asset	**(753,449)**	-	-	-	-	-
Long-term loan-net	**(375,756,423)**	(36,848,505)	187,064,723	(38,012,488)	(40,000,000)	(14,300,000)
Investments	**-**	-	(352,000,000)	-	-	-
Advance against subscription of shares	**-**	-	-	-	-	-
Markrup on subordinated loan received	**-**	33,416,026	-	-	-	-
Markrup on saving account	**-**	-	-	-	-	10,810,502
Net cash (used in) / generated from investing activities	**(410,158,071)**	(62,194,791)	(210,139,768)	(61,784,049)	(312,303,683)	(467,464,004)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceed from isuance of share capital	**-**	300,000,004	1,197,181,000	-	-	-
Share issue cost	**-**	(22,135,323)	(76,683,849)			
Long-term loans – net	**280,207,854**	(208,164,942)	36,750,000	-	-	-
Loan from Director / related party	**(3,835,832)**	(263,733,441)	(290,541,608)	80,328,784	242,223,881	-
Long term Financing - net	**-**	-	-	-	-	122,876,000
Short-term borrowing	**400,000,000**	(200,000,000)	200,000,000	-	-	-
Net cash generated (used in) / from financing activities	**676,372,022**	(394,033,702)	1,066,705,543	80,328,784	242,223,881	122,876,000
Net (decrease) / increase in cash and cash equivalents	**196,256,572**	(506,243,391)	655,459,841	100,319,425	18,011,514	(231,381,225)
Cash and cash equivalents at the beginning of the year	**344,332,622**	850,576,013	195,116,171	94,796,746	76,785,232	308,166,457
Cash and cash equivalents at the end of the year	**540,589,194**	344,332,622	850,576,013	195,116,171	94,796,746	76,785,232

VERTICAL ANALYSIS OF BALANCE SHEET

	2018	2017	2016	2015	2014	2013
Investment Property under construction	**0.00%**	0.00%	0.00%	0.00%	0.00%	88.80%
Investment Property	**71.77%**	74.08%	76.33%	88.89%	92.31%	0.00%
Property, plant and equipment	**0.06%**	0.10%	0.09%	0.03%	0.05%	0.11%
Intangible Assets	**0.01%**	0.00%	0.00%	0.00%	0.00%	0.00%
Long-term investments	**13.34%**	17.13%	5.82%	0.02%	0.02%	0.03%
Long term subordinated loan	**5.01%**	0.84%	0.18%	4.07%	3.71%	2.46%
Long term deposits	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
Receivable against rent from tenants	**0.53%**	0.40%	0.35%	0.22%	0.16%	0.00%
Advance, deposit and prepayment	**0.29%**	0.17%	0.32%	0.53%	0.51%	5.43%
Interest Accrued	**0.47%**	0.76%	1.29%	1.06%	0.64%	0.43%
Advance against subcription of shares	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
Due from related parties	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.30%
Taxation- net	**1.08%**	1.40%	1.61%	1.15%	0.39%	0.22%
Short-Term Investment	**1.16%**	0.00%	0.00%	0.00%	0.00%	0.00%
Cash and bank balances	**6.27%**	5.13%	14.02%	4.02%	2.20%	2.22%
TOTAL ASSETS	**100%**	100%	100%	100%	100%	100%

	2018	2017	2016	2015	2014	2013
Issued, subscribed and paid-up capital	**31.71%**	40.72%	34.27%	22.64%	25.52%	31.80%
Share premium account	**6.50%**	8.35%	2.32%	0.00%	0.00%	0.00%
Accumulated Profit	**29.71%**	19.76%	16.08%	14.10%	11.62%	-0.45%
Long term financing	**24.37%**	24.72%	32.11%	41.86%	39.28%	48.96%
Surplus on revaluation of Property and equipment	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
Due to related parties	**0.09%**	0.18%	4.54%	11.65%	11.27%	7.04%
Deferred Tax liability	**0.32%**	0.57%	0.64%	0.49%	0.09%	0.00%
Accrued mark up	**0.67%**	0.67%	1.23%	3.27%	1.61%	1.13%
Trade and other payables	**0.65%**	1.09%	2.70%	3.39%	1.75%	1.97%
Short-term borrowing	**4.64%**	0.00%	3.30%	0.00%	0.00%	0.00%
Current portion of long term financing	**0.51%**	3.05%	2.08%	1.30%	7.97%	8.35%
Advance against rent from tenants	**0.83%**	0.89%	0.74%	1.30%	0.87%	1.19%
TOTAL EQUITY AND LIABILITIES	**100%**	100%	100%	100%	100%	100%

VERTICAL ANALYSIS OF PROFIT AND LOSS ACCOUNT

	2018	2017	2016	2015	2014	2013
Rental Income	**100%**	100%	100%	100%	100%	0%
Direct operating cost	**-3%**	-3%	-3%	-5%	-11%	0%
Gross profit	**0%**	97%	97%	95%	89%	0%
Administrative and general expenses	**-29%**	-29%	-15%	-21%	-21%	100%
Other operating expenses	**0%**	0%	0%	-2%	-16%	0%
Operating profit	**68%**	68%	82%	73%	53%	100%
Finance costs	**-57%**	-49%	-65%	-110%	-128%	0%
Other Income	**7%**	4%	10%	13%	14%	0%
Remeasurement of investment property at fair value	**322%**	80%	75%	137%	634%	0%
Exchange (loss)/ Gain - net	**0%**	0%	-16%	-26%	193%	0%
Profit before taxation	**341%**	103%	86%	88%	765%	100%
Taxation	**-4%**	-6%	-6%	-9%	-6%	0%
Profit after taxation	**337%**	97%	80%	79%	759%	100%

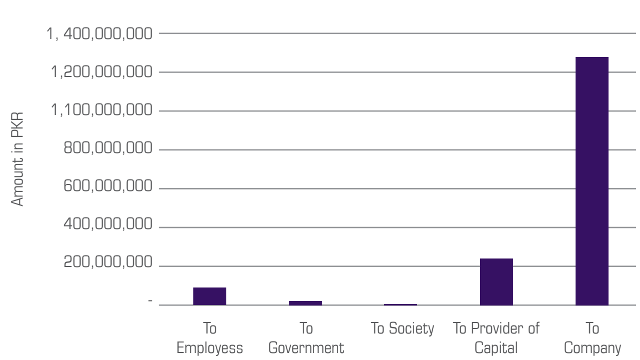
RATIO ANALYSIS OF PROFIT AND LOSS ACCOUNT

		2018	2017	2016	2015	2014	2013
Profitability Ratios							
Gross Profit to Sales	percent	**97%**	97%	97%	95%	89%	0%
Net Profit to Sales	percent	**337%**	97%	80%	79%	759%	0%
EBITDA Margin to sales	percent	**398%**	153%	152%	198%	894%	0%
Return on Equity	percent	**27%**	11%	16%	11%	48%	0%
Return on Capital Employed	percent	**20%**	6%	6%	5%	17%	0%
Liquidity Ratios							
Current Ratio	Ratio	**1.26**	1.23	1.68	0.99	0.31	0.71
Quick / Acid test ratio	Ratio	**1.26**	1.21	1.67	0.96	0.30	0.70
Cash to Current Liabilities	Ratio	**0.85**	0.87	1.44	0.67	0.21	0.19
Investment Valuation Ratios							
Earning per Share	Ratio	**4.51**	1.68	2.12	1.67	4.69	-0.01
Capital structure Ratios							
Financial leverage Ratio	Ratio	**0.45**	0.42	0.82	1.58	1.62	2.09
Debt Equity Ratio	Ratio	**0.38**	0.41	0.67	1.26	1.32	1.86
Interest cover Ratio	Ratio	**7.01**	3.13	2.33	1.80	6.96	0%

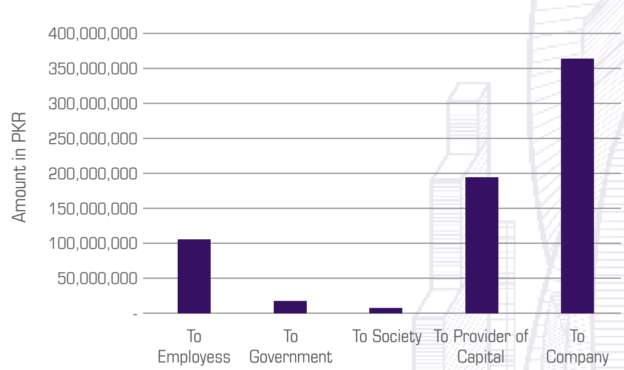
STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2018 Amount in Rs	%	2017 Amount in Rs	%
WEALTH GENERATED				
Total revenue inclusive of Other Income	1,757,521,134		843,940,141	
Direct Operating cost and Administrative and General expenses	(176,719,424)		(149,074,055)	
	1,580,801,710	100%	694,866,086	100%
WEALTH DISTRIBUTION				
To Employees				
Salaries, benefits and other costs	86,832,580	5%	106,366,678	15%
To Government				
Income tax, sales tax, excise duty and others	21,317,061	1%	17,489,633	3%
To Society				
Contribution towards education, health and environment	5,500,000	0.35%	7,500,000	1%
To Provider of Capital				
Dividend to shareholders	-		-	
Markup / Interest expenses on borrowed funds	232,307,773	15%	196,137,972	28%
To Company				
Depreciation, amortization & retained profit	1,234,844,296	78%	367,371,803	53%
	1,580,801,710	100%	694,866,086	100%

2018



2017



DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors are pleased to present the audited condensed financial information for the year ended June 30, 2018 and a brief review of the Company's operations.

ECONOMIC OUTLOOK

The Property market in Pakistan has seen a growing interest from investors in the last decade with the growth touching 15% in year 2016. The economic outlook for construction and real estate sector looks promising in the year ahead as well, as the sector has posted a strong growth of 9% in the outgoing year.

The primary drivers for the growth in construction sector have been increased public sector development program, spending on infrastructure projects, and continued private investment in housing schemes. With better access to cities across Pakistan through the infrastructure built under the CPEC, Investors are eyeing for the development near these infrastructures. Growing middle class in Pakistan is the driving force in this growth with an appetite for luxury housing communities. The rising number of luxury developments, however, is not solving the housing gap currently bedeviling Pakistan. With a population of almost 200 million people, Pakistan is suffering a shortage of 12 million houses. Karachi, with its behemothian population of 16.6 million, has an annual shortage of 300,000 houses

Foreign Direct investment has also increased where foreign investors & Pakistani expats are pouring more capital into Pakistani real estate. FDI in Pakistan increased by 132 percent to $341m in February 2018, the largest segment of which, $86m, was pumped through construction sector. Construction sector output which is currently at 2 percent of GDP is expected to increase to 5 percent till Dec 2020.

Going forward in 2019, Market outlook looks exciting for both developed & underdeveloped real estate sectors. The sentiment is expected to continue based on the continuity of several factors such as the Political stability post elections, completion of major infrastructure projects started by previous government, China–Pakistan Economic Corridor related investment and improved security environment.

COMPANY OUTLOOK

During the year under review the Company has maintained 100% tenancy in its rental portfolio beside enjoying the capital appreciation of its asset under the same portfolio realizing rental income as well as capital gains. On its development portfolio, it has successfully completed concept design with the international design team for its HKC project while it has also shortlisted design team for its another development project whose land acquisition is in progress. The land acquisition process is expected to be completed in 2nd quarter of FY 19.The above two projects will add around 125,000 sq.ft. residential and 250,000 sq.ft. commercial space to our portfolio.

Currently property sector especially in Karachi is slowed down due to the existing ban on high rise development by the Supreme Court of Pakistan but we believe that the sector's fundamentals are still strong with promising future growth potential. This is due the strong demand of quality commercial office space in Karachi and Lahore together with robust demand of high end residential spaces which enables overall building systems efficiencies and automation for end users.

In terms of political and regulatory environment, there is an improved political certainty after the general elections. Further corporate regulator is also consistently improving regulations in line with regional best practices for real estate as well as other sectors with aim of making them attractive for local and foreign investors. Keeping in view the same the Company has decided to venture into Real Estate Investment Trust Management (RMC) business and applied for the permission to form a RMC as a subsidiary of TPL Properties which has been duly received by the Company. Now the next steps would be to incorporate a Non-Banking Finance Company (NBFC) and apply for RMC license which we expect to be completed in 2nd quarter of FY19.

DIRECTORS' REPORT

The above will pave the way for company to launch a REIT fund and convert its real estate asset portfolio to liquid while also realize its valuation. This will further enable the company to pay down all its debts thereby reducing financial cost and also provide them with cash to look at other potential property development venture. Furthermore, as a RMC it will receive management fee from REIT funds which will add to its overall income sources.

FINANCIAL REVIEW

STANDALONE PERFORMANCE

Comparisons of the audited results of the Company with the corresponding period are given below:

Particulars	Year ended June 30, 2018 (Audited)	Year ended June 30, 2017 (Audited)
Revenue	366,350,433	362,784,829
Gross Profit	356,747,920	352,876,052
Profit before tax	1,249,092,872	375,078,752
Profit after tax	1,234,629,745	351,977,558
Number of outstanding shares	273,511,367	273,511,367
Earnings per share – pre tax	4.57	1.37
Earnings per share-post tax	4.51	1.68

Revenue and Gross profit remains almost constant between the period under consideration and corresponding period last year at PKR 366 million and PKR 362 million. Administrative and general expenses stand at PKR 107 million as compared to PKR 105 million on 30th June 2017, showing an increase of 3.65%. Other income has shown significant increase due to revaluation gain on investment property to the tune of PKR 1.180 billion

CONSOLIDATED PERFORMANCE

Comparisons of the audited results of the Company with the corresponding period are given below:

Particulars	Year ended June 30, 2018 (Audited)	Year ended June 30, 2017 (Audited)
Revenue	553,192,539	542,269,988
Gross Profit	390,441,926	392,895,333
Profit before tax	1,215,868,673	346,749,436
Profit after tax	1,195,583,240	330,345,727
Number of outstanding shares	273,511,367	273,511,367
Earnings per share – pre tax	4.45	1.27
Earnings per share-post tax	4.37	1.58

DIRECTORS' REPORT

Consolidated revenue of the Company showed a slight increase of PKR 11m as compared to the same period last year due to the increase in maintenance rates during the year. Further operational expenses have increased by 9% up from PKR 149 million to PKR 162 million primarily due to inflationary increase. Consequent to increase in revenue and expenses changes, gross profit reduced from PKR 392 million to PKR 390 million. As stated earlier other income has shown significant increase due to revaluation gain of investment property of PKR 1.180 billion.

DIVIDEND

The Board of Directors has recommended holding the profit for the year as retained earnings to meet the Working Capital requirements and for investment in potential projects to enhance future profitability of the Company.

CREDIT RATING

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the long-term and short-term entity ratings of TPL Properties Limited (TPL) at "A+" (Single A plus) and "A1" (A one) respectively with a stable outlook. These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

KEY FINANCIAL DATA FOR THE LAST SIX YEARS

	2018	2017	2016	2015	2014	2013
	Amount in Pak Rupees					
Investment Property under construction	-	-	-	-	-	3,071,971,148
Investment Property	6,189,635,029	4,975,874,522	4,632,000,000	4,319,000,000	3,978,000,000	-
Property, plant and equipment	5,080,698	6,736,214	5,581,476	1,584,109	2,334,151	3,709,459
Intangible Assets	753,449	-	-	-	-	-
Long-term investments	1,150,315,390	1,150,315,390	352,999,990	999,990	999,990	999,990
Long term subordinated loan	432,506,875	56,750,452	10,770,709	197,835,432	159,822,944	85,000,000
Long term deposits	286,919	186,919	186,919	86,919	86,919	86,919
Receivable against rent from tenants	45,419,372	26,555,792	20,966,759	10,776,706	6,956,019	-
Advance, deposit and prepayment	25,397,651	11,126,083	19,621,854	25,979,368	22,178,705	187,870,027
Interest Accrued	40,818,147	51,008,311	78,038,053	51,531,102	27,557,658	14,807,658
Advance against subcription of shares	-	-	-	-	-	-
Due from related parties	331,983	-	-	-	-	10,350,840
Taxation- net	93,258,132	94,021,444	97,864,137	55,764,427	16,780,975	7,652,735
Short-Term Investment	100,000,000	-	-	-	-	-
Cash and bank balances	540,589,194	344,332,622	850,576,013	195,116,171	94,796,746	76,785,232
TOTAL ASSETS	**8,624,392,839**	**6,716,907,749**	**6,068,605,910**	**4,858,674,224**	**4,309,514,107**	**3,459,234,008**

DIRECTORS' REPORT

	2018	2017	2016	2015	2014	2013
	Amount in Pak Rupees					
Issued, subscribed and paid-up capital	2,735,113,670	2,735,113,670	2,080,000,000	1,100,000,000	1,100,000,000	1,100,000,000
Share premium account	560,563,555	560,563,555	140,497,151	-	-	-
Accumulated Profit	2,562,141,156	1,327,511,411	975,533,853	684,863,802	500,978,997	(15,464,436)
Long term financing	2,101,651,829	1,660,693,975	1,948,861,362	2,034,000,000	1,692,857,425	1,693,714,286
Surplus on revaluation of Property and equipment	-	-	-	-	-	-
Due to related parties	8,076,706	11,912,538	275,645,979	566,187,587	485,858,803	243,634,922
Deferred Tax liability	27,567,486	38,236,796	39,005,393	23,947,008	4,066,714	-
Accrued mark up	57,473,950	44,760,103	74,446,634	158,835,696	69,236,438	39,161,195
Trade and other payables	55,993,266	73,507,902	163,832,637	164,527,377	75,358,610	68,302,115
Short-term borrowing	400,000,000	-	200,000,000	-	-	-
Current portion of long term financing	44,000,000	204,750,000	126,000,000	63,295,831	343,610,292	288,885,926
Advance against rent from tenants	71,811,221	59,857,799	44,782,901	63,016,923	37,546,828	41,000,000
TOTAL EQUITY AND LIABILITIES	**8,624,392,839**	**6,716,907,749**	**6,068,605,910**	**4,858,674,224**	**4,309,514,107**	**3,459,234,008**

	2018	2017	2016	2015	2014	2013
	Amount in Pak Rupees					
Rental Income	**366,350,433**	**362,784,829**	364,056,604	231,904,092	68,079,862	-
Direct operating cost	**(9,602,513)**	**(9,908,777)**	(12,414,128)	(11,569,484)	(7,698,944)	-
Gross profit	**356,747,920**	**352,876,052**	351,642,476	220,334,608	60,380,918	-
Administrative and general expenses	**(107,534,438)**	**(105,812,141)**	(53,055,880)	(47,738,642)	(14,021,111)	(1,045,350)
Other operating expenses	-	-	-	(3,613,431)	(10,598,108)	-
Operating profit	**249,213,482**	**247,063,911**	298,586,596	168,982,535	35,761,699	(1,045,350)
Finance costs	**(207,664,482)**	**(176,487,486)**	(236,618,104)	(254,204,115)	(87,301,711)	-
Other Income	**26,735,265**	**15,737,118**	35,449,950	30,929,770	9,203,838	-
Gain on Valuation of Investment Property	**1,180,808,607**	**288,765,209**	274,217,887	317,506,439	431,675,020	-
Exchange (loss)/gain	-	-	(57,400,000)	(59,449,530)	131,171,301	-
Profit before taxation	**1,249,092,872**	**375,078,752**	314,236,329	203,765,099	520,510,147	(1,045,350)
Taxation	**(14,463,127)**	**(23,101,194)**	(23,566,278)	(19,880,294)	(4,066,714)	-
Profit / (Loss) after taxation	**1,234,629,745**	**351,977,558**	290,670,051	183,884,805	516,443,433	(1,045,350)
Earning/(Loss) per share	**4.51**	**1.68**	**2.12**	**1.67**	**4.69**	**(0.01)**

DIRECTORS' REPORT

AUDITORS

M/s Ernst & Young Ford Rhodes & Co., Chartered Accountants retire and offer themselves for reappointment. The Board of Directors has recommended their appointment as auditors for the year ending 30 June 2019, at a fee to be mutually agreed

DIRECTOR'S TRAINING

All the directors of the company have attended mandatory directors training program required under the Code of Corporate Governance.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board is fully aware of its corporate responsibilities as envisaged under the Code of Corporate Governance, prescribed by the Securities and Exchange Commission of Pakistan and is pleased to certify that:

- The financial statements, prepared by the Company present its state of affairs fairly the result of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts as required under Companies Ordinance, 1984.
- The Company has followed consistently appropriate accounting policies in the preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standard, as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure there from have been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- Fundamentals of the Company are strong and there are no doubts about Company's ability to continue as a going concern.
- The company has followed best practices of the Code of Corporate Governance as laid down in the listing regulation
- Key operating and financial data for the last six years in summarized form, is included in this annual report.
- Outstanding levies and taxes are given in the respective notes to the financial statements.

DIRECTORS' REPORT

PATTERN OF SHAREHOLDING

A statement of pattern of shareholding of the Company as at 30 June 2018 is as follows:

Shareholder's Category	Number of shares	Percentage of Shareholding
SPONSORS, DIRECTORS, CEO AND CHILDREN	33,999,999	12.43%
ASSOCIATED COMPANIES	84,154,000	30.77%
BANKS, DFI AND NBFI	1,200,000	0.44%
INSURANCE COMPANIES	10,913,500	3.99%
MODARABAS AND MUTUAL FUNDS	2,945,500	1.08%
GENERAL PUBLIC (LOCAL)	23,486,001	8.59%
GENERAL PUBLIC (FOREIGN)	285,000	0.10%
OTHERS	99,131,367	36.24%
FOREIGN COMPANIES	17,396,000	6.36%
	273,511,367	**100%**

Pattern of holding shares held by the shareholders of the Company as at June 30, 2018:

No. of Shareholders	Having Shares from	Having Shares to	Shares Held	Percentage
6	1	100	6	0.0000
23	101	500	11,500	0.0042
12	501	1000	12,000	0.0044
24	1001	5000	65,000	0.0238
10	5001	10000	83,500	0.0305
5	10001	15000	59,500	0.0218
4	15001	20000	77,000	0.0282
2	20001	25000	50,000	0.0183
1	25001	30000	30,000	0.0110
1	35001	40000	37,000	0.0135
1	40001	45000	41,500	0.0152
5	45001	50000	247,500	0.0905
2	60001	65000	124,500	0.0455
1	80001	85000	80,500	0.0294
17	95001	100000	1,697,500	0.6206
1	100001	105000	104,500	0.0382
1	110001	115000	111,000	0.0406
1	140001	145000	143,000	0.0523
1	3995001	4000000	4,000,000	1.4625
1	4635001	4640000	4,637,000	1.6954

DIRECTORS' REPORT

No. of Shareholders	Having Shares from	Having Shares to	Shares Held	Percentage
1	5495001	5500000	5,500,000	2.0109
1	7910001	7915000	7,913,500	2.8933
1	7995001	8000000	8,000,000	2.9249
1	10440001	10445000	10,441,000	3.8174
1	14195001	14200000	14,200,000	5.1917
1	14795001	14800000	14,800,000	5.4111
1	19190001	19195000	19,193,994	7.0176
1	21100001	21105000	21,104,000	7.7160
1	25840001	25845000	25,844,102	9.4490
1	39665001	39670000	39,667,265	14.5030
1	54995001	55000000	55,000,000	20.1089
171.00		**Total**	**273,511,367.00**	**100.00**

Associated Companies, undertakings and related parties (name wise details)	No of shares held (2018)
TPL Holdings (Private) Limited	23,132,500
TPL Trakker Limited	-
TPL Security Services (Private) Limited	50,000
TPL Insurance Limited	8,000,000
TPL CORP LIMITED	59,900,000
Mutual Funds (name wise details)	
CDC - TRUSTEE AKD OPPORTUNITY FUND	2,500,000
CDC - TRUSTEE NAFA STOCK FUND	445,500
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	-
Directors, CEO and their spouse and minor children (name wise details)	
Mr. Muhammad Ali Jameel	19,199,994
Mr. Jameel Yusuf Ahmed	14,800,000
Following directors are nominee directors of TPL Trakker Limited	
Mr. Bilal Ali Bhai	1
Mr. Zafar ul Hasan Naqvi	1
Mr. Yousuf Zohaib Ali	1
Vice Admiral (R) Muhammad Shafi, HI(M)	1

DIRECTORS' REPORT

Associated Companies, undertakings and related parties (name wise details)	No of shares held (2018)
Following director is the independent director of the Company	
Mr. Ziad Bashir	1
Shareholders holding five percent or more voting interest (name wise details)	
Muhammad Ali Jameel	19,199,994
Jameel Yusuf Ahmed	14,800,000
TPL Trakker Limited	-
TPL Holdings Limited	23,132,500
Heritage Chambers Limited	39,667,265
Alpha Beta Capital Market (Private) Limited	40,044,102
TPL Corp Limited	59,900,000
Details of trading in the shares by the Directors, CEO, CFO,	
Company Secretary and their spouses and minor children	
None of the Directors, CFO, Company Secretary and their spouses and minor Children has traded in the shares of the Company during the year.	

BOARD MEETINGS

The Board of Directors held 6 meetings during the financial year. Attendance of Directors at 30 June 2018 is as follows:

Name of Director	Meetings Attended
Mr. Ali Jameel	6
Mr. Jameel Yusuf	5
Mr. Bilal Alibhai	5
Maj Gen (R) Zafar ul Hassan Naqvi	4
Vice Admiral (R) Muhammad Shafi	5
Mr. Fawad Anwar	2
Mr. Siraj Dadabhoy	5
Mr. Ziad Bashir	2

DIRECTORS' REPORT

ACKNOWLEDGMENT

We have been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functional areas and the efficient utilization of all resources for sustainable growth. We place appreciation on the contributions made and committed services rendered by the employees of the Company at various levels. Above all we express gratitude for the continuous assistance and support received from the investors, tenants, bankers, Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange.

Jameel Yusuf (S.St.)
Chairman

ڈائریکٹرز رپورٹ

ڈائیریکٹرز رپورٹ

ڈائریکٹرز 30 جون 2018 کو ختم شدہ سال کے لیے کمپنی کے آڈٹ شدہ مجمد مالیاتی معلومات اور اس کے کاروبار کا تفصیلی جائزہ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

معاشی تجزیہ

پاکستانی کی پراپرٹی مارکیٹ میں سرمایہ کاروں کی دلچسپی کے سبب سال 2016 میں 15 فیصد نمو کے ساتھ گزشتہ دہائی میں تیزی کا رجحان رہا ہے۔ کنسٹرکشن اور رئیل اسٹیٹ سیکٹر کے لیے جاری سال میں اقتصادی جائزہ بہت ہمت افزا رہنے کی توقع ہے کیونکہ اب تک اس شعبے نے 9 فیصد کی قابل ذکر ترقی حاصل کی ہوئی ہے۔

تعمیراتی شعبے میں ترقی کے بنیادی عوامل نے پبلک سیکٹر ڈیولپمنٹ پروگرام کو بھی تقویت بخشی ہے، انفراسٹرکچر پروجیکٹس پر سرمایہ کاری اور ہاؤسنگ اسکیموں پر مسلسل نجی سرمایہ کاری میں بھی اضافہ دیکھنے میں آیا۔ سی پیک کے تحت انفراسٹرکچر کی تعمیر کے سبب پاکستانی شہروں کے درمیان رسائی میں آسانی کی بدولت سرمایہ کار اس سے فائدہ اٹھانے کی کوششوں میں ہیں۔ پاکستان میں بڑھتی ہوئی مڈل کلاس بھی لگژری ہاؤسنگ کمیونٹیز کی طلب میں اضافہ کر رہی ہے۔ لگژری تعمیر میں ہونے والا اضافہ البتہ پاکستان میں مکانات کی کمی کو پورا کرنے کا حل نہیں ہے۔ پاکستان 20 کروڑ سے زائد کی آبادی کے ساتھ ایک کروڑ 20 لاکھ مکانات کی کمی کا شکار ہے۔ ایک کروڑ 66 لاکھ آبادی والا شہر کراچی سالانہ 3 لاکھ مکانات کی کمی کا شکار ہے۔

بیرونی سرمایہ کاری میں بھی اضافہ واقع ہوا ہے اس میں بیرونی سرمایہ کاروں اور بیرون ملک رہنے والے پاکستانیوں نے بھی اپنا زیادہ تر سرمایہ پاکستانی رئیل اسٹیٹ کے شعبے میں لگایا ہے۔ بیرون ملک سے براہ راست سرمایہ کاری (FDI) میں 132 فیصد اضافہ سے فروری 2018 میں 341 ملین امریکی ڈالرز رہی جس کا زیادہ تک حصہ یعنی 86 ملین امریکی ڈالرز تعمیراتی سیکٹر میں آیا۔ تعمیراتی شعبے کی ترقی اس وقت جی ڈی پی کا 2 فیصد ہے جو کہ دسمبر 2020 تک 5 فیصد ہونے کا امکان ہے۔

مزید براں 2019 میں مارکیٹ کی صورتحال ترقی یافتہ اور ترقی پذیر رئیل اسٹیٹ سیکٹرز میں شاندار رہنے کی توقع ہے۔ الیکشن کے بعد سیاسی استحکام، بڑے انفراسٹرکچر منصوبوں کی تکمیل، چین پاکستان اقتصادی راہداری سے جڑی سرمایہ کاری اور پرامن ماحول میں تسلسل سے شعبے میں مزید ترقی کی توقعات ہیں۔

کاروباری تجزیہ

زیر جائزہ سال کے دوران کمپنی نے اپنے رینٹل پورٹ فولیو میں 100 فیصد کرایہ داری کو برقرار رکھتے ہوئے اپنے اثاثہ جات کی قدر میں اضافے سے بھی فائدہ اٹھایا۔ اپنے ترقیاتی پورٹ فولیو میں کمپنی نے اپنے HKC پروجیکٹ کے لیے انٹرنیشنل ڈیزائن ٹیم کے ساتھ ڈیزائن کا کام مکمل کرنے کے ساتھ اپنے دیگر ڈیولپمنٹ پروجیکٹ کے لیے بھی ڈیزائن ٹیم کو منتخب کر لیا ہے جس کی زمین کے حصول پر کام جاری ہے۔ توقع ہے کہ زمین کے حصول کا کام مالیاتی سال 19 کی دوسری سہ ماہی میں مکمل کر لیا جائے گا۔ مذکورہ بالا دونوں پروجیکٹس ہمارے پورٹ فولیو میں 125,000 اسکوائر فٹ رہائشی اور 250,000 اسکوائر فٹ کمرشل جگہ کا اضافہ کریں گے۔

سپریم کورٹ آف پاکستن کی جانب سے بلند و بالا عمارتوں کی تعمیر پر پابندی کے سبب اس وقت پراپرٹی کا شعبہ خاص طور پر کراچی میں سست روی کا شکار ہے، لیکن ہم پرامید ہیں کہ اس شعبے کی بنیادی بہترین مستقبل کے لیے اب بھی بہت مضبوط ہیں۔ اس میں کراچی اور لاہور میں معیاری کمرشل آفس کی جگہ کی طلب میں اضافے کے ساتھ معیاری اور لگژری رہائشی جگہوں کی طلب بھی ایک قابل ذکر سیکٹرز ہیں۔

پاکستان کی سیاسی اور ریگولیٹری صورتحال میں بھی عام انتخابات کے بعد استحکام پیدا ہوا ہے۔ اس کے ساتھ کارپوریٹ ریگولیٹر بھی رئیل اسٹیٹ کے لیے علاقائی طور پر بہترین اقدامات کے سبب ترقی کر رہا ہے۔ جبکہ دیگر شعبے بھی اپنے آپ کو مقامی اور بیرونی سرمایہ کاروں کے لیے پرکشش بنانے کی کوشش کر رہے ہیں۔ اس کے پیش نظر کمپنی نے رئیل اسٹیٹ انویسٹمنٹ ٹرسٹ مینجمنٹ (RMC) بزنس میں شراکت داری کا فیصلہ کیا ہے اور ٹی پی ایل پراپرٹیز کی ملحقہ کمپنی کے طور پر RMC کے قیام کے لیے درخواست دی ہے۔ جو کہ کمپنی کی جانب سے باقاعدہ طور پر وصول کر لی گئی ہے۔ اب اگلا قدم نان بینکنگ فنانس کمپنی (NBFC) کا قیام اور RMC لائسنس کے لیے درخواست دینا ہوگا جو کہ مالی سال 2019 کی دوسری سہ ماہی میں مکمل ہونے کی توقع ہے۔

مذکورہ بالا اقدام کمپنی کے لیے ایک REIT فنڈ قائم کرنے کی راہ ہموار کرے گا اور اسے ریئل اسٹیٹ پورٹ فولیو میں استعمال کے لیے منتقل کیا جائے گا جس سے اس کی قدر کا بھی تعین ہوگا۔ اس فنڈ سے کمپنی اپنے تمام ادائیگیوں کے قابل بنے گی اور اس طرح مالی اخراجات کم ہوں گے اور اس کیش کی موجودگی سے دیگر فائدہ مند پراپرٹی کی طرف کام کرنا آسان ہوگا۔ مزید براں، RMC کے طور پر وہ REIT فنڈز سے مینجمنٹ فیس وصول کرے گا جس کی مجموعی آمدنی میں اضافہ ہوگا۔

مالی تجزیہ

نفع اور نمو۔ انفرادی حیثیت میں

کمپنی کے آڈٹ شدہ نتائج کا گزشتہ سال کے اسی عرصہ سے تقابل درج ذیل ہے:

کوائف	30 جون 2018 کو ختم شدہ سال (آڈٹ شدہ)	30 جون 2017 کو ختم شدہ سال (آڈٹ شدہ)
آمدنی	366,350,433	362,784,829
مجموعی نفع	356,747,920	352,876,052
نفع قبل از محصول	1,249,092,872	375,078,752
نفع بعد از محصول	1,234,629,745	351,977,558
واجب الادا شیئرز کی تعداد	273,511,367	273,511,367
فی حصص نفع، قبل از محصول	4.57	1.37
فی حصص نفع، بعد از محصول	4.51	1.68

زیر جائزہ عرصے اور گزشتہ سال کے متعلقہ عرصے کے دوران آمدنی اور مجموعی منافع 366 ملین اور 362 ملین روپے کے ساتھ تقریباً مستحکم رہا۔ کاروباری اور عمومی اخراجات 30 جون 2017 تک گزشتہ سال کے 105 ملین روپے کے مقابلے میں 3.65 فیصد اضافے کے ساتھ 107 ملین روپے رہے۔ دیگر آمدنی میں پراپرٹی میں سرمایہ کاری پر شاندار نتائج کے سبب 1.180 بلین روپے کا مایہ ناز منافع حاصل ہوا۔

نفع و نمو۔ مجموعی حیثیت میں:

کمپنی کے آڈٹ شدہ نتائج کا گزشتہ سال کے اسی عرصہ سے تقابل درج ذیل ہے:

کوائف	30 جون 2018 کو ختم شدہ سال (آڈٹ شدہ)	30 جون 2017 کو ختم شدہ سال (آڈٹ شدہ)
آمدنی	553,192,539	542,269,988
مجموعی نفع	390,441,926	392,895,333
نفع قبل از محصول	1,215,868,673	346,749,436
نفع بعد از محصول	1,195,583,240	330,345,727
واجب الادا شیئرز کی تعداد	273,511,367	273,511,367
فی حصص نفع قبل از محصول	4.45	1.27
فی حصص نفع، بعد از محصول	4.37	1.58

کمپنی کی مجموعی آمدنی میں گزشتہ عرصے کے مقابلے میں دوران سال مینٹننس اخراجات میں اضافے کے سبب 11 ملین روپے کا معمولی اضافہ ہوا۔ دوسری جانب مہنگائی کے سبب کاروباری اخراجات میں بھی 149 ملین روپے سے 162 ملین روپے کے ساتھ 9 فیصد اضافہ ہوا۔ آمدنی اور اخراجات میں فرق کے سبب مجموعی منافع 392 ملین روپے سے کم ہو کر 390 ملین روپے رہا۔

منافع منقسمہ

بورڈ آف ڈائیریکٹرز سال کے لیے منافع کو کاروباری سرمائے کی مطلوبہ ضرورت کو پورا کرنے کے لیے بطور آمدن محفوظ رکھنے اور مستقبل میں کمپنی کے نفع کو بڑھانے کے لیے اسے نفع بخش پراجیکٹس میں سرمایہ کاری کے طور پر استعمال کی اجازت دیتا ہے۔

کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے TPL پراپرٹیز لمیٹڈ (TPL) کی طویل المدت اور قلیل المدت ادارتی ریٹنگز کو مستحکم ظاہری شکل کے ساتھ بالترتیب +A (سنگل اے پلس) اور A1 (اے ون) قرار دیا ہے۔ مذکورہ ریٹنگز، مالیاتی ذمہ داریوں کی بروقت ادائیگی کے حوالے سے اعلیٰ صلاحیت کے ساتھ کم ترین کریڈٹ رسک کو ظاہر کرتی ہیں۔

گزشتہ چھ سالوں کے اہم مالی کوائف

2013	2014	2015	2016	2017	2018	
		رقم روپے میں				
3,071,971,148	-	-	-	-	-	زیرِ تعمیر انویسٹمنٹ پراپرٹی
-	3,978,000,000	4,319,000,000	4,632,000,000	4,975,874,522	6,189,635,029	انویسٹمنٹ پراپرٹی
3,709,459	2,334,151	1,584,109	5,581,476	6,736,214	5,080,698	جائیداد، پلانٹ اور ایکویپمنٹ
-	-	-	-	-	753,449	غیر مادی اثاثہ جات
999,990	999,990	999,990	352,999,990	1,150,315,390	1,150,315,390	طویل المدت سرمایہ کاری
85,000,000	159,822,944	197,835,432	10,770,709	56,750,452	432,506,875	طویل المدت ماتحت قرض
86,919	86,919	86,919	186,919	186,919	286,919	طویل المدت ڈپازٹس
-	6,956,019	10,776,706	20,966,759	26,555,792	45,419,372	کرایہ داروں سے حاصل شدہ کرائے کے عوض واجبات
187,870,027	22,178,705	25,979,368	19,621,854	11,126,083	25,397,651	ایڈوانس، ڈپازٹ اور پیشگی ادائیگی
14,807,658	27,557,658	51,531,102	78,038,053	51,008,311	40,818,147	حاصل شدہ مارک اپ
-	-	-	-	-	-	شیئرز کی سبسکرپشن کے عوض ایڈوانس
10,350,840	-	-	-	-	331,983	محصول - نیٹ
7,652,735	16,780,975	55,764,427	97,864,137	94,021,444	93,258,132	متعلقہ پارٹیز پر واجب الادا
-	-	-	-	-	100,000,000	محصولات۔صافی
76,785,232	94,796,746	195,116,171	850,576,013	344,332,622	540,589,194	زر نقد اور بینک بیلنس
3,459,234,008	**4,309,514,107**	**4,858,674,224**	**6,068,605,910**	**6,716,907,749**	**8,624,392,839**	**کل اثاثہ جات**

2013	2014	2015	2016	2017	2018	
			رقم روپے میں			
1,100,000,000	1,100,000,000	1,100,000,000	2,080,000,000	2,735,113,670	2,735,113,670	جاری کردہ، سبسکرائب شدہ اور پیڈ اپ کیپٹل
-	-	-	140,497,151	560,563,555	560,563,555	شیئر پریمئم اکاؤنٹ
(15,464,436)	500,978,997	684,863,802	975,533,853	1,327,511,411	2,562,141,156	مجموعی نفع
1,693,714,286	1,692,857,425	2,034,000,000	1,948,861,362	1,660,693,975	2,101,651,829	طویل المدت فنانسنگ
-	-	-	-	-	-	پراپرٹی اور ایکوئپمنٹ کی مالیت پر سرپلس
243,634,922	485,858,803	566,187,587	275,645,979	11,912,538	8,076,706	متعلقہ پارٹیوں پر واجب الادا
-	4,066,714	23,947,008	39,005,393	38,236,796	27,567,486	ملتوی شدہ محصول کے واجبات
39,161,195	69,236,438	158,835,696	74,446,634	44,760,103	57,473,950	حاصل شدہ مارک اپ
68,302,115	75,358,610	164,527,377	163,832,637	73,507,902	55,993,266	ٹریڈ اور دیگر ادائیگیاں
-	-	-	200,000,000	-	400,000,000	قلیل المدت فنانسنگ
288,885,926	343,610,292	63,295,831	126,000,000	204,750,000	44,000,000	غیر موجودہ واجبات کا موجودہ حصہ
41,000,000	37,546,828	63,016,923	44,782,901	59,857,799	71,811,221	کرایہ کے عوض ایڈوانس
3,459,234,008	**4,309,514,107**	**4,858,674,224**	**6,068,605,910**	**6,716,907,749**	**8,624,392,839**	**کل ایکویٹی اور واجبات**

2013	2014	2015	2016	2017	2018	
			رقم روپے میں			
-	68,079,862	231,904,092	364,056,604	**362,784,829**	**366,350,433**	کرایہ داری سے آمدنی
-	(7,698,944)	(11,569,484)	(12,414,128)	**(9,908,777)**	**(9,602,513)**	کاروبار کی براہِ راست لاگت
-	60,380,918	220,334,608	351,642,476	**352,876,052**	**356,747,920**	مجموعی نفع
(1,045,350)	(14,021,111)	(47,738,642)	(53,055,880)	**(105,812,141)**	**(107,534,438)**	انتظامی اور عمومی اخراجات
-	(10,598,108)	(3,613,431)	-	-	-	دیگر کاروباری احراجات
(1,045,350)	35,761,699	168,982,535	298,586,596	**247,063,911**	**249,213,482**	کاروباری منافع
-	(87,301,711)	(254,204,115)	(236,618,104)	**(176,487,486)**	**(207,664,482)**	مالیاتی لاگت
-	9,203,838	30,929,770	35,449,950	**15,737,118**	**26,735,265**	دیگر آمدنی
-	431,675,020	317,506,439	274,217,887	**288,765,209**	**1,180,808,607**	سرمایہ کار جائیداد کی مالیت پر نفع
-	131,171,301	(59,449,530)	(57,400,000)	-	-	ایکسچینج (نقصان) نفع
(1,045,350)	520,510,147	203,765,099	314,236,329	**375,078,752**	**1,249,092,872**	نفع قبل از محصول
-	(4,066,714)	(19,880,294)	(23,566,278)	**(23,101,194)**	**(14,463,127)**	محصول
(1,045,350)	516,443,433	183,884,805	290,670,051	**351,977,558**	**1,234,629,745**	بعد از محصول نفع رنقصان
(0.01)	**4.69**	**1.67**	**2.12**	**1.68**	**4.51**	فی حصص نفع رنقصان

آڈیٹرز

میسرز Ernst & Young Ford Rhodes and company، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ ہیں اور خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائیریکٹرز نے اختتامی سال 30 جون، 2019 کے لیے باہمی طے شدہ فیس پر بطور آڈیٹر تقرری کی اجازت دے دی ہے۔

ڈائیریکٹرز کی تربیت

کارپوریٹ گورننس کے ضابطہ اخلاق کے مطابق کمپنی کے تمام ڈائیریکٹرز نے لازمی قرار دیئے جانے والے ڈائیریکٹرز ٹریننگ پروگرام میں شرکت کی ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک پر وضاحت

بورڈ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے مجوزہ کارپوریٹ گورننس کے ضابطہ اخلاق کے تحت ایک خاص نقطہ نظر کے مطابق اپنی کارپوریٹ ذمہ داریوں سے مکمل طور پر آگاہ ہے اور یہ تصدیق کرتا ہے کہ:

- کمپنی کی جانب سے تیار شدہ مالی گوشوارے اسکے معاملات، اس کے آپریشن کے نتائج، زر نقد کی ترسیل اور ایکویٹی میں تبدیلی کی درست ترجمانی کرتے ہیں۔
- کمپنی نے کمپنیز آرڈیننس، 1984 کے تحت کھاتوں (اکاؤنٹس) کی مخصوص بکس ترتیب دی ہوئی ہیں۔
- کمپنی کی جانب سے مالی گوشواروں کی تیاری میں مسلسل مخصوص اکاؤنٹنگ پالیسز کا اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات موزوں اور محتاط فیصلے کی بنیاد پر کئے گئے ہیں۔
- مالی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیار اور قواعد کی پیروی کی گئی ہے اور کسی بھی کسی ڈپارچر کو موزوں طور پر ظاہر اور واضح کیا گیا ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اس کا مئوثر طریقے سے اطلاق اور جانچ کی جاتی ہے۔
- کمپنی کے بنیادی قواعد مستحکم ہیں اور کمپنی کے اسی طرح جاری رہنے میں کوئی شکوک وشبہات نہیں ہیں۔
- کمپنی نے کارپوریٹ گورننس کا بہترین انداز میں اطلاق کیا اور اس پر عمل کیا ہے۔
- اس سالانہ رپورٹ میں خلاصہ شدہ فارم کی صورت میں گزشتہ چھ سالوں کے اہم نکات اور مالی کوائف شامل ہیں۔
- بقایا محصولات، ڈیوٹیز، لیویز اور چارجز کی قانونی ادائیگیاں عمومی کاروباری لحاظ سے موجود ہیں۔

شیئر ہولڈنگ کا طریقہ

30 جون 2018 کو کمپنی کی شیئر ہولڈنگ کے طریقے کا گوشوارہ مندرجہ ذیل ہے:

حصص یافتگان کی کیٹیگری	رکھے جانے والے حصص کی تعداد	شیئر ہولڈنگ کی شرح فیصد
اسپانسرز، ڈائیریکٹرز، CEO اور بچے	33,999,999	12.43%
منسلک کمپنیز	84,154,000	30.77%
بینکس، ڈی ایف آئیز اور این بی ایف آئیز	1,200,000	0.44%
انشورنس کمپنیز	10,913,500	3.99%
مضاربہ اور میوچل فنڈز	2,945,500	1.08%
عام عوام (مقامی)	23,486,001	8.59%
عام عوام (غیر ملکی)	285,000	0.10%
دیگر	99,131,367	36.24%
غیر ملکی کمپنیز	17,396,000	6.36%
	273,511,367	**100%**

30 جون، 2018 کو کمپنی کے شیئر ہولڈرز کی جانب سے شیئر ہولڈنگ کا طریقہ کار:

حص یافتگان کی تعداد	حامل حصص (سے)	حامل حصص (تک)	حامل حصص	شرح فیصد
6	1	100	6	0.0000
23	101	500	11,500	0.0042
12	501	1000	12,000	0.0044
24	1001	5000	65,000	0.0238
10	5001	10000	83,500	0.0305
5	10001	15000	59,500	0.0218
4	15001	20000	77,000	0.0282
2	20001	25000	50,000	0.0183
1	25001	30000	30,000	0.0110
1	35001	40000	37,000	0.0135
1	40001	45000	41,500	0.0152
5	45001	50000	247,500	0.0905
2	60001	65000	124,500	0.0455
1	80001	85000	80,500	0.0294
17	95001	100000	1,697,500	0.6206
1	100001	105000	104,500	0.0382

شرح فیصد	حامل حصص	حامل حصص (تک)	حامل حصص (سے)	حص یافتگان کی تعداد
0.0406	111,000	115000	110001	1
0.0523	143,000	145000	140001	1
0.0550	150,500	155000	150001	1
0.0695	190,000	190000	185001	1
0.4386	1,199,500	200000	195001	6
0.3291	900,000	300000	295001	3
0.4387	1,200,000	400000	395001	3
0.1629	445,500	450000	445001	1
0.1729	473,000	475000	470001	1
0.7312	2,000,000	500000	495001	4
0.8775	2,400,000	800000	795001	3
0.3004	821,500	825000	820001	1
0.3382	925,000	925000	920001	1
1.0968	3,000,000	1000000	995001	3
0.4387	1,200,000	1200000	1195001	1
0.4843	1,324,500	1325000	1320001	1
0.4936	1,350,000	1350000	1345001	1
0.5850	1,600,000	1600000	1595001	1
2.1937	6,000,000	2000000	1995001	3
0.7371	2,016,000	2020000	2015001	1
0.8475	2,318,000	2320000	2315001	1
0.9140	2,500,000	2500000	2495001	1
0.9449	2,584,500	2585000	2580001	1
1.0007	2,737,000	2740000	2735001	1
1.0603	2,900,000	2900000	2895001	1
1.4625	4,000,000	4000000	3995001	1
1.6954	4,637,000	4640000	4635001	1
2.0109	5,500,000	5500000	5495001	1
2.8933	7,913,500	7915000	7910001	1
2.9249	8,000,000	8000000	7995001	1
3.8174	10,441,000	10445000	10440001	1
5.1917	14,200,000	14200000	14195001	1
5.4111	14,800,000	14800000	14795001	1
7.0176	19,193,994	19195000	19190001	1
7.7160	21,104,000	21105000	21100001	1
9.4490	25,844,102	25845000	25840001	1
14.5030	39,667,265	39670000	39665001	1
20.1089	55,000,000	55000000	54995001	1
100.00	**273,511,367.00**	**Total**		**171.00**

اضافی معلومات

مسلک کمپنیز، حلف نامے اور متعلقہ پارٹیز (ناموں کے ساتھ تفصیلات)	حامل حصص کی تعداد
TPLہولڈنگز (پرائیویٹ) لمیٹڈ	23,132,500
TPLٹریکر لمیٹڈ	-
TPLسیکیورٹی سروسز (پرائیویٹ) لمیٹڈ	50,000
TPLڈائریکٹ انشورنس لمیٹڈ	8,000,000
TPL کارپوریشن لمیٹڈ	59,900,000
میوچل فنڈز (ناموں کے ساتھ تفصیلات)	
CDC ٹرسٹی AKDاپرٹیونٹی فنڈ	2,500,000
CDCٹرسٹی NAFAاسٹاک فنڈ	445,500
CDCٹرسٹی فرسٹ کیپیٹل میوچل فنڈ	-
ڈائریکٹرز، سی ای او اور ان کے لواحقین اور چھوٹے بچے (ناموں کے ساتھ تفصیلات)	
جناب محمد علی جمیل	19,199,994
جناب جمیل یوسف احمد	14,800,000
مندرجہ ذیل ڈائریکٹر حضرات TPL ٹریکر لمیٹڈ کے نامزد ڈائریکٹرز ہیں	
جناب بلال علی بھائی	1
جناب ظفر الحسن نقوی	1
جناب یوسف زوہیب علی	1
وائس ایڈمرل (ریٹائرڈ) محمد شفیع، HI(M)	1
مندرجہ ذیل ڈائریکٹر کمپنی کے آزاد ڈائریکٹر ہیں	
جناب زیاد بشیر	1

پانچ فیصد یا زائد ووٹنگ کی دلچسپی کے حامل حصص یافتگان	
جناب محمد علی جمیل	19,199,994
جناب جمیل یوسف احمد	14,800,000
TPL ٹریکر لمیٹڈ	-
TPL ہولڈنگز لمیٹڈ	23,132,500
ہیریٹیج چیمبرز لمیٹڈ	39,667,265
الفا بیٹا کیپٹل مارکیٹ (پرائیویٹ) لیٹڈ	40,044,102
TPL کارپوریشن لمیٹڈ	59,900,000
ڈائیریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری اوران کے لواحقین اور چھوٹے بچوں کی جانب سے حصص میں کی گئی ٹریڈنگ کی تفصیلات	
دوران سال کسی بھی ڈائیریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری اوران کے لواحقین اور چھوٹے بچوں کی جانب کمپنی کے حصص کی خرید وفروخت عمل میں نہیں آئی۔	

بورڈ کے اجلاس

بورڈ آف ڈائیریکٹرز نے مالی سال کے دوران 6 اجلاس کیئے۔ ڈائیریکٹرز کی حاضری ذیل میں درج ہے:

ڈائیریکٹر کا نام	اجلاس میں شرکت کی تعداد
جناب علی جمیل	6
جناب جمیل یوسف	5
جناب بلال علی بھائی	5
میجر جنرل (ریٹائرڈ) ظفر الحسن نقوی	4
وائس ایڈمرل (ریٹائرڈ) محمد شفیع	5
جناب فواد انور	2
جناب سراج دادا بھائی	5
جناب زیاد بشیر	2

اظہارِ تشکر

ہم پیشہ ورانہ تخلیق سے ہم آہنگ، دیانت دارانہ اور جہد مسلسل کے ماحول اور اپنے وسائل کے بہترین استعمال سے موثر کاروبار کی بدولت مستحکم ترقی کے قابل ہوئے ہیں۔ ہم ہر سطح پر کمپنی کے ملازمین کی لگن اور خدمات کا اعتراف کرتے ہوئے ان کے متمنی ہیں۔ ہم سب سے بڑھ کر، اپنے سرمایہ کاروں، کرایہ داروں، بینکرز، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کی جانب سے گاہے بگاہے فراہم کی جانے والی معاونت اور راہنمائی پر ان کا بھی شکریہ ادا کرتے ہیں۔

جمیل یوسف (ایس ایس ٹی)
چیئرمین

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN CODE OF CORPORATE GOVERNANCE, 2012 AND THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance, 2012 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 here-in-after referred to as 'Codes', prepared by the Board of Directors of TPL Properties Limited for the year ended 30 June 2018 in accordance with the requirements of Regulation 40 of the Listed Companies (Code of Corporate Governance) Regulations, 2017.

The responsibility for compliance with the Codes 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 Codes and report if it does not and to highlight any non-compliance with the requirements of the Codes. 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 Codes.

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 Codes 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 and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 Codes as applicable to the Company for the year ended 30 June 2018.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

	Reference	Description
i.	6	The Company's overall corporate strategy is in the process of approval.
ii.	9	The formal policy for remuneration of directors was approved subsequent to the year end on 16 August 2018

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants

Date: 24 September 2018
Karachi

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

Name of company: **TPL Properties Limited**
Year ended: **June 30, 2018**

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are eight (08) as per the following:

Male	Female
8	0

2. The composition of the Board is as follows:

Category	Names
Independent Director	Mr. Ziad Bashir
Executive Directors	Mr. Ali Jameel
Non-Executive Directors	Mr. Jameel Yusuf Mr. Bilal Alibhai Mr. Siraj Dadabhoy Syed Zafar-ul-Hassan Naqvi Vice Admiral (R) Mohammad Shafi, Hi(M) Mr. Fawad Anwar

3. During the year two casual vacancies occurred in the Board of Directors which were filled up within 30 days.

4. The Directors have confirmed that none of them is serving as a Director in more than five listed companies, including the Company (excluding the listed subsidiaries of listed holding companies where applicable).

5. 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 including posting the same on the Company's website.

6. The Board has developed a vision/mission statement and significant policies of the Company. However, overall corporate strategy is in the process of approval. A Complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("Act") and Listed Companies (Code of Corporate Governance) Regulations, 2017 ("Regulations").

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

9. The Board of Directors approved a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations subsequent to the year end on 16 August 2018.

10. The Board has duly complied with the Directors' Training Program requirement and the criteria as prescribed in the Regulations.

11. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

12. The Chief Financial Officer and Chief Execution Officer have duly endorsed the financial statements before approval of the Board.

13. The Board has formed committees comprising of members given below:

Audit Committee	Mr. Ziad Bashir – Chairman Mr. Siraj Dadabhoy – Member Vice Admiral (R) Muhammad Shafi - Member Mr. Yousuf Zohaib Ali – Secretary
HR and Remuneration Committee	Mr. Ziad Bashir - Chairman Mr. Fawad Anwar - Member Mr. Zafar ul Hassan Naqvi - Member Mr. Ali Jameel – Member Mr. Nader Nawaz – Secretary

14. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.

15. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

Name of Committee	Frequency of Meeting
Audit Committee	The Board Audit Committee meets every quarter in compliance with these regulations.
HR and Remuneration Committee	The HR & Remuneration Committee meets on half yearly basis in compliance with these regulations

16. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

17. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP

18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

19. We confirm that all other requirements of the Codes have been complied with, except for matters as stated in points 6, and 9 above, towards which reasonable progress is being made by the Company to seek compliance shortly.

Jameel Yusuf S.St
Chairman

EY
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EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: + 9221 3565 0007-11
Fax: + 9221 3568 1965
e.y.khi@pk.ey.com
ey.com/pk

INDEPENDENT AUDITORS' REPORT

To the members of TPL Properties Limited

Report on the Audit of the unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of TPL Properties Limited (the Company), which comprise the statement of financial position as at 30 June 2018, and the statement of 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, the statement of 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 30 June 2018 and of the profit, 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 Auditors' 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.

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 period. 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.

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
1. Valuation of investment property	
The Company's investment property ("IP") constitutes the Centerpoint Project which is located in Karachi, principally comprising rented office premises. As disclosed in note 7 to the accompanying financial statements the IP amounts to Rs. 6.165 billion and constitutes 72% of the total assets of the Company. The IP is recorded under fair value model in accordance with applicable financial reporting framework, and accordingly, a fair value gain of Rs. 1.181 billion has been recorded by the Company during the year on account of its fair valuation which was performed by an independent external property valuer. We identified valuation of the IP as a key audit matter because of the significance of IP to the total assets of the Company and because the determination of the fair values involves significant judgement and estimation, particularly in selecting the appropriate valuation methodology, market projections and market rents.	Our audit procedures amongst others comprised of : - We assessed the competence of the management independent external valuer and reviewed the valuation report prepared by them to understand the basis and methodology of the valuation. - Involved EY's external valuer to assess the appropriateness of assumptions and estimates used by management's independent valuer in terms of estimated selling price, occupancy, condition, market projections and currency valuation. - Assessed the adequacy of the disclosures in the accompanying financial statements in respect of the investment property.

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Key audit matter	How the matter was addressed in our audit
2. Related party transactions and disclosures	
The Company has various agreements with related parties mainly in respect of property rental and subordinated loans. During the year, in terms of such agreements, the Company has recorded income from rented properties of Rs. 87.347 million (refer note 25 to the accompanying financial statements) and mark up income on related party loans of Rs. 5.562 million (refer note 29 to the accompanying financial statements),cumulatively comprising 24% of total revenue of the Company Due to the significance of related party transactions to the overall operations of the Company and the accuracy, completeness of disclosures of such transactions and year end balances, we have considered the same to be a key audit matter.	Our audit procedures amongst others comprised of : - Evaluation of the management's process of identification and recording of related party transactions; - Review of the agreements with related parties in respect of rental properties and subordinated loans to understand the contractual and the approval of the said agreements by the Board of Directors of the respective related parties terms and conditions; - Inspection of invoices and debit / credit notes, direct confirmation from related parties; and - We also assessed the adequacy and completeness of the disclosures of related party transactions / balances in accordance with the requirements of the applicable financial reporting standards and statutory requirements.
3. Preparation of financial statements under Companies Act, 2017	
As referred to in note 3 to the accompanying financial statements, the Companies Act 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018. The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. In the case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements as referred to note 3 to the accompanying financial statements. The aforementioned changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.	We assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the financial statements.

Information Other than the Financial Statements and Auditors' 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 auditors' 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.

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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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

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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 auditors' 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 account 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 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 and returns;

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 auditors' report is Arif Nazeer.

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants

Date: 18 September 2018
Karachi

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STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Note	2018		2017
			(Rupees)	
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	**5,080,698**		6,736,214
Intangible assets	6	**753,449**		-
Investment property	7	**6,189,635,029**		4,975,874,522
Long-term investments	8	**1,150,315,390**		1,150,315,390
Long-term loans to subsidiaries	9	**432,506,875**		56,750,452
Long-term deposits	10	**286,919**		186,919
Interest accrued	9	**40,818,147**		51,008,311
		7,819,396,507		6,240,871,808
CURRENT ASSETS				
Receivables against rent from tenants	11	**45,419,372**		26,555,792
Advances and prepayments	12	**25,397,651**		11,126,083
Due from a related party	13	**331,983**		-
Taxation - net		**93,258,132**		94,021,444
Short-term investment	14	**100,000,000**		-
Cash and bank balances	15	**540,589,194**		344,332,622
		804,996,332		476,035,941
TOTAL ASSETS		**8,624,392,839**		6,716,907,749
EQUITY AND LIABILITIES				
SHARE CAPITAL				
Authorised capital				
300,000,000 (2017: 300,000,000) ordinary shares of Rs.10/- each		**3,000,000,000**		3,000,000,000
Issued, subscribed and paid-up capital	16	**2,735,113,670**		2,735,113,670
Capital reserve				
Share premium account		**560,563,555**		560,563,555
Revenue reserve				
Accumulated profit		**2,562,141,156**		1,327,511,411
		5,857,818,381		4,623,188,636
NON-CURRENT LIABILITIES				
Long-term financing	17	**2,101,651,829**		1,660,693,975
Deferred tax liability	18	**27,567,486**		38,236,796
		2,129,219,315		1,698,930,771
CURRENT LIABILITIES				
Trade and other payables	19	**46,146,606**		62,035,730
Accrued expenses		**9,846,660**		11,472,172
Due to related parties - unsecured	20	**8,076,706**		11,912,538
Accrued mark-up	21	**57,473,950**		44,760,103
Short-term borrowing - secured	22	**400,000,000**		-
Current portion of long-term financing	17	**44,000,000**		204,750,000
Advances against rent from tenants - unsecured	23	**71,811,221**		59,857,799
		637,355,143		394,788,342
CONTINGENCIES AND COMMITMENTS	24			
TOTAL EQUITY AND LIABILITIES		**8,624,392,839**		6,716,907,749

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive	Chief Financial Officer	Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		(Rupees)	
Rental income	25	**366,350,433**	362,784,829
Direct operating costs	26	**(9,602,513)**	(9,908,777)
Gross profit		**356,747,920**	352,876,052
Administrative and general expenses	27	**(107,534,438)**	(105,812,141)
Finance costs	28	**(207,664,482)**	(176,487,486)
Other income	29	**1,207,543,872**	304,502,327
Profit before taxation		**1,249,092,872**	375,078,752
Taxation	30	**(14,463,127)**	(23,101,194)
Profit for the year		**1,234,629,745**	351,977,558
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**1,234,629,745**	351,977,558
Earnings per share - basic and diluted	31	**4.51**	1.68

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive | Chief Financial Officer | Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

	Note	Issued, subscribed and paid up capital	Capital Reserves - Share premium account	Revenue Reserves - Accumulated profit	Total
		(Rupees)			
Balance at June 30, 2016		2,080,000,000	140,497,151	975,533,853	3,196,031,004
Issuance of 17,910,448 ordinary shares	16.2	179,104,480	120,895,524	-	300,000,004
Issuance of 47,600,919 ordinary shares	16.4	476,009,190	321,306,203	-	797,315,393
		655,113,670	442,201,727	-	1,097,315,397
Share issuance cost	16.2 & 16.4	-	(22,135,323)	-	(22,135,323)
Profit for the year		-	-	351,977,558	351,977,558
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	351,977,558	351,977,558
Balance at June 30, 2017		**2,735,113,670**	**560,563,555**	**1,327,511,411**	**4,623,188,636**
Profit for the year		-	-	**1,234,629,745**	**1,234,629,745**
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	**1,234,629,745**	**1,234,629,745**
Balance at June 30, 2018		**2,735,113,670**	**560,563,555**	**2,562,141,156**	**5,857,818,381**

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,249,092,872	375,078,752
Adjustments for non-cash items			
Depreciation	27	2,341,814	2,459,696
Property, plant and equipment written-off		10,000	38,565
Finance costs	28	207,664,482	176,487,486
Mark-up on savings account	29	(20,261,045)	(3,814,384)
Mark-up on long-term loan	29	10,190,164	(6,386,284)
Fair value gain on investment property	29	(1,180,808,607)	(288,765,209)
		(980,863,192)	(119,980,130)
Working capital changes			
(Increase) / decrease in current assets			
Receivables against rent from tenants		(18,863,580)	(5,589,033)
Advances and prepayments		(14,271,568)	8,495,771
Short-term deposits		(100,000,000)	-
Due from a related party		(331,983)	(9,131,238)
		(133,467,131)	(6,224,500)
(Decrease) / increase in current liabilities			
Trade and other payables		(15,889,124)	(90,324,735)
Accrued expenses		(1,625,512)	-
Advance against rent from tenants		11,953,422	15,074,898
		(5,561,214)	(75,249,837)
Cash generated from operations		129,201,335	173,624,285
Finance cost paid		(194,950,635)	(207,426,462)
Markup on savings account received		20,261,045	3,814,384
Long-term deposits		(100,000)	-
Income tax paid - net of refund		(24,369,124)	(20,027,105)
Net cash used in operating activities		(69,957,379)	(50,014,898)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(696,299)	(3,652,999)
Additions to capital work-in-progress	7	(16,082,963)	(8,190,703)
Purchase of intangible assets	6	(753,449)	-
Expenditure incurred on investment property	7	(16,868,937)	(46,918,610)
Long-term subordinated loan - net		(375,756,423)	(36,848,505)
Markup on long-term subordinated loan received		-	33,416,026
Net cash used in investing activities		(410,158,071)	(62,194,791)
CASH FLOWS FROM FINANCING ACTIVITIES*			
Proceeds from issuance of shares		-	300,000,004
Share issue cost		-	(22,135,323)
Long-term financing - net		280,207,854	(208,164,942)
Short-term borrowings - net		400,000,000	(200,000,000)
Due to related parties		(3,835,832)	(263,733,441)
Net cash generated from / (used in) financing activities		676,372,022	(394,033,702)
Net increase / (decrease) in cash and cash equivalents		196,256,572	(506,243,391)
Cash and cash equivalents at the beginning of the year		344,332,622	850,576,013
Cash and cash equivalents at the end of the year	15	540,589,194	344,332,622

*No non-cash items are included in these activities

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND OPERATIONS

1.1 TPL Properties Limited (the Company) was incorporated in Pakistan as a private limited company on February 14, 2007 under the repealed Companies Ordinance, 1984. Subsequently in 2016, the Company had changed its status from private limited company to public company and was listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is to invest, purchase, develop and build real estate and to sell, rent out or otherwise dispose off in any manner the real estate including commercial and residential buildings, houses, shops, plots or other premises. The registered office of the Company is situated at Centrepoint Building, Off Shaheed-e-Millat Expressway, near KPT Interchange Flyover, Karachi. TPL Corp Limited (formerly TPL Trakker Limited) and TPL Holdings (Private) Limited are the Parent and Ultimate Parent Company respectively, as of reporting date.

Geographical location and address of the business premises

Address	***Purpose***
Shaheed-e-Millat Expressway, near KPT Interchange Flyover, Karachi.	Head office and rented premises

1.2 The Company has had transactions or had agreements and / or arrangements in place during the reporting period with the following related parties:

Name	Relationship	Common Directorship	Percentage of Shareholding	Address
TPL Corp Limited	Parent Company	Yes	30.36%	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Holdings (Private) Limited	Ultimate Parent Company	Yes	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Trakker Limited	Associated Company	Yes	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Insurance Limited	Associated Company	Yes	2.924%	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Security Services (Private) Limited	Associated Company	Yes	0.018%	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Maps (Private) Limited	Associated Company	Yes	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Rupiya (Private) Limited	Associated Company	Yes	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Life Insurance Limited	Associated Company	Yes	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
Centrepoint Management Services (Private) Limited	Subsidiary Company	Yes	99.99%	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
HKC Limited	Subsidiary Company	Yes	90.00%	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
G-18 (Private) Limited	Subsidiary Company	Yes	100%	Property No. G-18, Block-5, Scheme 5, Clifton, Karachi
Muhammad Ali Jameel	Chief Executive Officer	N/A	7.01%	House # 79, 3rd Street, Off Khayaban-e-Sehar, Phase VI, DHA,Karachi.
Ali Asgher	Chief Operating Officer	N/A	-	Flat # 404 ML Tower Plot JM 107, Mohalla Parsi Colony Mirza Khaleej Baig Road Karachi East
Aun Ali Sayani	Chief Financial Officer	N/A	-	House No. 105/II/II, 30th Street, D.H.A, Phase VI, Karachi.
TPL Properties Limited - Employees' Provident Fund	Employees' Provident Fund	N/A	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1.3 These financial statements are the separate financial statements of the Company, in which investment in the subsidiary companies namely Centrepoint Management Services (Private) Limited, G-18 (Private) Limited and HKC Limited have been accounted for at cost less accumulated impairment losses, if any.

2 SIGNIFICANT TRANSACTIONS AND EVENTS THAT AFFECTED THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

2.1 During the year, the Company has entered into an agreement with HKC Limited - the associated company, for granting loan to the associated company from time to time with facility amount of up to Rs. 1.5 billion (note 9.2).

2.2 During the year, the Company has established a wholly owned subsidiary, G-18 (Private) Limited ("G-18"), by virtue of 99.995% shareholding in the said company (note 8.3).

2.3 During the year, the Scheme of Arrangement (the Scheme) was executed on July 01, 2017 amongst TPL Corp Limited (parent company), TPL Maps (Private) Limited, TPL Trakker Limited and TPL Holdings (Private) Limited (ultimate parent company).for separating / demerging the Properties Undertaking (i.e.21,104,000 ordinary shares of TPL Properties Limited (TPLP) having face value of Rs.10 each) from THPL and merging and amalgamating the same with and into the Company, against the issue of shares of the Company to THPL, along with all ancillary matters. In this regard, as of June 30, 2018, the legal formalities are underway by the ultimate parent company to transfer the said ordinary shares in the name of TPL Corp Limited.

2.4 During the current year, the Company entered into an agreement with a commercial bank, dated March 14, 2018 , for the issuance of redeemable capital in the amount of Rs. 3.5 billion in the form of Term Finance Certificates (TFCs) details of which are stated in note 17.

2.5 Adoption of Companies Act, 2017 (note 3).

3 STATEMENT OF COMPLIANCE

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

The Act has also brought certain changes with regard to the preparation and presentation of these financial statements. These changes, amongst others, include changes in nomenclature of the primary statements. Further, the disclosure requirements under the Act have been revised, resulting in elimination of duplicative disclosures with the IFRS disclosure requirements and incorporation of additional / amended disclosures as mentioned in notes 1.1, 5.2, 7.2, 7.5, 8.4, 9.1, 9.2, 11.1, 30.2, 32 and 33 in these financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of preparation

These financial statements have been prepared under the historical cost convention except for investment property which has been measured at fair value.

4.2 Standards, amendments and interpretations adopted during the year

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

New and Amended Standards

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IAS 7 – Statement of Cash Flows - Disclosure Initiative (Amendment)

IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

4.3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Judgments, estimates and assumptions are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following judgments, estimates and assumptions which are significant to these financial statements:

a) Fair value of investment property

The Company carries its investment properties at fair value, with changes in fair value being recognised in the profit or loss. An independent valuation specialist is engaged by the Company to assess fair value of investment property based on values with reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

b) Recognition of tax and deferred tax

The provision for taxation is accounted for by the Company after taking into account the relevant laws and decisions taken by appellate authorities. Instances, where the Company's view differs from the view taken by the tax authorities at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities / assets.

Other areas where judgments, estimates and assumptions involved are disclosed in respective notes to the financial statements.

4.4 Property, plant and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognised in statement of comprehensive income applying the straight-line method. Depreciation on additions during the year is charged from the month of addition, whereas, depreciation on disposals is charged upto the month in which the disposal takes place.

Rates of depreciation which are disclosed in note 5 to these financial statements are designed to write-off the cost over the estimated useful lives of the assets.

Major renewals and improvements for assets are capitalized, if recognition criteria is met and the assets so replaced, if any, are retired. Maintenance and normal repairs are recognised in statement of comprehensive income.

Assets residual values, useful lives and method of depreciation are reviewed and adjusted, if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on derecognition of an asset represented by the difference between the sale proceeds and the carrying amount of the asset, is recognised in statement of comprehensive income.

4.5 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

4.6 Investment property

Investment property comprises completed property and property under construction that is held to earn rentals or for capital appreciation or both.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred, if the recognition criteria is met.

Subsequent to initial recognition, investment property is stated at fair value which reflects market condition at reporting date. Gains or losses arising from changes in the fair values are included in the statement of comprehensive income in the year in which they arise, including the corresponding tax effect, if any. Fair values are determined based on an annual valuation performed by an accredited independent valuer.

Investment property under construction is measured at cost less accumulated impairment losses, if any. Cost includes the cost of land acquired for the development of project and other purchase cost, related government taxes, construction cost, borrowing cost and other overheads necessary to bring the premises for capital appreciation or rental earnings.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the derecogntition of investment property are recognised in the statement of comprehensive income in the year of retirement or disposal. Gain or loss on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Transfers are made to or from the investment property only when there is a change in use. For a transfer from investment property to owner-occupied, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment upto the date of change in use.

Maintenance and normal repairs are charged to statement of comprehensive income, as and when incurred. Major renewals and improvements, if any, are capitalized, if recognition criteria is met.

4.7 Investment in subsidiaries

Investment in subsidiaries is stated at cost less accumulated impairment losses, if any.

4.8 Impairment

4.8.1 Financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Any impairment losses on financial assets including financial assets carried at amortised cost are recognised in statement of comprehensive income.

4.8.2 Non-financial assets and investments in subsidiaries

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised as an expense in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

4.9 Receivable against rent from tenants and other receivables

Receivables against rent from tenants originated by the Company is recognised and carried at original invoice amount less provision for doubtful receivables, if any. An estimated provision for doubtful receivables is made when there is an objective evidence that the Company will not be able to collect all amounts due. No provision is made in respect of the active customers which are considered good. Bad debts are written-off, as and when identified.

4.10 Advances, prepayments and other receivable

Advance, prepayments, other receivables and receivables from related parties are recognised and carried at cost which is the fair value of the consideration.

4.11 Cash and cash equivalents

Cash and cash equivalents are stated at cost and are defined as cash in hand, cash at banks and short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, cheques in hand and bank balances.

4.12 Trade and other payables

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

4.13 Provisions

Provisions are recognised when:

a) the Company has a present obligation (legal or constructive) as a result of past events;
b) it is probable that an outflow of resources will be required to settle the obligation; and
c) a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.14 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, and sales tax or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Company has concluded that it is acting as a principal in all its revenue arrangements. The following are the specific recognition criteria that must be met before revenue is recognised:

a) Rental income receivable from operating leases are recognized at straight-line basis over the lease term except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Incentives for lessee to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the statement of comprehensive income when the right to receive them arises.

b) Interest income is recognised as it accrues using the effective interest rate method.

c) Other revenues are recorded on an accrual basis.

4.15 Taxation

Current

Provision for taxation is computed on taxable income at the current rates of taxation, after taking into account tax credits and rebates available, if any, in accordance with the provision of the Income Tax Ordinance, 2001. It also includes any adjustment to tax payable in respect of prior years.

Deferred

Deferred tax is provided using the liability method on all temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is recognised or the liability is settled based on the tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax relating to items recognised directly in other comprehensive income or equity is recognised in the other comprehensive income or equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

4.16 Foreign currency translations

The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency. Foreign currency transactions during the year are translated at the exchange rates ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the reporting date. Any resulting gain or loss arising from changes in exchange rates is taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

4.17 Staff retirement benefits

Defined contribution plan

The Company operates a recognised provident fund (defined contribution scheme) for its permanent employees who have completed the minimum qualifying period of service. Equal monthly contributions are made, both by the Company and the employees at the rate of 8.33 percent of the basic salary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

4.18 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on derecognition of financial assets and financial liabilities are taken to statement of comprehensive income.

4.19 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position only if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.20 Borrowing costs

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

4.21 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period, in which these are approved. However, if these are approved after the reporting period but before the financial statements are authorised for issue, they are disclosed in the notes to the financial statements.

4.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.23 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.24 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 – Share Based Payments - Classification and Measurement of Share Based Payment Transactions (Amendments)	01 January 2018
IFRS 9 – Financial Instruments	01 July 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

IFRS 9 – Prepayment Features with Negative Compensation – (Amendments)	01 January 2018
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15 – Revenue from Contracts with Customers	01 July 2018
IFRS 16 – Leases	01 January 2019
IFRS 4 – Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 January 2018
IAS 40 – Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
IAS 19 – Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 28 – Long-term Interests in Associates and Joint Ventures – (Amendments)	01 January 2019
IFRIC 22 – Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 – Uncertainty over Income Tax Treatments	01 January 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application except for IFRS 15 - Revenue from contracts with customers. The Company is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	**IASB Effective date (annual periods beginning on or after)**
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 17 – Insurance Contracts	01 January 2021

Currently the Company is assesing the impact of the above Standards on the Company's financial statements in the period of intiial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

5. PROPERTY, PLANT AND EQUIPMENT

		COST			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
		As at July 01, 2017	Additions / (write-off)	As at June 30, 2018	As at July 01, 2017	Charge for the year (write-off)	As at June 30, 2018	As at June 30, 2018	Depre-ciation Rate
		(Rupees)							%
Furniture		5,838,600	-	5,838,600	2,357,638	1,160,320	3,517,958	2,320,642	20
Vehicles		6,270,932	-	6,270,932	4,098,245	534,630	4,632,875	1,638,057	20
Computer and accessories		1,901,633	627,799	2,529,432	940,068	535,677	1,475,746	1,053,686	33.33
Mobile phones		213,500	68,500 (40,000)	242,000	92,500	111,187 (30,000)	173,687.79	68,312	50
	2018	14,224,665	696,299 (40,000)	14,880,964	7,488,451	2,341,814 (30,000)	9,800,266	5,080,698	

		COST			ACCUMULATED DEPRECIATION			VALUE	
		As at July 01, 2016	Additions / (write-off)	As at June 30, 2017	As at July 01, 2016	Charge for the year (write-off)	As at June 30, 2017	As at June 30, 2017	Depre-ciation Rate
		(Rupees)							%
Furniture		5,914,780	- (76,180)	5,838,600	1,255,399	1,177,779 (75,540)	2,357,638	3,480,962	20
Vehicles		3,642,283	2,628,649	6,270,932	3,047,988	1,050,257	4,098,245	2,172,687	20
Computer and accessories		1,527,673	1,024,350 (436,890)	2,115,133	1,199,873	231,660 (398,965)	1,032,568	1,082,565	33.33
	2017	11,084,736	3,652,999 (513,070)	14,224,665	5,503,260	2,459,696 (474,505)	7,488,451	6,736,214	

5.1 Depreciation for the year has been charged to administrative and general expenses in statement of comprehensive income (note 27).

5.2 There were no disposals of property, plant and equipment during the year.

6 INTANGIBLE ASSETS

Represents advance against purchase of computer software amounting to Rs. 753,449/- (2017: Nil).

7 INVESTMENT PROPERTY

	Note	2018		2017
			(Rupees)	
Investment property	7.1 & 7.2	**6,165,361,363**		4,967,683,819
Capital work-in-progress	7.4	**24,273,666**		8,190,703
		6,189,635,029		4,975,874,522

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

		Note	2018		2017
			(Rupees)		
7.1	**The movement in investment property during the year is as follows:**				
	As at July 01		4,967,683,819		4,632,000,000
			16,868,937		46,918,610
			4,984,552,756		4,678,918,610
	Gain from fair value adjustment	7.3	1,180,808,607		288,765,209
	As at June 30		6,165,361,363		4,967,683,819

7.2 Investment property comprises of leasehold land having area of 2,914 square yards and building thereon, situated at 66/3-2, Shaheed-e-Millat Expressway, near KPT Interchange Flyover, Karachi, hereinafter refered to as Centrepoint Project.

7.3 A valuation of Centrepoint Project was carried out by an independent professional valuer on June 30, 2018 and the fair value was determined with reference to market based evidence, active market prices and relevant information. The fair value of investment property fall under level 2 of fair value hierarchy (i.e. significant observable inputs).

7.4 Represents expenses incured on various projects of the Company related to the contruction of investment property.

The movement in capital work-in-progress during the year is as follows:

	Note	2018		2017
		(Rupees)		
As at July 01		8,190,703		-
Additions during the year		16,082,963		8,190,703
As at June 30		24,273,666		8,190,703

7.5 Forced sale value of the investment property as at June 30, 2018 is Rs. 5,911,053,750.

8 LONG-TERM INVESTMENTS

	Note	2018	2017
Investments in subsidiary companies – at cost			
Centrepoint Management Services (Private) Limited	8.1	352,999,990	352,999,990
HKC Limited	8.2	797,315,400	797,315,400
		1,150,315,390	1,150,315,390

8.1 The Company holds 35,299,999 (2017: 35,299,999) ordinary shares of Rs.10/- each, representing 99.99 percent (2017: 99.99 percent) of the share capital of Centrepoint Management Services (Private) Limited (CMS) which was incorporated in Pakistan as of the reporting date. CMS provides building maintenance services to all kinds and description of residential and commerical buildings.

8.2 The Company holds 8,532,000 (2017: 8,532,000) ordinary shares of Rs. 10/- each, representing 90 percent (2017: 90 percent) of the share capital of HKC Limited (HKC) which was incorporated in Pakistan as of the reporting date. HKC is engaged in the aqusition and development of real estates and rennovation of buildings and letting out. As of reporting date, HKC is not generating revenue as it is in the process of initiation of developing the property.

8.3 During the year, the Company has established a wholly owned subsidiary, G-18 (Private) Limited (G-18), by virtue of 99.995% shareholding in the said company. G-18 a private limited company incorporated during the year for the purpose of Property development. However, as at the reporting date no share capital has been injected and G-18 has not commenced its operations.

8.4 The abovementioned equity investments in subsidiary companies have been made in accordance with the provisions and directives as laid down in the Companies Act, 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

8.5 The Company has reassessed the recoverable amount of the subsidiaries as at the reporting date and based on its assessment no material adjustment is required to the carrying amount stated in the financial statements.

	Note	2018 (Rupees)	2017 (Rupees)
9 LONG-TERM LOANS TO SUBSIDIARIES – unsecured, considered good			
Centrepoint Management Services (Private) Limited - subordinated	9.1	**241,425,322**	47,619,214
HKC Limited	9.2	**191,081,553**	9,131,238
		432,506,875	56,750,452

9.1 The Company had granted conventional loan to its subsidiary company i.e. Centrepoint Management Services (Private) Limited (CMS) under the agreement dated February 02, 2012 on account of procurement of equipments for Centrepoint Project (the Project). Under the aforesaid loan agreement, the maximum facility limit is Rs. 85 million carrying mark-up at the rate of 15 percent per annum and is repayable, in whole or any part of the loan, latest by August 31, 2019, failing which, the Company may, by a written notice ot atleast 30 days, direct the subsidiary company to repay the full outstanding amount of the loan payable. The said loan to CMS is unsecured.

The Company had signed a supplemental agreement dated July 4, 2012 to original loan agreement dated February 02, 2012, whereby, the long-term loan granted to CMS is to be subordinated to all other loans representing the principal, markup and other amounts that may be payable by CMS to banks/financial institution pursuant to the financing facilities availed and to be availed. Further, the Company signed the supplemental agreement dated June 28, 2014 to original loan agreement dated February 02, 2012, whereby, the maximum facility limit has been increased up to Rs.200 million, with other terms and conditions remaining the same.

The Company signed a further supplemental agreement dated July 1, 2015 to original loan agreement dated February 02, 2012 and supplement dated January 1, 2016 whereby, the maximum facility limit has been increased up to Rs. 300 million, and rate of mark-up has been changed from fixed rate of 15% to variable rate of 6 months KIBOR plus 1.75% per annum respectively.

The Company signed a further supplemental agreement dated July 1, 2017 to original loan agreement dated February 02, 2012 and supplement dated July 4, 2012 whereby, the mark-up has been waived off with effect from July 1, 2017 till the termination / expiry of the Contract.

The maximum amount outstanding at any time during the year calculated by reference to month end balances was Rs. 241,425,322 (2017: Rs. 47,619,214).

The abovementioned loan to CMS has been made in accordance with the provisions and directives as laid down in the Companies Act, 2017.

The movement in loan balance during the year is as follows:

	Note	2018 (Rupees)	2017 (Rupees)
As at July 01		**47,619,214**	10,770,709
Disbursements during the year		**193,806,108**	36,848,505
As at June 30		**241,425,322**	47,619,214

9.2 During the year, the Company has entered into an agreement with HKC Limited - the associated company, for granting loan to the associated company from time to time with unsecured facility amount of up to Rs. 1.5 billion at average borrowing cost of the 6 months KIBOR plus 1.75% repayable in a period of 4 years, expiring on June 30, 2021 with pre-payment and extension option. Investment by way of loan to the associated company has been made in accordance with the provisions under the Companies Act, 2017. The purpose of the loan to the associated company is to finance the construction of new mixed-use project requiring construction, development and design expenses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

The maximum amount outstanding at any time during the year calculated by reference to month end balances was Rs. 191,081,553 (2017: Rs. 9,131,238).

The abovementioned loan to HKC has been made in accordance with the provisions and directives as laid down in the Companies Act, 2017.

The movement in loan balance during the year is as follows:

	Note	2018 (Rupees)	2017 (Rupees)
As at July 01		**9,131,238**	-
Disbursements during the year		**181,950,315**	9,131,238
As at June 30		**191,081,553**	9,131,238

10 LONG-TERM DEPOSITS – unsecured, considered good

	Note	2018 (Rupees)	2017 (Rupees)
Security deposits			
- City District Government Karachi		**86,919**	86,919
- Central Depository Company of Pakistan Limited		**200,000**	100,000
	10.1	**286,919**	186,919

10.1 These deposits are non-interest bearing.

11 RECEIVABLES AGAINST RENT FROM TENANTS – unsecured, considered good

	Note	2018 (Rupees)	2017 (Rupees)
Related parties			
TPL Corp Limited (formerly TPL Trakker Limited) – the Parent Company		-	6,104,189
TPL Trakker Limited (formerly TPL Vehicle Tracking (Private) Limited - an associated company	11.1	**31,147,335**	-
		31,147,335	6,104,189
Others		**14,272,037**	20,451,603
	11.2	**45,419,372**	26,555,792

11.1 Represents the amount receivable in respect of rentals, for space rented out in Centrepoint Project, receivable from TPL Trakker Limited (formerly TPL Trakker (Private) Limited) as at June 30, 2018. The maximum amount outstanding at any time during the year calculated by reference to month end balances was Rs. 34,053,674 (2017: Rs. 33,618,757 from TPL Corp).

11.2 Represents non-interest bearing amount receivable from tenants on account of premises taken on rent in Centrepoint Project. These are past due more than 6 months and upto 1 year but not impaired.

12 ADVANCES AND PREPAYMENTS

	Note	2018 (Rupees)	2017 (Rupees)
Advances – unsecured, considered good			
Suppliers and contractors	12.1	**20,648,970**	5,517,999
Prepayments			
Insurance		**4,748,681**	3,913,084
Security trustee fee		-	847,500
Agency fee		-	847,500
		4,748,681	5,608,084
		25,397,651	11,126,083

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

12.1 These advances are non-interest bearing and generally on an average term of 1 to 12 months.

	Note	2018 (Rupees)	2017 (Rupees)
13 DUE FROM A RELATED PARTY – unsecured, considered good			
G-18 (Private) Limited - subsidiary company		331,983	-
	13.1	331,983	-

13.1 These amounts are non-interest bearing and are receivable on demand. The maximum amount outstanding at any time during the year calculated by reference to month end balances was Rs. 331,983 (2017: Nil).

	Note	2018 (Rupees)	2017 (Rupees)
14 SHORT-TERM INVESTMENTS			
Term deposit receipts	14.1	100,000,000	-

14.1 These represent investment made in term deposit receipts of Rs. 100 million (2017: nil) with Summit Bank Limited having tenure of 6 months carrying profit at the rate of 6.4% per annum.

	Note	2018 (Rupees)	2017 (Rupees)
15 CASH AND BANK BALANCES			
Cash in hand		197,943	9,200
Cash at banks in local currency			
- current accounts		56,469,365	22,470,164
- savings accounts	15.1	483,921,886	321,853,258
		540,391,251	344,323,422
		540,589,194	344,332,622

15.1 Included herein a cash deposit of Rs. 16.854 million under lien (note 24.2.1) and Rs. 250 million on account of term deposit placed with a commercial bank carrying mark-up ranging 5.4 percent to 5.8 percent and 5 percent respectively. Other balances carry mark-up ranging from 3.75 percent to 5.8 percent (2017: 3.75 percent to 5.8 percent) per annum.

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2018	2017		Note	2018	2017
— (No. of shares) —				Rupees	Rupees
		Ordinary shares of Rs.10/- each			
175,920,448	175,920,448	- Issued for cash consideration	16.1 & 16.2	1,759,204,480	1,759,204,480
97,590,919	97,590,919	- Issued for consideration other than cash	16.3 & 16.4	975,909,190	975,909,190
273,511,367	273,511,367			2,735,113,670	2,735,113,670

16.1 158,010,000 ordinary shares were issued against acquisition of the business of A&A Associates, an unregistered partnership firm under an agreement dated June 28, 2010 on net assets basis at their carrying value which approximates its fair value at the date of acquisition i.e. May 31, 2010.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

16.2 17,910,448 ordinary shares were issued to Alpha Beta Capital Markets (Private) Limited on 21 Jun 2017 against cash at premium of Rs. 6.75 per share.

16.3 49,990,000 ordinary shares issued were against acquisition of the business of A&A Associates, an unregistered partnership firm under an agreement dated June 28, 2010 on net assets basis at their carrying value which approximates its fair value at the date of acquisition i.e. May 31, 2010.

16.4 47,600,919 ordinary shares issued against purchase of 8,532,000 ordinary shares of HKC Limited, constituting 90 percent of the issued, subscribed and paid-up share capital of the subsidiary company under a share purchase arrangement dated: June 19, 2017 through issuance of 47,600,919 shares of TPL Properties Limited at face value of Rs. 10 per share and premium of Rs. 6.75 per share on net asset basis at their fair value determined on the date of acquisition i.e. March 30, 2017.

16.5 The following shares are held by the related parties of the Company as at June 30, 2018:

		2018		2017	
Name of related party	**Note**	**Shares held**	**Percentage**	Shares held	Percentage
Name of related party					
TPL Holdings (Private) Limited - the ultimate parent company	16.6	**23,132,500**	**8.46%**	21,104,000	8%
TPL Corp Limited (formerly TPL Trakker Limited) - the parent company	16.6	**59,900,000**	**21.90%**	55,000,000	20%
Mr. Ali Jameel - Chief Executive Officer		**19,199,994**	**7%**	19,199,994	7%
Mr. Jameel Yusuf Ahmed - Director		**14,800,000**	**5%**	14,800,000	5%

16.5.1 In addition to the shares held, these companies have representation on Board and its committees.

16.6 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

17 LONG-TERM FINANCING

	Note	**2018**	(Rupees)	**2017**
Facility 1	17.1	-		1,865,443,975
Facility 2	17.2	**2,145,651,829**		-
		2,145,651,829		1,865,443,975
Less : Current maturity		**(44,000,000)**		(204,750,000)
		2,101,651,829		1,660,693,975

17.1 The Company had entered into the Musharika facility agreement of Rs.2,400 million with a local Islamic bank through an agreement dated May 26, 2015. It carried mark-up at the rate of 6 months KIBOR plus 1.75 percent per annum, and was repayable semi-annually in arrears over a period of seven years including 1 year grace period. The facility was secured against hypothecation charge over hypothecated fixed and current assets of Rs.2,800 million and by way of personal and corporate guarantee of Chief Executive and a related party.

17.2 During the current year, the Company entered into an agreement with a commercial bank, dated March 14, 2018 , for the issuance of redeemable capital in the amount of Rs. 3.5 billion in the form of Term Finance Certificates (TFCs) of the face value of Rs. 5,000/- each. Out of the total proposed issuance, the TFCs issued, during the year, and TFCs proposed to be issued, are detailed as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

- sum equal to Rs. 2,200,000,000 as a first tranche (Series A TFC Issue) comprising of 440,000 TFCs, issued during the year for the purpose of prepaying the outstanding Musharaka Facility in the amount of Rs. 1,796,000,000 availed by the Company; and for financing construction project of HKC. The amount received against issuance of Series A TFCs is repayable in semi-annual installments for a period of 10 years at the rate of 6 months KIBOR plus 125 basis points. This facility has been fully drawn during the current year and has been secured against the following:
    - First pari pasu charge on present and future fixed assets (plant, machinery, fixtures and fittings, etc.)
    - First pari pasu charge over land and building with 25% margin
    - Assignment over rental agreements.
- sum equal to Rs. 1,300,000,000 as a second tranche (Series B TFC Issue), proposed to be issued for the purpose of making an equity investment in upcoming new project/development.

18 DEFERRED TAX LIABILITY

	Note	2018 (Rupees)	2017 (Rupees)
Deferred tax liability on taxable temporary differences:			
Advance against rent from tenants (net of receivables)		**27,567,486**	38,236,796

19 TRADE AND OTHER PAYABLES

	Note	2018	2017
Creditors		**27,168,900**	36,974,723
Retention money		**7,970,846**	14,681,991
Workers' Welfare Fund (WWF)		**9,290,946**	9,290,946
Payable to employees		**401,202**	222,240
Withholding income tax payable		**1,314,712**	865,830
	19.1	**46,146,606**	62,035,730

19.1 These payables are non-interest bearing and generally on an average term of 1 to 12 months.

20 DUE TO RELATED PARTIES – unsecured

	Note	2018 (Rupees)	2017 (Rupees)
TPL Insurance Limited (formerly TPL Direct Insurance Limited) - an associated company	20.1	**2,472,620**	-
TPL Trakker Limited (formerly TPL Trakker (Private) Limited) - an associated company	20.2	**5,496,316**	11,711,707
Centrepoint Management Services (Private) Limited - the subsidiary company	20.3	**107,770**	
TPL Holdings (Private) Limited – the ultimate parent company	20.4	**-**	200,831
		8,076,706	11,912,538

20.1 Represents the amount payable to TPL Insurance Limited (formerly TPL Direct Insurance Limited) - an associated company, on account of expenses, incurred by the associated company on behalf of the Company.

20.2 Represents loan financing facility having a limit of Rs. 100 million carrying mark-up at the variable rate of 3 months KIBOR plus 4 percent. The loan is payable at any time before 31 August 2021 at the option of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

20.3 Represents the amount payable to Centrepoint Management Services (Private) Limited - the subsidiary company, in respect of expenses incurred by the subsidiary company on behalf of the Company and is payable on demand.

20.4 Represents loan financing facility having a limit of Rs. 400 million carrying mark-up at the variable rate of 3 months KIBOR. During the current year, the loan has been fully repaid.

		Note	2018		2017
				(Rupees)	
21	**ACCRUED MARK-UP**				
	Accrued mark-up on:				
	Long-term financing	17	**49,853,206**		44,735,434
	Due to related parties:				
	- TPL Holdings (Private) Limited – the ultimate parent company	20.4	**18,333**		7,307
	- TPL Corp Limited (formerly TPL Trakker Limited) – the parent company	20.2	**-**		17,362
			18,333		24,669
	Short term borrowings - secured	22	**7,602,411**		-
			57,473,950		44,760,103

22 SHORT TERM BORROWINGS - secured

During the year, the Company has enetered into a Musharakah (Shirkat-ul-Milk) agreement with an Islamic bank to create joint ownership in the Centrepoint Project. Against bank's share of 6.49%, the Company received an amount of Rs. 400,000,000 which is repayable through quarterly payments at the rate of 1.5% plus 6 months KIBOR, as consideration for use of bank's share by the Company. The said periodic payments are secured against equitable interest over the Centrepoint Project.

		Note	2018		2017
				(Rupees)	
23	**ADVANCES AGAINST RENT FROM TENANTS - Unsecured**				
	TPL Insurance Limited – a related party		**1,750,301**		18,701,834
	Others	23.1	**70,060,920**		41,155,965
			71,811,221		59,857,799

23.1 Represents non-interest bearing advances received from tenants on account of premises taken on rent in Centrepoint Project.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 During the year, in September 2017, the Company has filed a petition in the High Court of Sindh challenging the vires of Section 5A of Income Tax Ordinance 2001 introduced through Finance Act 2017. The Court passed interim order that no coercive action would be taken against the petitioner under the garb of the impugned Section, as has been passed in similar other petitions pending adjudication. The matter is in its initial stages and management is confident of a favourable outcome. Accordingly no provision has been recorded in the financial statements with respect to the same.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

24.1.2 During the year, in February, 2018, the Sindh Revenue Board (SRB) has filed an appeal in the Supreme Court of Pakistan against the decision of the Sindh High Court, whereby, the High Court was pleased to hold that no sales tax is applicable on immovable property where there is no element of services. The appeal is currently pending adjudication.The management is confident of a favorable outcome in this regard, therefore no provision has been made in these financial statements.

	Note	2018		2017
			(Rupees)	
24.2 Commitments				
24.2.1 Revolving letter of credit		**16,854,000**		16,854,000

24.2.2 The Company's material contractual commitments in respect of the construction of Centrepoint Project at year end are as follows:

	2018		2017
		(Rupees)	
Nadeem Associates			
- Total contract value	-		22,976,262
- Paid upto last year by the Company	-		(21,662,176)
Balance commitment	-		1,314,086
Power Professionals and Engineers			
- Total contract value	**62,588,574**		62,588,574
- Paid upto last year by the Company	**(54,658,181)**		(52,158,181)
- Paid during the year by the Company	-		(2,500,000)
Balance commitment	**7,930,393**		7,930,393

24.2.3 The Company had entered into the maintenance agreement with Centrepoint Management Services (Private) Limited, a subsidiary company for the purpose of its operation and maintenance services related to the Project.

24.2.4 The Company had entered into commercial property leases on its investment property with TPL Corp Limited (formerly TPL Trakker Limited) - the parent company and TPL Insurance Limited (formerly TPL Direct Insurance Limited) - an associated company and other tenants. These non-cancellable leases have terms of five years. Future minimum rentals receivable under non-cancellable operating leases as at year end are as follows:

	2018		2017
		(Rupees)	
Not later than one year	**288,217,356**		425,269,718
Later than one year but not later than five years	**1,601,426,886**		758,250,069
	1,889,644,242		1,183,519,787

25 RENTAL INCOME

	2018	2017
Related parties:		
TPL Corp Limited (formerly TPL Trakker Limited) – the parent company	-	41,924,227
TPL Trakker Limited (formerly TPL Vehicle Trakking (Private) Limited) - an associated company	**41,924,227**	-
TPL Insurance Limited (formerly TPL Direct Insurance Limited) – an associated company	**45,423,204**	45,423,204
	87,347,431	87,347,431
Others	**279,003,002**	275,437,398
	366,350,433	362,784,829

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018		2017
		(Rupees)	
26 DIRECT OPERATING COSTS			
Insurance	7,230,478		7,856,689
Repairs and maintenance	1,283,650		1,417,488
Advertisement and promotional	864,736		634,600
Others	223,649		-
	9,602,513		9,908,777

	Note	2018		2017
			(Rupees)	
27 ADMINISTRATIVE AND GENERAL EXPENSES				
Salaries, wages and other benefits	27.1	27,995,239		54,921,661
Legal and professional		31,553,486		11,593,355
Rent		9,358,833		7,370,108
Donations	27.3	5,500,000		7,500,000
Entertainment and recretion		8,906,451		4,553,398
Repairs and maintenance		3,858,981		4,326,595
Fuel and mobile		3,343,789		4,709,873
IT related expenses		3,189,163		2,382,773
Printing and stationery		2,413,604		1,599,670
Depreciation	5.2	2,341,814		2,459,698
Auditors' remuneration	27.2	1,964,870		1,767,860
Training and development		1,496,743		-
Travelling expenses		1,624,055		352,634
Utilities		1,018,767		1,286,292
Subscriptions		919,326		208,100
Advertisement		521,432		494,704
Courier charges		323,926		-
Staff welfare		322,842		-
Telecommunication expenses		200,172		-
Property, plant and equipment written off		-		38,565
Others		680,945		246,855
		107,534,438		105,812,141

27.1 These include Rs. 0.574 (2017: Rs. 0.704) million in respect of staff retirement benefits (provident fund contribution).

	Note	2018		2017
			(Rupees)	
27.2 Auditors' remuneration				
Audit fees				
Statutory				
- standalone		800,000		750,000
- consolidation		250,000		200,000
		1,050,000		950,000
Half yearly review fee		486,000		350,000
Certifications		385,000		275,000
Out of pocket		43,870		192,860
		1,964,870		1,767,860

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

27.3 Represents donations made to the following parties:

	Note	2018 (Rupees)	2017 (Rupees)
Sindh Institute of Urology and Transplantation (SIUT) Trust		**2,500,000**	2,500,000
The Aga Khan University Hospital (The Patient's Behbud Society for AKUH)		**500,000**	-
Jinnah Post Medical Centre Karachi (JPMC Karachi)		**-**	2,500,000
The Indus Hospital		**2,500,000**	2,500,000
		5,500,000	7,500,000

The recipients of donations do not include any donee in which a director or spouse had any interest.

27.4 Provident fund

	2018 Un-audited (Rupees)	2017 Un-audited (Rupees)
Size of the fund	**3,321,046**	1,981,671
Cost of investments made	**2,112,352**	1,756,019
Percentage of investments made	**64%**	89%
Fair value of investments	**2,112,352**	1,756,019

27.4.1 The break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	2018		2017	
	Un-audited			
	investment Rupees	Percentage of investment as size of the fund	investment Rupees	Percentage of investment as size of the fund
Savings account	**2,112,352**	**64%**	1,756,019	89%

27.4.2 Investments out of provident fund have been made in accordance with the provisions of the Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

28 FINANCE COSTS

	Note	2018 (Rupees)	2017 (Rupees)
Markup on			
- long-term financing	28.1	**171,218,762**	160,237,067
- due to related parties		**1,857,066**	15,303,751
- short-term borrowings		**33,142,341**	-
		206,218,169	175,540,818
Bank charges		**1,446,313**	946,668
		207,664,482	176,487,486

28.1 Includes mark-up of Rs. 196 million (2017: Rs. 158 million) incurred on Islamic mode of financing.

NOTES TO THE FINANCIAL STATEMENTS

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	Note	2018 (Rupees)	2017 (Rupees)
29 OTHER INCOME			
Income from financial assets			
Profit on islamic saving account		20,261,045	3,814,384
Markup on:			
- long-term loan to subsidiaries	9	5,562,105	6,386,284
- term deposits		642,991	-
- on saving accounts		-	4,225,599
		6,205,096	10,611,883
Income from non-financial assets			
Fair value gain on investment property		1,180,808,607	288,765,209
Others		269,124	1,310,851
		1,181,077,731	290,076,060
		1,207,543,872	304,502,327

30 TAXATION

	2018	2017
Current	25,132,436	23,869,791
Deferred	(10,669,310)	(768,597)
	14,463,127	23,101,194

30.1 Relationship between accounting profit and tax expense

	2018	2017
Profit before taxation	1,249,092,872	375,078,752
Applicable tax rate	30%	31%
Tax at the above rate	374,727,862	116,274,413
Non-taxable income for tax purpose	(356,184,848)	(90,429,542)
Non-deductible expense for tax purpose - net	2,203,223	3,223,771
Effect of tax credit	(6,283,109)	(5,967,448)
Tax expense for the year	14,463,127	23,101,194
Effective tax rate	1.2%	6.2%

30.2 The Company has filed income tax return for the tax year 2017, which is deemed to be assessed under section 120 of Income Tax Ordinance, 2001. Management has provided sufficient tax provision in financial statements in accordance with income tax ordinance, 2001. Following is the comparison of tax provision as per accounts vis a vis tax assessment for last three years:

	Deemed assessment (Rupees)	Provision (Rupees)
Tax Year 2017	22,559,186	23,869,791
Tax Year 2016	3,640,566	3,869,811
Tax Year 2015	2,319,041	2,319,041

30.3 The proceedings for monitoring of withholding taxes for the Tax Year 2017 have been initiated by the Commissioner Inland Revenue (CIR), in response Company have submitted relevant information with the CIR. Subsequent to the reporting date monitoring proceedings for Tax Year 2016 were concluded and tax demand of Rs. 164,418 (including default surchage of Rs. 25,080) was paid by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	(Rupees)	2017
31 EARNINGS PER SHARE				
Profit attributable to ordinary shareholders		**1,234,629,745**		351,977,558
		Number of shares		
Weighted average number of ordinary shares outstanding during the year		**273,511,367**		209,794,832
Earnings per share – basic and diluted		**4.51**		1.68

There is no dilutive effect on basic earnings per share of the Company.

32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

32.1 The aggregate amounts charged in these financial statements for the year are as follows:

	Chief Executive		Director		Executives	
	2018	2017	2018	2017	2018	2017
- Director's fee (Note 32.3)	-	-	**240,000**	180,000	-	-
- Managerial remuneration, utilities, housing perquisites, etc.	**7,409,032**	11,612,904	-	6,012,000	**3,175,651**	9,926,400
- Bonus	-	5,225,806	-	-	-	6,363,000
- Retirement benefit	-	1,161,290	-	255,382	**158,549**	438,018
- Medical	**510,968**	-	-	-	**190,349**	-
Total	**7,920,000**	18,000,000	**240,000**	6,447,382	**3,524,549**	16,727,418
Number of persons	**1**	1	3	4	**1**	6

32.2 In addition, the Chief Executive has also been provided with free use of Company owned and maintained car and other benefits in accordance with their entitlements as per the rules of the Company.

32.3 Represents aggregate of meeting fees paid / payable to non-executive directors.

32.4 As per revised requirement of the Act, executive means an employee, other than chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

32.5 The total number of directors as at the reporting date were 8 (2017: 8).

33 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of the ultimate parent company, parent company, subsidiaries, associated companies, major shareholders, suppliers, directors, key management personnel and staff retirement benefit fund. The Company has a policy whereby transactions with related parties are entered into at arm's length basis. The transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018		2017
		(Rupees)	
The Ultimate Parent Company			
TPL Holdings (Private) Limited [THL]			
Amount received from THL by the Company	-		332,161,075
Mark-up on current account	11,026		4,245,234
Payment made to THL on account of current account	200,831		364,298,422
Payment made to THL on account of accrued mark-up	-		9,850,482
The Parent Company			
TPL Corp Limited [TCL] (formerly TPL Trakker Limited)			
Amount received from TCL	-		119,245,997
Payment made to TCL on account of accrued mark-up	-		24,524,090
Payment made by the Company	-		379,675,910
Mark-up on current account	-		11,058,507
Expenses incurred	-		35,126,406
Adjustments of advance receivable for rent from			
TCL by the Company against:	-		
- due to related parties balance of TCL	-		6,292,590
- accrued markup payable balance of TCL	-		-
Amount received from TCL on account of rent	-		51,970,368
Services acquired by the Company	-		41,924,227
Associated Company			
TPL Trakker Limited [TTL] (formerly TPL Trakker (Private) Limited)			
Amount received from TTL	20,000,000		-
Payment made to TTL on account of accrued markup	1,863,404		-
Payment made by the Company	75,273,398		-
Mark-up on current account	1,846,042		-
Expenses incurred/paid by TTL on behalf of the Company	49,058,007		-
Expenses incurred/paid by the Company on behalf of TTL	-		-
Adjustments of advances receivable for rent from TTL by the Company - due to related parties balance of TTL	-		
Amount received from TTL on account of rent	16,881,081		-
Services acquired by the Company	41,924,227		-
Subsidiary Companies			
Centrepoint Management Services (Private) Limited [CMS]			
Long-term loan received during the year	-		249,265,805
Long-term loan paid during the year - net	193,698,338		286,114,310
Mark-up on long-term loan	-		6,383,719
Payment received from CMS on account of accrued mark-up	16,395,258		33,413,461
HKC Limited [HKC]			
Markup on long-term loan from parent company	5,562,105		-
Expenses incurred / paid by the Company	181,950,315		9,131,238

Common Directorship

TPL Insurance Limited [TIL] (formerly TPL Direct Insurnace Limited) - an associated company

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018		2017
		(Rupees)	
Expenses incurred / paid by TIL on behalf of the Company	**2,472,620**		-
Amount received from TIL on account of rent	**28,471,672**		45,014,501
Services acquired by the Company	**45,423,204**		45,423,204
Staff retirement benefit fund			
TPL Properties Limited – Provident fund			
Employer contribution	**1,679,333**		704,211

33.1 The related parties status of outstanding receivables and payables, if any, as at June 30, 2018 and 30 June 2017 are disclosed in respective notes to these financial statements.

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors review and agree policies for managing each of the risk which are summarised below and accordingly, no change was made in the objectives, policies or procedures and assumptions during the year ended June 30, 2018.

34.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and other price risk.

34.1.1 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. As at reporting date, the Company is not materially exposed to currency risk and accordingly, the sensitivity to a reasonably possible change in the exchange rate with all other variables held constant in not reported.

34.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. As of the reporting date, the Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term financing and short-term borrowings at floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's profit before tax (through impact on floating rate borrowings).

	Increase / decrease in basis points	(Decrease) / increase in profit before tax (Rupees)
2018	**+100**	**(16,858,008)**
	-100	**16,858,008**
2017	+100	(18,297,373)
	-100	18,297,373

34.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. As of the reporting date, the Company is not exposed to other price risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

34.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As of the reporting date, the Company is not materially exposed to credit risk except for receivable against rent from tenants, loans, advances and bank balances. The Company manages credit risk by obtaining advance from tenants and the credit risk on liquid assets is limited because the counter parties are banks with reasonably high credit ratings. The maximum exposure to credit risk before any credit enhancement is given below:

	2018		2017	
	Statement of financial position	Maximum exposure	Statement of financial position	Maximum exposure
Receivables against rent from tenants	**45,419,372**	**45,419,372**	26,555,792	26,555,792
Due from a related party	**331,983**	**331,983**	9,131,238	9,131,238
Bank balances	**540,391,251**	**540,391,251**	344,323,422	344,323,422
	586,142,606	**586,142,606**	380,010,452	380,010,452

As of reporting date, the credit quality of Company's bank balances with reference to external credit rating is as follows:

Bank Balances by short-term rating category	Rating Agency	2018 Rupees	2017 Rupees
A1+	PACRA	**5,982,076**	305,072,525
A1+	JCR-VIS	**71,851,835**	-
A1	PACRA	**179,639,302**	39,250,897
A1	JCR-VIS	**232,918,038**	
A2	JCR-VIS	**50,000,000**	-
		540,391,251	344,323,422

34.3 Liquidity risk

Liquidity risk represents the risk that a Company will encounter difficulties in meeting obligations with the financial liabilities. The Company's objective is to maintain a balance working capital management. As of the reporting date, the Company is exposed to liquidity risk in respect of long-term financing, short-term borrowings, trade and other payables and due to related parties.

The table below summarises the maturity profile of the Company's financial liabilities at June 30, 2018 and June, 30 2017 based on contractual undiscounted payment dates and present market interest rates:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
			(Rupees)			
June 30, 2018						
Long-term financing	-	-	**44,000,000**	**858,000,000**	**1,298,000,000**	**2,200,000,000**
Trade and other payables	-	-	**55,993,266**	-	-	**55,993,266**
Due to related parties	-	-	**8,076,706**	-	-	**8,076,706**
Accrued mark-up	-	**57,473,950**	-	-	-	**57,473,950**
	-	**57,473,950**	**108,069,972**	**858,000,000**	**1,298,000,000**	**2,321,543,922**
June 30, 2017						
Long-term financing	-	89,250,000	115,500,000	1,438,500,000	222,193,975	1,865,443,975
Trade and other payables	-	-	63,351,126	-	-	63,351,126
Due to related parties	-	-	11,912,538	-	-	11,912,538
Accrued mark-up	-	44,760,103	-	-	-	44,760,103
	-	134,010,103	190,763,664	1,438,500,000	222,193,975	1,985,467,742

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

34.4 Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value.

Fair value hierarchy

Financial instruments carried at fair value are categorized as follows:

Level 1: Quoted market price.
Level 2: Valuation techniques (market observable)
Level 3: Valuation techniques (non- market observables)

The Company held the following financial instruments measured at fair value:

	Total	Level 1	Level 2	Level 3
		(Rupees)		
June 30, 2018				
Investment property (note 7)	**6,165,361,363**	-	**6,165,361,363**	-
June 30, 2017				
Investment property (note 7)	4,967,683,819	-	4,967,683,819	-

34.5 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 and sustain future development of its business operations and maximize shareholders' value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total equity. Equity comprises of share capital, capital reserve and revenue reserve. The gearing ratio as at June 30, 2018 and June 30, 2017 are as follows:

	Note	2018	2017
		(Rupees)	
Long-term financing	17	**2,145,651,829**	1,865,443,975
Trade and other payables	19	**46,146,606**	73,507,902
Due to related parties	20	**8,076,706**	11,912,538
Accrued mark-up	21	**57,473,950**	44,760,103
Short-term borrowings	22	**400,000,000**	-
Advance against rent from tenants	23	**71,811,221**	59,857,799
Total debts		**2,729,160,312**	2,055,482,317
Less: Cash and bank balances		**640,589,194**	344,332,622
Net debt		**2,088,571,118**	1,711,149,695
Total equity		**5,857,818,381**	4,623,188,636
Total capital		**7,946,389,499**	6,334,338,331
Gearing ratio		**26%**	27%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

35 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorised for issue on 16 August, 2018 by the Board of Directors of the Company.

36 GENERAL

36.1 Certain prior year's figures have been rearranged for better presentation, wherever necessary. However, there are no material reclassification to report.

36.2 Number of employees as at June 30, 2018 was 21 (June 30, 2017: 13) and average number of employees during the year was 17 (June 30, 2017: 11).

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

Chief Executive

Chief Financial Officer

Director

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EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: + 9221 3565 0007-11
Fax: + 9221 3568 1965
e.y.khi@pk.ey.com
ey.com/pk

INDEPENDENT AUDITORS' REPORT

To the members of TPL Properties Limited

Opinion

We have audited the annexed consolidated financial statements of TPL Properties Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the 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.

Key Audit Matters

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

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
1. Valuation of investment property	
The Group's investment property ("IP") constitutes the Centerpoint Project which is located in Karachi, principally comprising rented office premises. As disclosed in note 7 to the accompanying consolidated financial statements the IP amounts to Rs. 6.165 billion and constitutes 71% of the total assets of the Group. The IP is recorded under fair value model in accordance with applicable financial reporting framework, and accordingly, a fair value gain of Rs. 1.181 billion has been recorded by the Group during the year on account of its fair valuation which was performed by an independent external property valuer.	Our audit procedures amongst others comprised of : - Assessment of the competence of the management independent external valuer and review of the valuation report prepared by them to understand the basis and methodology of the valuation; - Involved EY's external valuer to assess the appropriateness of assumptions and estimates used by management's independent valuer in terms of estimated selling price, occupancy, condition, market projections and currency valuation; and

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Key audit matter	How the matter was addressed in our audit
We identified valuation of the IP as a key audit matter because of its significance to the total assets of the Group and because the determination of the fair values involve significant judgement and estimation, particularly in selecting the appropriate valuation methodology, market projections and market rents.	- Assessment of the adequacy of the disclosures in the accompanying consolidated financial statements in respect of the investment property.
2. Related party transactions and disclosures	
The Group has various agreements with related parties mainly in respect of property rentals, maintenance and other related services. During the year, in terms of such agreements, the Group has recorded income of Rs. 154.848 million (refer note 24 to the accompanying consolidated financial statements) , cumulatively comprising 28% of total revenue of the Group Due to the significance of the related party transactions to the overall operations of the Group and the accuracy, completeness of disclosures of such transactions and year end balances, we have considered the same to be a key audit matter.	Our audit procedures amongst others comprised of : - Evaluation of the management's process of identification and recording of related party transactions; - Review of the agreements with related parties in respect of rental properties and subordinated loans to understand the contractual and the approval of the said agreements by the Board of Directors of the respective related parties terms and conditions; - Inspection of invoices and debit / credit notes, direct confirmation from related parties; and - Assessment of the adequacy and completeness of the disclosures of related party transactions / balances in accordance with the requirements of the applicable financial reporting standards and statutory requirements.
3. Preparation of the consolidated financial statements under Companies Act, 2017 17	
As referred to in note 3 to the accompanying consolidated financial statements, the Companies Act 2017 (the Act) became applicable for the first time for the preparation of the Group's annual financial statements for the year ended 30 June 2018. The Act forms an integral part of the statutory financial reporting framework as applicable to the Group and amongst others, prescribes the nature and content of disclosures in relation to various elements of the consolidated financial statements. In the case of the Group, specific additional disclosures and changes to the existing disclosures have been included in the consolidated financial statements as referred to note 3 to the accompanying consolidated financial statements.	We assessed the procedures applied by the management for identification of the changes required in the consolidated financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the consolidated financial statements.

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Key audit matter	How the matter was addressed in our audit
The aforementioned changes and enhancements in the consolidated financial statements are considered important and a key audit matter because of the volume and significance of the changes in the consolidated financial statements resulting from the transition to the new reporting requirements under the Act.	

Information Other than the Consolidated Financial Statements and Auditors' 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 consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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:

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- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partner on the audit resulting in this independent auditors' report is Arif Nazeer.

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants

Date: 18 September 2018
Karachi

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Note	2018		2017
			(Rupees)	
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	387,103,277		370,820,634
Intangible assets	6	1,250,649		-
Investment property	7	6,189,635,029		4,975,874,522
Development properties	8	1,088,264,861		886,856,186
Long-term deposits	9	2,786,919		186,919
Deferred tax asset	10.	86,457,378		77,325,732
		7,755,498,113		6,311,063,993
CURRENT ASSETS				
Tools		853,932		1,094,402
Receivables against rent, maintenance and other services	11	153,705,805		66,869,992
Advances and prepayments	12	49,781,411		23,672,653
Due from related parties	13	1,287,086		74,100
Taxation - net		109,314,097		103,837,162
Short-term investment	14	100,000,000		-
Interest accrued	14	642,991		-
Cash and bank balances	15	558,786,594		353,630,169
		974,371,917		549,178,478
TOTAL ASSETS		8,729,870,030		6,860,242,471
EQUITY AND LIABILITIES				
SHARE CAPITAL				
Authorised capital				
300,000,000 (2017: 300,000,000) ordinary shares of Rs.10/- each		3,000,000,000		3,000,000,000
Issued, subscribed and paid-up capital	16	2,735,113,670		2,735,113,670
Capital reserve				
Share premium account		560,563,555		560,563,555
Revenue reserve				
Accumulated profit		2,249,120,030		1,053,438,147
		5,544,797,255		4,349,115,372
Non-controlling interest		87,536,549		87,635,191
		5,632,333,804		4,436,750,563
NON-CURRENT LIABILITY				
Long-term financing	17	2,288,901,051		1,900,573,763
CURRENT LIABILITIES				
Trade and other payables	18	109,570,225		95,521,472
Accrued expenses		16,149,910		18,591,655
Due to related parties - unsecured	19	8,430,936		11,912,538
Accrued mark-up	20	63,553,126		60,743,064
Short-term borrowing - secured	21	400,000,000		-
Current portion of long-term financing	17	99,000,000		232,250,000
Advances against rent, maintenance and other services - unsecured	22	111,930,978		103,899,416
		808,635,175		522,918,145
CONTINGENCIES AND COMMITMENTS				
TOTAL EQUITY AND LIABILITIES		8,729,870,030		6,860,242,471

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.

Chief Executive	Chief Financial Officer	Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS AT JUNE 30, 2018

	Note	2018 (Rupees)	2017
Rental income	24	553,192,539	542,269,988
Direct operating costs	25	(162,750,613)	(149,374,655)
Gross profit		390,441,926	392,895,333
Administrative and general expenses	26	(146,594,074)	(151,678,078)
Finance costs	27	(232,307,773)	(196,137,972)
Other income	28	1,204,328,595	301,670,153
Profit before taxation		1,215,868,674	346,749,436
Taxation	29	(20,285,433)	(16,403,709)
Profit for the year		1,195,583,241	330,345,727
Other comprehensive income for the year		-	-
Total comprehensive income for the year		1,195,583,241	330,345,727
Attributable to:			
Owners of the Holding Company		1,195,681,883	331,301,135
Non-controlling interest		(98,642)	(955,408)
		1,195,583,241	330,345,727
Earnings per share - basic and diluted	30	4.37	1.57

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.

Chief Executive

Chief Financial Officer

Director

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018		2017
			(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation		1,215,868,674		346,749,436
Adjustments for non-cash items				
Depreciation	5.1	39,261,056		37,026,076
Property, plant and equipment written-off		10,000		38,565
Finance costs	27	232,307,773		196,137,972
Mark-up on savings account	28	(20,622,652)		(3,814,384)
Fair value gain on investment property	28	(1,180,808,607)		(288,765,209)
		(929,852,430)		(59,376,980)
Working capital changes				
(Increase) / decrease in current assets				
Receivables against rent from tenants		(86,835,814)		(15,391,995)
Tools		240,470		(807,928)
Advances and prepayments		(26,108,758)		6,646,115
Short-term deposits		(100,000,000)		-
Due from a related party		(1,212,986)		(74,100)
		(213,917,088)		(9,627,908)
(Decrease) / increase in current liabilities				
Trade and other payables		14,048,753		(113,960,964)
Accrued expenses		(2,441,745)		-
Advance against rent from tenants		8,031,562		33,407,454
		19,638,570		(80,553,510)
Cash generated from operations		91,737,726.54		197,191,038
Finance cost paid		(229,497,711)		(155,419,386)
Markup on savings account received		20,622,652		3,814,384
Income tax paid - net of refund		(34,894,015)		(35,312,190)
Net cash used in operating activities		(152,031,347)		10,273,846
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	5	(55,553,699)		(40,269,005)
Additions to development properties	8	(201,408,675)		-
Purchase of intangible assets	6	(1,250,649)		-
Expenditure incurred on investment property	7	(32,951,900)		(46,918,610)
Mark-up on term deposits received	14	(642,991)		-
Long-term deposits - net	9	(2,600,000)		5,540,944
Net cash used in investing activities		(294,407,914)		(81,646,671)
CASH FLOWS FROM FINANCING ACTIVITIES*				
Proceeds from issuance of shares		-		300,000,004
Share issue cost		-		(22,135,323)
Long-term financing - net		255,077,288		(232,171,515)
Liabilities against assets subject to finance lease		-		(9,500,045)
Short-term borrowings - net	21	400,000,000		(200,000,000)
Due to related parties		(3,481,602)		(263,733,441)
Net cash generated from / (used in) financing activities		651,595,686		(427,540,320)
Net increase / (decrease) in cash and cash equivalents		205,156,425		(498,913,145)
Cash and cash equivalents at the beginning of the year		353,630,169		852,543,314
Cash and cash equivalents at the end of the year	15	558,786,594		353,630,169

*No non-cash items are included in these activities

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.

Chief Executive | Chief Financial Officer | Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

	Note	Issued, subscribed and paid up capital	Capital Reserves - Share	Revenue Reserves - Accumulated	Non-controlling interest	Total
				(Rupess)		
Balance at June 30, 2016		2,080,000,000	140,497,151	722,137,012		2,942,634,163
Issuance of 17,910,448 ordinary shares	16.2	179,104,480	120,895,524	-	-	300,000,004
Issuance of 47,600,919 ordinary shares	16.4	476,009,190	321,306,203	-	-	797,315,393
		655,113,670	442,201,727	-		1,097,315,397
Share issuance cost	16.2 & 16.4	-	(22,135,323)	-		(22,135,323)
Acquisition of subsidiary		-	-	-	88,590,599	-
Loss attributable to non-controllable interest for the year	11	-	-	-	(955,408)	-
	13				87,635,191	
Profit for the year		-	-	331,301,135		331,301,135
Other comprehensive income for the year		-	-	-		-
Total comprehensive income for the year		-	-	331,301,135		331,301,135
Balance at June 30, 2017		**2,735,113,670**	**560,563,555**	**1,053,438,147**	**87,635,191**	**4,349,115,372**
Profit for the year		-	-	**1,195,681,883**	-	**1,195,681,883**
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	**1,195,681,883**	-	**1,195,681,883**
Loss attributable to non-controllable interest for the year		-	-	-	**(98,642)**	**(98,642)**
Balance at June 30, 2018		**2,735,113,670**	**560,563,555**	**2,249,120,030**	**87,536,549**	**5,544,698,613**

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.

Chief Executive

Chief Financial Officer

Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND OPERATIONS OF THE GROUP

1.1 The Group comprises of TPL Properties Limited, its subsidiary companies i.e. Centrepoint Management Services (Private) Limited, HKC Limited and G-18 (Private) Limited that have been consolidated in these consolidated financial statements.

1.2 Holding Company

TPL Properties Limited [the Holding Company] - TPLP

TPL Properties Limited (the Holding Company) was incorporated in Pakistan as a private limited company on February 14, 2007 under the repealed Companies Ordinance, 1984. Subsequently in 2016, the Holding Company had changed its status from private limited company to public company and was listed on the Pakistan Stock Exchange Limited. The principal activity of the Holding Company is to invest, purchase, develop and build real estate and to sell, rent out or otherwise dispose off in any manner the real estate including commercial and residential buildings, houses, shops, plots or other premises. TPL Corp Limited (formerly TPL Trakker Limited) and TPL Holdings (Private) Limited are the Parent Company and Ultimate Holding Company respectively, as of reporting date.

Geographical location and address of the business premises

Address	*Purpose*
Shaheed-e-Millat Expressway, near KPT Interchange Flyover, Karachi.	Head office and rented premises

1.3 Subsidiary Companies

1.3.1 Centrepoint Management Services (Private) Limited [CMS]

CMS was incorporated in Pakistan as a private limited company on August 10, 2011 under the repealed Companies Ordinance, 1984. The principal activity of CMS is to provide building maintenance services to all kinds and description of residential and commercial buildings.

CMS had started its business activities and operations in year 2014 by providing maintenance and other services under the terms of an agreement to the Centrepoint Project of the Parent Company. Currently, the CMS is in start-up phase and fully supported by the financial support of the Parent Company to achieve its full potential in order to make adequate profits and generate positive cash flows.

Geographical location and address of the business premises

Address	*Purpose*
Shaheed-e-Millat Expressway, near KPT Interchange Flyover, Karachi.	Registered office

1.3.2 HKC Limited [HKC]

HKC Limited was incorporated in Pakistan on September 13, 2005 as a public limited company under the repealed Companies Ordinance, 1984. The Company is principally engaged in the acquisition and development of real states and renovation of buildings and letting out.

Geographical location and address of the business premises

Address	*Purpose*
Shaheed-e-Millat Expressway, near KPT Interchange Flyover, Karachi.	Registered office
Plot No 22/7, Street CL-9, Civil Lines Quarter, Karachi	Development property site

1.3.3 G-18 (Private Limited) [G-18]

During the year, the Group has established a wholly owned subsidiary, G-18 (Private) Limited (G-18), by virtue of 99.995% shareholding. G-18 a private limited company incorporated during the year for the purpose of Property development. However, as at the reporting date no share capital has been injected and G-18 has not commenced its operations.

Geographical location and address of the business premises

Address	*Purpose*
Shaheed-e-Millat Expressway, near KPT Interchange Flyover, Karachi.	Registered office

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1.4 the Group has entered into transactions or had agreements and / or arrangements in place during the reporting period with the following related parties:

Name	Relationship	Common Directorship	Percentage of Shareholding	Address
TPL Holdings (Private) Limited	Ultimate Parent Company	Yes	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Corp Limited (formerly TPL Trakker Limited)	Parent Company	Yes	30.36%	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
Centrepoint Management Services (Private) Limited	Subsidiary Company	Yes	99.99%	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
HKC Limited	Subsidiary Company	Yes	90.00%	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
G-18 (Private) Limited	Subsidiary Company	Yes	100%	Property No. G-18, Block-5, Scheme 5, Clifton, Karachi
TPL Trakker Limited (formerly TPL Trakker (Private) Limited)	Associated Company	Yes	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Insurance Limited	Associated Company	Yes	2.924%	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Security Services (Private) Limited	Associated Company	Yes	0.018%	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Maps (Private) Limited	Associated Company	Yes	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Rupiya (Private) Limited	Associated Company	Yes	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
TPL Life Insurance Limited	Associated Company	Yes	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
Muhammad Ali Jameel	Chief Executive Officer	N/A	7%	House # 79, 3rd Street, Off Khayaban-e-Sehar, Phase VI, DHA,Karachi.
Ali Asgher	Chief Operating Officer	N/A	-	Flat # 404 ML Tower Plot JM 107, Mohalla Parsi Colony Mirza Khaleej Baig Road Karachi East
Aun Ali Sayani	Chief Financial Officer	N/A	-	House No. 105/II/II, 30th Street, D.H.A, Phase VI, Karachi.
TPL Properties Limited - Employees' Provident Fund	Employees' Provident Fund	N/A	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi
Centrepoint Management Services (Private) Limited - Employees' Provident Fund	Employees' Provident Fund	N/A	-	Centrepoint Building, Off Shaheed-e-Millat Expressway, Near KPT Interchange Flyover, Karachi

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

2 SIGNIFICANT TRANSACTIONS AND EVENTS THAT AFFECTED THE GROUP'S FINANCIAL POSITION AND PERFORMANCE

2.1 During the year, the Scheme of Arrangement (the Scheme) was executed on July 01, 2017 amongst TPL Corp Limited - formerly TPL Corp Limited (Parent Company), TPL Maps (Private) Limited, TPL Trakker Limited (formerly TPL Trakker (Private) Limited) and TPL Holdings (Private) Limited (Ultimate Parent Company - THPL) for separating / demerging the Properties Undertaking (i.e.21,104,000 ordinary shares of the Group held by THPL were transferred to TPL Corp Limited).

2.2 During the current year, the Group entered into an agreement with a commercial bank, dated March 14, 2018 , for the issuance of redeemable capital for an amount of Rs. 3.5 billion in the form of Term Finance Certificates (TFCs) details of which are stated in note 17.

2.3 Adoption of Companies Act, 2017 (note 3).

3 STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards), issued by International Accounting Standard Board (IASB) as notified under 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 IFRS standards, the provisions of and directives issued under the Acr have been followed.

The Act has also brought certain changes with regard to the preparation and presentation of these consolidated financial statements. These changes, amongst others, include changes in nomenclature of the primary statements. Further, the disclosure requirements under the Act have been revised, resulting in elimination of duplicative disclosures with the IFRS disclosure requirements and incorporation of additional / amended disclosures as mentioned in notes 1.2, 1.4, 11.1, 11.3, 13.1, 16.1.2, 23.1, 29.2 and 31.4 to these consolidated financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention except for investment property which has been measured at fair value.

4.2 Basis of consolidation

These consolidated financial statements comprise of the financial statements of the Holding Company and its subsidiary companies, CMS, HKC and G-18, as at June 30, 2018, here-in-after referred to as 'the Group'.

4.2.1. Subsidiaries

Subsidiaries are those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangements with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Components of the other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in statement of comprehensive income and is not reversed in future.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full.

CMS, HKC and G-18 have the same reporting period as that of the Holding Company. The accounting policies of subsidiaries have been changed to confirm with accounting policies of the Group, wherever needed.

4.2.2. Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method of accounting. Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or separately tested for impairment.

The Group's share of its associate's post-acquisition profits and losses is recognised in the statement of comprehensive income, and its share of profit of post-acquisition movements in reserve is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the investment. When the Group's share of losses in the associate equals or exceeds its interest in associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

4.3 Standards, amendments and interpretations adopted during the year

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

New and Amended Standards

The Group has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IAS 7 – Statement of Cash Flows - Disclosure Initiative (Amendment)

IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

4.4 Significant accounting judgements, estimates and assumptions

The preparation of these consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Judgments, estimates and assumptions are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions which are significant to these consolidated financial statements:

a) Fair value of investment property

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of comprehensive income. An independent valuation specialist is engaged by the Group to assess fair value of investment property based on values with reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

b) Recognition of tax and deferred tax

The provision for taxation is accounted for by the Group after taking into account the relevant laws and decisions taken by appellate authorities. Instances, where the Group's view differs from the view taken by the tax authorities at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities / assets.

c) Classification of property

The Group determines whether a property is classified as investment property or development property: Investment property comprises land and buildings (principally offices, commercial warehouse and retail property) that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Development comprises property that is held for construction for sale in the ordinary course of business. Principally, this is residential property that the Group is developing and intends to sell before or on completion of construction.

Other areas where judgments, estimates and assumptions involved are disclosed in respective notes to these consolidated financial statements.

4.5 Property, plant and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognised in statement of comprehensive income applying the straight-line method. Depreciation on additions during the year is charged from the month of addition / availability for use, whereas, depreciation on disposals is charged upto the month in which the disposal takes place.

Rates of depreciation which are disclosed in note 5 to these consolidated financial statements are designed to write-off the cost over the estimated useful lives of the assets.

Major renewals and improvements for assets are capitalized, if recognition criteria is met and the assets so replaced, if any, are retired. Maintenance and normal repairs are recognised in statement of comprehensive income.

Assets residual values, useful lives and method of depreciation are reviewed and adjusted, if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on derecognition of an asset represented by the difference between the sale proceeds and the carrying amount of the asset, is recognised in statement of comprehensive income.

4.6 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any.

4.7 Investment property

Investment property comprises completed property and property under construction that is held to earn rentals or for capital appreciation or both.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred, if the recognition criteria is met.

Subsequent to initial recognition, investment property is stated at fair value which reflects market condition at reporting date. Gains or losses arising from changes in the fair values are included in the statement of comprehensive income in the year in which they arise, including the corresponding tax effect, if any. Fair values are determined based on an annual valuation performed by an accredited independent valuer.

Investment property under construction is measured at cost less accumulated impairment losses, if any. Cost includes the cost of land acquired for the development of project and other purchase cost, related government taxes, construction cost, borrowing cost and other overheads necessary to bring the premises for capital appreciation or rental earnings.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the derecogntition of investment property are recognised in the statement of comprehensive income in the year of retirement or disposal. Gain or loss on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Transfers are made to or from the investment property only when there is a change in use. For a transfer from investment property to owner-occupied, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment upto the date of change in use.

Maintenance and normal repairs are charged to statement of comprehensive income, as and when incurred. Major renewals and improvements, if any, are capitalised, if recognition criteria is met.

4.8 Development property

Property acquired, constructed or in the course of construction for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is classified as development properties. The Group will sell the completed housing units and not providing any construction services as a contractor engaged by the buyer. In addition, the buyer of housing units does not have an ability to specify the major structural elements of the design or major structural changes before construction and / or construction is in progress. All project costs incurred or to be incurred till the completion of project are capitalised as development properties and is stated in lower of cost and net realisable value. Accordingly, the cost of development properties under construction includes:

a) cost of leasehold land;
b) amounts paid to contractors for construction; and
c) planning and design costs, cost of site preparation, professional fee for legal services, property transfer taxes, development charges, construction overheads and other related costs necessary to bring the premises in saleable condition.
d) contractors for developing inner perimeter, including but not limited to road development, amenities and utilities and other infrastructure.

Net realisable value is the estimated selling price in the ordinary course of business, based on market prices less costs to completion and the estimated costs of sale.

4.9 Impairment

4.9.1 Financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Any impairment losses on financial assets including financial assets carried at amortised cost are recognised in statement of comprehensive income.

4.9.2 Non-financial assets and investments in subsidiaries

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised as an expense in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

4.10 Tools

These are valued at cost less any provision for slow moving and obsolete stores and spares. Cost is determined on weighted average basis. Value of items is reviewed at each reporting date to record provision for any slow moving items, where necessary.

4.11 Receivable against rent, maintenance and other services

Receivables against rent, maintenance and other services originated by the Group are recognised and carried at original invoice amount less provision for doubtful receivables, if any. An estimated provision for doubtful receivable is made when there is objective evidence that the Group will not be able to collect all amount due. No provision is made in respect of the active customers which are considered good. Bad debts are written-off, as and when identified.

4.12 Advances, prepayments and other receivable

Advance, prepayments, other receivables and receivables from related parties are recognised and carried at cost which is the fair value of the consideration.

4.13 Cash and cash equivalents

Cash and cash equivalents are stated at cost and are defined as cash in hand, cash at banks and short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, cheques in hand and bank balances.

4.14 Trade and other payables

Trade and other payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services acquired, whether or not billed to the Group.

4.15 Provisions

Provisions are recognised when:

a) the Group has a present obligation (legal or constructive) as a result of past events;
b) it is probable that an outflow of resources will be required to settle the obligation; and
c) a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.16 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, and sales tax or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Group has concluded that it is acting as a principal in all its revenue arrangements. The following are the specific recognition criteria that must be met before revenue is recognised:

a) Rental income receivable from operating leases are recognized at straight-line basis over the lease term except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. Incentives for lessee to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the statement of comprehensive income when the right to receive them arises.

b) Interest income is recognised as it accrues using the effective interest rate method.

c) Revenue from sale of residential property is recognised when both: (i) construction is complete; and (ii) legal title to the property has been transferred.

d) Other revenues are recorded on an accrual basis.

4.17 Taxation

Current

Provision for taxation is computed on taxable income at the current rates of taxation, after taking into account tax credits and rebates available, if any, in accordance with the provision of the Income Tax Ordinance, 2001. It also includes any adjustment to tax payable in respect of prior years.

Deferred

Deferred tax is provided using the liability method on all temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is recognised or the liability is settled based on the tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax relating to items recognised directly in other comprehensive income or equity is recognised in the other comprehensive income or equity and no in the statement of profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

4.18 Foreign currency translations

These consolidated financial statements are presented in Pakistani Rupee, which is the Group's functional and presentation currency. Foreign currency transactions during the year are translated at the exchange rates ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the reporting date. Any resulting gain or loss arising from changes in exchange rates is taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

4.19 Staff retirement benefits

Defined contribution plan

The Group operates a recognised provident fund (defined contribution scheme) for its permanent employees who have completed the minimum qualifying period of service. Equal monthly contributions are made, both by the Group and the employees at the rate of 8.33 percent of the basic salary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

4.20 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. All financial assets are derecognised at the time when the Group loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on derecognition of financial assets and financial liabilities are taken to statement of comprehensive income.

4.21 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position only if the Group has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.22 Borrowing costs

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

4.23 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in these consolidated financial statements in the period, in which these are approved. However, if these are approved after the reporting period but before these consolidated financial statements are authorised for issue, they are disclosed in the notes to these consolidated financial statements.

4.24 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.25 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.26 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 2 –	Share Based Payments - Classification and Measurement of Share Based Payment Transactions (Amendments)	01 January 2018
IFRS 9 –	Financial Instruments	01 July 2018
IFRS 9 –	Prepayment Features with Negative Compensation – (Amendments)	01 January 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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IFRS 10 –	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15 –	Revenue from Contracts with Customers	01 July 2018
IFRS 16 –	Leases	01 January 2019
IFRS 4 –	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 January 2018
IAS 40 –	Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
IAS 19 –	Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 28 –	Long-term Interests in Associates and Joint Ventures – (Amendments)	01 January 2019
IFRIC 22 –	Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 –	Uncertainty over Income Tax Treatments	01 January 2019

The above standards and amendments are not expected to have any material impact on the Group's financial statements in the period of initial application except for IFRS 15 - Revenue from contracts with customers. The Group is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Group expects that such improvements to the standards will not have any impact on the Group's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 17 – Insurance Contracts	01 January 2021

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5. PROPERTY, PLANT AND EQUIPMENT

	COST			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2017	Additions / (write-off) transfers*	As at June 30, 2018	As at July 01, 2017	Charge for the year (write-off) transfers*	As at June 30, 2018	As at June 30, 2018	Depre-ciation Rate
	(Rupees)							%
Owned								
Power generation unit	161,907,864	2,215,597	164,123,461	24,789,676	7,492,594	32,282,270	131,841,191	3.33 & 5
Furniture and fixtures	7,003,679	17,562,915	24,566,594	2,786,057	2,084,650	4,870,707	19,695,887	20
Vehicles	6,270,932	-	6,270,932	4,098,245	534,630	4,632,875	1,638,057	20
Electrical equipment	261,400,017	31,476,870	292,876,887	60,830,198	18,406,514	79,236,712	213,640,175	3.33 - 10
IT equipment	38,788,800	-	38,788,800	25,513,369	7,959,553	33,472,922	5,315,878	20
Computer and accessories	5,493,478	1,413,333	6,906,811	3,243,994	1,368,707	4,612,702	2,294,109	33.33
Mobile phones	-	121,500	81,500	-	111,187	81,187	313	50
		(40,000)			(30,000)			
Gym equipment	11,415,174	2,763,484	14,178,658	197,771	1,303,221	1,500,992	12,677,666	33.33
	492,279,944	55,553,699	547,793,643	121,459,310	39,261,056	160,690,367	387,103,277	
		(40,000)			(30,000)			
2017	492,279,944	55,553,699	547,793,643	121,459,310	39,261,056	160,690,367	387,103,277	
	-	(40,000)	-	-	(30,000)	-	-	

* Represents transfer from leased to owned assets

	COST			ACCUMULATED DEPRECIATION			VALUE	
	As at July 01, 2016	Additions / (write-off) transfers*	As at June 30, 2017	As at July 01, 2016	Charge for the year (write-off) transfers*	As at June 30, 2017	As at June 30, 2017	Depre-ciation Rate
	(Rupees)							%
Owned								
Power generation unit	90,962,021	6,892,240	161,907,864	9,438,780	5,901,502	24,789,676	137,118,188	3.33 & 5
		64,053,603			9,449,394			
Furniture and fixtures	7,036,859	43,000	7,003,679	1,458,685	1,402,912	2,786,057	4,217,622	20
		(76,180)			(75,540)			
Vehicles	3,642,283	2,628,649	6,270,932	3,047,988	1,050,257	4,098,245	2,172,687	20
Electrical equipment	172,208,767	6,254,578	261,400,017	26,031,477	15,465,771	60,830,198	200,569,819	3.33 - 10
		82,936,672			19,332,950			
IT equipment	36,570,100	2,218,700	38,788,800	17,590,795	7,922,574	25,513,369	13,275,431	20
Computer and accessories	3,304,407	2,625,961	5,493,478	2,198,069	1,444,890	3,243,994	2,249,484	33.33
		(436,890)			(398,965)			
Gym equipment	-	11,415,174	11,415,174	-	197,771	197,771	11,217,403	33.33
	313,724,437	32,078,302	492,279,944	59,765,794	33,385,677	121,459,310	370,820,634	
		(513,070)			(474,505)			
		146,990,275			28,782,344			
Leased								
Power generation unit	64,053,603*	64,053,603	-	8,095,949	1,353,445	-	-	5
					9,449,394			
Electrical equipment	82,936,672*	82,936,672	-	17,045,998	2,286,952	-	-	3.33 - 10
					19,332,950	-		
	146,990,275	146,990,275	-	25,141,947	3,640,397	-	-	
2017	460,714,712	32,078,302	492,279,944	84,907,741	37,026,074	121,459,310	370,820,634	
	-	(513,070)	-	-	(474,505)	-	-	
	-	146,990,275	-	-	28,782,344	-	-	

* Represents transfer from leased to owned assets

5.1 The depreciation charge for the year

	Note	2018	2017
		(Rupees)	
Direct operating costs	25	36,086,212	33,353,087
Administrative and general expenses	26	3,174,844	3,672,989
		39,261,056	37,026,076

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6 INTANGIBLE ASSETS

Represents advance against purchase of computer software amounting to Rs. 1,250,649/- (2017: Nil).

7 INVESTMENT PROPERTY

	Note	2018 (Rupees)	2017 (Rupees)
Investment property	7.1 & 7.2	**6,165,361,363**	4,967,683,819
Capital work-in-progress	7.4	**24,273,666**	8,190,703
		6,189,635,029	4,975,874,522

7.1 The movement in investment property during the year is as follows:

	Note	2018 (Rupees)	2017 (Rupees)
As at July 01		**4,967,683,819**	4,632,000,000
Additions		**16,868,937**	46,918,610
		4,984,552,756	4,678,918,610
Gain from fair value adjustment	7.3	**1,180,808,607**	288,765,209
As at June 30		**6,165,361,363**	4,967,683,819

7.2 Investment property comprises of leasehold land having area of 2,914 square yards and building thereon, situated at 66/3-2, Shaheed-e-Millat Expressway, near KPT Interchange Flyover, Karachi, hereinafter refered to as Centrepoint Project.

7.3 A valuation of Centrepoint Project was carried out by an independent professional valuer on June 30, 2018 and the fair value was determined with reference to market based evidence, active market prices and relevant information. The fair value of investment property fall under level 2 of fair value hierarchy (i.e. significant observable inputs).

7.4 Represents expenses incured on various projects of the Group related to the contruction of investment property.

The movement in capital work-in-progress during the year is as follows:

	2018 (Rupees)	2017 (Rupees)
As at July 01	**8,190,703**	-
Additions during the year	**16,082,963**	8,190,703
As at June 30	**24,273,666**	8,190,703

7.5 Forced sale value of the investment property as at June 30, 2018 is Rs. 5,911,053,750.

8 DEVELOPMENT PROPERTIES

Represents project under construction at Plot No 22/7, Street CL-9, Civil Lines Quarter, Karachi. The project is currently in the initial design stages of the project with construction due to commence after approval of design.

	2018 (Rupees)	2017 (Rupees)
Land	**801,225,879**	801,225,879
Design and consultancy	**120,730,826**	27,083,115
Project management and anciliary costs	**113,671,817**	28,305,340
Other project costs	**52,636,339**	30,241,852
	1,088,264,861	886,856,186

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	Note	2018 (Rupees)	2017
9 LONG-TERM DEPOSITS – unsecured, considered good			
Security deposits			
- Total PARCO Pakistan Limited		2,500,000	-
- Central Depository Company of Pakistan Limited		200,000	100,000
- City District Government Karachi		86,919	86,919
	9.1	2,786,919	186,919

9.1 These deposits are non-interest bearing.

	Note	2018	2017
10. DEFERRED TAX ASSET			
Deferred tax assets on deductible temporary differences:			
- Unused tax losses		152,905,734	152,905,734
Deferred tax liability on taxable temporary differences:			
- Property, plant and equipment – owned and leased		(38,880,870)	(37,343,206)
- Advance against rent from tenants (net of receivables)		(27,567,486)	(38,236,796)
		(66,448,356)	(75,580,002)
		86,457,378	77,325,732

Deferred tax asset of Rs. 5.512 million has not been recognised on business losses in accordance with the Group's policy as stated in note 4.17 to these consolidated financial statements.

	Note	2018	2017
11 RECEIVABLE AGAINST RENT, MAINTENANCE AND OTHER SERVICES - unsecured, considered good			
Receivables against rent			
Related parties			
TPL Corp Limited (formerly TPL Trakker Limited) – the Parent Company	11.1	-	6,104,189
TPL Trakker Limited (formerly TPL Trakker (Private) Limited - an associated company	11.1	31,147,335	-
		31,147,335	6,104,189
Others		14,272,037	20,451,603
		45,419,372	26,555,792
Receivables against maintenance			
Related party:			
TPL Corp Limited (formerly TPL Trakker Limited) – the Parent Company	-	2,805,905	
TPL Trakker Limited (formerly TPL Trakker (Private) Limited		13,130,024	
Others		4,127,212	89,006
		17,257,236	2,894,911
Receivables against electricity and air conditioning services			
Related parties:			
TPL Corp Limited (formerly TPL Trakker Limited) – the Parent Company		-	18,000,541
TPL Trakker Limited (formerly TPL Trakker (Private) Limited		44,569,919	
TPL Insurance Limited (formerly TPL Direct Insurance Limited) – an associate	11.1	775,170	1,020,008
		45,345,088	19,020,549
Others		13,924,687	12,178,133
		59,269,775	31,198,682

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	Note	2018 (Rupees)	2017 (Rupees)
Receivables against others and water supply services			
Related parties:			
TPL Corp Limited (formerly TPL Trakker Limited) – the Parent Company	11.1	-	1,425,698
TPL Trakker Limited (formerly TPL Trakker (Private) Limited	11.1	3,036,146	-
TPL Insurance Limited (formerly TPL Direct Insurance Limited) – an associate	11.1	124,555	129,337
TPL Life		10,170	-
		3,170,871	1,555,035
Others		2,169,155	2,857,573
		5,340,026	4,412,608
Receivables against IT services			
Related party			
TPL Corp Limited (formerly TPL Trakker Limited) – the Parent Company	11.1	-	1,807,999
TPL Trakker Limited (formerly TPL Trakker (Private) Limited	11.1	26,419,400	
	11.2	153,705,809	66,869,992

11.1 The maximum amount outstanding at any time during the year calculated by reference to month end balances was:

	2018 (Rupees)	2017 (Rupees)
TPL Corp Limited (formerly TPL Trakker Limited) – the Parent Company	-	52,757,550
TPL Trakker Limited (formerly TPL Trakker (Private) Limited)	118,285,874	-
TPL Insurance Limited (formerly TPL Direct Insurance Limited) – an associated company	12,295,814	12,300,247

11.2 Represents non-interest bearing amount receivable from tenants on account of rent, maintenance and other services in Centrepoint Project.

11.3 As at the reporting date, the ageing analysis of receivables is as follows:

	2018 (Rupees)	2017 (Rupees)
Due 1 to 180 days	66,326,956	50,507,016
Due 180 to 365 days	51,695,246	12,986,721
Due 365 days and above	35,683,607	3,376,255
	153,705,809	66,869,992

12 ADVANCES AND PREPAYMENTS

	Note	2018	2017
Advances – unsecured, considered good			
Suppliers and contractors	12.1	44,546,515	16,461,105
Employees		464,713	1,122,437
Others		12,502	9,000
		45,023,730	17,592,542
Prepayments			
Insurance		4,757,681	4,385,111
Security trustee fee		-	847,500
Agency fee		-	847,500
		4,757,681	6,080,111
		49,781,411	23,672,653

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

12.1 These advances are non-interest bearing and generally on an average term of 1 to 12 months.

		Note	2018		2017
				(Rupees)	
13	**DUE FROM RELATED PARTIES – unsecured, considered good**				
	TPL Holdings (Private) Limited - Ultimate Parent Company		**74,100**		74,100
	TPL Life Insurance - an associated company		**1,212,986**		-
		13.1	**1,287,086**		74,100

13.1 Represents expenses incurred on behalf of TPL Life Insurance – associated companies, which is receivable on demand. The maximum amount outstanding at any time during the year calculated by reference to month end balances was Rs. 74,100 from TPL Holdings and Rs. 1,212,986 from TPL Life Insurance (2017: 74,100).

		Note	2018		2017
				(Rupees)	
14	**SHORT-TERM INVESTMENTS**				
	Term deposit receipts	14.1	**100,000,000**		-

14.1 These represent investment made in term deposit receipts of Rs. 100 million (2017: nil) with Summit Bank Limited having tenure of 6 months carrying profit at the rate of 6.4% per annum.

		Note	2018		2017
				(Rupees)	
15	**CASH AND BANK BALANCES**				
	Cash in hand		**205,761**		20,966
	Cash at banks in local currency				
	current accounts		**74,549,483**		31,635,716
	savings accounts	15.1	**484,031,350**		321,973,487
			558,786,594		353,630,169

15.1 Included herein a cash deposit of Rs. 16.854 million under lien (note 24.2.1) and Rs. 250 million on account of term deposit placed with a commercial bank carrying mark-up ranging 5.4 percent to 5.8 percent and 5 percent respectively. Other balances carry mark-up ranging from 3.75 percent to 5.8 percent (2017: 3.75 percent to 5.8 percent) per annum.

16 **ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

2018	2017		Note	2018	2017
— (No. of shares) —				Rupees	Rupees
		Ordinary shares of Rs.10/- each			
175,920,448	175,920,448	- Issued for cash consideration	16.1 & 16.2	**1,759,204,480**	1,759,204,480
97,590,919	97,590,919	- Issued for consideration other than cash	16.3 & 16.4	**975,909,190**	975,909,190
273,511,367	273,511,367			**2,735,113,670**	2,735,113,670

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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16.1 The following shares are held by the related parties of the Group as at June 30, 2018:

		2018		2017	
Name of related party	**Note**	**Shares held**	**Percentage**	Shares held	Percentage
TPL Holdings (Private) Limited - the ultimate parent company	16.1.1 & 16.1.2	**23,132,500**	**8.46%**	21,104,000	8%
TPL Corp Limited (formerly TPL Trakker Limited) - the parent company	16.1.1 & 16.1.2	**59,900,000**	**21.90%**	55,000,000	20%
Mr. Ali Jameel - Chief Executive Officer		**19,199,994**	**7%**	19,199,994	7%
Mr. Jameel Yusuf Ahmed - Director		**14,800,000**	**5%**	14,800,000	5%
TPL Insurance Limited		**8,000,000**	**2.924%**	8,000,000	2.924%
TPL Security Services (Private) Limited		**50,000**	**0.018%**	50,000	0.018%

16.1.1 In addition to the shares held, these companies have representation on Board and its committees.

16.1.2 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

16.2 17,910,448 ordinary shares were issued to Alpha Beta Capital Markets (Private) Limited on 21 Jun 2017 against cash at premium of Rs. 6.75 per share.

16.3 49,990,000 ordinary shares issued were against acquisition of the business of A&A Associates, an unregistered partnership firm under an agreement dated June 28, 2010 on net assets basis at their carrying value which approximates its fair value at the date of acquisition i.e. May 31, 2010.

16.4 47,600,919 ordinary shares issued against purchase of 8,532,000 ordinary shares of HKC Limited, constituting 90 percent of the issued, subscribed and paid-up share capital of the subsidiary company under a share purchase arrangement dated: June 19, 2017 through issuance of 47,600,919 shares of TPL Properties Limited at face value of Rs. 10 per share and premium of Rs. 6.75 per share on net asset basis at their fair value determined on the date of acquisition i.e. March 30, 2017.

	Note	2018	2017
		(Rupees)	
17 LONG-TERM FINANCING			
Facility 1	17.1	-	1,865,443,975
Facility 2	17.2	**2,145,651,829**	-
Facility 3	17.3	**242,249,222**	267,379,788
		2,387,901,051	2,132,823,763
Less : Current maturity		**(99,000,000)**	(232,250,000)
		2,288,901,051	1,900,573,763

17.1 The Group had entered into the Musharika facility agreement of Rs.2,400 million with a local Islamic bank through an agreement dated May 26, 2015. It carried mark-up at the rate of 6 months KIBOR plus 1.75 percent per annum, and was repayable semi-annually in arrears over a period of seven years including 1 year grace period. The facility was secured against hypothecation charge over hypothecated fixed and current assets of Rs.2,800 million and by way of personal and corporate guarantee of Chief Executive and a related party.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

17.2 The Group entered into an agreement with a commercial bank, dated March 14, 2018 , for the issuance of redeemable capital in the amount of Rs. 3.5 billion in the form of Term Finance Certificates (TFCs) of the face value of Rs. 5,000/- each. Out of the total proposed issuance, the TFCs issued, during the year, and TFCs proposed to be issued, are detailed as follows:

- sum equal to Rs. 2,200,000,000 as a first tranche (Series A TFC Issue) comprising of 440,000 TFCs, issued during the year for the purpose of prepaying the outstanding Musharaka Facility in the amount of Rs. 1,796,000,000 availed by the Group; and for financing construction project of HKC. The amount received against issuance of Series A TFCs is repayable in semi-annual installments for a period of 10 years at the rate of 6 months KIBOR plus 125 basis points. This facility has been fully drawn during the current year and has been secured against the following:
  - First pari pasu charge on present and future fixed assets (plant, machinery, fixtures and fittings, etc.)
  - First pari pasu charge charge over land and building with 25% margin
  - Assignment over rental agreements.
- sum equal to Rs. 1,300,000,000 as a second tranche (Series B TFC Issue), proposed to be issued for the purpose of making an equity investment in upcoming new project/development.

17.3 During the previous year, the Group obtained a Musharika finance facility aggregating Rs. 275 million from a bank for a period of upto 6.3 years. The loan carries markup at the rate of 6 months KIBOR plus 2 percent per annum payable semi-annually in arrears and is repayable in 10 equal semi-annual installments of Rs. 27.5 million each latest by September 16, 2022. The first installment will become due after 15 months i.e. on March 16, 2018, from the date of first disbursement date i.e. December 20 2016. This facility is secured against parri passu charge on present and future plant and machinery, assignment over maintenance agreements, personal gurantee of a director and equitable mortgage over and land and building.

	Note	2018	2017
		(Rupees)	
18 TRADE AND OTHER PAYABLES			
Creditors		**49,267,637**	36,974,723
Payable to contractors		**36,545,788**	28,641,876
Retention money		**8,762,007**	15,473,152
Sales tax payable		**2,770,346**	2,966,864
Workers' Welfare Fund (WWF)		**9,290,946**	9,290,946
Payable to employees		**401,202**	222,240
Withholding income tax payable		**1,633,549**	1,052,921
Others		**898,750**	898,750
	18.1	**109,570,225**	95,521,472

18.1 These payables are non-interest bearing and generally on an average term of 1 to 12 months.

	Note	2018	2017
19 DUE TO RELATED PARTIES – unsecured			
TPL Insurance Limited (formerly TPL Direct Insurance Limited) - an associated company	19.1	**2,472,620**	-
TPL Trakker Limited (formerly TPL Trakker (Private) Limited) - an associated company	19.2	**5,496,316**	11,711,707
TPL Security Services (Private) Limited	19.3	**462,000**	-
TPL Holdings (Private) Limited – the ultimate parent company	19.4	-	200,831
		8,430,936	11,912,538

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19.1 Represents the amount payable to TPL Insurance Limited (formerly TPL Direct Insurance Limited) - an associated company, on account of expenses, incurred by the associated company on behalf of the Group.

19.2 Represents loan financing facility having a limit of Rs. 100 million carrying mark-up at the variable rate of 3 months KIBOR plus 4 percent. The loan is payable at any time before 31 August 2021 at the option of the Group.

19.3 Represents the amount payable to TPL Security Services (Private) Limited - an associated company of the Group, in respect of expenses incurred by the associated company on behalf of the Group and is payable on demand.

19.4 Represents loan financing facility having a limit of Rs. 400 million carrying mark-up at the variable rate of 3 months KIBOR. During the current year, the loan has been fully repaid.

	Note	2018 (Rupees)	2017 (Rupees)
20 ACCRUED MARK-UP			
Accrued mark-up on:			
Long-term financing	17	**55,932,382**	51,281,490
Due to related parties:			
- TPL Holdings (Private) Limited – the ultimate parent company	19.4	**18,333**	9,444,212
- TPL Corp Limited (formerly TPL Trakker Limited) – the parent company	19.2	-	17,362
		18,333	9,461,574
Short term borrowings - secured	21	**7,602,411**	-
		63,553,126	60,743,064

21 SHORT TERM BORROWINGS - secured

During the year, the Group has enetered into a Musharakah (Shirkat-ul-Milk) agreement with an Islamic bank to create joint ownership in the Centrepoint Project. Against bank's share of 6.49%, the Group received an amount of Rs. 400,000,000 which is repayable through quarterly payments at the rate of 1.5% plus 6 months KIBOR, as consideration for use of bank's share by the Group. The said periodic payments are secured against equitable interest over the Centrepoint Project.

	Note	2018 (Rupees)	2017 (Rupees)
22 ADVANCES AGAINST RENT FROM TENANTS - Unsecured			
Advances against rent			
TPL Insurance Limited – an associated company		**1,750,301**	18,701,834
Others		**70,060,920**	41,155,965
		71,811,221	59,857,799
Advances against maintenance services			
TPL Insurance Limited (formerly TPL Direct Insurance Limited) - a related party		**5,789,972**	6,271,158
Others		**34,329,785**	37,070,459
		40,119,757	43,341,617
Advances against other services			
TPL Life Insurance Limited – an associated company		-	700,000
		111,930,978	103,899,416

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22.1 Represents non-interest bearing advances received from tenants on account of premises taken on rent in Centrepoint Project.

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 During the year, in September 2017, the Group has filed a petition in the High Court of Sindh challenging the vires of Section 5A of Income Tax Ordinance 2001 introduced through Finance Act 2017. The Court passed interim order that no coercive action would be taken against the petitioner under the garb of the impugned Section, as has been passed in similar other petitions pending adjudication. The matter is in its initial stages and management is confident of a favourable outcome. Accordingly, no provision has been made in these consolidated financial statements with respect to the same.

23.1.2 During the year, in February, 2018, the Sindh Revenue Board (SRB) has filed an appeal in the Supreme Court of Pakistan against the decision of the Sindh High Court, whereby, the High Court was pleased to hold that no sales tax is applicable on immovable property where there is no element of services. The appeal is currently pending adjudication.The management is confident of a favorable outcome in this regard, therefore no provision has been made.

23.2 Commitments

	2018	2017
	(Rupees)	
23.2.1 Revolving letter of credit	**16,854,000**	16,854,000

23.2.2 The Group's material contractual commitments in respect of the construction of Centrepoint Project at year end are as follows:

	2018	2017
	(Rupees)	
Nadeem Associates		
- Total contract value	-	22,976,262
- Paid upto last year by the Group	-	(21,662,176)
Balance commitment	-	1,314,086
Power Professionals and Engineers		
- Total contract value	**62,588,574**	62,588,574
- Paid upto last year by the Group	**(54,658,181)**	(52,158,181)
- Paid during the year by the Group	-	(2,500,000)
Balance commitment	**7,930,393**	7,930,393
Pioneer Engineering Services		
- Total contract value	**30,749,675**	30,749,675
- Paid up to last year by the Group	**(29,375,221)**	(29,011,342)
- Paid during the year	-	(363,879)
Balance commitment	**1,374,454**	1,374,454
Instrumentation and Management System		
- Total contract value	**16,754,322**	16,754,322
- Paid up to last year by the Group	**(15,204,797)**	(15,204,797)
- Paid during the year -	-	
Balance commitment	**1,549,525**	1,549,525

23.2.3 The Group had entered into commercial property leases on its investment property with TPL Corp Limited (formerly TPL Trakker Limited) - the parent company, TPL Trakker Limited (formerly TPL Trakker (Private) Limited - an associated company and TPL Insurance Limited (formerly TPL Direct Insurance Limited) - an associated company and other tenants. These non-cancellable leases have terms of five years. Future minimum rentals receivable under non-cancellable operating leases as at year end are as follows:

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	2018 (Rupees)	2017 (Rupees)
Not later than one year	288,217,356	425,269,718
Later than one year but not later than five years	1,601,426,886	758,250,069
	1,889,644,242	1,183,519,787

		Note	2018 (Rupees)	2017 (Rupees)
24	**RENTAL INCOME**			
	Related parties:			
	TPL Corp Limited (formerly TPL Trakker Limited) – the Parent Company		-	41,924,227
	TPL Trakker Limited (formerly TPL Trakker (Private) Limited) - an associated company		41,924,227	-
	TPL Insurance Limited (formerly TPL Direct Insurance Limited) – an associated company		45,423,204	45,423,204
			87,347,431	87,347,431
	Others		279,003,002	275,437,398
			366,350,433	362,784,829
	Revenue from maintenance and services			
	Related parties			
	TPL Trakker Limited (formerly TPL Trakker (Private) Limited) - an associated company		7,568,529	7,383,958
	TPL Insurance Limited (formerly TPL Direct Insurance Limited) - an associated company		7,703,213	7,014,334
			15,271,742	14,398,292
	Others		54,616,024	49,342,842
		24.1	69,887,766	63,741,134
	Revenue from electricity and conditioning services			
	Related parties			
	TPL Trakker Limited (formerly TPL Trakker (Private) Limited) - an associated company		22,760,750	22,876,281
	TPL Insurance Limited (formerly TPL Direct Insurance Limited) - an associated company		7,688,120	8,219,867
			30,448,870	31,096,148
	Others		64,725,470	64,847,877
		24.1	95,174,340	95,944,025
	Revenue from IT services			
	TPL Corp Limited(formerly TPL Trakker Limited) – the holding company	24.1	-	19,800,000
	TPL Trakker Limited (formerly TPL Trakker (Private) Limited)	24.1	21,780,000	-
			553,192,539	542,269,988

24.1 These include amount exclusive of sales tax amounting to Rs. 24.105 million (2017: Rs. 26.382 million).

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		Note	2018	(Rupees)	2017
25	**DIRECT OPERATING COSTS**				
	Salaries and wages	25.1	**48,003,949**		41,641,416
	Oil, gas and diesel		**41,778,411**		46,126,756
	Depreciation	5.2	**36,086,212**		33,353,087
	Housekeeping and cleaning		**13,525,272**		9,971,793
	Insurance		**8,126,832**		7,972,681
	Repairs and maintenance		**9,208,725**		5,388,551
	Landscaping and plantation		**3,584,100**		3,227,720
	Water expenses - net	25.2	**1,056,281**		1,058,051
	Advertisement and promotional		**864,736**		634,600
	Others		**516,095**		-
			162,750,613		149,374,655

25.1 These include Rs. 2.036 million (2017: 1.69 million) in respect of staff retirement benefits (provident fund contribution).

25.2 These include water expenses net of reimbursement from tenants.

		Note	2018	(Rupees)	2017
26	**ADMINISTRATIVE AND GENERAL EXPENSES**				
	Salaries, wages and other benefits	26.1	**38,828,631**		64,725,262
	Legal and professional		**34,456,775**		12,964,964
	Rent		**9,358,833**		7,370,108
	Donations	26.3	**5,500,000**		7,500,000
	Entertainment and recreation		**8,906,451**		5,648,069
	Repairs and maintenance		**13,127,072**		14,796,247
	Fuel and mobile		**3,343,789**		4,709,873
	IT related expenses		**3,189,163**		2,382,773
	Printing and stationery		**3,047,752**		2,830,298
	Depreciation	5.2	**3,174,844**		3,672,989
	Auditors' remuneration	26.2	**3,018,170**		2,578,610
	Training and development		**1,819,585**		-
	Travelling expenses		**1,624,055**		8,389,201
	Utilities		**1,976,861**		2,322,960
	Subscriptions		**919,326**		208,100
	Advertisement		**521,432**		494,704
	Fire, safety and security		**11,007,700**		9,947,366
	Telecommunication and courier expenses		**524,098**		-
	Property, plant and equipment written off		-		38,565
	Others		**2,249,537**		1,097,988
			146,594,074		151,678,078

26.1 These include Rs. 0.991 (2017: Rs. 1.104) million in respect of staff retirement benefits (provident fund contribution).

		Note	2018	(Rupees)	2017
26.2	Auditors' remuneration				
	Audit fees				
	Statutory				
	- standalone		**1,815,700**		1,500,000
	- consolidation		**250,000**		200,000
			2,065,700		1,700,000
	Half yearly review, code of corporate governance review and certifications		**871,000**		625,000
	Out of pocket		**81,470**		253,610
			952,470		878,610
			3,018,170		2,578,610

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26.3 Represents donations made to the following parties:

	2018 (Rupees)	2017 (Rupees)
Sindh Institute of Urology and Transplantation (SIUT) Trust	**2,500,000**	2,500,000
The Aga Khan University Hospital (The Patient's Behbud Society for AKUH)	**500,000**	-
Jinnah Post Medical Centre Karachi (JPMC Karachi)	**-**	2,500,000
The Indus Hospital	**2,500,000**	2,500,000
	5,500,000	7,500,000

The recipients of donations do not include any donee in which a director or spouse had any interest.

26.4 Provident fund

	2018 (Rupees) Un-audited	2017 (Rupees) Un-audited
Size of the fund	**13,730,245**	10,312,093
Cost of investments made	**11,313,421**	9,751,624
Percentage of investments made	**82%**	95%
Fair value of investments	**11,313,421**	9,751,624

26.4.1 The break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	2018		2017	
	(Rupees)			
	investment Rupees	Percentage of investment as size of the fund	investment Rupees	Percentage of investment as size of the fund
Savings account	**11,313,421**	**82%**	9,751,624	95%

26.4.2 Investments out of provident fund have been made in accordance with the provisions of the Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

27 FINANCE COSTS

	Note	2018 (Rupees)	2017 (Rupees)
Markup on			
- long-term financing	27.1	**195,519,728**	177,804,250
- liabilities against assets subject to finance lease		**-**	1,601,256
- due to related parties		**1,857,066**	15,633,093
- short-term borrowings		**33,142,341**	-
		230,519,135	195,038,599
Bank charges		**1,788,638**	1,099,373
		232,307,773	196,137,972

27.1 Includes mark-up of Rs. 220.3 million (2017: Rs. 171.49 million) incurred on Islamic mode of financing.

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		Note	2018	2017
			(Rupees)	
28	**OTHER INCOME**			
	Income from financial assets			
	Profit on islamic saving account		20,261,045	3,814,384
	Markup on:			
	- term deposits		642,991	-
	- on saving accounts		361,607	4,306,825
			1,004,598	4,306,825
	Income from non-financial assets			
	Fair value gain on investment property	7	1,180,808,607	288,765,209
	Income from ancillary services		1,985,221	739,479
	Liabilities no longer payable		-	2,730,841
	Others		269,124	1,313,415
			1,183,062,952	293,548,944
			1,204,328,595	301,670,153
29	**TAXATION**			
	Current		28,869,278	27,459,495
	Prior		547,800	11,301,759
	Deferred		(9,131,646)	(22,357,545)
			20,285,433	16,403,709
29.1	**Relationship between accounting profit and tax expense**			
	Profit before taxation		1,215,868,673	346,749,436
	Applicable tax rate		30%	31%
	Tax at the above rate		364,760,602	107,492,325
	Tax effect of income / expenses that are not		(353,981,625)	(90,429,542)
	allowable for tax purposes		-	(21,181,388)
	Minimum tax		3,736,842	3,589,703
	Tax effect of prior year tax		547,800	11,301,759
	Effect of tax credit		(6,283,109)	(5,967,448)
	Tax effect of change in tax rate		11,504,923	11,598,299
	Tax expense for the year		20,285,433	16,403,709
	Effective tax rate		1.7%	4.7%

29.2 The Group has filed income tax return for the tax year 2017, which is deemed to be assessed under section 120 of Income Tax Ordinance, 2001. Management has provided sufficient tax provision in financial statements in accordance with income tax ordinance, 2001. Following is the comparison of tax provision as per accounts vis a vis tax assessment for last three years:

	Deemed assessment	Provision
	(Rupees)	
Tax Year 2017	38,979,098	38,793,795
Tax Year 2016	5,255,103	5,484,348
Tax Year 2015	2,319,041	2,319,041

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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29.3 The proceedings for monitoring of withholding taxes for the Tax Year 2017 of TPLP and Tax Year 2016 of CMS have been initiated by the Commissioner Inland Revenue (CIR), in response Company have submitted relevant information with the CIR. Subsequent to the reporting date monitoring proceedings for Tax Year 2016 of TPLP were concluded and tax demand of Rs. 164,418 (including default surchage of Rs. 25,080) was paid by the Group.

30 EARNINGS PER SHARE

	2018		2017
		(Rupees)	
Profit attributable to ordinary shareholders	**1,195,583,241**		330,345,727
		Number of shares	
Weighted average number of ordinary shares outstanding during the year	**273,511,367**		209,794,832
Earnings per share – basic and diluted	**4.37**		1.57

There is no dilutive effect on basic earnings per share of the Group.

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

31.1 The aggregate amounts charged in these consolidated financial statements for the year are as follows:

	Chief Executive		Director		Executives	
	2018	2017	2018	2017	2018	2017
- Director's fee (Note 32.3)	-	-	**240,000**	180,000	-	-
- Managerial remuneration, utilities, housing perquisites, etc.	**22,451,613**	18,000,000	-	6,012,000	**28,604,654**	21,446,000
- Bonus -	-	-	-	-	-	6,363,000
- Retirement benefit	-	-	-	255,382	**1,403,448**	963,156
- Medical	**1,548,387**	-	-	-	**1,684,798**	-
Total	**24,000,000**	18,000,000	**240,000**	6,447,382	**31,692,900**	28,772,156
Number of persons	**1**	1	**3**	4	**7**	13

31.2 In addition, the Chief Executive has also been provided with free use of Company owned and maintained car and other benefits in accordance with their entitlements as per the rules of the Group.

31.3 Represents aggregate of meeting fees paid / payable to non-executive directors.

31.4 As per revised requirement of the Act, executive means an employee, other than chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

31.5 The total number of directors as at the reporting date were 8 (2017: 8).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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32 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Group comprise of the Ultimate Parent Company, Parent Company, subsidiaries, associated companies, major shareholders, suppliers, directors, key management personnel and staff retirement benefit fund. The Group has a policy whereby transactions with related parties are entered into at arm's length basis. The transactions with related parties other than those disclosed elsewhere in these consolidated financial statements are as follows:

	2018 (Rupees)	2017 (Rupees)
The Ultimate Parent Company		
TPL Holdings (Private) Limited [THL]		
Amount received from THL by the Holding Company	-	332,161,075
Mark-up for the year on current account given to Holding Company	11,026	4,245,234
Payment made to THL by the Holding Company	200,831	364,298,422
Payment made to THL by the Holding Company on account of accrued mark-up	-	9,850,482
Loan paid by CMS	-	300,000
Mark-up accrued for the year on current account given to CMS	-	851
Mark-up adjusted by CMS against loan of THL	-	13,405
The Parent Company		
TPL Corp Limited [TCL] (formerly TPL Trakker Limited)		
Amount received from TCL by the Holding Company	-	119,245,997
Payment made to TCL by the Holding Company on account of accrued mark-up	-	24,524,090
Payment made by the Holding Company and CMS	-	379,675,910
Mark-up for the year on current account given to the Holding Company	-	11,058,507
Expenses incurred / paid by TCL on behalf of the Holding Company	-	35,126,406
Adjustments of advance receivable for rent from TCL by the Holding Company against:	-	
- due to related parties balance of TCL	-	6,292,590
Amount received from TCL on account of rent	-	51,970,368
Services acquired by the Holding Company and CMS	-	93,389,772
Amount received against maintenance and other services by the Company	-	31,110,703
Associated Company		
TPL Trakker Limited [TTL] (formerly TPL Trakker (Private) Limited)		
Amount received from TTL	20,000,000	-
Payment made to TTL on account of accrued markup	1,863,404	-
Payment made by the Group	75,273,398	-
Mark-up on current account	1,846,042	-
Expenses incurred/paid by TTL on behalf of the Group	49,058,007	-
Amount received from TTL on account of rent	16,881,081	-
Maintenance services rendered by CMS	7,568,529	
Electricity and airconditioning services rendered by CMS	22,760,750	
Rental services rendered by the Group	41,924,227	-

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Common Directorship		
TPL Insurance Limited [TIL] (formerly TPL Direct Insurnace Limited) - an associated company		
Adjustment of accrued mark-up payable to TIL by the Company against rent receivable from TIL by the Holding Company	-	-
Amount against rent received during the year by the Holding Company	28,471,672	45,014,501
Services acquired by the Holding Company and CMS	45,423,204	62,036,327
Expenses incurred / paid by TIL on behalf of the Group	2,472,620	-
Services rendered by the Group	15,497,573	-
Amount received against maintenance and other services by CMS	17,169,724	22,688,070
TPL Security Services (Private) Limited [TSS]		
Services acquired by the Company	9,099,200	8,232,000
Amount paid against services	8,465,297	24,000,000
Clifton Land Limited (CLL)		
Loan made to CLL	-	430,731
Services rendered to CLL	-	272,000
Payment received from CLL	-	702,731
Paradigm RE (PRE)		
Services received from PRE	-	200,000
Payment made to PRE	-	200,000
Paradigm Services (Private) Limited (PSPL)		
Services received from PSPL	-	450,000
Payment made against services to PSPL	-	600,000
Staff retirement benefit fund		
Group – Provident fund		
Employer contribution	3,929,504	2,788,000

32.1 The related parties status of outstanding receivables and payables, if any, as at June 30, 2018 and 30 June 2017 are disclosed in respective notes to these consolidated financial statements.

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors review and agree policies for managing each of the risk which are summarised below and accordingly, no change was made in the objectives, policies or procedures and assumptions during the year ended June 30, 2018.

33.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and other price risk.

33.1.1 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. As at reporting date, the Group is not materially exposed to currency risk and accordingly, the sensitivity to a reasonably possible change in the exchange rate with all other variables held constant in not reported.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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33.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. As of the reporting date, the Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term financing and short-term borrowings at floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit before tax (through impact on floating rate borrowings).

	Increase / decrease in basis points	(Decrease) / increase in profit before tax (Rupees)
2018	**+100**	**(23,518,112)**
	-100	**23,518,112**
2017	+100	(18,297,373)
	-100	18,297,373

33.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. As of the reporting date, the Group is not exposed to other price risk.

33.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As of the reporting date, the Group is not materially exposed to credit risk except for receivable against rent from tenants, loans, advances and bank balances. The Group manages credit risk by obtaining advance from tenants and the credit risk on liquid assets is limited because the counter parties are banks with reasonably high credit ratings. The maximum exposure to credit risk before any credit enhancement is given below:

	2018		2017	
	Statement of financial position	**Maximum exposure**	**Statement of financial position**	**Maximum exposure**
Receivables against rent from tenants	**153,705,805**	**153,705,805**	66,869,993	66,869,993
Due from a related party	**1,287,086**	**1,287,086**	74,100	74,100
Bank balances	**558,580,833**	**558,580,833**	353,609,203	353,609,203
	713,573,724	**713,573,724**	420,553,296	420,553,296

As of reporting date, the credit quality of Company's bank balances with reference to external credit rating is as follows:

Bank Balances by short-term rating category	Rating Agency	2018 Rupees	2017 Rupees
A1+	PACRA	**13,558,419**	306,364,931
A1+	JCR-VIS	**80,053,376**	7,993,375
A1	PACRA	**181,752,388**	-
A1	JCR-VIS	**232,918,038**	39,250,897
AAA	PACRA/JCR-VIS	**298,612**	-
A2	JCR-VIS	**50,000,000**	-
		558,580,833	353,609,203

33.3 Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations with the financial liabilities. The Group's objective is to maintain a balance working capital management. As of the reporting date, the Group is exposed to liquidity risk in respect of long-term financing, short-term borrowings, trade and other payables and due to related parties.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
			(Rupees)			
June 30, 2018						
Long-term financing	-	-	99,000,000	858,000,000	1,331,901,051	2,288,901,051
Trade and other payables	-	-	125,720,135	-	-	125,720,135
Due to related parties	-	-	8,430,936	-	-	8,430,936
Accrued mark-up	-	63,553,126	-	-	-	63,553,126
	-	63,553,126	233,151,071	858,000,000	1,331,901,051	2,486,605,248
June 30, 2017						
Long-term financing	-	89,250,000	143,000,000	1,678,379,788	222,193,975	2,132,823,763
Trade and other payables	-	111,126,544	-	-	-	111,126,544
Due to related parties	-	-	11,912,538	-	-	11,912,538
Accrued mark-up	-	2,736,486	99,381,146	-	-	102,117,632
	-	203,113,030	254,293,684	1,678,379,788	222,193,975	2,357,980,477

33.4 Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these consolidated financial statements approximate to their fair value.

Fair value hierarchy

Financial instruments carried at fair value are categorized as follows:

Level 1: Quoted market price.
Level 2: Valuation techniques (market observable)
Level 3: Valuation techniques (non- market observables)

The Group held the following financial instruments

measured at fair value:

	Total	Level 1	Level 2	Level 3
		(Rupees)		
June 30, 2018				
Investment property (note 7)	6,165,361,363	-	6,165,361,363	-
June 30, 2017				
Investment property (note 7)	4,967,683,819	-	4,967,683,819	-

33.5 Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support and sustain future development of its business operations and maximize shareholders' value. The Group closely monitors the return on capital along with the level of distributions to ordinary shareholders.

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The Group manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Group monitors capital using a debt equity ratio, which is net debt divided by total equity. Equity comprises of share capital, capital reserve and revenue reserve. The gearing ratio as at June 30, 2018 and June 30, 2017 are as follows:

	Note	2018	2017
		(Rupees)	
Long-term financing	17	**2,387,901,051**	1,865,443,975
Trade and other payables	18	**109,570,225**	73,507,902
Due to related parties	19	**8,430,936**	11,912,538
Accrued mark-up	20	**63,553,126**	44,760,103
Short-term borrowings	21	**400,000,000**	-
Advance against rent from tenants	22	**111,930,978**	59,857,799
Total debts		**3,081,386,316**	2,055,482,317
Less: Cash and bank balances		**658,786,594**	344,332,622
Net debt		**2,422,599,722**	1,711,149,695
Total equity		**5,632,333,804**	4,623,188,636
Total capital		**8,054,933,526**	6,334,338,331
Gearing ratio		**30%**	27%

34 DATE OF AUTHORIZATION OF ISSUE

These consolidated financial statements were authorised for issue on 16 August, 2018 by the Board of Directors of the Group.

35 GENERAL

35.1 Certain prior year's figures have been rearranged for better presentation, wherever necessary. However, there are no material reclassification to report except for classification of development properties to non-current assets from current assets.

35.2 Number of employees as at June 30, 2018 was 145 (June 30, 2017: 139) and average number of employees during the year was 140 (June 30, 2017: 135).

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

Chief Executive | Chief Financial Officer | Director

NOTICE OF THE ANNUAL GENERAL MEETING OF TPL PROPERTIES LIMITED

Notice is hereby given that the Annual General Meeting of the Company will be held on Tuesday, 16th October, 2018 at 11:00 AM at the Auditorium of the Institute of Chartered Accountants of Pakistan (ICAP) at Chartered Accountants Avenue, Clifton, Karachi

ORDINARY BUSINESS

1. To approve the minutes of the Annual General Meeting held on October 4, 2017.

   "***RESOLVED THAT*** *the minutes of Annual General Meeting held on October 04, 2017 at 11:00 am of TPL Properties Limited be and are hereby approved"*

2. To receive, consider and adopt the Standalone and Consolidated Annual Audited Financial Statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended 30 June 2018.

   *"**RESOLVED THAT** the* Standalone and Consolidated *Annual Audited Financial Statements of TPL Properties Limited, the Directors' and Auditors' reports thereon for the year ended 30 June 2018, be and are hereby approved."*

3. To appoint Auditors for the year ending 30 June 2019 and fix their remuneration. M/s. EY Ford Rhodes Chartered Accountants, being eligible have offered themselves for re-appointment.

   *"**RESOLVED THAT** M/s EY Ford Rhodes, Chartered Accountants be and are hereby appointed as Auditors of M/s. TPL Properties Limited, upon the recommendation of the Board on the basis of consent received by them, at a fee mutually agreed for the period ending June 30, 2019.*

4. To consider and, if thought fit, approve as recommended by the Board of Directors to issue bonus shares in the proportion of 0.5 share (s) for every 10 shares held i.e. 5% if thought appropriate to pass with or without modification(s) the following resolution:

   RESOLVED *that a sum of Rs. 136,756,000 out of share premium account of the Company be capitalized and applied towards the issue of 13,676,000 ordinary shares of Rs. 10/- each and allotted as fully paid bonus shares to the members who are registered in the books of the Company as at the close of business on October 07, 2018, in proportion 0.5 share (s) for every 10 shares held and that such new shares shall rank pari passu with the existing ordinary shares be and is held by approved.*

   FURTHER RESOLVED *that in the event of any member becoming entitled to a fraction of a share, the Directors be and are hereby authorized to consolidate all such fractions and sell the shares so constituted on the Stock Market and to pay the proceeds of the sale when realized to a recognized charitable institution as may be selected by the Directors of the Company.*

   FURTHER RESOLVED *that the Company Secretary be and is hereby authorized to take all necessary actions on behalf of the Company for allotment and distribution of the said bonus shares as he thinks fit."*

NOTICE OF THE ANNUAL GENERAL MEETING OF TPL PROPERTIES LIMITED

ANY OTHER BUSINESS

5. To consider any other business with the permission of Chairman.

By Order of the Board

Danish Qazi
Company Secretary **Dated: September 25th, 2018**

Notes:

1) The Share Transfer Books of the Company will be closed from October 08, 2018 to October 16, 2017 (both days inclusive).

2) A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as proxy to attend and vote instead of him. The Proxy Forms, in order to be effective, must be received at the Registrar of the Company M/s THK Associates (Pvt.) Ltd, 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400, not less than 48 hours before the Meeting.

3) For identification, CDC account holders should present the participant's National Identity Card, and CDC Account Number and in case of proxy must enclose an attested copy of his/her CNIC. The representatives of corporate bodies should bring attested copy of Board of Directors Resolution/ Power of Attorney and/or all such documents as are required under Circular No. 1 dated 26 January 2000 issued by Securities & Exchange Commission of Pakistan for this purpose.

4) Members are requested to timely notify any change in their addresses and provide copies of their CNIC /NTN (if not provided earlier) to Bank's Registrar / Share Transfer Agent, M/s. THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400.

5) The Company shall provide video conference facility to its members for attending the Annual General Meeting at places other than the town in which general meeting is taking place after considering the geographical dispersal of its members: provided that if members, collectively holding 10% or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company shall arrange video conference facility in that city subject to availability of such facility in that city.

   The Company will intimate members regarding venue of video-link facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

   In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the Annual General Meeting:-

NOTICE OF THE ANNUAL GENERAL MEETING OF TPL PROPERTIES LIMITED

I/We, _________________________ of _________________________ being a member of TPL Properties Limited, holder of _________________________ Ordinary shares as per Register Folio No.________ hereby opt for video conference facility at _________________________.

____
Signature of member

6) Members are requested to immediately notify the change, if any, in their registered address/contact numbers to the Share Registrar on the following address:

THK Associates (Pvt.) Limited
1st Floor, 40-C, Block-6,
P.E.C.H.S, KARACHI-75400.
UAN 021-111-000-322.
Direct # 021- 34168270
Fax # 021- 34168271

PROXY FORM

Annual General Meeting of TPL Properties Limited 2017-18

I/We________________________________ s/o, w/o, d/o_____________________________

resident of (full address) ____

being member(s) of TPL Properties Limited and holder of ____________________________

number of Ordinary shares as per Share Register Folio No.__________________________

and/or CDC Participant I.D No.________________ and Sub Account No.________________

hereby appoint___________________________ s/o, w/o, d/o ________________________

resident of____or failing him/her

___________________________________ s/o, w/o d/o ______________________________

of (full address)____,

as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on the October 16, 2018 and at any adjournment thereof.

Signature this ___________________________day of ____________________________ 2018.

Witness 1.

Signature: _________________________________

Name: ____________________________________

Address: __________________________________

CNIC or: __________________________________

Passport No: _______________________________

Please affix

revenue stamp

Witness 2.

2. Signature: _________________________________

Name: ____________________________________

Address: __________________________________

CNIC or: __________________________________

Passport No: _______________________________

(Signature should agree with the specimen signature registered with the Company)

Notes:

i) Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A Proxy need not be a member of the Company.

ii) CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy before submission to the Company.

iii) The proxy shall produce his original CNIC or original passport at the time of the meeting.

iv) In case of corporate entity, Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

(نیابت) پراکسی فارم

میں/ہم ______ جس کا/(جن کا) مکمل پتہ

______ ہے، ٹی پی ایل پراپرٹیز لمیٹڈ کا ممبر ہوں/ ہیں۔

اور میرے/ ہمارے پاس ______ نمبر کے آرڈنری شیئرز ہیں

جن کا رجسٹر فولیو نمبر ______ یا سی ڈی سی پارٹسپنٹ آئی ڈی نمبر ______

اور ذیلی اکاؤنٹ نمبر ______ بذریعہ تقرر ______

______ جس کا مکمل پتہ ______

______

یا اسکی عدم موجودگی میں ______ مکمل پتہ ______

______

میری جانب سے کمپنی کی سالانہ جنرل میٹنگ میں، جو کہ 16 اکتوبر 2018 کی میٹنگ، یا اس کے التواء کی صورت میں اس کے بعد جب بھی میٹنگ ہو، میری نیابت (پراکسی) میں میری طرف سے ووٹ دینے کا حق رکھتا/ رکھتی ہے۔

زیر دستخطی ______ دن ______ 2018

برائے مہربانی یہاں ریونیو سٹمپ چسپاں کریں

1۔ دستخط : ______

نام: ______

پتہ: ______

شناختی کارڈ نمبر ______

پاسپورٹ نمبر ______

2۔ دستخط : ______

نام: ______

پتہ: ______

شناختی کارڈ نمبر ______

پاسپورٹ نمبر ______

(دستخط کمپنی کے پاس جمع کرائے گئے دستخط کے نمونے سے ملنا ضروری ہے)

ہدایات:

I۔ نیابت (پراکسی) صرف اسی صورت میں موثر سمجھی جائے گی جب یہ کمپنی کو میٹنگ سے کم از کم 48 گھنٹے پہلے موصول ہو۔

II۔ سی ڈی سی شیئر ہولڈرز اور ان کے نیابت کاروں کے لئے لازم ہے کہ وہ اس نیابت (پراکسی) کو کمپنی میں جمع کروانے سے پہلے اپنے کمپوٹرائز شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی کو اس فارم کے ساتھ منسلک کر دیں۔

III۔ نیابت کار کو میٹنگ کے وقت اپنا اصل شناختی کارڈ یا اپنا اصل پاسپورٹ دکھانا ہوگا۔

IV۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ دستخطوں کے نمونے کے ساتھ نیابت (پراکسی) فارم کے ساتھ کمپنی میں جمع کروانے ہونگے (سوائے اس کے کہ وہ پہلے ہی فراہم کئے جا چکے ہوں)۔

V۔ ان شرائط وضوابط کی تشریح اور تفصیل کے لئے یا مبالغے کی صورت میں انگریزی میں لکھی ہوئی شرائط وضوابط کو حتمی حیثیت حاصل ہوگی۔

manhattan

CORPORATE OFFICE

12th Floor, Centrepoint, Off Shaheed-e-Millat Expressway,
Adjacent KPT Interchange, Karachi - 74900
Phone: (+92)-21-34390300
Email: info@tplproperty.com,
Website: www.tplproperty.com