TPL Properties

ANNUAL REPORT 2018-19

“We hope that the spaces we craft will inspire and transform to create extraordinary experiences.”

Table of Contents

Designed to encourage collaboration across the company's diverse portfolio, our spaces enhance work life. The open plan maintains a strong urban-contemporary edge, while remaining flexible and functional.

Urban Flexibility

Exploring a dynamic approach to wall art, the metal crane installation adds a unique flare to the space while depicting the company's ideologies. The cranes symbolize longevity, happiness and eternal youth.

Timeless Stability

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.

Core Values

- Corporate Social Responsibility
- Innovation
- Equal Opportunity Employer
- Integrity
- Excellence
- Maximum Stakeholder Return
- Respect

Mission

To set the benchmark for other developers to follow.

Group Profile

TPL Properties

TPL Properties develops and invests in bespoke commercial and luxury residential spaces. We capitalize on growth opportunities, using our expertise to deliver value for our partners, customers and shareholders. Centrepoint was TPL Properties' first project and is designed as an avant-garde commercial workplace. Adhering to high international standards of design and technology it is a unique addition to Karachi's skyline.

TPL Trakker

For over 18 years TPL Trakker Ltd has been a pioneer in the GPS tracker industry in Pakistan. We help our customers extract and turn data about vehicles and their use into intelligence that improves operations and safety while reducing costs and risks. Trakker provides reliable end-to-end solutions for individuals, commercial fleets, businesses and automotive industry suppliers.

TPL Maps

TPL Maps is the first 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 and offers state-of-the-art systems equipped with the latest technology to make navigation fast and precise.

TPL Insurance

TPL Insurance is Pakistan's first digital insurance company to pioneer a contact center and web-based services. With the promise to lodge claims in just 60 seconds and to process them in 45 minutes, TPL Insurance upholds quality service standards through highly trained staff and innovative digital products and services.

TPL Life

TPL Life Insurance Limited aims to provide innovative insurance solutions catering to both the life and health insurance needs of corporates and individuals. Technology, digitization and ease are at the core of everything that TPL life does, enabling us to deliver an unmatchable customer experience.

TPL روپیہ

Incorporated in 2015, TPL Rupiya is an e-payments company, offering solutions that facilitate payments via banks, government and mobile account transactions. TPL Rupiya's payment ecosystem facilitates daily consumer transactions and allows mobile phone users to pay for goods and services using their bank account, mobile wallet or mobile phone account.

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. Our executive protection includes mobile squads, 24/7 operations, an IT-enabled control room and a host of other features that may be customized to suit your needs.

TPL e-Ventures

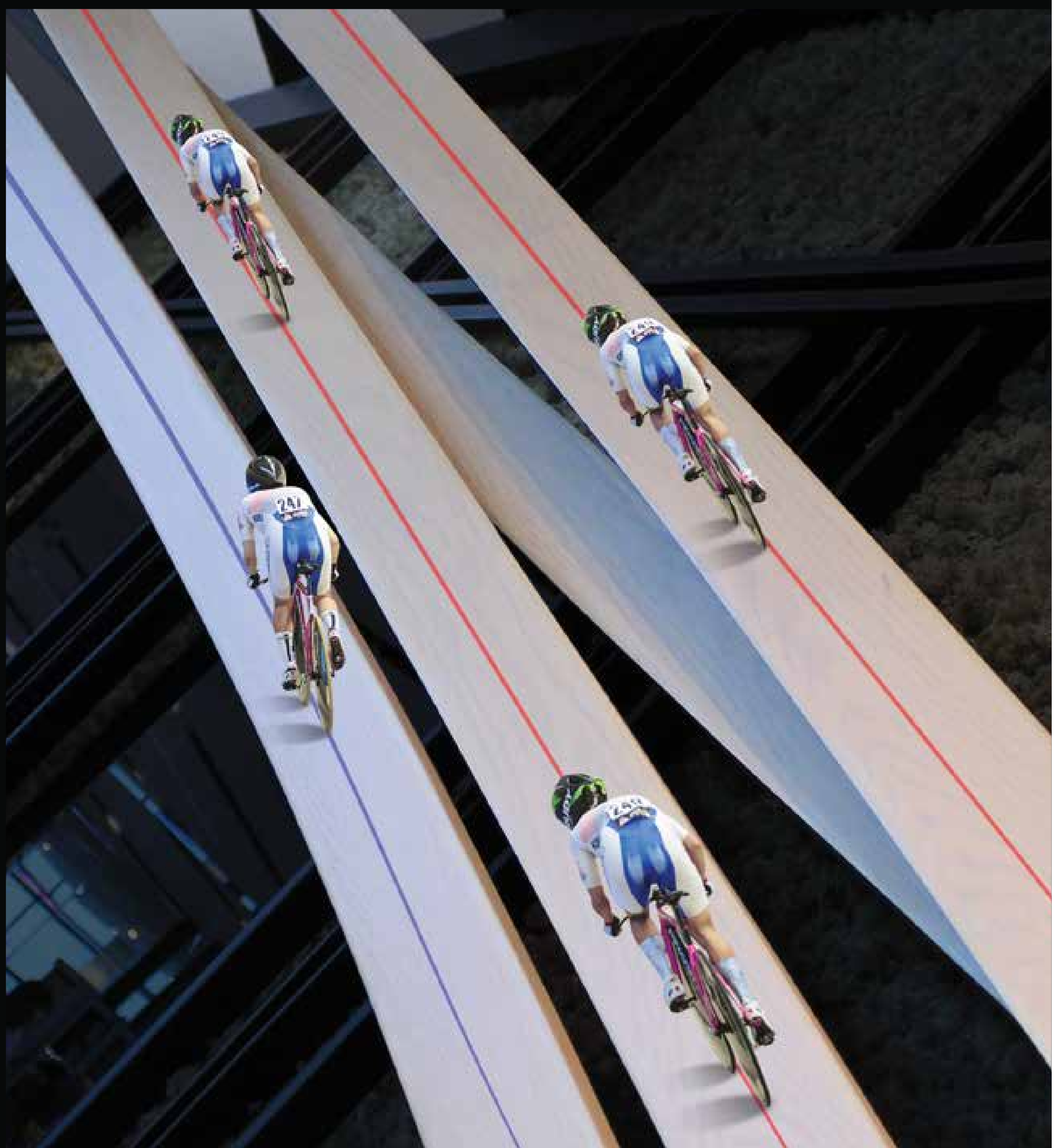
TPL e-Ventures aims to invest in multiple startups across tech enabled companies at a pre-seed and seed level, with a vision to build a world class platform for catalyzing high potential entrepreneurs. We would like to be your first strategic investor to play an active role at every stage of your company's development.

TPL Logistics

TPL Logistics was launched in 2018 as a part of the TPL Group and is Pakistan's first digital end to end logistics provider. The company is committed to its vision of using technology to remove bottlenecks throughout the supply chain. Rider, the first initiative in the product offering, is a last mile delivery service that uses route optimization, GPS data and live tracking to deliver products with speed and accuracy.

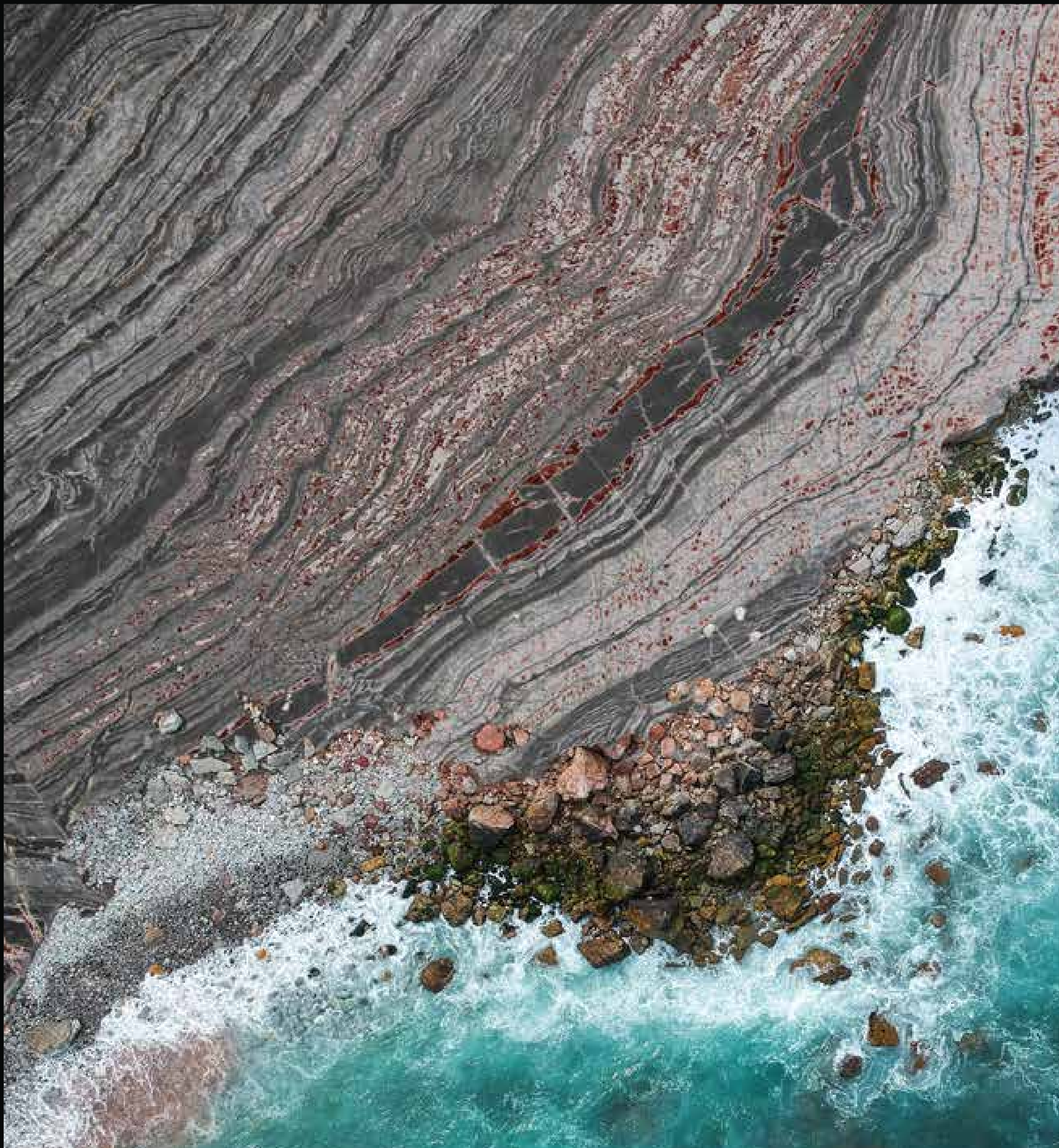
Channeling a boutique aesthetic, our state-of-the-art gym attracts those who want to decompress from the stresses of the day. Adding visual interest and character, the Gym features a suspended spherical wooden structure aimed to telegraph fitness and inspire motivation.

Aesthetic Agility



The infinite veining and striking colours add character and durability to the entrance lobby. The space is designed as a welcoming and sleek whole that feels simultaneously inviting and warm.

Infinite Durability



Company Information

BOARD OF DIRECTORS

Jameel Yusuf S.St.	Chairman
Ali Jameel	Director
Bilal Alibhai	Director
Ziad Bashir	Director
Sabiha Sultan	Director
Vice Admiral (R) Muhammad Shafi HI (M)	Director
Siraj Dadabhoy	Director
Fawad Anwar	Director

CHIEF EXECUTIVE OFFICER
Ali Jameel

CHIEF OPERATING OFFICER
Ali Asgher

CHIEF FINANCIAL OFFICER
Rahim Badruddin Kazani

COMPANY SECRETARY
Danish Qazi

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 Pakistan Limited
Summit Bank Limited
Bank Islami Pakistan Limited
The Bank of Punjab
Silk Bank Limited
Dubai Islamic Bank Limited

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
Fawad Anwar	Member
Ali Jameel	Member
Nader Nawaz	Secretary

SHARE REGISTRAR
THK Associates (Pvt.) Limited
1st Floor, 40-C, Block-6, P.E.C.H.S.,
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 - 74900

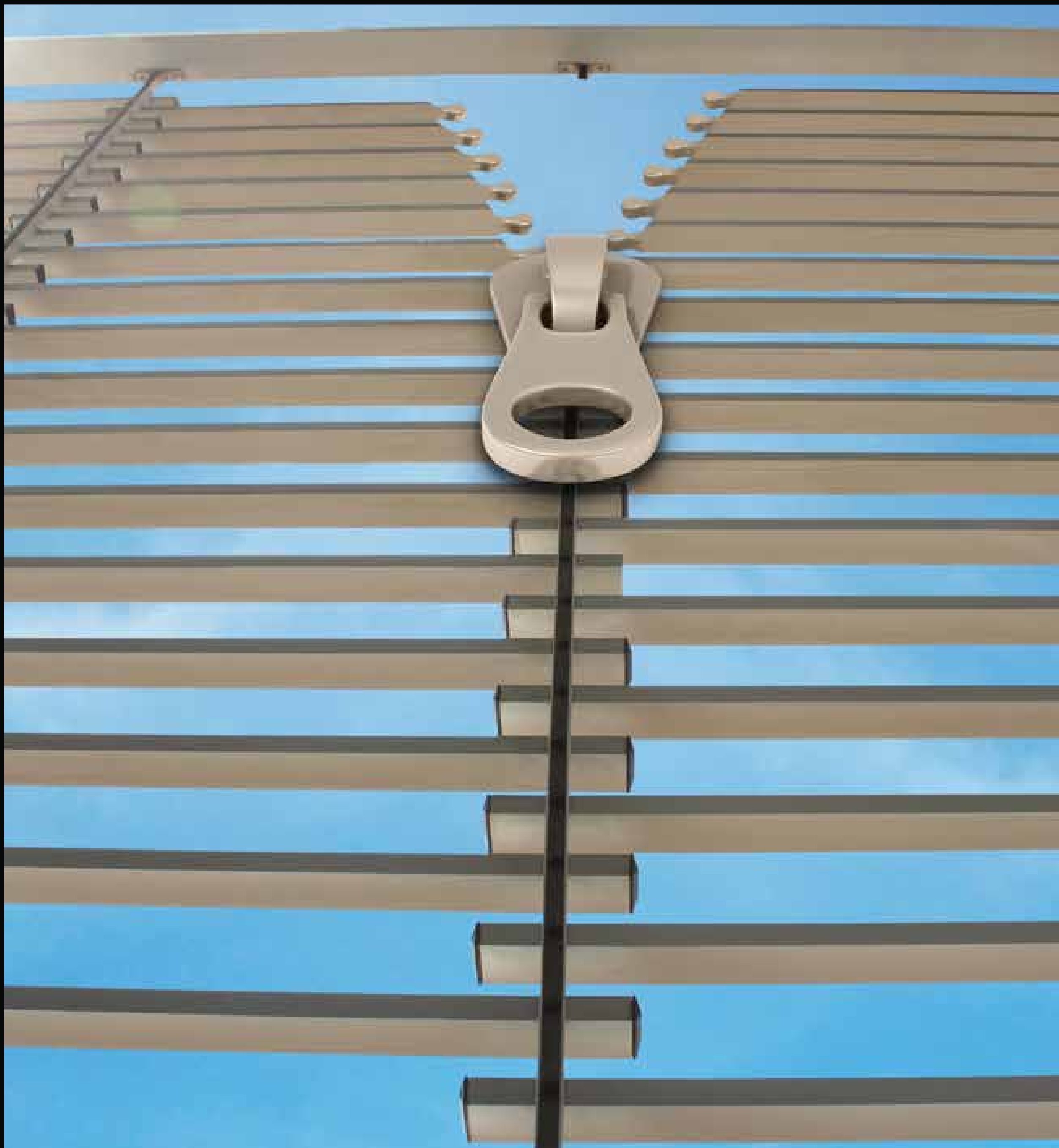
WEB PRESENCE
www.tplproperty.com

Membership of Industry

Sr. No.	Membership 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 Accountants Approved Employer - Professional development
5	Karachi Chamber of Commerce & Industry (KCCI)
6	Overseas Investors Chamber of Commerce & Industry (OICCI)
7	Association of Builders And Developers (ABAD)
8	Pakistan Business Council (PBC)

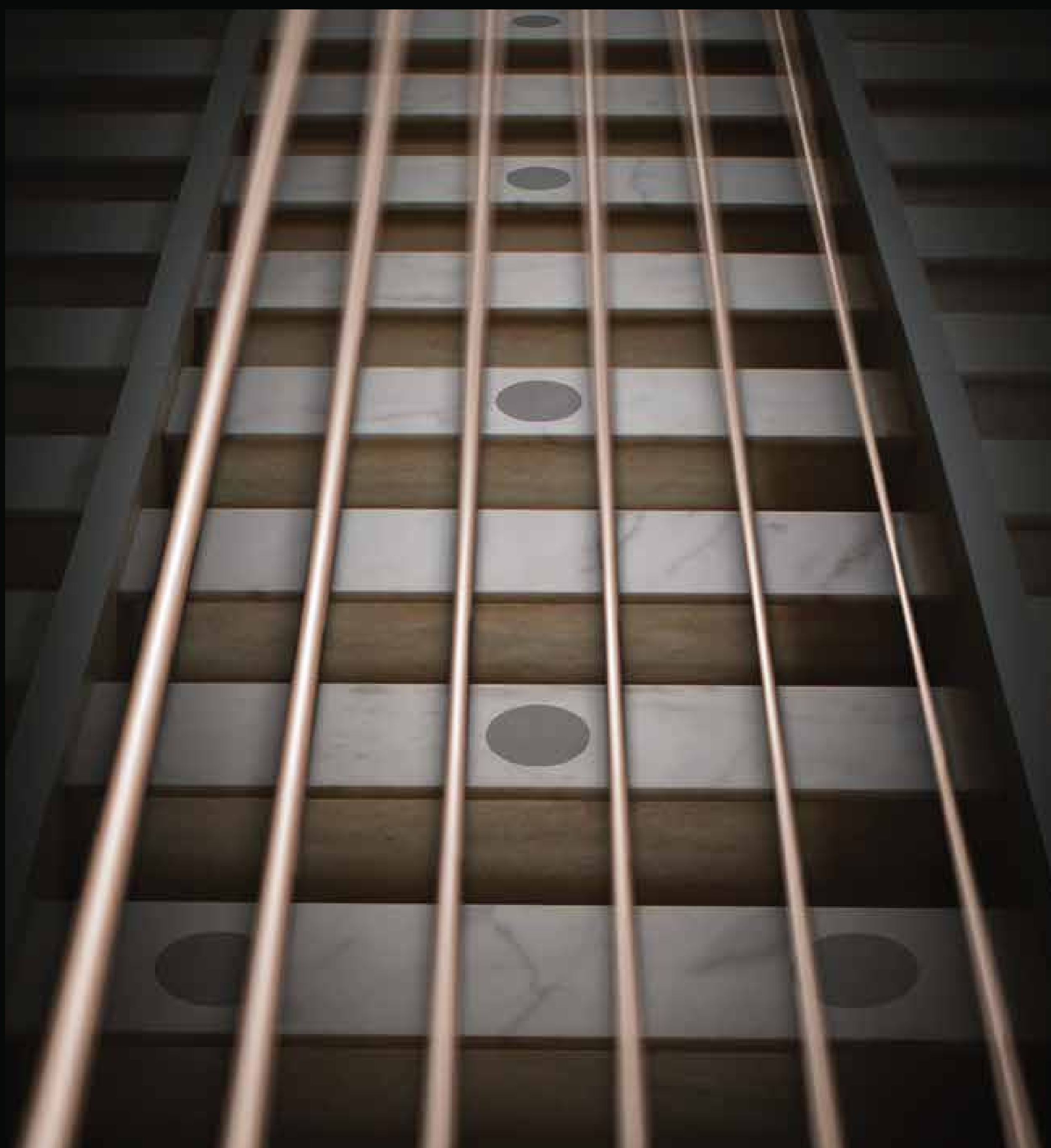
The symmetrical design is enhanced with metal grilles that provide an aesthetic solution for safety. Symmetry helps bind various elements of a structure together into a single, unified whole.

Symmetrical Safety



On entering the building is a statement wall of great proportions. The repetition of shape and linear form were intended to break the monotony while exhibiting visual harmony and contemporary rhythm.

Structural Harmony



Our Sustainability Agenda

At TPL, we proactively integrate sustainability into our decision making processes. Dedicated to driving change, we are aligned with the goals of the United Nation's 2030 Agenda for Sustainable Development.

Our Focus Areas

HEALTH

70,620
Beneficiaries provided with good health and well-being

EDUCATION

3,631
Beneficiaries provided with quality education

ENVIRONMENT

9,300
Agents of environmental change

Centrepoint

At TPL Properties, we concentrate on mitigating any environmental and social risks our operations might impose. All our properties, existing and on-going, are developed considering the local surroundings and any possible environmental implications.

Heat Recovery System which is facilitated by a gas generator for an uninterrupted independent power supply that maximizes conservation of energy

Maintenance of highest standards of fire safety

The plantation around Centrepoint is maintained by TPL where we have added a 1000 trees

Double glazed glass facade to reduce energy consumption

Energy efficient lighting and equipment which reduces energy by 20%

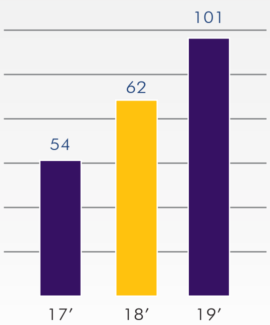
Structural and foundation system of Centrepoint has been designed for seismic loads as per international standards

Health and Well-Being

Blood Donation Drive

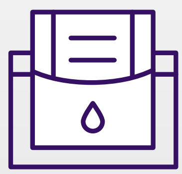
TPL promotes values of civic responsibility with its annual blood donation drive. This year, we were able to expand our initiative by partnering with The Indus Hospital and Pakistan Red Crescent Society to conduct the drive at our offices nationwide.

Number of blood units drawn since three preceding years



The Indus Hospital

TPL Properties partners with healthcare organizations, like the Indus Hospital to provide quality healthcare to the underprivileged sections of the society, free of cost through its health network.

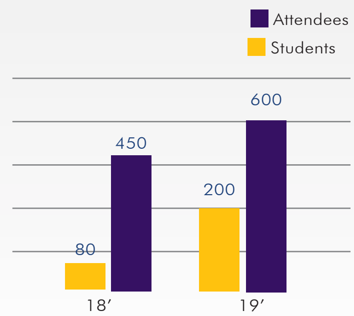


Contribution of Rs. 2,500,000 resulting in 368 successful dialysis sessions for deserving patients

Fut'school League

Fut'School League is a TPL initiative organized to support the inclusion of the marginalized children of our society. It gives them a chance to be included as equals and take part in healthy competition.

Audience at Fut'School League



Sindh Institute of Urology and transplantation (SIUT)

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

Rs. 2.5 million
donated as financial assistance for the procurement of dialysis machines and the treatment

Pink Ribbon Hospital

In Pakistan, every 9th woman is at risk of breast cancer. TPL has been assisting Pink Ribbon by providing funds for constructing Pakistan's first dedicated Breast Cancer Hospital which will include state of the art Diagnostic and Treatment Facilities.

Rs. 200,000
provided as donations for the hospital's construction which will save women at risk through early diagnosis

Empowerment through Education

Children Education Benefit Policy

TPL, through its Children Education Benefit Policy, provides our low income employees' children with full academic scholarships every year.

111 children provided with educational opportunities

Over 36 schools supported through this initiative

Environmental Sustainability

RE FEST
eat | reduce | recycle

8,000+ Audience
60+ Food Stalls
3 Day Event
78.5% Waste Recycled

In April 2019, TPL Properties partnered with WWF to organise Pakistan's first environment-friendly food festival in Karachi. It aimed to reduce food waste and raise awareness about responsible food disposal.

PET Bottles
50 kg of PET bottles crushed into plastics for PET Recycling Industry

Tin Cans
15 kg of tin cans deformed and compiled for tin recycling industry

Wooden Material
45 kg cleaned, shredded and palletized for the wood industry

Food (Liquid & Organic Waste)
211 kg processed into compost and supplied to fertilizer industry

Shoppers and Disposables
142 kg washed, dried and shredded for Refuse-Derived Fuel

Juice, Milk and Tetra Packs
107 kg crushed and shredded for Refuse-Derived Fuel

165,000
plants have been planted since April 2019 (after the event) at various locations of Sonmiani, Sandspit & Keti Bundar

Value Creation through Human Capital

Diversity and Inclusion

A key component of TPL's commitment to operate with integrity is to value and promote diversity and inclusion at our workplace. We ensure that we recruit people from varying backgrounds, religion, gender, ethnicity, culture, marital status, age or disability. We do not discriminate in salary or remuneration on the basis of gender.
Various initiatives are being undertaken to enhance the representation of females at Senior Management Levels. Aiming to constitute an inclusive workforce, TPL Properties supports the creation of job opportunities for differently abled persons.

146
Total number of employees

1:7
Gender Diversity Ratio

Health and Safety at the workplace

Occupational health and safety management is an essential element of our sustainability practices. As a company, we are responsible for guaranteeing a workplace environment that is safe and healthy for everyone. Ensuring this is also vital to customers, suppliers, regulatory authorities and other stakeholders. Working towards these goals, we are addressing ccupational health and safety through effective policies as well as targeted training programs.

1%
illness absence rate

0
fatalities reported in 2018

3 Fire Drills
conducted in 2018-19 to help employees prepare for a fire hazard

Training and Development

TPL Properties is committed to creating a dynamic and inclusive workplace that fosters a healthy, highly engaged and skilled workforce where everyone can excel. We ensure that everyone working with us feels welcomed, supported and valued for their talents. To ensure the continuous growth of our employees in their professional endeavors, we regularly conduct training sessions which include both soft and technical trainings.

80
employees trained in various skills (soft and technical)

Scaling for Impact

Over the years, TPL has supported more than 40 nonprofit organizations and charitable trusts across Pakistan, ranging from local charities to international NGOs and universities.

We have developed these relationships with our partners and seek to develop new ones in the future, to understand the challenges being faced by our communities and where we can make collective change.

Chairman's Review

I am pleased to present to all the stakeholders of TPL Properties Limited ("Company") the performance of the Board which continued to operate effectively in discharging its obligations. We have further improved the performance of the Company and enhanced stakeholders' value. Despite volatile economic conditions, the Company has performed fairly well and we are confident that it will continue to do so.

The composition of the Board of Directors reflects diversity and rich experiences in the fields of banking, law, finance and real estate. The current Board has the most fitting skillset, knowledge and experience required for a Company to be able to thrive. The Management has benefited from the experience of the Board, which has always lent its unremitting support. The Board approves the annual budget and further ensures adherence by the Management to all regulatory requirements including Listed Companies (Code of Corporate Governance) Regulations 2017 ("the Code").

The Board carried out a review of its effectiveness and performance for the year on a self-assessment basis, being ably assisted by its Committees. The Audit Committee reviews the financial statements and ensures that the audit function fairly represents the financial position of the Company. The HR Committee plays a pivotal role to hire and retain key management personnel.

Moving forward, the Board is dedicated to continue its efforts and is confident that the growth and profit trajectory of the Company will grow in the years to come.

I personally hope and pray that the Company will continue to flourish under the bright leadership of our worthy Directors.

Jameel Yusuf S.St.
Chairman of the Board
As of June 30, 2019

CEO's Message

In Pakistan's Real Estate and Construction sector, state-of-the-art commercial projects and high-end residential properties are a niche market with significant demand. At TPL Properties, we are positioned to capitalize on these growth opportunities, using our expertise to deliver value for our partners, customers and shareholders.

We maintain a meticulous approach to quality construction, management and design, while keeping a sharp eye on the details of every project. Profitable business models, the development of intelligent buildings based on technology driven solutions and environmental conservation are at the heart of any project we undertake. These beliefs are driven by a team that is agile and quick to adapt to changing market conditions for continuous improvement.

In 2019-20, our flagship project, Centrepoint, will continue to exercise best practices in property management and ensure energy efficient operations.

We have been awarded a license to carryout REIT Management Services as a Non-Banking Finance Company (NBFC) by the Securities and Exchange Commission of Pakistan. We will now carry out the REIT Management business and launch REIT Fund(s) under its subsidiary TPL REIT Management Company Ltd. Currently, we are in the process of aggregating assets for the REIT portfolio and expect to launch a fund in FY21.

We have signed a JV agreement to develop an off-dock terminal and storage facility to become functional by FY21. Presently, we are in the process of making this agreement operational and simultaneously working on site preparation and concept design.

On the property development front, our One Hoshang project is moving towards the schematic design phase and we expect to launch by Q3 of FY20. One Hoshang is a bespoke residential tower offering ultramodern

amenities while preserving the architectural heritage of the location.

We at TPL Properties maintain our belief in innovation and excellence and aspire to be part of a future landscape that is smart and sustainable. We hope that the spaces we craft will inspire and transform to create extraordinary experiences.

Best,

Ali Jameel

Siraj Dadabhoy

Bilal Ali Bhai

Fawad Anwar

Board of Directors

Standing from Left: Jameel Yusuf S. St., Sabiha Sultan, Muhammad Shafi hHI (M), Ziad Bashir and Ali Jameel

STAKEHOLDERS' INFORMATION
HORIZONTAL ANALYSIS BALANCE SHEET

	2019	2018	2017	2016	2015	2014
Investment Property under construction	-	-	-	-	-	-
Investment Property	**6,874,579,344**	6,189,635,029	4,975,874,522	4,632,000,000	4,319,000,000	3,978,000,000
Property, plant and equipment	**4,910,671**	5,080,698	6,736,214	5,581,476	1,584,109	2,334,151
Intangible Assets	**602,759**	753,449				
Long-term investments	**1,112,724,790**	1,150,315,390	1,150,315,390	352,999,990	999,990	999,990
Long term subordinated loan	**712,505,944**	432,506,875	56,750,452	10,770,709	197,835,432	159,822,944
Long term deposits	**286,919**	286,919	186,919	186,919	86,919	86,919
Receivable against rent from tenants	**24,386,706**	45,419,372	26,555,792	20,966,759	10,776,706	6,956,019
Advance, deposit and prepayment	**56,171,977**	25,397,651	11,126,083	19,621,854	25,979,368	22,178,705
Interest Accrued	**33,241,949**	40,818,147	51,008,311	78,038,053	51,531,102	27,557,658
Advance against subcription of shares	-	-	-	-	-	-
Due from related parties	**215,194,817**	331,983		-	-	-
Taxation- net	**133,456,751**	93,258,132	94,021,444	97,864,137	55,764,427	16,780,975
Short-Term Investment	**124,200**	100,000,000				
Cash and bank balances	**209,486,831**	540,589,194	344,332,622	850,576,013	195,116,171	94,796,746
TOTAL ASSETS	**9,377,673,658**	8,624,392,839	6,716,907,749	6,068,605,910	4,858,674,224	4,309,514,107
Issued, subscribed and paid-up capital	**3,273,931,060**	2,735,113,670	2,735,113,670	2,080,000,000	1,100,000,000	1,100,000,000
Share premium account	**21,746,165**	560,563,555	560,563,555	140,497,151	-	-
Accumulated Profit	**3,292,202,994**	2,562,141,156	1,327,511,411	975,533,853	684,863,802	500,978,997
Long term financing	**1,998,762,771**	2,101,651,829	1,660,693,975	1,948,861,362	2,034,000,000	1,692,857,425
Surplus on revaluation of Property and equipment	-	-	-	-	-	-
Due to related parties	**10,385,612**	8,076,706	11,912,538	275,645,979	566,187,587	485,858,803
Deferred Tax liability	**17,188,200**	27,567,486	38,236,796	39,005,393	23,947,008	4,066,714
Accrued mark up	**89,955,997**	57,473,950	44,760,103	74,446,634	158,835,696	69,236,438
Trade and other payables	**49,556,010**	55,993,266	73,507,902	163,832,637	164,527,377	75,358,610
Short-term borrowing	**400,000,000**	400,000,000	-	200,000,000	-	-
Current portion of long term financing	**110,000,000**	44,000,000	204,750,000	126,000,000	63,295,831	343,610,292
Advance against rent from tenants	**113,944,849**	71,811,221	59,857,799	44,782,901	63,016,923	37,546,828
TOTAL EQUITY AND LIABILITIES	**9,377,673,658**	8,624,392,839	6,716,907,749	6,068,605,910	4,858,674,224	4,309,514,107

HORIZONTAL ANALYSIS PROFIT AND LOSS ACCOUNT

	2019	2018	2017	2016	2015	2014
	-	-	-	-	-	-
Rental Income	**402,594,669**	366,350,433	362,784,829	364,056,604	231,904,092	68,079,862
Direct operating cost	**(10,577,476)**	(9,602,513)	(9,908,777)	(12,414,128)	(11,569,484)	(7,698,944)
Gross profit	**392,017,193**	356,747,920	352,876,052	351,642,476	220,334,608	60,380,918
Administrative and general expenses	**(105,855,425)**	(107,534,438)	(105,812,141)	(53,055,880)	(47,738,642)	(14,021,111)
Other operating expenses	-	-	-	-	(3,613,431)	(10,598,108)
Operating profit	**286,161,768**	249,213,482	247,063,911	298,586,596	168,982,535	35,761,699
Finance costs	**(267,247,691)**	(207,664,482)	(176,487,486)	(236,618,104)	(254,204,115)	(87,301,711)
Other Income	**66,314,569**	26,735,265	15,737,118	35,449,950	30,929,770	9,203,838
Remeasurement of investment property at fair value	**666,992,964**	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	**752,221,610**	1,249,092,872	375,078,752	314,236,329	203,765,099	520,510,147
Taxation	**(22,159,772)**	(14,463,127)	(23,101,194)	(23,566,278)	(19,880,294)	(4,066,714)
Profit / (Loss) after taxation	**730,061,838**	1,234,629,745	351,977,558	290,670,051	183,884,805	516,443,433

CASH FLOW STATEMENT

	2019	2018	2017	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES						
Net profit before taxation	**752,221,610**	1,249,092,872	375,078,752	314,236,329	203,765,099	520,510,147
Adjustment for non cash charges and other items:						
Depreciation	**2,534,302**	2,341,814	2,459,696	2,325,011	1,028,042	521,598
Fixed assets write-off	-	10,000	38,565	-	-	-
Amortisation of intangible assets	**150,690**	-	-	-	-	-
Finance cost	**267,247,691**	207,664,482	176,487,486	236,618,104	254,204,115	87,301,711
Remeasurement of investment property at fair value	**(666,992,964)**	(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 long term loan	**7,576,198**	10,190,164	(6,386,284)	(26,506,951)	(23,973,444)	(6,322,613)
Gain on Disposal of shares	**(5,583,720)**					
Mark up on saving account	**(33,252,590)**	(20,261,045)	(3,814,384)	(3,576,768)	(6,956,326)	-
	(428,320,393)	(980,863,192)	(119,980,130)	(7,958,491)	(33,754,522)	(481,317,949)
Operating profit before working capital changes	**323,901,217**	268,229,680	255,098,622	306,277,838	170,010,577	39,192,198
(Increase) / decrease in current assets						
Advance, deposits and prepayments	**69,101,474**	(114,271,568)	8,495,771	6,357,513	(3,800,663)	165,691,322
Receivables against rent	**21,032,666**	(18,863,580)	(5,589,033)	(10,190,053)	(3,820,687)	(6,956,019)
Due from related parties	**(214,862,834)**	(331,983)	(9,131,238)	-	-	(24,472,104)
	(124,728,694)	(133,467,131)	(6,224,500)	(3,832,540)	(7,621,350)	134,263,199
Increase / (decrease) in current liabilities						
Trade and other payables	**(6,437,257)**	(17,514,636)	(90,324,735)	(694,740)	88,677,537	9,605,524
Due to a related party – unsecured	-	-	-	-	-	-
Advance against rent	**42,133,628**	11,953,422	15,074,898	(18,234,022)	25,470,095	(3,453,172)
Cash generated from operations	**234,868,894**	129,201,335	173,624,285	283,516,536	276,536,859	179,607,749
Receipts / (payments) for :						
Finance cost	**(234,765,644)**	(194,950,635)	(207,426,462)	(437,591,635)	(162,735,043)	(82,400,539)
Mark up on saving account account received	**33,252,590**	20,261,045	3,814,384	3,576,768	6,956,326	-
Long term deposits	-	(100,000)				-
Income taxes	**(72,737,677)**	(24,369,124)	(20,027,105)	(50,607,603)	(38,983,452)	(9,115,894)
	(274,250,731)	(199,158,714)	(223,639,183)	(484,622,470)	(194,762,169)	(91,516,433)
Net cash flows (used in) / from operating activities	**(39,381,837)**	(69,957,379)	(50,014,898)	(201,105,934)	81,774,690	88,091,316
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of - property and equipment	**(2,364,274)**	(696,299)	(3,652,999)	(6,322,378)	(278,000)	(140,069)
Expenditure - investment property under construction		-	-	-	-	(253,544,455)
- incurred on investment property	**(13,916,864)**	(16,868,937)	(46,918,610)	(38,782,113)	(23,493,561)	(19,019,159)
Addition to capital work-in-progress	**(4,034,487)**	(16,082,963)	(8,190,703)	-	-	-
Sale proceed from fixed assets		-	-	-	-	400,000
Long-term deposits		-	-	(100,000)	-	-
Purchase of Intangible asset		(753,449)	-	-	-	-
Long-term loan-net	**(279,999,069)**	(375,756,423)	(36,848,505)	187,064,723	(38,012,488)	(40,000,000)
Investments		-	-	(352,000,000)	-	-
Purchase of new shares	**(51,000,000)**	-	-	-	-	-
Advance against subscription of shares		-	-	-	-	-
Proceeds from disposal of shares	**94,174,320**					
Markrup on subordinated loan received		-	33,416,026	-	-	-
Markrup on saving account		-	-	-	-	-
Net cash (used in) / generated from investing activities	**(257,140,374)**	(410,158,071)	(62,194,791)	(210,139,768)	(61,784,049)	(312,303,683)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceed from issuance of share capital		-	300,000,004	1,197,181,000	-	-
Share issue cost		-	(22,135,323)	(76,683,849)		
Long-term loans – net	**(36,889,058)**	280,207,854	(208,164,942)	36,750,000	-	-
Loan from Director / related party	**2,308,906**	(3,835,832)	(263,733,441)	(290,541,608)	80,328,784	242,223,881
Long term Financing - net		-	-	-	-	-
Short-term borrowing		400,000,000	(200,000,000)	200,000,000	-	-
Net cash generated (used in) / from financing activities	**(34,580,152)**	676,372,022	(394,033,702)	1,066,705,543	80,328,784	242,223,881
Net (decrease) / increase in cash and cash equivalents	**(331,102,363)**	196,256,572	(506,243,391)	655,459,841	100,319,425	18,011,514
Cash and cash equivalents at the beginning of the year	**540,589,194**	344,332,622	850,576,013	195,116,171	94,796,746	76,785,232
Cash and cash equivalents at the end of the year	**209,486,831**	540,589,194	344,332,622	850,576,013	195,116,171	94,796,746

VERTICAL ANALYSIS OF BALANCE SHEET

	2019	2018	2017	2016	2015	2014
Investment Property under construction	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
Investment Property	**73.31%**	71.77%	74.08%	76.33%	88.89%	92.31%
Property, plant and equipment	**0.05%**	0.06%	0.10%	0.09%	0.03%	0.05%
Intangible Assets	**0.01%**	0.01%	0.00%	0.00%	0.00%	0.00%
Long-term investments	**11.87%**	13.34%	17.13%	5.82%	0.02%	0.02%
Long term subordinated loan	**7.60%**	5.01%	0.84%	0.18%	4.07%	3.71%
Long term deposits	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
Receivable against rent from tenants	**0.26%**	0.53%	0.40%	0.35%	0.22%	0.16%
Advance, deposit and prepayment	**0.60%**	0.29%	0.17%	0.32%	0.53%	0.51%
Interest Accrued	**0.35%**	0.47%	0.76%	1.29%	1.06%	0.64%
Advance against subcription of shares	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
Due from related parties	**2.29%**	0.00%	0.00%	0.00%	0.00%	0.00%
Taxation- net	**1.42%**	1.08%	1.40%	1.61%	1.15%	0.39%
Short-Term Investment	**0.00%**	1.16%	0.00%	0.00%	0.00%	0.00%
Cash and bank balances	**2.23%**	6.27%	5.13%	14.02%	4.02%	2.20%
TOTAL ASSETS	**100%**	100%	100%	100%	**100%**	**100%**

	2019	2018	2017	2016	2015	2014
Issued, subscribed and paid-up capital	**34.91%**	31.71%	40.72%	**34.27%**	22.64%	25.52%
Share premium account	**0.23%**	6.50%	8.35%	**2.32%**	0.00%	0.00%
Accumulated Profit	**35.11%**	29.71%	19.76%	**16.08%**	14.10%	11.62%
Long term financing	**21.31%**	24.37%	24.72%	**32.11%**	41.86%	39.28%
Surplus on revaluation of Property and equipment	**0.00%**	0.00%	0.00%	**0.00%**	0.00%	0.00%
Due to related parties	**0.11%**	0.09%	0.18%	**4.54%**	11.65%	11.27%
Deferred Tax liability	**0.18%**	0.32%	0.57%	**0.64%**	0.49%	0.09%
Accrued mark up	**0.96%**	0.67%	0.67%	**1.23%**	3.27%	1.61%
Trade and other payables	**0.53%**	0.65%	1.09%	**2.70%**	3.39%	1.75%
Short-term borrowing	**4.27%**	4.64%	0.00%	**3.30%**	0.00%	0.00%
Current portion of long term financing	**1.17%**	0.51%	3.05%	**2.08%**	1.30%	7.97%
Advance against rent from tenants	**1.22%**	0.83%	0.89%	**0.74%**	1.30%	0.87%
TOTAL EQUITY AND LIABILITIES	**100%**	100%	100%	**100%**	**100%**	**100%**

VERTICAL ANALYSIS OF PROFIT AND LOSS ACCOUNT

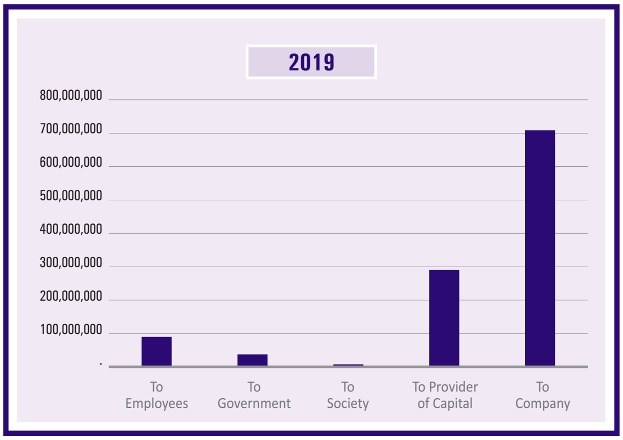
	2019	2018	2017	2016	2015	2014
Rental Income	**100%**	**100%**	100%	100%	100%	100%
Direct operating cost	**-3%**	**-3%**	-3%	-3%	-5%	-11%
Gross profit	**108%**	**98%**	97%	97%	95%	89%
Administrative and general expenses	**-26%**	**-29%**	-29%	-15%	-21%	-21%
Other operating expenses	**0%**	**0%**	0%	0%	-2%	-16%
Operating profit	**71%**	**68%**	68%	82%	73%	53%
Finance costs	**-66%**	**-57%**	-49%	-65%	-110%	-128%
Other Income	**16%**	**7%**	4%	10%	13%	14%
Revaluation of investment property at fair value	**166%**	**322%**	80%	75%	137%	634%
Exchange Gain/(loss) - net	**0%**	**0%**	0%	-16%	-26%	193%
Profit before taxation	**187%**	**341%**	103%	86%	88%	765%
Taxation	**-6%**	**-4%**	-6%	-6%	-9%	-6%
Profit after taxation	**181%**	**337%**	97%	80%	79%	759%

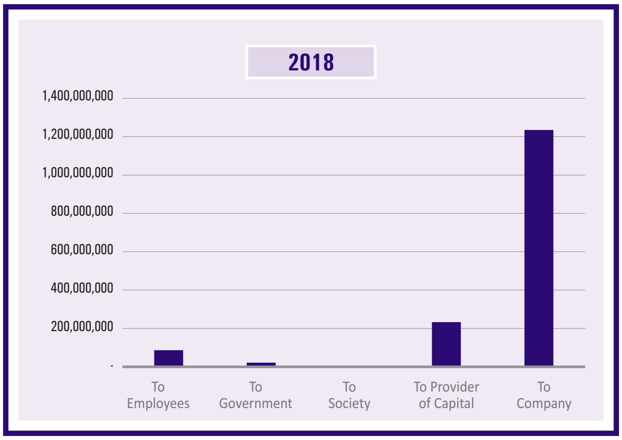
RATIO ANALYSIS OF PROFIT AND LOSS ACCOUNT

		2019	2018	2017	2016	2015	2014
Profitability Ratios							
Gross Profit to Sales	percent	**97%**	**97%**	97%	97%	95%	89%
Net Profit to Sales	percent	**181%**	**337%**	97%	80%	79%	759%
EBITDA Margin to sales	percent	**254%**	**398%**	153%	152%	198%	894%
Return on Equity	percent	**12.46%**	**27%**	11%	16%	11%	48%
Return on Capital Employed	percent	**9.14%**	**20%**	6%	6%	5%	17%
Liquidity Ratios							
Current Ratio	Ratio	**0.83**	**1.26**	1.21	1.68	0.99	0.31
Quick / Acid test ratio	Ratio	**0.82**	**1.26**	1.19	1.67	0.96	0.30
Cash to Current Liabilities	Ratio	**0.27**	**0.85**	0.87	1.44	0.67	0.21
Investment Valuation Ratios							
Earning per Share	Ratio	**2.23**	**3.77**	1.68	2.12	1.67	4.69
Capital structure Ratios							
Financial leverage Ratio	Ratio	**0.39**	**0.38**	0.42	0.76	1.58	1.62
Debt Equity Ratio	Ratio	**0.33**	**0.38**	0.41	0.67	1.26	1.32
Interest cover Ratio	Ratio	**3.81**	**7.01**	3.13	2.33	1.80	6.96

STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2019 Amount in Rs	%	2018 Amount in Rs	%
WEALTH GENERATED				
Total revenue inclusive of Other Income	1,306,246,561		1,757,521,134	
Direct Operating cost and Administrative and General expenses	(172,782,896)		(176,719,424)	
	1,133,463,665	100%	1,580,801,710	100%
WEALTH DISTRIBUTION				
To Employees				
Salaries, benefits and other costs	89,661,366	8%	86,832,580	5%
To Government				
Income tax, sales tax, excise duty and others	37,462,918	3%	21,317,061	1%
To Society				
Contribution towards education, health and environment	7,500,000	0.66%	5,500,000	0.35%
To Provider of Capital				
Dividend to shareholders	-		-	
Markup / Interest expenses on borrowed funds	290,216,526	26%	232,307,773	15%
To Company				
Depreciation, amortization & retained profit	708,622,855	63%	1,234,844,296	78%
	1,133,463,665	100%	1,580,801,710	100%





DIRECTORS' REPORT

The Directors are pleased to present the audited condensed financial information for the year ended June 30, 2019 and a brief review of the Company's operations.

ECONOMIC OUTLOOK

The Real Estate Sector is a key value driver of economic growth for any economy. In Pakistan, the real estate industry has more than 250 associated industries and 40-50 construction allied industries, including a number of SMEs, apart from the larger cement and steel industry employing millions of people. During FY18, the construction sector contributed 2.5% of the GDP, significantly lower than Regional Peers.

The growth in the construction sector is primarily driven through the housing sector. The existing housing shortage is estimated to be 10-12 million units and, as a percentage of population the shortage translates to 31%, with this gap growing every year. The average annual additional requirement of housing in Pakistan is estimated to be 0.4-0.7 million units, against 0.1-0.35 million formal units being constructed annually.

According to a 2008 World Bank study, "a unit increase in expenditure in the construction sector has a multiplier eff¬ect and the capacity to generate income as great as five times the cost of the unit." The Government of Pakistan is well aware of the potential of the real estate sector, and is undertaking a number of measures on both the supply and demand side to stimulate growth.

Among these steps is an announcement for the construction of 5 million low cost housing units across Pakistan over the next five years. The low cost housing scheme is further supported by financing and regulatory incentives introduced by the State Bank of Pakistan including subsidized mortgage financing, both directly and through the Pakistan Mortgage Refinance Company (PMRC), as well as a relaxation in the general reserve requirement for Banks for housing finance, relaxation in loan-to-value ratio, etc.

The Government is also taking steps to improve the business environment and formalize the real estate sector. In the latest budget of FY19-20, the rate of WHT levied on the purchase of property has been reduced from 2% to 1% of its total value.

Along with it, several macro-economic structural adjustments have been undertaken by the Government to improve the current account deficit through boosting exports. Several infrastructure projects under the CPEC initiative are near completion. These measures have substantially increased demand for modern warehousing structures to provide efficient storage solutions and increase throughput requirements.

Recent changes in visa policies will provide a more favorable environment for renowned-international hotel chains to establish their presence in Pakistan. Similarly, local hotel chains are also expanding aggressively across the country to cater to an increased demand in tourism.

While these reforms are headed in the right direction, there is much more to be done on the regulatory side to allow the real estate sector to unleash its true potential. Structural Reforms including centralized & digitalized land registration, a one-stop online platform to obtain construction permits in urban centers, rationalization of property transfer tax, harmonization of property assessment values and unification building bye-laws across provinces to promote vertical developments, will all help to achieve this growth.

Going forward, the Market outlook seems exciting for the real estate sector. Pakistan has already started reaping the benefits of the improved security environment, political stability & completion of major infrastructure projects. These benefits have begun attracting investments from domestic and international players in the housing, hospitality and ware-housing sectors.

COMPANY OUTLOOK

During the financial year under review, the occupancy ratio of the Company's rental portfolio dropped to 96% in 2H of the year. However, given the potential tenant pipeline, we are confident to reach 100% occupancy in FY20. On the development front, the One Hoshang project (formerly HKC) is moving towards schematic design and we expect to launch by Q3 of Fy20.

The Company has been awarded a license to carryout REIT Management Services as a Non-Banking Finance Company (NBFC) by the Securities and Exchange Commission of Pakistan. We will now carry out the REIT Management business and launch REIT Fund(s) under its subsidiary TPL REIT Management Company Ltd. Currently, we are in the process of aggregating assets for the REIT portfolio and expect to launch a fund in FY21.

We have signed a JV agreement to develop an off-dock terminal and storage facility to become functional by FY21. Presently, we are in the process of making this agreement operational and simultaneously working on site preparation and concept design.

DIRECTORS' REPORT

FINANCIAL REVIEW

STANDALONE PERFORMANCE

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

Particulars	Year ended 30 - Jun - 19 (Audited)	Year ended 30 - Jun - 18 (Audited)
Revenue	402,594,669	366,350,433
Gross Profit	392,017,193	356,747,920
Profit before tax	752,221,610	1,249,092,872
Profit after tax	730,061,838	1,234,629,745
Number of outstanding shares	327,393,106	327,393,106
Earnings per share - pre tax	2.30	3.82
Earnings per share - post tax	2.23	3.77

Revenue has increase by 10% due to revision of rental contracts with some of the tenants. This increase in revenue has translated to 10% increase in gross profit as well. Admin & General expenses have decreased slightly by 2%. Finance cost has increased by 29% due to the increase in KIBOR rates. Revaluation gain on investment property is PKR 666 million where as it was PKR 1180 million at June 2018.

CONSOLIDATED PERFORMANCE

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

Particulars	Year ended 30 - Jun - 19 (Audited)	Year ended 30 - Jun - 18 (Audited)
Revenue	597,206,250	553,192,539
Gross Profit	422,873,461	390,441,926
Profit before tax	702,305,926	1,215,868,673
Profit after tax	676,253,922	1,195,583,240
Number of outstanding shares	327,393,106	327,393,106
Earnings per share - pre tax	2.15	3.71
Earnings per share - post tax	2.07	3.65

Revenue has increased by 8% due to revision of rental & maintenance contracts with some of the tenants. This increase in revenue has translated to 8% increase in gross profit as well. Admin & General expenses have decreased slightly by 4%. Finance cost has increased by 25% due to the increase in KIBOR rates. As stated above, Revaluation gain on investment property is PKR 667 million where as it was PKR 1180 million at June 2019.

DIRECTORS' REPORT

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.

AUDITORS

The present auditors M/s EY Ford Rhodes, Chartered Accountants retired and being eligible, have offered themselves for reappointment for the new financial year .As recommended by the Audit Committee, the Board has approved the proposal to appoint M/s EY Ford Rhodes Chartered Accountants as the statutory auditors of the Company, subject to the approval of the Shareholders at the forthcoming Annual General Meeting of the Company.

RELATED PARTIES TRANSACTIONS

During the year, the Company carried out transactions with its related parties. Details of these transactions are disclosed in note 33 to unconsolidated financial statements attached therein.

BOARD MEETINGS

The Board of Directors held 5 meetings during the financial year. A casual vacancy was created during the year upon resignation of Mr. Zafar ul Hassan Naqvi and subsequently filled by Ms. Sabiha Sultan Attendance of Directors is indicated below;

Name of Director	Meetings Attended
Mr. Ali Jameel	5
Mr. Jameel Yusuf -S.St	5
Mr. Bilal Alibhai	5
Maj Gen (R) Zafar ul Hassan Naqvi	2
Vice Admiral (R) Muhammad Shafi	5
Mr. Fawad Anwar	3
Mr. Siraj Dadabhoy	5
Mr. Ziad Bashir	4
Ms. Sabiha Sultan	3

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
Ms. Fawad Anwar – Member
Mr. Ali Jameel – Member
Mr. Nader Nawaz – Secretary

The total number of Directors are eight (08) as per the following:
Male: 07
Female: 01

DIRECTORS' REPORT

The composition of the Board is as follows:

Category	Names
Independent Director	Mr. Ziad Bashir
Executive Directors	Mr. Ali Jameel Ms. Sabiha Sultan Ahmed
Non -Executive Directors	Mr. Jameel Yusuf Mr. Bilal Alibhai Mr. Siraj Dadabhoy Vice Admiral (R) Mohammad Shafi, Hi(M) Mr. Fawad Anwar

DIRECTORS' REMUNERATION

A formal Director's Remuneration policy approved by the Board is in place. The policy includes transparent procedure for remuneration of directors in accordance with the Companies Act, 2017 and CCG. As per the said policy, Directors are paid a remuneration of PKR. 20,000 for attending each meeting of the Board or its sub-committees.

DIRECTORS' TRAINING

The Company is compliant with mandatory directors training program required under the Code of Corporate Governance.

KEY FINANCIAL DATA FOR THE LAST SEVEN YEARS

Description	2019	2018	2017	2016	2015	2014	2013
	Amount in Rupees ('000)						
Investment Property under construction		-	-	-	-	-	3,071,971
Investment Property	**6,874,579**	6,189,635	4,975,875	4,632,000	4,319,000	3,978,000	-
Property, plant and equipment	**4,911**	5,081	6,736	5,581	1,584	2,334	3,709
Intangible Assets	**603**	753	-	-	-	-	-
Long-term investments	**1,112,725**	1,150,315	1,150,315	353,000	1,000	1,000	1,000
Long term subordinated loan	**712,506**	432,507	56,750	10,771	197,835	159,823	85,000
Long term deposits	**287**	287	187	187	87	87	87
Receivable against rent from tenants	**24,387**	45,419	26,556	20,967	10,777	6,956	-
Advance, deposit and prepayment	**56,172**	25,398	11,126	19,622	25,979	22,179	187,870
Interest Accrued	**33,242**	40,818	51,008	78,038	51,531	27,558	14,808
Advance against subcription of shares	**-**	-	-	-	-	-	-
Due from related parties	**215,195**	332	-	-	-	-	10,351
Taxation- net	**133,457**	93,258	94,021	97,864	55,764	16,781	7,653
Short-Term Investment	**124**	100,000	-	-	-	-	-
Cash and bank balances	**209,487**	540,589	344,333	850,576	195,116	94,797	76,785
TOTAL ASSETS	**9,377,674**	8,624,393	6,716,908	6,068,606	4,858,674	4,309,514	3,459,234

DIRECTORS' REPORT

Issued, subscribed and paid-up capital	**3,273,931**	2,735,114	2,735,114	2,080,000	1,100,000	1,100,000	1,100,000
Share premium account	**21,746**	560,564	560,564	140,497	-	-	-
Accumulated Profit	**3,292,203**	2,562,141	1,327,511	975,534	684,864	500,979	(15,464)
Long term financing	**1,998,763**	2,101,652	1,660,694	1,948,861	2,034,000	1,692,857	1,693,714
Surplus on revaluation of Property and equipment	-	-	-	-	-	-	-
Due to related parties	**10,386**	8,077	11,913	275,646	566,188	485,859	243,635
Deferred Tax liability	**17,188**	27,567	38,237	39,005	23,947	4,067	-
Accrued mark up	**89,956**	57,474	44,760	74,447	158,836	69,236	39,161
Trade and other payables	**49,556**	55,993	73,508	163,833	164,527	75,359	68,302
Short-term borrowing	**400,000**	400,000	-	200,000	-	-	-
Current portion of long term financing	**110,000**	44,000	204,750	126,000	63,296	343,610	288,886
Advance against rent from tenants	**113,945**	71,811	59,858	44,783	63,017	37,547	41,000
TOTAL EQUITY AND LIABILITIES	**9,377,674**	8,624,393	6,716,908	6,068,606	4,858,674	4,309,514	3,459,234

	2019	2018	2017	2016	2015	2014	2013
			Amount in Rupees('000)				
Rental Income	**402,595**	366,350	362,785	364,057	231,904	68,080	-
Direct operating cost	**(10,577)**	(9,603)	(9,909)	(12,414)	(11,569)	(7,699)	-
Gross profit	**392,017**	356,748	352,876	351,642	220,335	60,381	-
Administrative and general expenses	**(105,855)**	(107,534)	(105,812)	(53,056)	(47,739)	(14,021)	(1,045)
Other operating expenses	-	-	-	-	(3,613)	(10,598)	-
Operating profit	**286,162**	249,213	247,064	298,587	168,983	35,762	(1,045)
Finance costs	**(267,248)**	(207,664)	(176,487)	(236,618)	(254,204)	(87,302)	-
Other Income	**66,315**	26,735	15,737	35,450	30,930	9,204	-
Gain on Valuation of Investment Property	**666,993**	1,180,809	288,765	274,218	317,506	431,675	-
Exchange (loss)/gain	-	-	-	(57,400)	(59,450)	131,171	-
Profit before taxation	**752,222**	1,249,093	375,079	314,236	203,765	520,510	(1,045)
Taxation	**(22,160)**	(14,463)	(23,101)	(23,566)	(19,880)	(4,067)	-
Profit / (Loss) after taxation	**730,062**	1,234,630	351,978	290,670	183,885	516,443	(1,045)
Earning/(Loss) per share	**2.23**	3.77	1.68	2.12	1.67	4.69	`0.01

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:

DIRECTORS' REPORT

- 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 seven years in summarized form, is included in this annual report.
- Outstanding levies and taxes are given in the respective notes to the financial statements.

PATTERN OF SHAREHOLDING

A statement of pattern of shareholding of the Company as at 30 June 2019 is as follows:

Shareholder's Category	Number of shares	Percentage of Shareholding
SPONSORS, DIRECTORS, CEO AND CHILDREN	40,697,997	12.43%
ASSOCIATED COMPANIES	103,126,338	31.50%
BANKS, DFI AND NBFI	1,436,400	0.44%
INSURANCE COMPANIES	12,921,615	3.95%
MODARABAS AND MUTUTAL FUNDS	3,424,531	1.05%
GENERAL PUBLIC (LOCAL)	27,873,318	8.51%
GENERAL PUBLIC (FOREIGN)	275,267	0.08%
OTHERS	116,814,627	35.68%
FOREIGN COMPANIES	20,823,012	6.36%
Total	327,393,105	100%

Pattern of holding shares held by the shareholders of the Company as at June 30, 2019:

No. of Shareholders	Having Shares from	Having Shares to	Shares Held	Percentage
59	1	100	1018	0.0003
21	101	500	8017	0.0024
30	501	1000	21152	0.0065
52	1001	5000	130786	0.0399
14	5001	10000	103259	0.0315
8	10001	15000	100317	0.0306
3	15001	20000	52740	0.0161
2	20001	25000	45811	0.0140
3	25001	30000	88192	0.0269
1	30001	35000	33169	0.0101
1	35001	40000	35495	0.0108

No. of Shareholders	Having Shares from	Having Shares to	Shares Held	Percentage
1	45001	50000	50000	0.0153
1	50001	55000	54720	0.0167
3	55001	60000	175018	0.0535
1	60001	65000	62244	0.0190
2	80001	85000	164272	0.0502
1	90001	95000	91770	0.0280
1	95001	100000	100000	0.0305
1	100001	105000	101200	0.0309
13	115001	120000	1553333	0.4745
2	130001	135000	266247	0.0813
1	145001	150000	147500	0.0451
1	170001	175000	173120	0.0529
1	175001	180000	177800	0.0543
2	225001	230000	453430	0.1385
1	230001	235000	234000	0.0715
3	235001	240000	717601	0.2192
1	320001	325000	321108	0.0981
3	355001	360000	1077300	0.3291
1	430001	435000	432031	0.1320
1	475001	480000	478800	0.1462
1	500001	505000	502500	0.1535
1	520001	525000	522500	0.1596
1	565001	570000	566181	0.1729
3	595001	600000	1795500	0.5484
1	845001	850000	847465	0.2589
3	955001	960000	2872800	0.8775
1	1105001	1110000	1107225	0.3382
2	1195001	1200000	2394000	0.7312
1	1435001	1440000	1436400	0.4387
1	1530001	1535000	1530800	0.4676
1	1755001	1760000	1756597	0.5365
1	1915001	1920000	1915200	0.5850
2	2390001	2395000	4788000	1.4625
1	2890001	2895000	2891952	0.8833
1	2990001	2995000	2992500	0.9140
1	3090001	3095000	3093646	0.9449
1	3470001	3475000	3471300	1.0603
1	4760001	4765000	4760160	1.4540
1	4785001	4790000	4788000	1.4625
1	6580001	6585000	6583500	2.0109
1	8325001	8330000	8325135	2.5429
1	9330001	9335000	9330615	2.8500
1	9575001	9580000	9576000	2.9249
1	12495001	12500000	12497877	3.8174
1	16995001	17000000	16997400	5.1917
1	17715001	17720000	17715600	5.4111
1	22975001	22980000	22975210	7.0176
1	25260001	25265000	25261488	7.7160
1	30935001	30940000	30935389	9.4490
1	47480001	47485000	47481715	14.5030
1	68225001	68230000	68229000	20.8401
272		Total	327393105	100.00

DIRECTORS' REPORT

ADDITIONAL INFORMATION

Associated Companies, Undertaking and Related Parties (name wise details)	No of shares held (2019)	Percentage
TPL CORP LIMITED	71700300	21.90%
TPL HOLDINGS (PRIVATE) LIMITED	28176781	8.61%
TPL INSURANCE LIMITED	9576000	2.92%
TPL SECURITY SERVICES (PVT) LTD	59850	0.02%
Mutual Funds (name wise details)		
CDC - TRUSTEE AKD OPPORTUNITY FUND	2992500	0.91%
CDC - TRUSTEE NAFA STOCK FUND	432031	0.13%
Directors, CEO and their Spouse and Minor Children (name wise details)		
MR. MUHAMMAD ALI JAMEEL	22982392	7.02%
MR . JAMEEL YUSUF AHMED S.ST.	17715600	5.41%
Following directors are nominee directors of TPL Corp Limited		
VICE ADMIRAL (R) MUHAMMAD SHAFI, HI(M)	1	
BILAL ALIBHAI	1	
Following director is the independent director of the Company		
MR. ZIAD BASHIR	1	
Executive		
Mr. ALI ASGHER	1	
Shareholders holding five percent or more voting Interest (name wise details)		
ALPHA BETA CAPITAL MARKETS (PRIVATE) LIMITED	47932789	14.64%
HERITAGE CHAMBERS LIMITED	47481715	14.50%
MR. JAMEEL YUSUF AHMED	17715600	5.41 %
MR. MOHAMMAD ALI JAMEEL	22982392	7.02%
TPL CORP LIMITED	71700300	21.90%
TPL HOLDINGS (PRIVATE) LIMITED	28176781	8.61%
Details of trading in the shares by the directors, CEO, CFO, Company Secretary, and their spouses and minor Children		
NONE OF DIRECTORS, CEO, CFO, COMPANY SECRETARY, AND THEIR SPOUSES AND MINOR CHILDREN HAS TRADED IN THE SHARES OF THE COMPANY DURING THE YEAR.		

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.

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.

Mohammad Ali Jameel
Chief Executive Officer / Director

Jameel Yusuf Ahmed S.St.
Chairman / Director

ڈائریکٹرز رپورٹ

ڈائریکٹرز ۳۰ جون ۲۰۱۹ کو ختم ہونے والے مالی سال کی آڈٹ شدہ رپورٹ اور کمپنی آپریشنز کے بارے میں مختصر رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

اقتصادی جائزہ:

رئیل اسٹیٹ کا شعبہ کسی بھی معیشت میں بڑھوتری میں اہم کردار کا حامل ہوتا ہے۔ پاکستان میں رئیل اسٹیٹ کے شعبہ سے سیمنٹ اور اسٹیل انڈسٹری، کئی چھوٹی اور درمیانی صنعتوں (SMEs) کو ملا کر رئیل اسٹیٹ کے شعبے میں ڈھائی سو سے زیادہ متعلقہ انڈسٹریز اور ۴۰ تا ۵۰ تعمیراتی شعبے سے منسلک انڈسٹریز شامل ہیں جن سے لاکھوں لوگوں کا روزگار وابستہ ہے۔ مالی سال ۲۰۱۸ کے دوران اس شعبے نے جی ڈی پی میں ۲ء۵٪ حصہ ڈالا جو کہ اس ریجن کے دوسرے ملکوں سے بہت کم ہے۔

تعمیراتی شعبے میں بنیادی ترقی ہاؤسنگ سیکٹر کے ذریعے ہوتی ہے۔ موجودہ رہائش کی قلت کا تخمینہ تقریباً ۱۲-۱۰ ملین یونٹ ہے جو کہ آبادی کے تناسب سے ۳۱ فیصد بنتا ہے اور یہ خلا ہر سال بڑھتا جارہا ہے۔ پاکستان میں اضافی رہائش کے تخمینے میں سالانہ ۴ء۰-۴ء۰ ملین یونٹ اضافہ ہورہا ہے جبکہ اس کے مقابلے میں سالانہ ۱ء۰-۳۵ء۰ ملین یونٹس ہی تعمیر ہورہے ہیں۔

ورلڈ بینک کی ۲۰۰۸ کی اسٹڈی کے مطابق "تعمیراتی شعبے میں اخراجات میں اکائیوں کے اضافے کا کئی گنا اثر پڑتا ہے اور اس آمدنی کو پیدا کرنے کی صلاحیت یونٹ کی لاگت سے پانچ گنا زیادہ ہے۔" حکومتِ پاکستان رئیل اسٹیٹ سیکٹر کی صلاحیتوں سے بخوبی واقف ہے اور وہ طلب اور رسد اور فراہمی کے معاملے میں متعدد اقدامات اُٹھا رہی ہے۔

اِن اقدامات میں سے ایک قدم پورے پاکستان میں پچاس لاکھ کم لاگت گھروں کی تعمیر بھی ہے جس پر اگلے پانچ سال میں عمل ہوگا۔ کم لاگت ہاؤسنگ اسکیم میں مزید مالی معاونت اور مراعات اسٹیٹ بینک آف پاکستان کی طرف سے سبسیڈائیز مارگیج فائنانسنگ براہِ راست اور پاکستان مارگیج ری فائنانس کمپنی (PMRC) کے ذریعے کی جارہی ہے، ہاؤسنگ فائنانس کیلئے بینکوں کیلئے جنرل ریزرو کی ضرورت میں نرمی، قرض سے قدر کے تناسب میں نرمی وغیرہ جیسے اقدامات کی صورت میں فراہم ہے۔

حکومت کاروباری ماحول کو بہتر بنانے اور رئیل اسٹیٹ کے شعبے کو کارپوریٹائزڈ / باضابطہ بنانے کے لئے بھی اقدامات کررہی ہے۔ حالیہ بجٹ برائے سال ۲۰۱۹–۲۰۲۰ میں جائیداد کی خریداری پر عائد WHT لیوی ٹیکس کو ۲ فیصد سے کم کرکے کُل مالیت کا ۱ فیصد کردیا گیا ہے۔

اس کے ساتھ ساتھ، حکومت نے میکرو اکنامک ڈھانچوں میں متعدد ایڈجسٹمنٹ بھی کی ہیں تاکہ برآمدات میں اضافے کے ذریعہ کھاتوں کے خسارے کو بہتر بنایا جاسکے۔ کئی انفرااسٹرکچر پروجیکٹس جو سی پیک چین پاکستان اقتصادی راہداری (CPEC) کے لئے تعمیر کئے جارہے ہیں وہ تکمیل کے قریب ہیں۔ اِن اقدامات کے نتیجے میں جدید ویئر ہاؤسنگ (گوداموں) کے ڈھانچے بنیں گے، اسٹوریج سلوشنز پر کام ہوگا اور ساتھ ساتھ گزرگاہوں کی سہولیات میں بھی اضافہ ہوگا۔

حالیہ ویزا پالیسی کا جو اعلان کیا گیا ہے وہ دنیا کے مشہور انٹرنیشنل ہوٹل چینز کیلئے کافی سازگار ہے جس سے اُنہیں پاکستان میں جگہ بنانے میں کافی آسانی اور مدد ملے گی۔ اِسی طرح مقامی ہوٹل چینز بھی سیاحت کے بڑھتے رجحان کا فائدہ اُٹھانے کیلئے ملک کے طول و عرض میں بڑے جارحانہ انداز میں اپنے ہوٹلز و فرنچائزز قائم کررہی ہیں۔

حکومت کے متعدد سازگار اقدامات اُٹھانے کے باوجود ریگولیٹری سائیڈ (انضباطی طرف) پر کچھ کام کرنا ضروری ہے تاکہ رئیل اسٹیٹ شعبے کی حقیقی صلاحیتوں کو صحیح اور مکمل طریقے سے بروئے کار لایا جاسکے۔ ریگولیٹری ڈھانچے میں اصلاحات جیسے تعمیری اصلاحات بشمول سینٹر یلائزڈ اور ڈیجیٹل لینڈ رجسٹریشن (مرکزی و کمپیوٹرائزڈ انتقالِ زمین)، اربن علاقوں میں آن لائین ون اسٹاپ پلیٹ فارم جہاں سے تعمیراتی کام کیلئے پرمٹ فوری طور پر حاصل کیا جاسکے، جائیداد کی منتقلی کے ٹیکس کو معقول بنانا، جائیداد کی صحیح قیمت کی تشخیص اقدار کی ہم آہنگی اور عمودی عمارات کو فروغ دینے کے لئے صوبوں میں ضمنی قوانین کو بڑھانا جیسے اقدامات سے بھی اس ترقی کے اہداف کو حاصل کرنے میں مدد ملے گی۔

مستقبل قریب میں، مارکیٹ کو دیکھ کر لگتا ہے کہ وہ رئیل اسٹیٹ کے شعبے میں کافی زیادہ دلچسپی ظاہر کررہی ہے۔ پاکستان نے پہلے ہی اپنی بہتر سیکیورٹی، سیاسی استحکام اور بڑے پروجیکٹس کی تکمیل کی کا فائدہ اُٹھانا شروع کردیا ہے۔ اِنہی فوائد کے سبب بین الاقوامی ہاؤسنگ، مہمان نوازی اور ویئر ہاؤسنگ کی صنعت سرمایہ کاروں کیلئے کافی پُرکشش بنتی جارہی ہے۔

ڈائریکٹرز رپورٹ

کمپنی کا جائزہ:

موجودہ مالی سال میں کمپنی کے زیرِ قبضہ پورٹ فولیو کا کرایہ ۹۶ فیصد تک گر گیا / گھٹ گیا مگر پائپ لائن میں موجود ممکنہ کرائے داروں کو دیکھ کر ہمیں یہ اعتماد ہے کہ ہم مالی سال ۲۰۲۰ میں دوبارہ سے ۱۰۰ فیصد کی سطح پر واپس آجائینگے۔ ترقی کے محاذ پر ہمارا ون ہوشنگ پروجیکٹ (سابقہ ایچ کے سی) اسکیم ڈیزائن کے لئے تیار ہے اور ہم توقع کرتے ہیں کہ مالی سال ۲۰ کی تیسری سہ ماہی تک اس کی کامیابی ہوگی۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے کمپنی کو غیر بینکنگ فنانس کمپنی (این بی ایف سی) کی حیثیت سے REIT مینجمنٹ سروسز کو انجام دینے کا لائسنس دیا گیا ہے۔ جس کی بدولت اب ہم REIT مینجمنٹ کا کاروبار کرینگے اور اپنی ماتحت کمپنی TPL REIT مینجمنٹ کمپنی لمیٹڈ کے تحت REIT فنڈز کا آغاز کرینگے۔ فی الحال ہم اپنے REIT پورٹ فولیو کیلیئے فنڈز جمع کرنے کے مراحل میں ہیں اور توقع یہ ہے کہ مالی سال برائے ۲۰۲۱ میں ایک فنڈ لانچ کردیں گے۔

آف ڈاک ٹرمینل اور اسٹوریج کی سہولت تیار کرنے کیلیئے، ہم نے ایک دوسرے پارٹنر کے ساتھ JV معاہدہ پر دستخط کئے ہیں۔ جو مالی سال ۲۰۲۱ تک کام شروع کردے گا۔ فی الحال، ہم اس معاہدے کو فعال بنانے کے عمل میں ہیں ساتھ ساتھ سائٹ کی تیاری اور کانسپٹ ڈیزائن پر بھی کام کیا جارہا ہے۔

مالی جائزہ:

انفرادی کارکردگی:

حالیہ مدت میں کمپنی کے آڈٹ شدہ نتائج کا موازنہ درج ذیل ہے:

2018جون30کو ختم شدہ سال (آڈٹ شدہ)	2019جون30کو ختم شدہ سال (آڈٹ شدہ)	کوائف
366,350,433	402,594,669	آمدنی
356,747,920	392,017,193	مجموعی نفع
1,249,092,872	752,221,610	نفع قبل از محصول
1,234,629,745	730,061,838	نفع بعد از محصول
327,393,106	327,393,106	واجب الادا شیئر کی تعداد
3.82	2.30	فی حصص نفع، قبل از محصول
3.77	2.23	فی حصص نفع، بعد از محصول

ڈائریکٹرز رپورٹ

ریونیو (محصولات) کی شرح میں کچھ کرائے داروں کے معاہدوں پر نظر ثانی کی وجہ سے ۱۰ فیصد اضافہ ہوا۔ محصولات میں اضافے کی وجہ سے مجموعی منافع میں بھی ۱۰ فیصد اضافہ دکھائی دیا۔ انتظامی اور عام خرچوں میں تھوڑی کمی ہوئی جو کہ ۲ فیصد ہے۔ KIBOR میں نرخوں میں اضافے کی وجہ سے فائنانس کی لاگت میں ۲۹ فیصد اضافہ ہوا۔ جائیداد / املاک کی قدر و قیمت میں تعین نو سے اس میں ۶۶۷ ملین روپے کا اضافہ ہوا، جو کہ جون ۲۰۱۸ میں ۱۱۸۰ ملین روپے تھا۔

یکجا / متفقہ / باہم کارکردگی:

حالیہ مدت میں کمپنی کے آڈٹ شدہ نتائج کا موازنہ درج ذیل ہے:

کوائف	2019جون30کو ختم شدہ سال (آڈٹ شدہ)	2018جون30کو ختم شدہ سال (آڈٹ شدہ)
آمدنی	597,206,250	553,192,539
مجموعی نفع	422,873,461	390,441,926
نفع قبل از محصول	702,305,926	1,215,868,673
نفع بعد از محصول	676,253,922	1,195,583,240
واجب الادا شیئرز کی تعداد	327,393,106	327,393,106
فی حصص نفع، قبل از محصول	2.15	3.71
فی حصص نفع، بعد از محصول	2.07	3.65

محصولات کی شرح میں کچھ کرائے داروں کیساتھ کرائے اور مینٹننس کے معاہدوں پر نظر ثانی کی وجہ سے ۸ فیصد اضافہ ہوا۔ محصولات میں اضافے کی وجہ سے مجموعی منافع میں بھی ۸ فیصد اضافہ دکھائی دیا۔ انتظامی اور عام خرچوں میں تھوڑی کمی ہوئی جو کہ ۴ فیصد ہے۔ KIBOR میں نرخوں میں اضافے کی وجہ سے فائنانس کی لاگت میں ۲۵ فیصد اضافہ ہوا۔ جائیداد / املاک کی قدر و قیمت میں تعین نو سے اس میں ۶۶۷ ملین روپے کا اضافہ ہوا، جو کہ جون ۲۰۱۸ میں ۱۱۸۰ ملین روپے تھا۔

منافع منقسمہ:

بورڈ آف ڈائریکٹرز نے ورکنگ کیپٹل کی ضروریات کو پورا کرنے اور کمپنی کے مستقبل کے منافع کو بڑھانے کے لئے ممکنہ منصوبوں میں سرمایہ کاری کے لئے سالانہ منافع برقرار رکھنے کی سفارش کی ہے۔

آڈیٹرز:

موجودہ آڈیٹرز میسرز ای وائی فورڈ روڈس، چارٹرڈ اکاؤنٹنٹ ریٹائر ہوئے اور اہل ہونے کے ناطے، انہوں نے اپنے آپ کو نئے مالی سال کے لئے دوبارہ تقرری کے لئے پیش کیا۔ آڈٹ کمیٹی کی سفارش پر، بورڈ نے اِس تجویز کو مانتے ہوئے میسرز ای وائی فورڈ روڈس، چارٹرڈ اکاؤنٹنٹ کو کمپنی کا قانونی آڈیٹر مقرر کرنے کی منظوری دی ہے، جو کہ شیئر ہولڈرز (حصص یافتگان) کی آنے والی سالانہ جنرل میٹنگ میں منظوری سے مشروط ہے۔

ڈائریکٹرز رپورٹ

متعلقہ فریقین کے لین دین:

اس سال کے دوران کمپنی نے متعلقہ فریقین کے ساتھ لین دین کیا۔ اِن لین دین کی تفصیلات نوٹ ۳۳ سے منسلک غیر مرتب شدہ فائنانشل اسٹیٹمنٹ میں لگائی گئی ہیں۔

بورڈ میٹنگز:

مالی سال کے دوران بورڈ ڈائریکٹرز کی ۵ میٹنگز کا انعقاد ہوا۔ ڈائریکٹر ظفر الحسن نقوی کے بطور ڈائیریکٹر مستعفی ہونے پر ان کی جگہ محترمہ صبیحہ سلطان نے لی۔

ڈائیریکٹر کا نام	اجلاس میں شرکت کی تعداد
جناب علی جمیل	5
جناب جمیل یوسف	5
جناب بلال علی بھائی	5
میجر جنرل (ریٹائرڈ) ظفر الحسن نقوی	2
وائس ایڈمرل (ریٹائرڈ) محمد شفیع	5
جناب فواد انور	3
جناب سراج دادا بھائی	5
جناب زیاد بشیر	4
محترمہ صبیحہ سلطان	3

بورڈ نے مختلف ممبران پر مشتمل کمیٹیاں بنائی جن کی تفصیلات درج ذیل ہیں:

آڈٹ کمیٹی:

جناب زیاد بشیر - چیئرمین
جناب سراج دادا بھائی - ممبر
وائس ایڈمرل (ر) محمد شافی - ممبر
جناب یوسف زوہیب علی - سیکریٹری

ایچ آر و معاوضہ کمیٹی:

جناب زیاد بشیر - چیئرمین
جناب فواد انور - ممبر
جناب علی جمیل - ممبر
جناب نادر نواز - سیکریٹری

ڈائریکٹرز کی کُل تعداد آٹھ (۸) ہوگئی ہے جو کہ درج ذیل ہے۔

مرد: ۰۷ خواتین: ۰۱

ڈائریکٹرز رپورٹ

بورڈ کی تشکیل درج ذیل ہے:

کیٹگری	نام
انڈیپنڈنٹ ڈائیریکٹر	جنابزائد
ایگزیکیوٹوڈائیریکٹر	جناب علی جمیل محترمہ صبیحہ سلطان احمد
نان-ایگزیکیوٹوڈائیریکٹر	جناب جمیل یوسف جناب بلال علی بھائی جناب سراج دادابھائی وائس ایڈمرل (ریٹائرڈ) محمد شفیع جناب فوادانور

ڈائریکٹر کا معاوضہ:

بورڈ کے ذریعہ منظور شدہ ڈائریکٹرز کے معاوضوں کی ایک باقاعدہ پالیسی موجود ہے۔ پالیسی میں کمپنیز ایکٹ ۲۰۱۷ اور سی سی جی کے مطابق ڈائریکٹرز کے معاوضے کے لئے شفاف طریقہ کار شامل ہے۔ مذکورہ پالیسی کے مطابق، ڈائریکٹرز کو بورڈ یا اس کی ذیلی کمیٹیوں کے ہر اجلاس میں شرکت کے لئے پاکستانی روپوں میں ۲۰،۰۰۰ روپے کا معاوضہ دیا جاتا ہے۔

ڈائریکٹرز کی تربیت:

کمپنی نے کوڈ آف کارپوریٹ گورننس کے تحت ہونے والے ڈائریکٹرز ٹریننگ پروگرام کی شرط سے مطابقت رکھی ہوئی ہے۔

کلیدی مالی اعداد و شمارے برائے آخری سات سال:

تفصیل	2019	2018	2017	2016	2015	2014	2013
				رقم روپے میں			
زیر تعمیر انویسٹمنٹ پراپرٹی	-	-	-	-	-	68,080	3,071,971
انوسیٹمنٹ پراپرٹی	**6,874,579**	6,189,635	4,975,875	4,632,000	4,319,000	(7,699)	-
جائیداد، پلنٹ اور ایکوپمنٹ	**4,911**	5,081	6,736	5,581	1,584	60,381	3,709
غیر مدی اثاثہ جات	**603**	753	-	-	-	(14,021)	-
طویل المدت سرمایہ کاری	**1,112,725**	1,150,315	1,150,315	353,000	1,000	(10,598)	1,000
طویل المدت ماتحت قرض	**712,506**	432,507	56,750	10,771	197,835	35,762	85,000
طویل المدت ڈپازٹ	**287**	287	187	187	87	(87,302)	87
کرایہ داروں حاصل شدہ کرائے کے عوض واجبات	**24,387**	45,419	26,556	20,967	10,777	9,204	-

187,870	22,179	25,979	19,622	11,126	25,398	**56,172**	ایڈوانس،ڈپازٹ اور پیشگی ادائیگی
14,808	27,558	51,531	78,038	51,008	40,818	**33,242**	حاصل شدہ مارک اپ
-	-	-	-	-	-	-	شیئرز کی سبسکرپشن کے عوض ایڈوانس
10,351	-	-	-	-	332	**215,195**	متعلقہ پارٹیز پر واجب الادا
7,653	16,781	55,764	97,864	94,021	93,258	**133,457**	محصول۔نیٹ
-	-	-	-	-	100,000	**124**	محصول۔صافی
76,785	94,797	195,116	850,576	344,333	540,589	**209,487**	زر نقد اور بینک بیلنس
3,459,234	4,309,514	4,858,674	6,068,606	6,716,908	8,624,393	**9,377,674**	کل اثاثہ جات
1,100,000	1,100,000	1,100,000	2,080,000	2,735,114	2,735,114	**3,273,931**	جاری کردہ، سبسکرائب شدہ اور پیڈ اپ کیپٹل
-	-	-	140,497	560,564	560,564	**21,746**	شیئر پریمیئم اکاؤنٹ
(15,464)	500,979	684,864	975,534	1,327,511	2,562,141	**3,292,203**	مجموعی نفع
1,693,714	1,692,857	2,034,000	1,948,861	1,660,694	2,101,652	**1,998,763**	طویل المدت فنانسنگ
-	-	-	-	-	-	-	پراپرٹی اور ایکوئپمنٹ کی مالیت پر سرپلس
243,635	485,859	566,188	275,646	11,913	8,077	**10,386**	متعلقہ پارٹیوں پر واجب الادا
-	4,067	23,947	39,005	38,237	27,567	**17,188**	متعلقہ پارٹیوں کے پر واجب الادا
39,161	69,236	158,836	74,447	44,760	57,474	**89,956**	حاصل شدہ مارک اپ
68,302	75,359	164,527	163,833	73,508	55,993	**49,556**	ٹریڈ اور دیگر ادائیگیاں
-	-	-	200,000	-	400,000	**400,000**	قلیل المدت فنانسنگ
288,886	343,610	63,296	126,000	204,750	44,000	**110,000**	کرایہ کے عوض ایڈوانس
41,000	37,547	63,017	44,783	59,858	71,811	**113,945**	کرایہ کے عوض ایڈوانس
3,459,234	4,309,514	4,858,674	6,068,606	6,716,908	8,624,393	**9,377,674**	کل ایکویٹی اور واجبات

Amount in Rupees('000)

2013	2014	2015	2016	2017	2018	2019	
-	68,080	231,904	364,057	362,785	366,350	**402,595**	کرایہ داری سے آمدنی
-	(7,699)	(11,569)	(12,414)	(9,909)	(9,603)	**(10,577)**	کاروبار کی براہ راست لاگت
-	60,381	220,335	351,642	352,876	356,748	**392,017**	مجموعی نفع
(1,045)	(14,021)	(47,739)	(53,056)	(105,812)	(107,534)	**(105,855)**	انتظامی اور عمومی اخراجات
-	(10,598)	(3,613)	-	-	-	-	دیگر کاروباری اخراجات
(1,045)	35,762	168,983	298,587	247,064	249,213	**286,162**	کاروباری منافع
-	(87,302)	(254,204)	(236,618)	(176,487)	(207,664)	**(267,248)**	مالیاتی لاگت
-	9,204	30,930	35,450	15,737	26,735	**66,315**	دیگر آمدنی
-	431,675	317,506	274,218	288,765	1,180,809	**666,993**	سرمایہ کار جائیداد کی مالیت پر نفع
-	131,171	(59,450)	(57,400)	-	-	-	ایکسچینج (نقصان) نفع
(1,045)	520,510	203,765	314,236	375,079	1,249,093	**752,222**	نفع قبل از محصول
-	(4,067)	(19,880)	(23,566)	(23,101)	(14,463)	**(22,160)**	محصول
(1,045)	516,443	183,885	290,670	351,978	1,234,630	**730,062**	بعد از محصول نفع / نقصان
-0.01	4.69	1.67	2.12	1.68	3.77	**2.23**	فی حصص نفع / نقصان

ڈائریکٹرز رپورٹ

کارپوریٹ اور مالی رپورٹنگ فریم ورک پر بیان:

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ذریعہ مقرر کردہ کوڈ آف کارپوریٹ گورننس کے تحت بورڈ کو اپنی کارپوریٹ ذمہ داریوں سے بخوبی آگاہی حاصل ہے اور اس بات کی تصدیق کرنے پر خوشی محسوس کرتے ہیں کہ:

- فائنانشل اسٹیٹمنٹ، جو کہ کمپنی کی طرف سے پیش کئے گئے ہیں میں اس کی کاروائیوں، نقد بہاؤ اور ایکویٹی میں بدلاؤ کا نتیجہ منصفانہ طور پر پیش کیا گیا ہے۔
- کمپنی نے بُک آف اکاؤنٹس کو مناسب طریقے سے برقرار رکھا ہے جو کہ کمپنیز آرڈیننس ۱۹۸۴ تحت ہے۔
- کمپنی نے فائنانشل اسٹیٹمنٹ کی تیاری میں مستقل اکاؤنٹنگ کی پالیسیوں کی پیروی کی ہے اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہے۔
- بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ، جو کہ پاکستان میں بھی جیسا قابل اطلاق ہے، مالی بیانات کی تیاری میں اس پر عمل کیا گیا ہے اور رپورٹنگ میں کسی بھی طرح کی روانگی کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔
- اندرونی انتظام کو کنٹرول کرنے کا نظام بہت ہی بہترین طریقے سے تیار کیا گیا اور کافی موئثر طریقے سے اسکا نفاذ بھی کیا گیا اور اس کی نگرانی بھی کی جارہی ہے۔
- کمپنی کے بنیادی اصول مضبوط ہیں اور کمپنی کی آگے بڑھنے کی صلاحیتوں کے بارے میں کوئی شک نہیں ہونا چاہئے۔
- کمپنی نے تمام کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں کی پیروی و عمل کیا ہے جیسا کہ لسٹنگ ریگولیشن میں درج ہے۔
- گذشتہ سات سالوں سے جاری اہم آپریٹنگ اور مالی اعداد و شمار کو خلاصہ کی شکل میں، اس سالانہ رپورٹ میں شامل کیا گیا ہے۔
- فائنانشل اسٹیٹمنٹ کے متعلقہ نوٹ میں بقایا محصول اور ادا کرنے والے ٹیکس کو ظاہر کیا گیا۔

شیئر ہولڈنگ کا ڈھانچہ:

۳۰ جون ۲۰۱۹ کو کمپنی کے حصص یافتگی کے ڈھانچے کے بارے میں ایک اسٹیٹمنٹ مندرجہ ذیل ہے۔

حصص یافتگان کی کیٹگری	رکھے جانے والے حصص کی تعداد	شیئر ہولڈنگ کی شرح فیصد
اسپانسرز، ڈائیریکٹر، CEO اور بچے	40,697,997	12.43%
منسلک کمپنیز	103,126,338	31.50%
بینکس، ڈی ایف آئیز اور این بی ایف آئیز	1,436,400	0.44%
انشورنس کمپنیز	12,921,615	3.95%
مضاربہ اور میوچل فنڈز	3,424,531	1.05%
عام عوام (مقامی)	27,873,318	8.51%
عام عوام (غیر ملکی)	275,267	0.08%
دیگر	116,814,627	35.68%
غیر ملکی کمپنیز	20,823,012	6.36%
	327,393,105	100%

۳۰ جون، ۲۰۱۹ تک کمپنی کے حصص یافتگان کے پاس حصص رکھنے کا طریقہ:

شرح فیصد	حامل حصص	حامل حصص (تک)	حامل حصص (سے)	حص یافتگان کی تعداد
0.0003	1018	100	1	59
0.0024	8017	500	101	21
0.0065	21152	1000	501	30
0.0399	130786	5000	1001	52
0.0315	103259	10000	5001	14
0.0306	100317	15000	10001	8
0.0161	52740	20000	15001	3
0.014	45811	25000	20001	2
0.0269	88192	30000	25001	3
0.0101	33169	35000	30001	1
0.0108	35495	40000	35001	1
0.0153	50000	50000	45001	1
0.0167	54720	55000	50001	1
0.0535	175018	60000	55001	3
0.019	62244	65000	60001	1
0.0502	164272	85000	80001	2
0.028	91770	95000	90001	1
0.0305	100000	100000	95001	1
0.0309	101200	105000	100001	1
0.4745	1553333	120000	115001	13
0.0813	266247	135000	130001	2
0.0451	147500	150000	145001	1
0.0529	173120	175000	170001	1
0.0543	177800	180000	175001	1
0.1385	453430	230000	225001	2
0.0715	234000	235000	230001	1
0.2192	717601	240000	235001	3
0.0981	321108	325000	320001	1
0.3291	1077300	360000	355001	3
0.132	432031	435000	430001	1
0.1462	478800	480000	475001	1
0.1535	502500	505000	500001	1
0.1596	522500	525000	520001	1
0.1729	566181	570000	565001	1
0.5484	1795500	600000	595001	3
0.2589	847465	850000	845001	1
0.8775	2872800	960000	955001	3
0.3382	1107225	1110000	1105001	1
0.7312	2394000	1200000	1195001	2
0.4387	1436400	1440000	1435001	1
0.4676	1530800	1535000	1530001	1
0.5365	1756597	1760000	1755001	1
0.585	1915200	1920000	1915001	1
1.4625	4788000	2395000	2390001	2
0.8833	2891952	2895000	2890001	1
0.914	2992500	2995000	2990001	1
0.9449	3093646	3095000	3090001	1
1.0603	3471300	3475000	3470001	1
1.454	4760160	4765000	4760001	1
1.4625	4788000	4790000	4785001	1
2.0109	6583500	6585000	6580001	1
2.5429	8325135	8330000	8325001	1
2.85	9330615	9335000	9330001	1
2.9249	9576000	9580000	9575001	1
3.8174	12497877	12500000	12495001	1
5.1917	16997400	17000000	16995001	1
5.4111	17715600	17720000	17715001	1
7.0176	22975210	22980000	22975001	1
7.716	25261488	25265000	25260001	1
9.449	30935389	30940000	30935001	1
14.503	47481715	47485000	47480001	1
20.8401	68229000	68230000	68225001	1
100	327393105	Total		272

ڈائریکٹرز رپورٹ

اضافی معلومات:

منسلک کمپنیز، حلف نامے اور متعلقہ پارٹیز (ناموں کے ساتھ تفصیلات)	حامل حصص کی تعداد (2019)	فیصد
TPL کارپوریشن لمیٹڈ	71700300	21.90%
TPL ہولڈنگز (پرائیویٹ) لمیٹڈ	28176781	8.61%
TPL انشورنس لمیٹڈ	9576000	2.92%
TPL سیکیورٹی سروسز (پرائیویٹ) لمیٹڈ	5980	0.02%
میوچل فنڈز (ناموں کے ساتھ تفصیلات)		
CDC ٹرسٹی AKD اپرٹیونٹی فنڈ	2992500	0.91%
CDC ٹرسٹی NAFA اسٹاک فنڈ	432031	0.13%
ڈائریکٹرز، سی ای او اور ان کے لواحقین اور چھوٹے بچے (ناموں کے ساتھ تفصیلات)		
جناب محمد علی جمیل	22982392	7.02%
جناب جمیل یوسف احمد	17715600	5.41%
مندرجہ ذیل ڈائریکٹر حضرات TPL ٹریکر لمیٹڈ کے نامزد ڈائریکٹرز ہیں		
وائس ایڈمرل (ریٹائرڈ) محمد شفیع، HI(M)	1	
جناب بلال علی بھائی	1	
مندرجہ ذیل ڈائریکٹر حضرات کمپنی کے آزاد ڈائریکٹر ہیں		
جناب زیاد بشیر	1	
ایگزیکیوٹو		
جناب علی اصغر	1	
پانچ فیصد یا زائد ووٹنگ کی دلچسپی کے حامل حصص یافتگان		
الفابیٹا کیپیٹل مارکیٹ (پرائیویٹ) لمیٹڈ	47932789	14.64%
ہیریٹیج چیمبرز لمیٹڈ	47481715	14.50%
جناب جمیل یوسف احمد	17715600	5.41%
جناب محمد علی جمیل	22982392	7.02%
TPL کارپوریشن لمیٹڈ	71700300	21.90%
TPL ہولڈنگز لمیٹڈ	28176781	8.61%
ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کے لواحقین اور چھوٹے بچوں کی جانب سے حصص میں کی گئی ٹریڈنگ کی تفصیلات		
دوران سال کسی بھی ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کے لواحقین اور چھوٹے بچوں کی جانب کمپنی کے حصص کی خرید و فروخت عمل میں نہیں آئی۔		

ڈائریکٹرز رپورٹ

کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے مستحکم نقطہ نظر کے ساتھ بالترتیب "اے +" (سنگل اے پلس) اور "اے ا" (اے ون) میں ٹی پی ایل پراپرٹیز لمیٹڈ (TPL) کی طویل مدتی اور قلیل مدتی درجہ بندی برقرار رکھی ہے۔ یہ درجہ بندی مالی معاہدوں کی بروقت ادائیگی کے لئے مضبوط صلاحیت سے پیدا ہونے والے کریڈٹ رسک کی کم توقع کی نشاندہی کرتی ہے۔

اظہارِ تشکر:

ہم پیشہ ورانہ مہارت، تخلیقات، سالمیت اور تمام شعبوں میں فعال، مستقل بہتری اور پائیدار ترقی کے لئے تمام وسائل کے موثر استعمال کی روایت کی وجہ سے موئثر انداز میں کام کرنے میں کامیاب رہے ہیں۔ ہم کمپنی کے ملازمین کی طرف سے مختلف درجوں پر اور پُرعزم طریقوں سے کمپنی کیلئے خدمت سرانجام دینے پر اِن کی تعریف و تحسین پیش کرتے ہیں۔ ان سب سے بڑھ کر ہم اپنے سرمایہ کاروں، کرایہ داروں، بینکروں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کی طرف سے حاصل کردہ مستقل مدد کے لئے اظہار تشکر کرتے ہیں۔

محمد علی جمیل
چیف ایگزیکٹیو آفیسر / ڈائریکٹر

جمیل یوسف احمد (ایس ایس ٹی)
چیئرمین / ڈائریکٹر

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

To the members of TPL Properties Limited

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of TPL Properties Limited for the year ended 30 June 2019 in accordance with the requirements of Regulation 40 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions 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 Regulations as applicable to the Company for the year ended 30 June 2019.

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
2	The company has appointed one independent director which is less than the minimum requirement.

EY Ford Rhodes

Chartered Accountants
Place: Karachi
Date: September 25, 2019

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

Name of company **TPL Properties Limited**

Year ended: **June 30, 2019**

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
7	1

2. The composition of the Board is as follows:

Category	Names
Independent Director	Mr. Ziad Bashir
Executive Directors	Mr. Ali Jameel Ms. Sabiha Sultan Ahmed
Non - Executive Directors	Mr. Jameel Yusuf Mr. Bilal Alibhai Mr. Siraj Dadabhoy Vice Admiral (R) Mohammad Shafi, Hi(M) Mr. Fawad Anwar

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board and/or Shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations. Currently, the remuneration being paid to Directors is based on the fee approved by the Board of Directors in prior years.

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

10. 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.

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

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

Audit Committee	Mr. Ziad Bashir – Chairman Mr. Siraj Da dabhoy – Member Vice Admiral (R) Muhammad Shafi – Member Mr. Yousuf Zohaib Ali – Secretary
HR and Remuneration Committee	Mr. Ziad Bashir – Chairman Ms. Fawad Anwar – Member Mr. Ali Jameel – Member Mr. Nader Nawaz – Secretary

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

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

Name of Committee	Frequency of Meeting
Audit Committee	4 Meetings were held during the year. The Board Audit Committee meets every quarter in compliance with the Regulations.
HR and Remuneration Committee	2 Meetings were held during the year. The HR & Remuneration Committee meets on a half yearly basis in compliance with these regulations

15. 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.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the 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.

17. 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.

18. We confirm that all other requirements of the Regulations have been complied with.

JAMEEL YUSUF AHMED S.ST
Chairman

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

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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 unconsolidated statement of financial position as at **30 June 2019,** the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated 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 2019 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 Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated 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 matter:

Key audit matter	How our audit addressed the key audit matter
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 unconsolidated financial statements the IP amounts to Rs. 6.846 billion and constitutes 73% 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. 667 million 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 unconsolidated financial statements in respect of the investment property.

Information Other than the Unconsolidated 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 unconsolidated financial statements and our auditors' report thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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 Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated 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.

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 **Shariq Zaidi.**

EY Ford Rhodes

Chartered Accountants
Place: Karachi
Date: September 25, 2019

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	5	**4,910,671**	5,080,699
Intangible asset	6	**602,759**	753,449
Investment property	7	**6,874,579,344**	6,189,635,029
Long-term investments	8	**1,112,724,790**	1,150,315,390
Long-term loans to subsidiaries	9	**712,505,944**	432,506,875
Long-term deposits	10	**286,919**	286,919
Interest accrued		**33,241,949**	40,818,147
		8,738,852,376	7,819,396,508
CURRENT ASSETS			
Receivables against rent from tenants	11	**24,386,706**	45,419,372
Advances and prepayments	12	**56,171,977**	25,397,651
Due from a related party	13	**215,194,817**	331,983
Taxation - net		**133,456,751**	93,258,132
Short-term investment	14	**124,200**	100,000,000
Cash and bank balances	15	**209,486,831**	540,589,194
		638,821,282	804,996,332
TOTAL ASSETS		**9,377,673,658**	8,624,392,840
EQUITY AND LIABILITIES			
SHARE CAPITAL			
Authorised capital			
400,000,000 (2018: 300,000,000) ordinary shares of Rs.10/- each		**4,000,000,000**	3,000,000,000
Issued, subscribed and paid-up capital	16	**3,273,931,060**	2,735,113,670
Capital reserve			
Share premium account		**21,746,165**	560,563,555
Revenue reserve			
Accumulated profit		**3,292,202,994**	2,562,141,156
		6,587,880,219	5,857,818,381
NON-CURRENT LIABILITIES			
Long-term financing	17	**1,998,762,771**	2,101,651,829
Deferred tax liability	18	**17,188,200**	27,567,486
		2,015,950,971	2,129,219,315
CURRENT LIABILITIES			
Trade and other payables	19	**43,508,589**	46,146,606
Accrued expenses		**6,047,421**	9,846,661
Due to related parties	20	**10,385,612**	8,076,706
Accrued mark-up	21	**89,955,997**	57,473,950
Short-term borrowings	22	**400,000,000**	400,000,000
Current portion of long-term financing	17	**110,000,000**	44,000,000
Advances against rent from tenants	23	**113,944,849**	71,811,221
		773,842,468	637,355,144
CONTINGENCIES AND COMMITMENTS	24		
TOTAL EQUITY AND LIABILITIES		**9,377,673,658**	8,624,392,840

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Rental income	25	**402,594,669**	366,350,433
Direct operating costs	26	**(10,577,476)**	(9,602,513)
Gross profit		**392,017,193**	356,747,920
Administrative and general expenses	27	**(105,855,425)**	(107,534,438)
Finance costs	28	**(267,247,691)**	(207,664,482)
Other income	29	**733,307,533**	1,207,543,872
Profit before taxation		**752,221,610**	1,249,092,872
Taxation	30	**(22,159,772)**	(14,463,126)
Profit for the year		**730,061,838**	1,234,629,746
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**730,061,838**	1,234,629,746
Earnings per share	31	**2.23**	3.77

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

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2019

		Capital reserve	Revenue reserve	
	Issued, subscribed and paid up capital	Share premium account	Accumulated profit	Total
	---------- (Rupees) ----------			
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**
Profit for the year	-	-	**730,061,838**	**730,061,838**
Other comprehensive income for the year	-	-	-	-
Bonus shares issued	**538,817,390**	**(538,817,390)**	-	-
Total comprehensive income for the year	**538,817,390**	**(538,817,390)**	**730,061,838**	**730,061,838**
Balance at June 30, 2019	**3,273,931,060**	**21,746,165**	**3,292,202,994**	**6,587,880,219**

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**752,221,610**	1,249,092,872
Adjustments for non-cash items			
Depreciation	27	**2,534,302**	2,341,814
Amortization	27	**150,690**	-
Operating fixed assets		-	10,000
Finance costs	28	**267,247,691**	207,664,482
Mark-up on savings account	29	**(33,252,590)**	(20,261,045)
Mark-up on long-term loan		**7,576,198**	10,190,164
Gain on disposal of shares	29	**(5,583,720)**	-
Fair value gain on investment property	29	**(666,992,964)**	(1,180,808,607)
		(428,320,393)	(980,863,192)
Working capital changes			
(Increase) / decrease in current assets			
Receivables against rent from tenants		**21,032,666**	(18,863,580)
Advances and prepayments		**(30,774,326)**	(14,271,568)
Short-term deposits		**99,875,800**	(100,000,000)
Due from a related party		**(214,862,834)**	(331,983)
		(124,728,694)	(133,467,131)
Increase /(decrease) in current liabilities			
Trade and other payables		**(2,638,017)**	(15,889,124)
Accrued expenses		**(3,799,240)**	(1,625,512)
Advance against rent from tenants		**42,133,628**	11,953,422
		35,696,371	(5,561,214)
Cash generated from operations		**234,868,894**	129,201,335
Finance cost paid		**(234,765,644)**	(194,950,635)
Markup on savings account received		**33,252,590**	20,261,045
Long-term deposits		-	(100,000)
Income tax paid - *net of refund*		**(72,737,677)**	(24,369,124)
Net cash used in operating activities		**(39,381,837)**	(69,957,379)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of operating fixed assets	5	**(2,364,274)**	(696,299)
Additions to capital work-in-progress	7	**(4,034,487)**	(16,082,963)
Purchase of intangible assets	6	-	(753,449)
Expenditure incurred on investment property	7	**(13,916,864)**	(16,868,937)
Long-term loan - net		**(279,999,069)**	(375,756,423)
Purchase of new shares		**(51,000,000)**	-
Proceeds from disposal of shares		**94,174,320**	-
Net cash used in investing activities		**(257,140,374)**	(410,158,071)
CASH FLOWS FROM FINANCING ACTIVITIES*			
Long-term financing - net		**(36,889,058)**	280,207,854
Short-term borrowings - net		-	400,000,000
Due to related parties		**2,308,906**	(3,835,832)
Net cash (used in) / generated from financing activities		**(34,580,152)**	676,372,022
Net (decrease) / increase in cash and cash equivalents		**(331,102,363)**	196,256,572
Cash and cash equivalents at the beginning of the year		**540,589,194**	344,332,622
Cash and cash equivalents at the end of the year	15	**209,486,831**	540,589,194

*No non-cash items are included in these activities

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

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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 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
TPL Corp Limited [TCL]	Parent company	Yes	21.90%
TPL Holdings (Private) Limited [THL]	Ultimate Parent company	Yes	8.61%
TPL Trakker Limited [TTL]	Associated company	Yes	-
TPL Insurance Limited [TIL]	Associated company	Yes	2.92%
TPL Security Services (Private) Limited [TPLS]	Associated company	Yes	0.018%
TPL Maps (Private) Limited [TMP]	Associated company	Yes	-
TPL Rupiya (Private) Limited [TPLR]	Associated company	Yes	-
TPL Life Insurance Limited [TLI]	Associated company	Yes	-
Centrepoint Management Services (Private) Limited [CMS]	Subsidiary company	Yes	99.99%
HKC Limited [HKC]	Subsidiary company	Yes	80.00%
G-18 (Private) Limited [G-18]	Subsidiary company	Yes	99.99%
TPL REIT Management Company Limited	Subsidiary company	Yes	99.99%
Jameel Yusuf	Chairman	N/A	5.40%
Muhammad Ali Jameel	Chief Executive Officer	N/A	7.01%
Ali Asgher	Chief Operating Officer	N/A	-
Rahim Badruddin Kazani	Chief Financial Officer	N/A	-
TPL Properties Limited - Employees' Provident Fund	Employees' Provident Fund	N/A	-

1.3 These unconsolidated financial statements are the separate unconsolidated financial statements of the Company, in which investment in the subsidiary companies namely Centrepoint Management Services (Private) Limited, G-18 (Private) Limited, TPL REIT Management company 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 UNCONSOLIDTAED FINANCIAL POSITION AND PERFORMANCE

2.1 During the year the authorized share capital increased by Rs. 1,000,000,000 to Rs. 4,000,000,000.

2.2 53,881,739 bonus shares were issued of Rs. 10 each as fully paid bonus shares to the members (note 16.5 &16.6).

2.3 During the year the Company sold 10% shareholding (948,000 shares) in HKC Limited (note 8.3).

2.4 During the year, the Company established a wholly owned subsidiary, TPL REIT Management Company Limited.

3 STATEMENT OF COMPLIANCE

These unconsolidated 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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of preparation

These unconsolidated 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 unconsolidated 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:

IFRS 2	Classification and Measurement of Share-based Payments Transactions (Amendments)
IFRS 4	Insurance Contracts: Applying IFRS 9 with IFRS 4 Insurance Contracts (Amendments)
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IAS 40	Investment Property: Transfers of Investment Property (Amendments)
IFRIC 22	Foreign Currency Transactions and Advance Consideration

Improvements to accounting standards issued by IASB in December 2016

The adoption of the above standards, interpretations and improvement to standards did not have any material effect on the Company's unconsolidated financial statements, except for IFRS 9 ‘Financial Instruments’. The revised accounting policy adopted by the management is as follows:

IFRS 9 – Financial Instruments

IFRS 9 'Financial Instruments' has replaced IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after 1 July

2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied IFRS 9 retrospectively, with the initial application date of 1 July 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP).

The Company's financial assets mainly include long-term investment, long-term loans to subsidiaries, long-term deposits, interest accrued, receivables against rent from tenants, due from a related party, short-term investments and bank balances held with commercial banks.

The adoption of IFRS 9 has changed the accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking expected credit loss (ECL) approach. Expected Credit Loss are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Considering the nature of the operations and financial assets on the unconsolidated statement of financial position of the Company, the management believes that there will be no siginificant ECL charge on the financial assets of the Company.

4.3 Significant accounting judgements, estimates and assumptions

The preparation of unconsolidated 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 unconsolidated 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 unconsolidated statement of comprehensive income. 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 unconsolidated financial statements.

4.4 Operating fixed assets

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 unconsolidated 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 unconsolidated statement of comprehensive income.

4.5 Intangible assets

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

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 unconsolidated 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 unconsolidated 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 unconsolidated 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

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 unconsolidated 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 (as mentioned in note 4.18 below).

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 **rec**ognition 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 unconsolidated 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 unconsolidated 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 unconsolidated 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.

4.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the unconsolidated statement of comprehensive income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognised in the unconsolidated statement of comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's unconsolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include long term financing short term borrowings, due to related parties, accrued mark-up and trade and other payables.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the unconsolidated statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the unconsolidated statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.19 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.

4.20 Dividend and appropriation to reserves

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

4.21 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.

4.22 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.

4.23 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 3 – Definition of a Business (Amendments)	01 January 2020
IFRS 3 – Business Combinations: Previously held interests in a joint operation	01 January 2019
IFRS 9 – Prepayment Features with Negative Compensation – (Amendments)	01 January 2019
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 – Joint Arrangements: Previously held interests in a joint operation	01 January 2019
IFRS 16 – Leases	01 January 2019
IAS 1/ IAS 8 – Definition of Material (Amendments)	01 January 2020
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
IAS 12 – Income Taxes: Income tax consequences of payments on financial	01 January 2019
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 unconsolidated financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for annual reporting period beginning on or after January 01, 2019. The Company expects that such improvements to the standards will not have any material impact on the Company's unconsolidated 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 January 01, 2020 for preparers of unconsolidated 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

The Company expects that above new standards will not have any material impact on the Company’s unconsolidated financial statements in the period of initial application.

5 OPERATING FIXED ASSETS

	COST			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2018	Additions	As at June 30, 2019	As at July 01, 2018	Charge for the year / (write-off)	Asat June 30, 2019	Asat June 30, 2019	Depre-ciation Rate %
	(Rupees)							
Furniture	5,838,600	-	5,838,600	3,517,958	1,160,320	4,678,278	1,160,322	20
Equipment	-	1,174,000	1,174,000	-	19,567	19,567	1,154,433	20
Vehicles	6,270,932	-	6,270,932	4,632,875	534,630	5,167,505	1,103,427	20
Computer and accessories	2,529,432	968,628	3,498,060	1,475,745	690,261	2,166,006	1,332,054	33
Mobile phones	242,000	221,646	463,646	173,687	129,524	303,211	160,435	50
2019	**14,880,964**	**2,364,274**	**17,245,238**	**9,800,265**	**2,534,302**	**12,334,567**	**4,910,671**	

	COST			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	Asat June 01, 2017	Additions / (disposal)	Asat June 30, 2018	As at July 01, 2017	Charge for the year / (disposal)	Asat June 30, 2018	Asat 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	1,475,745	1,053,687	33
Mobile phones	213,500	68,500 (40,000)	242,000	92,500	111,187 (30,000)	173,687	68,313	50
2018	14,224,665	696,299 (40,000)	14,880,964	7,488,451	2,341,814 (30,000)	9,800,265	5,080,699	

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

6 INTANGIBLE ASSET

	COST			ACCUMULATED AMORTISATION			NET BOOK VALUE	
	At 01 July 2018	Additions	At 30 June 2019	At 01 July 2018	Charge for the year	At 30 June 2019	At 30 June 2019	Amortisation rate
	(Rupees)			(Rupees)				%
Computer software	753,449	-	753,449	-	150,690	150,690	602,759	20
2019	**753,449**	**-**	**753,449**	**-**	**150,690**	**150,690**	**602,759**	

	COST			ACCUMULATED AMORTISATION			NET BOOK VALUE	
	At 01 July 2017	Additions	At 30 June 2018	At 01 July 2017	Charge for the year	At 30 June 2018	At 30 June 2018	Amortisation rate
	(Rupees)			(Rupees)				%
Computer software	-	753,449	753,449	-	-	-	753,449	20
2018	-	753,449	753,449	-	-	-	753,449	

7 INVESTMENT PROPERTY

	Note	2019 Rupees	2018 Rupees
Investment property	7.1 & 7.2	**6,846,271,191**	6,165,361,363
Capital work-in-progress	7.4	**28,308,153**	24,273,666
		6,874,579,344	6,189,635,029

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

	Note	2019 Rupees	2018 Rupees
As at July 01		**6,165,361,363**	4,967,683,819
Add: Additions during the year		**13,916,864**	16,868,937
		6,179,278,227	4,984,552,756
Gain from fair value adjustment	7.3	**666,992,964**	1,180,808,607
As at June 30		**6,846,271,191**	6,165,361,363

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, 2019 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:

	2019 Rupees	2018 Rupees
As at July 01	**24,273,666**	8,190,703
Additions during the year	**4,034,487**	16,082,963
As at June 30	**28,308,153**	24,273,666

7.5 Forced sale value of the investment property as at June 30, 2019 is Rs. 6,514,222,500 (2018: Rs. 5,911,053,750).

8 LONG-TERM INVESTMENTS

	Note	2019 Rupees	2018 Rupees
Investments in subsidiary companies – at cost			
Centrepoint Management Services (Private) Limited	8.1	**352,999,990**	352,999,990
HKC Limited	8.2 & 8.3	**708,724,800**	797,315,400
G-18 (Private) Limited	8.4	**1,000,000**	-
TPL REIT Management Company Limited	8.5	**50,000,000**	-
		1,112,724,790	1,150,315,390

8.1 The Company holds 35,299,999 (2018: 35,299,999) ordinary shares of Rs.10/- each, representing 99.99 percent (2018: 99.99 percent) of the share capital of 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 7,584,000 (2018: 8,532,000) ordinary shares of Rs. 10/- each, representing 80 percent (2018: 90 percent) of the share capital of HKC which was incorporated in Pakistan as of the reporting date. HKC is engaged in the acquisition and development of real estates and renovation of buildings and letting out. As of reporting date, HKC has not generated revenue as it is in the process of initiation of developing the property.

8.3 During the year, the Company sold 948,000 shares of HKC limited for a total consideration of Rs. 94.17 million (Rs. 99.34 per share) against a book value of Rs. 88.59 million (Rs. 93.45 per share). Accordingly, a gain of Rs. 5.58 million has been recognised in the unconsolidated statement of comprehensive income.

8.4 During last year, the Company established a wholly owned subsidiary, G-18, by virtue of 99.99% shareholding in the said company. G-18 is a private limited company incorporated during the year for the purpose of property development. However, as at the reporting date G-18 has not commenced its operations. As of the reporting date, an amount of Rs. 0.532 million is receivable against pre-commencement expenses incurred by the Company on behalf of G-18.

8.5 During the year, the Company has established a wholly owned subsidiary, TPL REIT Management Company Limited, by virtue of 99.995% shareholding in the said company.

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

8.7 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 unconsolidated financial statements.

9 LONG-TERM LOANS TO SUBSIDIARIES – unsecured, considered good

	Note	2019 Rupees	2018 Rupees
Centrepoint Management Services (Private) Limited	9.1	**297,437,644**	241,425,322
HKC Limited	9.2	**415,068,300**	191,081,553
		712,505,944	432,506,875

9.1 The Company had granted conventional loan to its subsidiary company i.e. 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 of 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 Company signed a further supplemental agreement dated July 1, 2018 to original loan agreement dated February 02, 2012 and supplement dated July 1, 2018 whereby, the maximum facility limit has been increased up to Rs. 400 million, while the period of facility has been extended till August 31, 2021 with other terms and conditions remaining the same.

The maximum amount outstanding at any time during the year calculated by reference to month end balances was Rs. 324,347,882 (2018: Rs. 241,425,322).

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

	2019	2018
The movement in loan balance during the year is as follows:	Rupees	Rupees
As at July 01	**241,425,322**	47,619,214
Disbursements during the year	**56,012,322**	193,806,108
As at June 30	**297,437,644**	241,425,322

9.2 The Company had entered into an agreement with HKC - the associated company, limited under the agreement dated November 11, 2012, 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 after a period of 4 years, expiring on June 30, 2021 with pre-payment and extension option. 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.

The maximum amount outstanding at any time during the year calculated by reference to month end balances was Rs. 415,068,300 (2018: Rs. 191,081,553).

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

	2019	2018
The movement in loan balance during the year is as follows:	Rupees	Rupees
As at July 01	**191,081,553**	9,131,238
Disbursements during the year	**223,986,747**	181,950,315
As at June 30	**415,068,300**	191,081,553

	Note	2019 Rupees	2018 Rupees
10 LONG-TERM DEPOSITS – unsecured, considered good			
Security deposits			
- City District Government Karachi		**86,919**	86,919
- Central Depository Company of Pakistan Limited		**200,000**	200,000
	10.1	**286,919**	286,919

10.1 These deposits are non-interest bearing.

	Note	2019 Rupees	2018 Rupees
11 RECEIVABLES AGAINST RENT FROM TENANTS – unsecured, considered good			
Related parties			
TPL Insurance Limited - an associated company	11.1	**15,351,680**	-
TPL Trakker Limited - an associated company	11.1	**7,851,228**	31,147,335
		23,202,908	31,147,335
Others	11.2	**1,183,798**	14,272,037
		24,386,706	45,419,372

11.1 Represents the amount receivable in respect of rentals, for space rented out in Centrepoint Project, receivable from TTL and TIL as at June 30, 2019. The maximum amount outstanding at any time during the year calculated by reference to month end balances was Rs. 34.054 million and Rs.11.580 million respectively (2018: Rs. 34.054 million and Rs. Nil).

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.

	Note	2019 Rupees	2018 Rupees
12 ADVANCES AND PREPAYMENTS			
Advances – unsecured, considered good			
Suppliers and contractors	12.1	**40,414,474**	20,648,970
Others		**10,000,000**	-
		50,414,474	20,648,970
Prepayments			
Insurance		**5,757,503**	4,748,681
		56,171,977	25,397,651

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

	Note	2019 Rupees	2018 Rupees
13 DUE FROM RELATED PARTIES – unsecured, considered good			
G-18 (Private) Limited - subsidiary company		**215,194,817**	331,983
	13.1	**215,194,817**	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. 215.195 million (2018: Rs. 0.332 million).

	Note	2019 Rupees	2018 Rupees
14 SHORT-TERM INVESTMENTS			
Mutual funds		**124,200**	-
Term deposit receipts		**-**	100,000,000
		124,200	100,000,000
15 CASH AND BANK BALANCES			
Cash in hand		**476,068**	197,943
Cash at banks in local currency			
- current accounts		**32,424,807**	56,469,365
- savings accounts	15.1	**176,585,956**	483,921,886
		209,010,763	540,391,251
		209,486,831	540,589,194

15.1 Included herein a cash deposit of Rs. 16.854 million under lien (note 24.2.1) and Rs. 100 million in a saving account placed with a commercial bank carrying mark-up ranging 5.4 percent to 5.8 percent and 10.25 percent respectively. Other balances carry mark-up ranging from 3.75 percent to 5.8 percent (2018: 3.75 percent to 5.8 percent) per annum.

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019	2018		Note	2019	2018
---- (No. of shares) ----		Ordinary shares of Rs.10/- each		Rupees	Rupees
175,920,448	175,920,448	- Issued for cash consideration	16.1 & 16.2	**1,759,204,480**	1,759,204,480
151,472,658	97,590,919	- Issued for consideration other than cash	16.3, 16.4 & 16.5	**1,514,726,580**	975,909,190
327,393,106	273,511,367			**3,273,931,060**	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.

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 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.

16.4 47,600,919 ordinary shares issued against purchase of 8,532,000 ordinary shares of HKC, 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 13,675,568 bonus shares were issued of Rs. 10 each as fully paid bonus shares to the members in proportion of 0.5 shares for every 10 shares held (i.e. 5%) on August 16, 2018.

16.6 40,206,171 bonus shares were issued of Rs. 10 each as fully paid bonus shares to the members in proportion of 1.4 shares for every 10 shares held (i.e. 14%) on October 12, 2018.

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

17 LONG-TERM FINANCING	Note	2019 Rupees	2018 Rupees
Term finance certificates	17.1	**2,108,762,771**	2,145,651,829
Less: current portion shown under current liabilities		**(110,000,000)**	(44,000,000)
		1,998,762,771	2,101,651,829

17.1 During last 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 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 previous 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 was fully drawn during last 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.

18 DEFERRED TAX LIABILITY	Note	2019 Rupees	2018 Rupees
Deferred tax liability on taxable temporary differences:			
Advance against rent from tenants (net of receivables)		**17,188,200**	27,567,486
19 TRADE AND OTHER PAYABLES			
Creditors		**27,169,032**	27,168,900
Retention money		**5,018,090**	7,970,846
Workers' Welfare Fund (WWF)		**9,290,946**	9,290,946
Payable to employees fund		**541,654**	401,202
Withholding income tax payable		**1,488,867**	1,314,712
	19.1	**43,508,589**	46,146,606

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

		2019	2018
20 DUE TO RELATED PARTIES – unsecured	Note	Rupees	Rupees
TPL Insurance Limited - an associated company	20.1	**6,097,824**	2,472,620
TPL Trakker Limited - an associated company	20.1	**4,287,788**	5,496,316
Centrepoint Management Services (Private) Limited - the subsidiary company		**-**	107,770
		10,385,612	8,076,706

20.1 Represents the amount payable to TIL and TTL on account of expenses, incurred by the associated companies on behalf of the Company.

		2019	2018
21 ACCRUED MARK-UP	Note	Rupees	Rupees
Accrued mark-up on:			
Long-term financing	17	**76,175,246**	49,853,206
Due to a related party:			
- TPL Holdings (Private) Limited – the ultimate parent company		**-**	18,333
Short term borrowings - secured	22	**13,780,751**	7,602,411
		89,955,997	57,473,950

22 SHORT-TERM BORROWINGS - secured

During the year on July 01, 2018, the Company enetered into a Musharakah 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 million which is repayable through quarterly payments at the rate of 2.5% plus 3 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.

		2019	2018
23 ADVANCES AGAINST RENT FROM TENANTS - Unsecured	Note	Rupees	Rupees
TPL Insurance Limited – a related party		**-**	1,750,301
Others	23.1	**113,944,849**	70,060,920
		113,944,849	71,811,221

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 The Company has filed a petition before the Honorable Sindh High Court challenging the vires of Section 5A of Income Tax Ordinance 2001 introduced through Finance Act 2017 whereby the Company is required to make payment of additional amount of 7.5% of the accounting profit after tax. The Court passed an 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 still at hearing stage and management is confident of a favorable outcome. Accordingly, no provision has been recorded in the financial statements with respect to the same.

24.1.2 The Company does not charge SST on its rental income on the ground that lending property on rent is not a service. The Company had challenged the above levy before the Court. The Honorable High Court of Sindh held, vide its judgment dated 18 August 2017, that the renting of immovable properties shall not be services on the premise that such activity is not covered in the definition of economic activity as provided in the Sindh Sales Tax on Services Act, 2011. The said order of High Court of Sindh has been challenged by the Sindh Revenue Board (SRB) before the Honorable Supreme Court of Pakistan (SCP) simultaneously the Sindh Legislature has amended the definition of economic activity to neutralize effect of the said judgment of the Sindh High Court. Certain taxpayers have again challenged the levy of Sindh sales tax on renting of immovable property on the basis that it does not involve any element of service and that the judgement of SHC is still in-tact. SHC has also granted stay to the said taxpayers. The management is also of the view that the judgement of SHC is still intact and, therefore, currently no SST is being charged by the Company while invoicing rentals and no provision has been made in the financial statements in this respect.

	2019	2018
24.2 Commitments	Rupees	Rupees
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:

	2019	2018
	Rupees	Rupees
Power Professionals and Engineers		
- Total contract value	-	62,588,574
- Paid upto last year by the Company	-	(54,658,181)
Balance commitment	-	7,930,393
Yoca		
- Total contract value	**3,625,620**	-
- Paid during the year by the Company	**(1,876,980)**	-
Balance commitment	**1,748,640**	-
Stone World		
- Total contract value	**3,778,236**	-
- Paid during the year by the Company	**(1,590,735)**	-
Balance commitment	**2,187,501**	-
Sahar Interior Services		
- Total contract value	**7,944,428**	-
- Paid during the year by the Company	**(3,500,000)**	-
Balance commitment	**4,444,428**	-

24.2.3 The Company had entered into the maintenance agreement with CMS 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 TTL and TIL 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:

	Note	2019 Rupees	2018 Rupees
Not later than one year		**361,821,710**	288,217,356
Later than one year but not later than five years		**1,245,649,621**	1,601,426,886
		1,607,471,331	1,889,644,242

25 RENTAL INCOME

		2019 Rupees	2018 Rupees
Related parties:			
TPL Trakker Limited - an associated company		**48,035,046**	41,924,227
TPL Insurance Limited - an associated company		**51,002,892**	45,423,204
		99,037,938	87,347,431
Others		**303,556,731**	279,003,002
		402,594,669	366,350,433

26 DIRECT OPERATING COSTS

		2019 Rupees	2018 Rupees
Insurance		**6,949,077**	7,230,478
Repairs and maintenance		**3,628,399**	1,283,650
Advertisement and promotional		**-**	864,736
Others		**-**	223,649
		10,577,476	9,602,513

27 ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2019 Rupees	2018 Rupees
Salaries, wages and other benefits	27.1	**28,486,615**	27,995,239
Legal and professional		**18,050,666**	31,553,486
Repairs and maintenance		**13,011,439**	3,858,981
Rent		**9,358,833**	9,358,833
Donations	27.3	**7,500,000**	5,500,000
Gym running expenses		**3,600,000**	-
Entertainment and recreation		**3,754,956**	8,906,451
Fuel and mobile		**3,094,270**	3,343,789
Advertisement		**2,715,014**	521,432
Depreciation	5	**2,534,302**	2,341,814
Travelling expenses		**2,459,306**	1,624,055
Auditors' remuneration	27.2	**2,000,000**	1,964,870
Printing and stationery		**1,901,481**	2,413,604
Insurance		**1,713,816**	680,945
IT related expenses		**1,589,833**	3,189,163
Other		**1,042,590**	-
Subscriptions		**900,098**	919,326
Utilities		**808,808**	1,018,767
Staff welfare		**352,277**	322,842
Training and development		**338,759**	1,496,743
Courier charges		**320,471**	323,926
Telecommunication expenses		**171,201**	200,172
Amortization	6	**150,690**	-
		105,855,425	107,534,438

27.1 These include Rs.0.929 million (2018: Rs. 0.574 million) in respect of staff retirement benefits (provident fund contribution).

27.2 Auditors' remuneration

	2019	2018
	Rupees	Rupees
Audit fees		
Statutory		
- standalone	**800,000**	800,000
- consolidation	**250,000**	250,000
	1,050,000	1,050,000
Half yearly review fee	**486,000**	486,000
Certifications	**385,000**	385,000
Out of pocket	**79,000**	43,870
	2,000,000	1,964,870

27.3 Represents donations made to the following parties:

	2019	2018
	Rupees	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
IBA-Event Hall	**1,950,000**	-
World Wide Fund for Nature Pakistan	**350,000**	-
Friends of Pink Ribbon Karachi Chapter	**200,000**	-
The Indus Hospital	**2,500,000**	2,500,000
	7,500,000	5,500,000

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

27.4 Provident fund

	2019	2018
	Rupees Un-audited	Rupees Un-audited
Size of the fund	**5,964,631**	3,321,046
Cost of investment made	**4,865,391**	2,112,352
Percentage of investment made	**82%**	64%
Fair value of investment	**4,865,391**	2,112,352

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

	2019		2018	
	------------ Un-audited ------------			
	Investment	Percentage of investment as size of the fund	Investment	Percentage of investment as size of the fund
	Rupees		Rupees	
Savings account	**4,865,391**	**82%**	2,112,352	64%

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

	2019	2018
	Rupees	Rupees
Markup on		
- long-term financing	**220,727,502**	171,218,762
- due to related parties	**-**	1,857,066
- short-term borrowings	**46,078,572**	33,142,341
	266,806,074	206,218,169
Bank charges	**441,617**	1,446,313
	267,247,691	207,664,482

29 OTHER INCOME

	2019	2018
Income from financial assets		
Profit on islamic saving account	**33,252,590**	20,261,045
Markup on:		
- long-term loans to subsidiaries	**26,535,421**	5,562,105
- term deposits	**-**	642,991
	26,535,421	6,205,096
Gain on sale of shares	**5,583,720**	-
Income from non-financial assets		
Fair value gain on investment property	**666,992,964**	1,180,808,607
Others	**942,838**	269,124
	667,935,802	1,181,077,731
	733,307,533	1,207,543,872

	2019	2018
	Rupees	Rupees

30 TAXATION

	2019	2018
Current	**32,539,058**	25,132,436
Deferred	**(10,379,286)**	(10,669,310)
	22,159,772	14,463,126

30.1 Relationship between accounting profit and tax expense

	2019	2018
Profit before taxation	**752,221,610**	1,249,092,872
Applicable tax rate	**29%**	30%
Tax at the above rate	**218,144,267**	374,727,861
Effect of non-taxable income for tax purpose	**(193,701,383)**	(356,184,848)
Effect of over claim deductions for tax purpose	**(1,364,197)**	-
Non-deductible expense for tax purpose - net	**-**	2,203,223
Effect of tax credit	**-**	(6,283,109)
Others	**(918,915)**	-
Tax expense for the year	**22,159,772**	14,463,127
Effective tax rate	**2.9%**	1.2%

30.2 The Company has filed income tax return upto the tax year 2018, which is deemed to be assessed under section 120 of Income Tax Ordinance, 2001. Following is the comparison of tax as per accounts viz-a-viz tax assessments for last three years.

	Deemed assessment	Provision
	------------ Rupees ------------	
Tax Year 2018	**24,636,197**	25,132,436
Tax Year 2017	**22,559,186**	23,869,791
Tax Year 2016	**3,640,566**	3,869,811

30.3 The proceedings for amendment of assessment for the tax year 2018 have been initiated by the Additional Commissioner under Section 122(9) read with section 122(5A) of the Ordinance.

In response to the same, the Company has submitted relevant information along with all necessary evidences. There has been no further correspondence from the department since then and the proceeding is yet to be finalised. Accordingly, no provision has been recorded in the financial statements in this respect.

The Deputy Commissioner Inland Revenue (DCIR) has amended the deemed assessment of the Company by passing an Order under Section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2017 thereby creating a tax demand of Rs.7,931,385/-. In this connection, the Company has filed an appeal before the Commissioner (Appeals) and simultaneously has also moved a rectification application with the concerned DCIR which is pending. The management is confident of a favorable outcome in respect of the appeal filed. Accordingly, no provision has been recorded in the unconsolidated financial statement with respect to said matter.

30.4 Subsequent to the reporting date, monitoring proceedings for Tax Year 2017 were concluded whereby Order under Section 161 of the Income Tax Ordinance 2001, was issued along with notice of demand of Rs. 167,549 (including default surcharge of Rs. 17,951) which has been duly discharged by the Company.

	2019	2018
	Rupees	Rupees
31 EARNINGS PER SHARE		
Profit attributable to ordinary shareholders	**730,061,838**	1,234,629,745
	------- Number of shares -------	
Weighted average number of ordinary shares outstanding during the year	**327,393,106**	327,393,106
Earnings per share – basic and diluted	**2.23**	**3.77**

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

32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

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

	Chief Executive		Director		Other Executives	
	2019	2018	2019	2018	2019	2018
	------------------	------------------	------------ Rupees	------------------	------------------	
- Director's fee (Note 32.3)	-	-	**380,000**	240,000	-	-
- Managerial remuneration, utilities, housing perquisites, etc.	**7,409,032**	7,409,032	-	-	**9,057,395**	3,175,651
- Retirement benefit	-	-	-	-	**471,420**	158,549
- Medical	**510,968**	510,968	-	-	**565,405**	190,349
Total	**7,920,000**	7,920,000	**380,000**	240,000	**10,094,220**	3,524,549
Number of persons	**1**	1	**3**	3	**3**	1

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 (2018: 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. All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The transactions with related parties other than those disclosed elsewhere in the unconsolidated financial statements are as follows:

	2019	2018
	Rupees	Rupees
The Ultimate Parent Company		
TPL Holdings (Private) Limited		
Mark-up on current account	-	11,026
Payment made to THL on account of current account	-	200,831
Associated Company		
TPL Trakker 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	20,759,440	75,273,398
Mark-up on current account	-	1,846,042
Expenses incurred/paid by TTL on behalf of the Company	17,697,413	49,058,007
Amount received from TTL on account of rent	71,331,154	16,881,081
Services acquired by the Company	48,035,046	41,924,227
Subsidiary Companies		
Centrepoint Management Services (Private) Limited		
Long-term loan received during the year	83,591,002	-
Long-term loan paid during the year	147,529,928	193,698,338
Payment received from CMS on account of accrued mark-up	34,613,053	16,395,258
HKC Limited		
Mark-up on long-term loan	26,535,421	5,562,105
Expenses incurred / paid by the Company	223,986,747	181,950,315
G-18 (Private) Limited		
Funds transferreed	214,662,834	-
Expenses incurred / paid on behallf of the Company	200,000	-
Common Directorship		
TPL Insurance Limited - an associated company		
Expenses incurred / paid by TIL on behalf of the Company	3,625,204	2,472,620
Amount received from TIL on account of rent	33,900,912	28,471,672
Services acquired by the Company	51,002,892	45,423,204
Staff retirement benefit fund		
TPL Properties Limited – Provident fund		
Employer contribution	2,600,177	1,679,333

33.1 The related parties status of outstanding receivables and payables, if any, as at June 30, 2019 and 30 June 2018 are disclosed in respective notes to these unconsolidated financial statements.

33.2 The related parties comprise of the Holding Company, associated companies, directors and key management personnel.

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, 2019.

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)
2019	**+100**	**(13,429,709)**
	-100	**13,429,709**
2018	+100	(16,858,008)
	-100	16,858,008

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.

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, deposits 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:

	2019		2018	
	Unconsolidated- statement of financial position	Maximum exposure	Unconsolidated- statement of financial position	Maximum exposure
	------------ Rupees ------------		------------ Rupees ------------	
Receivables against rent from tenants	**24,386,706**	**24,386,706**	45,419,372	45,419,372
Long-term loans to subsidiaries	**712,505,944**	**712,505,944**	432,506,875	432,506,875
Long-term deposits	**286,919**	**286,919**	286,919	286,919
Due from a related party	**215,194,817**	**215,194,817**	331,983	331,983
Bank balances	**209,010,763**	**209,010,763**	540,391,251	540,391,251
	1,161,385,149	**1,161,385,149**	1,018,936,400	1,018,936,400

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	2019	2018
		Rupees	Rupees
A1+	PACRA	**2,274,318**	5,982,076
A1+	JCR-VIS	**30,311,473**	71,851,835
A1	PACRA	**33,984,242**	179,639,302
A1	JCR-VIS	**-**	232,918,038
A2	JCR-VIS	**17,512,250**	50,000,000
A3	JCR-VIS	**124,928,480**	-
		209,010,763	540,391,251

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, 2019 and June, 30 2018 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
June 30, 2019		------ Rupe es ------				
Long-term financing	-	**55,000,000**	**55,000,000**	**1,056,000,000**	**990,000,000**	**2,156,000,000**
Short term borrowings	-	-	**400,000,000**	-	-	**400,000,000**
Trade and other payables	-	-	**49,556,010**	-	-	**49,556,010**
Due to related parties	-	-	**10,385,612**	-	-	**10,385,612**
Accrued mark-up	-	**89,955,997**	-	-	-	**89,955,997**
	-	**144,955,997**	**514,941,622**	**1,056,000,000**	**990,000,000**	**2,705,897,619**

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
June 30, 2018		------ Rupe es ------				
Long-term financing	-	-	44,000,000	858,000,000	1,298,000,000	2,200,000,000
Short term borrowings	-	-	400,000,000	-	-	400,000,000
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	508,069,972	858,000,000	1,298,000,000	2,721,543,922

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 unconsolidated 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, 2019				
Investment property (note 7)	**6,846,271,191**	-	**6,846,271,191**	-
June 30, 2018				
Investment property (note 7)	6,165,361,363	-	6,165,361,363	-

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, 2019 and June 30, 2018 are as follows:

	Note	2019	2018
		Rupees	Rupees
Long-term financing	17	**2,108,762,771**	2,145,651,829
Trade and other payables	19	**43,508,589**	46,146,606
Due to related parties	20	**10,385,612**	8,076,706
Accrued mark-up	21	**89,955,997**	57,473,950
Short-term borrowings	22	**400,000,000**	400,000,000
Advance against rent from tenants	23	**113,944,849**	71,811,221
Total debts		**2,766,557,818**	2,729,160,312
Less: Cash and bank balances		**209,611,031**	640,589,194
Net debt		**2,556,946,787**	2,088,571,118
Total equity		**6,587,880,219**	5,857,818,381
Total capital		**9,144,827,006**	7,946,389,499
Gearing ratio		**28%**	26%

35 DATE OF AUTHORIZATION OF ISSUE

These unconsolidated financial statements were authorised for issue on August 30, 2019 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, 2019 was 24 (June 30, 2018: 21) and average number of employees during the year was 22 (June 30, 2018: 17).

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

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

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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 2019**, 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 2019, 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 Matter

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 matter:

Key audit matter	How our audit addressed the key audit matter
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 financial statements the IP amounts to Rs. 6.846 billion and constitutes 73% 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. 667 million has been recorded by the Group 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 Group 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.

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:

- 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 **Shariq Zaidi.**

EY Ford Rhodes

Chartered Accountants
Place: Karachi
Date: September 25, 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	5	**376,056,976**	387,103,277
Intangible asset	6	**1,000,519**	1,250,649
Investment property	7	**6,874,579,344**	6,189,635,029
Development property	8	**1,265,142,970**	1,088,264,861
Long-term deposits	9	**2,786,919**	2,786,919
Deferred tax asset	10	**96,836,664**	86,457,378
		8,616,403,392	7,755,498,113
CURRENT ASSETS			
Tools		**1,070,706**	853,929
Receivables against rent, maintenance and other services	11	**96,863,705**	153,705,809
Advances, prepayments and other receivables	12	**308,068,498**	49,781,411
Due from related parties	13	**3,507,415**	1,287,086
Taxation - net		**156,594,058**	109,314,097
Short-term investment	14	**45,898,517**	100,000,000
Interest accrued		**1,163,133**	642,991
Cash and bank balances	15	**217,035,018**	558,786,594
		830,201,050	974,371,917
TOTAL ASSETS		**9,446,604,442**	8,729,870,030
EQUITY AND LIABILITIES			
SHARE CAPITAL			
Authorised capital			
400,000,000 (2018: 300,000,000) ordinary shares of Rs.10/- each		**4,000,000,000**	3,000,000,000
Issued, subscribed and paid-up capital	16	**3,273,931,060**	2,735,113,670
Capital reserve			
Share premium account		**21,746,165**	560,563,555
Revenue reserve			
Accumulated profit		**2,925,593,603**	2,249,120,030
		6,221,270,828	5,544,797,255
Non-controlling interest		**175,907,498**	87,536,549
		6,397,178,326	5,632,333,804
NON-CURRENT LIABILITY			
Long-term financing	17	**2,131,011,993**	2,288,901,051
CURRENT LIABILITIES			
Trade and other payables	18	**77,934,374**	109,570,225
Accrued expenses		**15,357,256**	16,149,910
Due to related parties	19	**10,385,612**	8,430,936
Accrued mark-up	20	**97,207,446**	63,553,126
Short-term borrowing	21	**400,000,000**	400,000,000
Current portion of long-term financing	17	**165,000,000**	99,000,000
Advances against rent, maintenance and other services	22	**152,529,435**	111,930,978
		918,414,123	808,635,175
CONTINGENCIES AND COMMITMENTS	23		
TOTAL EQUITY AND LIABILITIES		**9,446,604,442**	8,729,870,030

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

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Revenue from services rendered	24	**597,206,250**	553,192,539
Direct operating costs	25	**(174,332,789)**	(162,750,613)
Gross profit		**422,873,461**	390,441,926
Administrative and general expenses	26	**(139,391,320)**	(146,594,074)
Finance costs	27	**(290,216,526)**	(232,307,773)
Other income	28	**709,040,311**	1,204,328,595
Profit before taxation		**702,305,926**	1,215,868,674
Taxation	29	**(26,052,004)**	(20,285,433)
Profit for the year		**676,253,922**	1,195,583,241
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**676,253,922**	1,195,583,241
Attributable to:			
Owners of the Holding Company		**676,473,573**	1,195,681,883
Non-controlling interest		**(219,651)**	(98,642)
		676,253,922	1,195,583,241
Earnings per share - basic and diluted	30	**2.07**	3.65

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2019

	Issued, subscribed and paid up capital	Capital reserve share premium account	Revenue reserve accumulated profit	Total	Non-controlling interest
	------------	------------	(Rupees)	------------	
Balance at June 30, 2017	2,735,113,670	560,563,555	1,053,438,147	4,349,115,372	87,635,191
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-controlling interest for the year	-	-	-	-	(98,642)
Balance at June 30, 2018	**2,735,113,670**	**560,563,555**	**2,249,120,030**	**5,544,797,255**	**87,536,549**
Profit for the year	-	-	**676,473,573**	**676,473,573**	-
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	**676,473,573**	**676,473,573**	-
Loss attributable to non-controlling interest for the year	-	-	-	-	**(219,651)**
Shares sold to non-controlling interest	-	-	-	-	**88,590,600**
Bonus shares issued	**538,817,390**	**(538,817,390)**	-	-	-
Balance at June 30, 2019	**3,273,931,060**	**21,746,165**	**2,925,593,603**	**6,221,270,828**	**175,907,498**

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

CHIEF EXECUTIVE OFFICER　　CHIEF FINANCIAL OFFICER　　DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**702,305,926**	1,215,868,674
Adjustments for non-cash items			
Depreciation	5.1	**42,748,219**	39,261,056
Ammortization	6	**250,130**	-
Operating fixed assets written off		-	10,000
Gain on disposal of shares	28	**(5,583,720)**	-
Finance costs	27	**290,216,526**	232,307,773
Mark-up on savings account	28	**(33,389,000)**	(20,622,652)
Fair value gain on investment property	28	**(666,992,964)**	(1,180,808,607)
		(372,750,809)	(929,852,430)
Working capital changes			
(Increase) / decrease in current assets			
Receivables against rent, maintenance and other services		**56,842,104**	(86,835,814)
Tools		**(216,777)**	240,470
Advances and prepayments		**(258,287,087)**	(26,108,758)
Short-term investments		**54,101,483**	(100,000,000)
Due from related parties		**(2,220,329)**	(1,212,986)
		(149,780,606)	(213,917,088)
(Decrease) / increase in current liabilities			
Trade and other payables		**(31,635,851)**	14,048,753
Accrued expenses		**(792,654)**	(2,441,745)
Advance against rent from tenants		**40,598,457**	8,031,562
		8,169,952	19,638,570
Cash generated from operations		**187,944,463**	91,737,726
Finance cost paid		**(256,562,206)**	(229,497,711)
Markup on savings account received		**32,868,858**	20,622,652
Income tax paid - *net of refund*		**(83,711,250)**	(34,894,015)
Net cash used in operating activities		**(119,460,135)**	(152,031,347)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of operating fixed assets	5	**(31,701,919)**	(55,553,699)
Additions to development properties	8	**(176,878,109)**	(201,408,675)
Purchase of intangible asset	6	-	(1,250,649)
Expenditure incurred on investment property	7	**(17,951,351)**	(32,951,900)
Proceeds from disposal of shares		**94,174,320**	-
Mark-up on term deposits received	14	-	(642,991)
Long-term deposits - net	9	-	(2,600,000)
Net cash used in investing activities		**(132,357,059)**	(294,407,914)
CASH FLOWS FROM FINANCING ACTIVITIES*			
Long-term financing - net		**(91,889,058)**	255,077,288
Short-term borrowings - net	21	-	400,000,000
Due to related parties		**1,954,676**	(3,481,602)
Net cash (used in) / generated from financing activities		**(89,934,382)**	651,595,686
Net (decrease) / increase in cash and cash equivalents		**(341,751,576)**	205,156,424
Cash and cash equivalents at the beginning of the year		**558,786,594**	353,630,169
Cash and cash equivalents at the end of the year	15	**217,035,018**	558,786,593

*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 OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

1. LEGAL STATUS AND OPERATIONS OF THE GROUP

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

1.2 Holding Company

TPL Properties Limited [the Holding Company]

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 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 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 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

During last year, the Company established a wholly owned subsidiary, G-18, by virtue of 99.99% shareholding in the said company. G-18 is a private limited company incorporated during last year for the purpose of property development. However, as at the reporting date 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

1.3.4 TPL REIT Management Company Limited

During the year, the Group has established a wholly owned subsidiary, REIT, by virtue of 99.99% shareholding. As of the reporting date the REIT 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

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
TPL Holdings (Private) Limited [THL]	Ultimate Parent Company	Yes	8.61%
TPL Corp Limited [TCL]	Parent Company	Yes	21.90%
Centrepoint Management Services (Private) Limited	Subsidiary Company	Yes	99.99%
HKC Limited	Subsidiary Company	Yes	80.00%
G-18 (Private) Limited	Subsidiary Company	Yes	99.99%
TPL REIT Management Company Limited	Subsidiary Company	Yes	99.99%
TPL Trakker Limited [TTL]	Associated Company	Yes	-
TPL Insurance Limited [TIL]	Associated Company	Yes	2.92%
TPL Security Services (Private) Limited [TPS]	Associated Company	Yes	0.018%
TPL Maps (Private) Limited [TMP]	Associated Company	Yes	-
TPL Rupiya (Private) Limited [TPLR]	Associated Company	Yes	-
TPL Life Insurance Limited [TLI]	Associated Company	Yes	-
Jameel Yusuf	Chairman	N/A	5.40%
Muhammad Ali Jameel	Chief Executive Officer	N/A	7.01%
Ali Asgher	Chief Operating Officer	N/A	-
Rahim Baddaruddin Kazani	Chief Financial Officer	N/A	-
TPL Properties Limited - Employees' Provident Fund	Employees' Provident Fund	N/A	-
Centrepoint Management Services (Private) Limited - Employees' Provident Fund	Employees' Provident Fund	N/A	-

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

2.1 During the year the authorized share capital increased by Rs. 1,000,000,000 to Rs. 4,000,000,000.

2.2 53,881,739 bonus shares were issued of Rs. 10 each as fully paid bonus shares to the members.

2.3 During the year the Group sold 10% shareholding (948,000 shares) in HKC.

2.4 During the year, the Group established a wholly owned subsidiary, REIT.

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 Act have been followed.

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, G-18 & REIT as at June 30, 2019, 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, 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. Impairment loss in respect of goodwill is recognised in statement of comprehensive income and is not reversed in future periods.

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, G-18 and REIT 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.

4.3 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:

IFRS 2 Classification and Measurement of Share-based Payments Transactions (Amendments)
IFRS 4 Insurance Contracts: Applying IFRS 9 with IFRS 4 Insurance Contracts (Amendments)
IFRS 9 Financial Instruments
IFRS 15 Revenue from Contracts with Customers
IAS 40 Investment Property: Transfers of Investment Property (Amendments)
IFRIC 22 Foreign Currency Transactions and Advance Consideration

Improvements to accounting standards issued by IASB in December 2016

The adoption of the above standards, interpretations and improvement to standards did not have any material effect on the Group's consolidated financial statements, except for IFRS 9 'Financial Instruments'. The revised accounting policy adopted by the management is as follows:

IFRS 9 – Financial Instruments

IFRS 9 'Financial Instruments' has replaced IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Group has applied IFRS 9 retrospectively, with the initial application date of 1 July 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP).

The Group's financial assets mainly include long-term deposits, interest accrued, receivables against rent, maintinance and other services, advances, due from related parties, short-term investment and bank balances held with commercial banks.

The adoption of IFRS 9 has changed the accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking expected credit loss (ECL) approach. Expected Credit Loss are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Considering the nature of the operations and financial assets on the consolidated statement of financial position of the Group, the management believes that there will be no significant ECL charge on the financial assets of the Group.

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 consolidated 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 Operating fixed assets

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 consolidated 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 the consolidated statement of comprehensive income.

4.6 Intangible asset

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 consolidated 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 unconsolidated 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 operating fixed assets upto the date of change in use.

Maintenance and normal repairs are charged to consolidated 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;

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 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 consolidated 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.

4.9.2 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 consolidated 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.

4.10 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.

4.12 Advances, prepayments and other receivables

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 consolidated 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 consolidated 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.

4.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include long term financing, due to related parties, short term borrowings and trade and other payables.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

4.21 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities 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

IFRS 3 – Definition of a Business (Amendments)	01 January 2020
IFRS 3 – Business Combinations: Previously held interests in a joint operation	01 January 2019
IFRS 9 – Prepayment Features with Negative Compensation – (Amendments)	01 January 2019
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 – Joint Arrangements: Previously held interests in a joint operation	01 January 2019
IFRS 16 – Leases	01 January 2019
IAS 1/ IAS 8 – Definition of Material (Amendments)	01 January 2020
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
IAS 12 – Income Taxes: Income tax consequences of payments on financial	01 January 2019
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 consolidated financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for annual reporting period beginning on or after January 01, 2019. The Group expects that such improvements to the standards will not have any material impact on the Group's consolidated 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 January 01, 2020 for preparers of consolidated 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

The Group expects that above new standards will not have any material impact on the Group’s consolidated financial statements in the period of initial application.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

5 OPERATING FIXED ASSETS

	COST			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2018	Additions	As at June 30, 2019	As at July 01, 2018	Charge for the year	Asat June 30, 2019	Asat June 30, 2019	Depre-ciation Rate
	(Rupees)							%
Owned								
Power generation unit	**164,123,461**	**1,090,000**	**165,213,461**	**32,282,270**	**7,750,383**	**40,032,653**	**125,180,808**	**3.33 & 5**
Furniture and fixtures	**24,566,594**	**268**	**24,566,862**	**4,870,707**	**5,779,813**	**10,650,520**	**13,916,342**	**20**
Vehicles	**6,270,932**	**-**	**6,270,932**	**4,632,875**	**534,630**	**5,167,505**	**1,103,427**	**20**
Electrical equipment	**292,876,887**	**25,509,117**	**318,386,004**	**79,236,712**	**20,553,514**	**99,790,226**	**218,595,778**	**3.33 - 10**
IT equipment	**38,788,800**	**-**	**38,788,800**	**33,472,922**	**4,640,783**	**38,113,705**	**675,095**	**20**
Computer and accessories	**6,906,811**	**1,884,522**	**8,791,333**	**4,612,702**	**1,752,117**	**6,364,819**	**2,426,514**	**33.33**
Mobile phones	**81,500**	**221,646**	**303,146**	**81,187**	**129,524**	**210,711**	**92,435**	**50**
Gym equipment	**14,178,658**	**2,996,366**	**17,175,024**	**1,500,992**	**1,607,455**	**3,108,447**	**14,066,577**	**33.33**
2019	**547,793,643**	**31,701,919**	**579,495,562**	**160,690,367**	**42,748,219**	**203,438,586**	**376,056,976**	

	COST			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	Asat June 01, 2017	Additions / (disposal)	Asat June 30, 2018	As at July 01, 2017	Charge for the year / (disposal)	Asat June 30, 2018	Asat 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 (40,000)	81,500	-	111,187 (30,000)	81,187	313	50
Gym equipment	11,415,174	2,763,484	14,178,658	197,771	1,303,221	1,500,992	12,677,666	33.33
2018	492,279,944	55,553,699 (40,000)	547,793,643	121,459,310	39,261,056 (30,000)	160,690,367	387,103,277	

	Note	2019 Rupees	2018 Rupees
5.1 The depreciation charge for the year			
Direct operating costs	25	**39,152,646**	36,086,212
Administrative and general expenses	26	**3,595,573**	3,174,844
		42,748,219	39,261,056

6 INTANGIBLE ASSET

	COST			ACCUMULATED AMORTISATION			NET BOOK VALUE	
	At 01 July 2018	Additions	At 30 June 2019	At 01 July 2018	Charge for the year	At 30 June 2019	At 30 June 2019	Amortisation rate
	(Rupees)			(Rupees)				%
Computer software	**1,250,649**	-	**1,250,649**	-	**250,130**	**250,130**	**1,000,519**	**20**
2019	**1,250,649**	-	**1,250,649**	-	**250,130**	**250,130**	**1,000,519**	

	COST			ACCUMULATED AMORTISATION			NET BOOK VALUE	
	At 01 July 2017	Additions	At 30 June 2018	At 01 July 2017	Charge for the year	At 30 June 2018	At 30 June 2018	Amortisation rate
	(Rupees)			(Rupees)				%
Computer software	-	1,250,649	1,250,649	-	-	-	1,250,649	20
2018	-	1,250,649	1,250,649	-	-	-	1,250,649	

	Note	2019 Rupees	2018 Rupees
7 INVESTMENT PROPERTY			
Investment property	7.1 & 7.2	**6,846,271,191**	6,165,361,363
Capital work-in-progress	7.4	**28,308,153**	24,273,666
		6,874,579,344	6,189,635,029

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

	Note	2019 Rupees	2018 Rupees
As at July 01		**6,165,361,363**	4,967,683,819
Additions		**13,916,864**	16,868,937
		6,179,278,227	4,984,552,756
Gain from fair value adjustment	7.3	**666,992,964**	1,180,808,607
As at June 30		**6,846,271,191**	6,165,361,363

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, 2019 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.

	2019 Rupees	2018 Rupees
The movement in capital work-in-progress during the year is as follows:		
As at July 01	**24,273,666**	8,190,703
Additions during the year	**4,034,487**	16,082,963
As at June 30	**28,308,153**	24,273,666

7.5 Forced sale value of the investment property as at June 30, 2019 is Rs. 6,514,222,500 (2018: Rs. 5,911,053,750).

8 DEVELOPMENT PROPERTY

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 with construction due to commence after approval of design.

	Note	2019 Rupees	2018 Rupees
Land		**801,225,879**	801,225,879
Design and consultancy		**129,251,534**	120,730,826
Project management and anciliary costs		**280,391,870**	113,671,817
Other project costs		**54,273,687**	52,636,339
		1,265,142,970	1,088,264,861

9 LONG-TERM DEPOSITS – unsecured, considered good

	Note	2019 Rupees	2018 Rupees
Security deposits			
- Total PARCO Pakistan Limited		**2,500,000**	2,500,000
- Central Depository Company of Pakistan Limited		**200,000**	200,000
- City District Government Karachi		**86,919**	86,919
	9.1	**2,786,919**	2,786,919

9.1 These deposits are non-interest bearing.

10 DEFERRED TAX ASSET

	2019 Rupees	2018 Rupees
Deferred tax assets on deductible temporary differences:		
- Unused tax losses	**152,905,734**	152,905,734
Deferred tax liability on taxable temporary differences:		
- Operating fixed assets	**(38,880,870)**	(38,880,870)
- Advance against rent, maintenance and other services (net of receivables)	**(17,188,200)**	(27,567,486)
	(56,069,070)	(66,448,356)
	96,836,664	86,457,378

Deferred tax asset 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	2019 Rupees	2018 Rupees
11 RECEIVABLE AGAINST RENT, MAINTENANCE AND OTHER SERVICES			
Receivables against rent			
Related parties			
TPL Insurance Limited - an associated company		**15,351,680**	-
TPL Trakker Limited - an associated company	11.1	**7,851,228**	31,147,335
		23,202,908	31,147,335
Others		**1,183,798**	14,272,037
		24,386,706	45,419,372
Receivables against maintenance			
Related party:			
TPL Trakker Limited – an associated company		**5,516,972**	13,130,024
Others		**2,337,211**	4,127,212
		7,854,183	17,257,236
Receivables against electricity and air conditioning services			
Related parties:			
TPL Trakker Limited – an associated company		**14,756,355**	44,569,919
TPL Insurance Limited – an associated company	11.1	**4,747,911**	775,170
		19,504,266	45,345,089
Others		**13,319,872**	13,924,687
		32,824,138	59,269,776
Receivables against others and water supply services			
Related parties:			
TPL Trakker Limited – an associated company	11.1	**1,777,412**	3,036,146
TPL Insurance Limited – an associated company	11.1	**1,278,966**	124,555
TPL Life Insurance Limited – an associated company		**12,300**	10,170
		3,068,678	3,170,871
Others		**2,658,448**	2,169,155
		5,727,126	5,340,026
Receivables against IT services			
Related party			
TPL Trakker Limited – an associated company	11.1	**26,071,552**	26,419,400
	11.2	**96,863,705**	153,705,809

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

	2019	2018
TPL Corp Limited – the Parent Company	-	26,419,400
TPL Trakker Limited – an associated company	**142,634,729**	118,285,874
TPL Insurance Limited – an associated company	**47,948,555**	12,295,814
TPL Life Insurance Limited – an associated company	**12,300**	10,170

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:

	2019	2018
Due 1 to 180 days	**35,545,136**	66,326,956
Due 181 to 365 days	**54,343,707**	51,695,246
Due 366 days and above	**6,974,862**	35,683,607
	96,863,705	153,705,809

	Note	2019 Rupees	2018 Rupees
12 ADVANCES AND PREPAYMENTS			
Advances – unsecured, considered good			
Suppliers and contractors	12.1	**76,386,077**	44,546,515
Employees		**703,667**	464,713
Advance against development property	12.2	**214,675,336**	-
Others		**10,000,000**	12,502
		301,765,080	45,023,730
Prepayments			
Insurance		**6,303,418**	4,757,681
		308,068,498	49,781,411

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

12.2 This amount represents the advance payment made by G-18 (private) Limited to the owners of the property located at Karachi. The advance made is refundable and is in line with terms of agreement dated August 8, 2017. The said property acquisition is in line with the Company's plan for development of mixed-use project there on.

13 DUE FROM RELATED PARTIES	Note	2019 Rupees	2018 Rupees
TPL Holdings (Private) Limited - Ultimate Parent Company		**464,932**	74,100
TPL Life Insurance - an associated company		**3,042,483**	1,212,986
	13.1	**3,507,415**	1,287,086

13.1 Represents expenses incurred on behalf of THL and TLI, which is receivable on demand. The maximum amount outstanding at any time during the year calculated by reference to month end balances was Rs. 0.465 million (2018: 0.74 million) from THL and Rs. 3,042 million (2018: Rs. 1,213 million) from TIL.

14 SHORT-TERM INVESTMENTS	2019 Rupees	2018 Rupees
Investment in mutual funds (designated at fair value through profit or loss)	**45,898,517**	-
Term deposit receipts	**-**	100,000,000
	45,898,517	100,000,000

14.1 Investment in mutual funds - at fair value through profit or loss

2019 Number of units	Name of Mutual Fund	2019 Rupees Carrying Value	2019 Rupees Fair Value
2,591,261	NBP Money Market Fund (Formerly: NAFA Money Market Fund)	**25,580,801**	25,624,257
386,803	Pak Oman Advantage Islamic Income Fund	**20,432,162**	20,274,260
2,978,064		**46,012,963**	45,898,517

15 CASH AND BANK BALANCES	Note	2019 Rupees	2018 Rupees
Cash in hand		**525,537**	205,761
Cash at banks in local currency			
current accounts		**34,845,868**	74,549,483
savings accounts	15.1	**181,663,613**	484,031,350
		217,035,018	558,786,594

15.1 Included herein a cash deposit of Rs. 16.854 million under lien (note 23.2.1) and Rs. 100 million in a saving account placed with a commercial bank carrying mark-up ranging 5.4 percent to 5.8 percent and 10.25 percent respectively. Other balances carry mark-up ranging from 3.75 percent to 5.8 percent (2018: 3.75 percent to 5.8 percent) per annum.

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019	2018		Note	2019	2018
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
151,472,658	97,590,919	- Issued for consideration other than cash	16.3, 16.4 & 16.5	**1,514,726,580**	975,909,190
327,393,106	273,511,367			**3,273,931,060**	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.

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 13,675,568 bonus shares were issued of Rs. 10 each as fully paid bonus shares to the members in proportion of 0.5 shares for every 10 shares held (i.e. 5%) on 16 August 2018.

16.6 40,206,171 bonus shares were issued of Rs. 10 each as fully paid bonus shares to the members in proportion of 1.4 shares for every 10 shares held (i.e. 14%) on October 12, 2018.

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

17 LONG-TERM FINANCING

	Note	2019 Rupees	2018 Rupees
Facility 1	17.1	**2,108,762,771**	2,145,651,829
Facility 2	17.2	**187,249,222**	242,249,222
		2,296,011,993	2,387,901,051
Less : Current maturity		**(165,000,000)**	(99,000,000)
		2,131,011,993	2,288,901,051

17.1 During last year, 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 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 previous 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 was fully drawn during last 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.

17.2 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 became 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	2019 Rupees	2018 Rupees
18	**TRADE AND OTHER PAYABLES**			
	Creditors		**35,021,628**	49,267,637
	Payable to contractors		**21,157,183**	36,545,788
	Retention money		**5,809,251**	8,762,007
	Sales tax payable		**3,118,599**	2,770,346
	Workers' Welfare Fund (WWF)		**9,290,946**	9,290,946
	Payable to employees		**541,654**	401,202
	Withholding income tax payable		**2,096,363**	1,633,549
	Others		**898,750**	898,750
		18.1	**77,934,374**	109,570,225

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

		Note	2019 Rupees	2018 Rupees
19	**DUE TO RELATED PARTIES – unsecured**			
	TPL Insurance Limited - an associated company	19.1	**6,097,824**	2,472,620
	TPL Trakker Limited - an associated company	19.1	**4,287,788**	5,496,316
	TPL Security Services (Private) Limited - an associated company		**-**	462,000
			10,385,612	8,430,936

19.1 Represents the amount payable to TIL and TTL, on account of expenses, incurred by the associated company on behalf of the Group.

		Note	2019 Rupees	2018 Rupees
20	**ACCRUED MARK-UP**			
	Accrued mark-up on:			
	Long-term financing	17	**83,426,695**	55,932,382
	Due to a related party			
	- TPL Holdings (Private) Limited – the ultimate parent company		**-**	18,333
	Short term borrowings - secured	21	**13,780,751**	7,602,411
			97,207,446	63,553,126

21 **SHORT TERM BORROWINGS - secured**

During the year, the Group has enetered into a Musharakah 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 2.5% plus 3 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.

		2019 Rupees	2018 Rupees
22	**ADVANCES AGAINST RENT, MAINTENANCE AND OTHER SERVICES FROM TENANTS**		
	Advances against rent		
	TPL Insurance Limited – an associated company	**-**	1,750,301
	Others	**113,944,849**	70,060,920
		113,944,849	71,811,221
	Advances against maintenance and other services		
	TPL Insurance Limited – an associated company	**7,900,983**	5,789,972
	Others	**30,683,603**	34,329,785
		38,584,586	40,119,757
		152,529,435	111,930,978

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

The Group filed a petition before the Honorable Sindh High Court challenging the vires of Section 5A of Income Tax Ordinance 2001 introduced through Finance Act 2017 whereby the Group is required to make payment of additional amount of 7.5% of the accounting profit after tax. The Court passed an 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 still at hearing stage and management is confident of a favorable outcome. Accordingly, no provision has been recorded in the consolidated financial statements with respect to the same.

The Group does not charge SST on its rental income on the ground that lending property on rent is not a service. The Group had challenged the above levy before the Court. The Honorable High Court of Sindh held, vide its judgment dated 18 August 2017, that the renting of immovable properties shall not be services on the premise that such activity is not covered in the definition of economic activity as provided in the Sindh Sales Tax on Services Act, 2011. The said order of High Court of Sindh has been challenged by the Sindh Revenue Board (SRB) before the Honorable Supreme Court of Pakistan (SCP) simultaneously the Sindh Legislature has amended the definition of economic activity to neutralize effect of the said judgment of the Sindh High Court. Certain taxpayers have again challenged the levy of Sindh sales tax on renting of immovable property on the basis that it does not involve any element of service and that the judgement of SHC is still in-tact. SHC has also granted stay to the said taxpayers. The management is also of the view that the judgement of SHC is still intact and, therefore, currently no SST is being charged by the Group while invoicing rentals and no provision has been made in the consolidated financial statements in this respect.

	2019	2018
	Rupees	Rupees
23.2 Commitments		
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:

	2019	2018
	Rupees	Rupees
Power Professionals and Engineers		
- Total contract value	-	62,588,574
- Paid upto last year by the Group	-	(54,658,181)
Balance commitment	-	7,930,393
Yoca		
- Total contract value	**3,625,620**	-
- Paid during the year by the Group	**(1,876,980)**	-
Balance commitment	**1,748,640**	-
Stone World		
- Total contract value	**3,778,236**	-
- Paid during the year by the Group	**(1,590,735)**	-
Balance commitment	**2,187,501**	-
Sahar Interior Services		
- Total contract value	**7,944,428**	-
- Paid during the year by the Group	**(3,500,000)**	-
Balance commitment	**4,444,428**	-

23.2.3 The Group had entered into commercial property leases on its investment property with TTL, TIL 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Not later than one year		**361,821,710**	288,217,356
Later than one year but not later than five years		**1,245,649,621**	1,601,426,886
		1,607,471,331	1,889,644,242

24 REVENUE FROM SERVICES RENDERED

	Note	2019 Rupees	2018 Rupees
Revenue from rental			
Related parties:			
TPL Trakker Limited - an associated company		**48,035,046**	41,924,227
TPL Insurance Limited - an associated company		**51,002,892**	45,423,204
		99,037,938	87,347,431
Others		**303,556,731**	279,003,002
		402,594,669	366,350,433
Revenue from maintenance and services			
Related parties:			
TPL Trakker Limited - an associated company		**8,676,151**	7,568,529
TPL Insurance Limited - an associated company		**8,868,213**	7,703,213
		17,544,364	15,271,742
Others		**60,420,473**	54,616,024
	24.1	**77,964,837**	69,887,766
Revenue from electricity and conditioning services			
Related parties:			
TPL Trakker Limited - an associated company		**20,406,352**	22,760,750
TPL Insurance Limited - an associated company		**7,038,394**	7,688,120
		27,444,746	30,448,870
Others		**65,243,998**	64,725,470
	24.1	**92,688,744**	95,174,340
Revenue from IT services			
TPL Trakker Limited - an associated company	24.1	**23,958,000**	21,780,000
		597,206,250	553,192,539

24.1 These include amount exclusive of sales tax amounting to Rs. 32.710 million (2018: Rs. 24.105 million).

25 DIRECT OPERATING COSTS

	Note	2019 Rupees	2018 Rupees
Salaries and wages	25.1	**50,473,548**	48,003,949
Oil, gas and diesel		**46,089,707**	41,778,411
Depreciation	5.1	**39,152,646**	36,086,212
Housekeeping and cleaning		**14,444,400**	13,525,272
Insurance		**8,107,485**	8,126,832
Repairs and maintenance		**10,546,900**	9,208,725
Landscaping and plantation		**4,223,000**	3,584,100
Water expenses - net	25.2	**919,956**	1,056,281
Advertisement and promotional		**-**	864,736
Others		**375,146**	516,095
		174,332,789	162,750,613

25.1 These include Rs. 2.268 million (2018: 2.036 million) in respect of staff retirement benefits (provident fund contribution).

25.2 These include water expenses net of reimbursement from tenants.

26 ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2019 Rupees	2018 Rupees
Salaries, wages and other benefits	26.1	**39,187,818**	38,828,631
Legal and professional		**20,881,518**	34,456,775
Repairs and maintenance		**14,770,540**	13,127,072
Fire, safety and security	26.3	**12,380,216**	11,007,700
Rent		**9,358,833**	9,358,833
Donations		**7,500,000**	5,500,000
Fuel and mobile		**4,252,307**	3,343,789
Gym expenses		**3,600,000**	-
Entertainment and recreation		**4,280,304**	8,906,451
Depreciation	5.1	**3,595,573**	3,174,844
Auditors' remuneration	26.2	**3,050,207**	3,018,170
Advertisement		**2,715,014**	521,432
Printing and stationery		**2,759,963**	3,047,752
Travelling expenses		**2,459,306**	1,624,055
Utilities		**2,188,742**	1,976,861
IT related expenses		**1,626,783**	3,189,163
Subscriptions		**900,098**	919,326
Telecommunication and courier expenses		**777,979**	524,098
Others		**2,164,952**	2,249,537
Staff welfare		**352,277**	-
Training and development		**338,759**	1,819,585
Amortization of Intangible Asset	6	**250,130**	-
		139,391,320	146,594,074

26.1 These include Rs. 3.081 million (2018: Rs. 0.991 million) in respect of staff retirement benefits (provident fund contribution).

26.2 Auditors' remuneration

	2019 Rupees	2018 Rupees
Audit fees		
Statutory		
- standalone	**1,845,700**	1,815,700
- consolidation	**250,000**	250,000
	2,095,700	2,065,700
Half yearly review, code of corporate governance review and certifications	**871,000**	871,000
Out of pocket	**83,507**	81,470
	954,507	952,470
	3,050,207	3,018,170

26.3 Represents donations made to the following parties:

	2019	2018
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
World Wide Fund for Nature Pakistan	**350,000**	-
Friends of Pink Ribbon Karachi Chapter	**200,000**	-
IBA-Event Hall	**1,950,000**	-
The Indus Hospital	**2,500,000**	2,500,000
	7,500,000	5,500,000

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

	2019	2018
	(unaudited) Rupees	(unaudited) Rupees

26.4 Provident fund

	2019	2018
Size of the fund	**20,658,528**	13,730,245
Cost of investments made	**18,527,374**	11,313,421
Percentage of investments made	**90%**	82%
Fair value of investments	**18,527,374**	11,313,421

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

	2019		2018	
	Un-audited			
	Investment Rupees	Percentage of investment as size of the fund	Investment Rupees	Percentage of investment as size of the fund
Savings account	**18,527,374**	**90%**	11,313,421	82%

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	2019 Rupees	2018 Rupees
Markup on			
- long-term financing		**243,575,079**	195,519,728
- due to related parties		**-**	1,857,066
- short-term borrowings		**46,078,572**	33,142,341
		289,653,651	230,519,135
Bank charges		**562,875**	1,788,638
		290,216,526	232,307,773

28 OTHER INCOME

	Note	2019 Rupees	2018 Rupees
Income from financial assets			
Profit on islamic saving account		**33,466,193**	20,261,045
Exchange gain		**42,026**	-
Dividend income		**1,045,606**	-
Unrealized loss on mutual funds		**(114,446)**	-
Markup on:			
- term deposits		**-**	642,991
- on saving accounts		**136,410**	361,607
		136,410	1,004,598
Gain on sale of shares		**5,583,720**	-
Income from non-financial assets			
Fair value gain on investment property	7	**666,992,964**	1,180,808,607
Income from ancillary services		**945,000**	1,985,221
Others		**942,838**	269,124
		668,880,802	1,183,062,952
		709,040,311	1,204,328,595

		2019	2018
		Rupees	Rupees
29	**TAXATION**		
	Current	**36,431,290**	28,869,278
	Prior	**-**	547,800
	Deferred	**(10,379,286)**	(9,131,646)
		26,052,004	20,285,433

29.1 The Group has filed income tax return for the tax year 2018, which is deemed to be assessed under section 120 of Income Tax Ordinance, 2001. Management has provided sufficient tax provision in the consolidated 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 2018	**28,884,099**	28,869,278
Tax Year 2017	**38,826,591**	38,761,253
Tax Year 2016	**5,255,103**	5,484,348

29.2 The proceedings for amendment of assessment for the tax year 2018 have been initiated by the Additional Commissioner under Section 122(9) read with section 122(5A) of the Ordinance.

In response to the same, the Group has submitted relevant information along with all necessary evidences. There has been no further correspondence from the department since then and the proceeding is yet to be finalised. Accordingly, no provision has been recorded in the consolidated financial statements in this respect.

29.3 The Deputy Commissioner Inland Revenue (DCIR) has amended the deemed assessment of the Group by passing an Order under Section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2017 thereby creating a tax demand of Rs.7,931,385/-. In this connection, the Group has filed an appeal before the Commissioner (Appeals) and simultaneously has also moved a rectification application with the concerned DCIR which is pending. The management is confident of a favorable outcome in respect of the appeal filed. Accordingly, no provision has been recorded in the consolidated financial statement with respect to said matter.

29.4 Subsequent to the reporting date, monitoring proceedings for Tax Year 2017 were concluded whereby Order under Section 161 of the Income Tax Ordinance 2001, was issued along with notice of demand of Rs. 167,549 (including default surcharge of Rs. 17,951) which has been duly discharged by the Group.

		2019	2018
		Rupees	Rupees
30	**EARNINGS PER SHARE - BASIC AND DILUTED**		
	Profit attributable to ordinary shareholders	**676,253,922**	1,195,583,241
		------- Number of shares	-------
	Weighted average number of ordinary shares outstanding during the year	**327,393,106**	327,393,106
	Earnings per share – basic and diluted	**2.07**	3.65

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

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

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

	Chief Executive		Director		Other Executives	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	---------- Rupees ----------					
- Director's fee (Note 31.3)	-	-	**380,000**	240,000	-	-
- Managerial remuneration, utilities, housing perquisites, etc.	**22,451,613**	22,451,613	-	-	**28,373,244**	28,604,654
- Bonus	-	-	-	-	-	-
- Retirement benefit	-	-	-	-	**1,457,359**	1,403,448
- Medical	**1,548,387**	1,548,387	-	-	**1,745,861**	1,684,798
Total	**24,000,000**	24,000,000	**380,000**	240,000	**31,576,464**	31,692,900
Number of persons	**1**	1	**3**	3	**6**	7

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 the 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 (2018: 8).

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. All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The transactions with related parties other than those disclosed elsewhere in these consolidated financial statements are as follows:

	2019	2018
The Ultimate Parent Company	Rupees	Rupees
TPL Holdings (Private) Limited		
Mark-up for the year on current account given to Holding Company	-	11,026
Payment made to THL by the Holding Company	-	200,831
Associated Company		
TPL Trakker 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	**20,759,440**	75,273,398
Mark-up on current account	-	1,846,042
Expenses incurred/paid by TTL on behalf of the Group	**17,697,413**	49,058,007
Amount received from TTL on account of rent and other services	**122,452,842**	16,881,081
Services rendered by CMS	**44,942,530**	30,329,279
Rental services rendered by the Group	**48,035,046**	41,924,227
Common Directorship		
TPL Insurance Limited - an associated company		
Amount against rent received during the year by the Holding Company	**33,900,912**	28,471,672
Services acquired by the Holding Company and CMS	**51,002,892**	45,423,204
Expenses incurred / paid by TIL on behalf of the Group	**3,625,204**	2,472,620
Services rendered by the Group	**17,705,335**	15,497,573
Amount received against maintenance and other services by CMS	**23,732,177**	17,169,724
TPL Security Services (Private) Limited		
Services acquired by the Group	**10,652,400**	9,099,200
Amount paid against services	**8,805,984**	8,465,297
Staff retirement benefit fund		
Group – Provident fund		
Employer contribution	**5,349,244**	3,929,504

32.1 The related parties status of outstanding receivables and payables, if any, as at June 30, 2019 and June 30, 2018 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, 2019.

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 is not reported.

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 Group manages its interest rate risk by placing its excess funds in saving accounts in banks.

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)
2019	**+100**	**(22,270,563)**
	-100	**22,270,563**
2018	+100	(23,518,112)
	-100	23,518,112

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 exposed to credit risk on receivable against rent from tenants, 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:

	2019		**2018**	
	Statement of financial position	**Maximum exposure**	Statement of financial position	Maximum exposure
	------------ **Rupees** ------------		------------ **Rupees** ------------	
Receivables against rent, maintenance and other services	**96,863,705**	**96,863,705**	153,705,805	153,705,805
Due from related parties	**3,507,415**	**3,507,415**	1,287,086	1,287,086
Bank balances	**216,509,481**	**216,509,481**	558,580,833	558,580,833
	316,880,601	**316,880,601**	713,573,724	713,573,724

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

Bank Balances by short-term rating category	Rating Agency	2019 Rupees	2018 Rupees
A1+	PACRA	**3,853,516**	13,558,419
A1+	JCR-VIS	**30,892,548**	80,053,376
A1	PACRA	**85,211,451**	181,752,388
A1	JCR-VIS	-	232,918,038
AAA	PACRA/JCR-VIS	-	298,612
A2	JCR-VIS	**17,512,250**	50,000,000
A3	JCR-VIS	**79,039,716**	-
		216,509,481	**558,580,833**

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.

The table below summarises the maturity profile of the Group's financial liabilities at June 30, 2019 and June 30, 2018 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, 2019						
Long-term financing	-	**82,500,000**	**82,500,000**	**1,188,249,222**	**941,250,829**	**2,294,500,051**
Trade and other payables	-	**5,214,962**	**62,529,716**	**10,189,696**	-	**77,934,374**
Due to related parties	-	-	**10,385,612**	-	-	**10,385,612**
Accrued mark-up	-	**97,207,446**	-	-	-	**97,207,446**
	-	**184,922,408**	**155,415,328**	**1,198,438,918**	**941,250,829**	**2,480,027,483**

	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

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, 2019				
Investment property (note 7)	**6,874,579,344**	-	**6,874,579,344**	-
Investment in mutual funds (note 14)	**45,898,517**	-	**45,898,517**	-
	6,920,477,861	-	**6,920,477,861**	-
June 30, 2018				
Investment property (note 7)	6,165,361,363	-	6,165,361,363	-

33.4.1 Valuation techniques used in determination of fair values within level 2:

Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.

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.

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, 2019 and June 30, 2018 are as follows:

	Note	2019	2018
		Rupees	Rupees
Long-term financing	17	**2,296,011,993**	2,387,901,051
Trade and other payables	18	**77,934,374**	109,570,225
Due to related parties	19	**10,385,612**	8,430,936
Accrued mark-up	20	**97,207,446**	63,553,126
Short-term borrowings	21	**400,000,000**	400,000,000
Advance against rent from tenants	22	**152,529,435**	111,930,978
Total debts		**3,034,068,860**	3,081,386,316
Less: Cash, bank balances and short term investments		**262,933,535**	658,786,594
Net debt		**2,771,135,325**	2,422,599,722
Total equity		**6,397,178,326**	5,963,634,938
Total capital		**9,168,313,651**	8,386,234,660
Gearing ratio		**30%**	29%

34 DATE OF AUTHORIZATION OF ISSUE

These consolidated financial statements were authorised for issue on August 30, 2019 by the Board of Directors of the Group.

35 GENERAL

35.1 Number of employees as at June 30, 2019 was 146 (June 30, 2018: 145) and average number of employees during the year was 142 (June 30, 2018: 140).

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

35.3 Certain prior year's figures have been rearranged for better presentation, wherever necessary.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

NOTICE OF THE ANNUAL GENERAL METETING OF TPL PROPERTIES LIMITED

Notice is hereby given that the Annual General Meeting ("AGM") of TPL Properties Limited ("Company") will be held on Tuesday, 22nd October, 2019 at 12:00 noon. at 11th Floor, Centerpoint, off. Shaheed-e-Millat Road, Near KPT Interchange, Karachi, to transact the following business:

ORDINARY BUSINESS:

1. To approve the minutes of the Extra ordinary General Meeting held on November 14, 2018.

   ***"RESOLVED THAT** the minutes of Extra ordinary General Meeting of TPL Properties Limited held on November 14, 2018 at 11:00 am 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' Report thereon for the year ended June 30, 2019.

   ***"RESOLVED THAT** the Annual Standalone and Consolidated Audited Financial Statements of TPL Properties Limited, the Directors' and Auditors' Report thereon for the year ended June 30, 2019 be and are hereby approved."*

3. To appoint Auditors for the year ending June 30, 2020 and fix their remuneration. M/s. EY Ford Rhodes., Chartered Accountants retire and 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 on the basis of consent received from them, at a fee mutually agreed for the period ending June 30, 2020."*

4. To elect directors of the Company for a three-year term. The Board of the directors in their meeting held on August 30, 2019, fixed the number of directors at Eight (8). The term of the following Eight (8) directors will expire on October 28, 2019:

   1. Mr. Jameel Yusuf S.St
   2. Mr. Muhammad Ali Jameel
   3. Mr. Siraj Dadabhoy
   4. Vice Admiral (R) Mohammad Shafi HI (M)
   5. Mr. Bilal Alibhai
   6. Mrs. Sabiha Sultan
   7. Mr. Ziad Bashir
   8. Mr. Fawad Anwar

ANY OTHER BUSINESS

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

By Order of the Board

Danish Qazi
Company Secretary

Karachi, October 1st, 2019

NOTICE OF THE ANNUAL GENERAL METETING OF TPL PROPERTIES LIMITED

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Book of the Company will remain closed from October 16th, 2019 to October 22nd, 2019 (both days inclusive). Share Transfers received at M/s THK Associates (Pvt.) Ltd, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400 by the close of business hours (5:00 PM) on Tuesday, October 15th, 2019, will be treated as being in time for the purpose of above entitlement to the transferees.

2. Participation in the Meeting:

All members of the Company are entitled to attend the meeting and vote there at in-person or through Proxy. A proxy duly appointed shall have such rights as respect to the speaking and voting at the meeting as are available to a member. The proxies shall produce their original CNICs or original passport at the time of the meeting.

Members can also avail video conference facility in Karachi, Lahore, Rawalpindi/Islamabad, Peshawar and Quetta. In this regard please fill the provided Consent for video conference facility and submit to registered address of the Company 7 days before holding of the general meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 7 days prior to date of meeting, the Company will arrange a video conference facility in the city, subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access such facility.

3. For Appointing Proxy

A member entitled to attend and vote at the AGM is entitled to appoint another member as a proxy to attend, speak and vote on his/her behalf. In order to be effective, duly filled and signed Proxy Form must be received at the Registrar of the Company M/s THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400, not less than 48 hours before the Meeting.

4. Members who have deposited their shares into CDC will further have to follow the undermentioned guidelines as laid down in circular 01 of 2000 dated January 26th, 2000, issued by the Securities and Exchange Commission of Pakistan:

For Attending the Meeting:

i. In case of individuals, the Account holder and/or Sub-account holder whose registration details are uploaded as per the CDC regulations, shall authenticate his/her identity by showing his/her original valid CNIC or original passport at the time of attending the meeting.

ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

5. For Election of Directors:

In accordance with Section 159(1) of the Companies Act, 2017, the number of directors to be elected has been fixed at Eight (8) by the Board of Directors of the Company.

NOTICE OF THE ANNUAL GENERAL METETING OF TPL PROPERTIES LIMITED

In terms of section 159 (3) of the Companies Act, 2017, any person who seeks to contest election to the office of a director, whether he is a retiring director or otherwise, shall file with the Company at its Registered Office, not later than fourteen (14) days before the date of this meeting, the following documents:

a. Notice of his/her intention to offer himself/ herself for election as a Director. Provided that any such person may, at any time before the holding of election, withdraw such notice.

b. Consent to act as a Director u/s 167 of the Companies Act, 2017.

c. A detailed profile along with office address as required under SECP's SRO 25 (1) 2012 dated January 16, 2012.

d. A Declaration confirming that:

    i. He/ she is aware of the duties of directors under the Companies Act, 2017, the Memorandum and Article of Association and the listing regulations of the Pakistan Stock Exchange

    ii. He/ she does not violate any of the provisions or conditions prescribed by SECP for holding such office and further that such person shall fully comply with all the SECP directives issued or to be issued by the SECP in the form of circulars, notifications, directions, letters, instructions, and other orders.

    iii. He/ she is not ineligible to become a director of the Company under any applicable laws and regulations.

    iv. He/ she is not serving as a director of more than five listed companies including this Company and excluding directorships in listed subsidiaries of listed holding companies.

6. Change of Address:

Members are requested to immediately notify the change, if any, in their registered address to the Share Registrar M/s. THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400.

7. Accounts of the Company for the year ended June 30, 2019 have been placed on the website of the Company, http://tplproperty.com/.

CONSENT FOR VIDEO CONFERENCE FACILITY ANNUAL GENERAL MEETING

I/We____

S/o/ D/o__________________________________ r/o________________________________

being a member(s) of TPL Properties Limited, holder of __________ Ordinary Share(s) as per registered Folio / CDS

Account No. ______________, hereby opt for video conference facility at ________________ to attend

Annual General Meeting of the Company to be held on Tuesday, October 22nd, 2019.

Signature on Revenue Stamp of Appropriate Value

Note: This consent, duly completed and signed, must be received at the registered office of the Company at least seven (7) days before the date of the meeting.

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PROXY FORM

Annual General Meeting of TPL Properties Limited

I/We ______________________________ S/o / D/o / W/o ______________________________

resident of (full address) ____

being a member(s) of TPL Properties Limited, holding ______________________________ ordinary shares,

hereby appoint ______________________________ S/o / D/o / W/o ______________________________

resident of (full address) ____ or failing him / her

______________________________ S/o / D/o / W/o ______________________________

resident of (full address) ____

as my / our proxy in my / our absence to attend and vote for me / us on my / our behalf at Annual General Meeting of the Company to be held on Tuesday, 22nd October, 2019 and/or adjournment thereof.

As witness my / our hand (s) seal this on the ____________ day of ________________ 2019.

In presence of:

1. Signature: ____________________

   Name: ____________________

   Address: ____________________

   CNIC or Passport No: ____________________

2. Signature: ____________________

   Name: ____________________

   Address: ____________________

   CNIC or Passport No: ____________________

Signed by the said:

Folio No. / CDC Account No.

Signature on Revenue Stamp of Appropriate Value.

The signature should agree with the specimen registered with the Company.

Important Instructions:

1. The Proxy form, duly completed and signed, must be received at the Registrar's Office of the Company not less than forty eight (48) hours before the time of holding the meeting.

2. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

3. In case of a proxy for an individual CDC shareholder, attested copies of CNIC or the passport, account and participant's ID number of the beneficial owner and along with the proxy is required to be furnished with the proxy form.

4. In case of a corporate entity, the Board of Directors' resolution / power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form of 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 پارٹسپینٹ آئی ڈی نمبر ______________

اور ذیلی اکاؤنٹ نمبر ______________ بذریعہ تقرر ______________

______________ جس کا مکمل پتہ ______________

____

یا اسکی عدم موجودگی میں ______________ مکمل پتہ ______________

____

میری/ ہماری جانب سے کمپنی کی سالانہ جنرل میٹنگ میں، جو کہ منگل ۲۲ اکتوبر ۲۰۱۹ کی میٹنگ، یا اس کے التواء کی صورت میں اس کے بعد جب بھی میٹنگ ہو، میری/ ہماری نیابت (پراکسی) میں میری/ ہماری طرف سے ووٹ دینے کا حق رکھتا/ رکھتی ہے۔

زیر دستخطی ______________ دن ______________ ۲۰۱۹

دستخط کنندہ

فولیو نمبر / سی ڈی سی آکاؤنٹ نمبر

برائے مہربانی یہاں ریونیو سٹمپ چسپاں کریں

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

1۔ دستخط : ______________

نام: ______________

پتہ: ______________

شناختی کارڈ یا پاسپورٹ نمبر ______________

2۔ دستخط : ______________

نام: ______________

پتہ: ______________

شناختی کارڈ یا پاسپورٹ نمبر ______________

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 کمپیوٹرائز 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۔

Front Cover
Sculpture by Aamir Habib
Material - Perforated Metal

CORPORATE OFFICE

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