

SINDH LAND MANAGEMENT & DEVELOPMENT
COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2015

COMPANY INFORMATION

PARENT ORGANIZATION:

Government of Sindh
(SLMDC is a wholly owned subsidiary of GOS)

BOARD OF DIRECTORS

Mr. Fazal ur Rehman
Mr. Roshan Ali Shaikh
Mr. Ejaz Ahmed Khan
Mr. Muhammad Waseem
Mr. Alam Din Bullo
Mr. Shoaib Ahmed Siddiqui
Mr. Muhammad Suhail Khan Rajput

Chairman/Adv on SID, GOS
Chief Executive
Director/Secy SID, GOS
Director/ACS to P&D, GOS
Director/Secy to CM, GOS
Director/ SMBR, BOR, GOS
Director/Secy, FD, GOS

BOARD AUDIT COMMITTEE:

Chairman, Secy. SID, GOS
Member, Secy. Fin. Dept. GOS
Member, Secy./ ACS, P&D, GOS

BOARD HR COMMITTEE:

Chairman, Secy/ ACS, P&D, GOS
Member, SMBR, GOS
Member, CEO, SLMDC

BOARD PROCURMENT COMMITTEE:

Chairman, Secy, Fin. Dept. GOS
Member, Secy. /ACS, P&D, GOS
Member, CEO, SLMDC

BOARD NOMINATION COMMITTEE:

Chairman, Secy, to CM, Sindh
Member, SMBR, GOS
Member, CEO, SLMDC

BOARD PROJECT DEVELOPMENT COMMITTEE:

Chairman, SMBR, GOS
Member, Secy. / ACS P&D, GOS
Member, CEO, SLMDC

COMPANY SECRETARY/ CHIEF ACCOUNTANT

Mr. Naved Ayaz

AUDITORS

M/s Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants

LEGAL ADVISOR

M/s SMR Law Associates

BANKERS

National Bank of Pakistan
Sindh Bank Ltd

REGISTERED OFFICE

KARACHI

Bungalow No: D-47, Block-2, Clifton, Near Bilawal House,
Tel. # 021-35863026-28
Fax # 021-35863029
www.slmcd.com.pk



Sindh Land Management & Development Company Ltd



Director's Report

The Board of Directors of Sindh Land Management & Development Company Limited is pleased to present the Annual Audited Financial Statements along with Auditor's Report of the company and Statements of Compliance as per Public Sector (Corporate Governance) Rules 2013 applicable on the Company for the period ended June 30, 2015. This report represents the financial, operating performance of the Company and highlights the key business challenges faced by the company, during the period.

The company is a wholly owned subsidiary of Government of Sindh. Further the physical shares have not been issued, due to non-fulfillment of outstanding minimum subscription amount required as per Companies Ordinance 1984 for the issuance of the Certificate of Commencement of Business by Securities & Exchange Commission of Pakistan.

In the month of January 2015, new Chief Executive Officer of the company Mr. Roshan Ali Shaikh took over the charge with commitment to make the company operational at the earliest. Subsequently in the month of May 2015 during 14th Board of Director's meeting, it was resolved to reduce the paid-up-capital of the company from Rs. 300 million to Rs. 200 million to remove the bottleneck in obtaining the Certificate of Commencement of Business from Securities & Exchange Commission of Pakistan and to make the company operational and functional. Hopefully the said issue will be resolved in the coming financial year.

During the period, another department of Government of Sindh namely Sindh Solid Waste Management Board started sharing the premises of registered office/assets of the company with effect from January 2015 on the basis of 50:50 (monthly officer rent sharing). Moreover the additional common expenses such as electricity bill, water charges, maintenance, etc have also stood recoverable from Sindh Solid Waste Management Board without incurring any additional cost to the company.

The above sharing of registered office/assets resulted in reduction of net losses of the company up to 16.10% amounting Rs. 5.486 million (2014: Rs. 6.539 million). However, the total assets moved to decline by 3.1% amounting to Rs. 145.566 million (2014: Rs. 150.344 million).

The company as per the directions of Board also made an investment on Pakistan Investment Bonds of Rs. 100 million earning interest of 11.5% per annum



Sindh Land Management & Development Company Ltd



to mitigate the impact of significant decline in interest rates offered in the capital market of the country on the available balances of the company at banks.

Business Review

Since, the company has not obtained its Commencement of Business Certificate from Securities & Exchange Commission of Pakistan, yet. Hence, no core business activity took place during the said period. But in the coming financial year the company may start its operation, Inshallah.

Operational Performance

Due to non-issuance of the Certificate of the Commencement of Business to the company, the revenue expense did not incur during the year. Establishment and capital expenditure were incurred to fulfill the statutory requirements as per the companies Ordinance 1984 amended up-to-date, in the best interest of the company.

Financial highlights:

DESCRIPTION	Jun-15		Jun-14		Jun-13		Jun-12		Jun-11	
Rs. In millions	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
General & admin expense	16.934	(7.48)	18.305	(6.65)	19.608	(28.94)	27.595	87.68	14.703	-
Loss after Taxation	5.486	(16.10)	6.539	(43.10)	11.492	(42.58)	20.014	36.12	14.703	-
Accumulated Loss	58.171	10.28	52.747	14.14	46.213	33.11	34.717	136.12	14.703	-
Share Capital & Reserves	141.828	(3.68)	147.252	(4.25)	153.786	135.57	65.282	(23.46)	85.296	-
Loss Per Share	0.27	(18.18)	0.33	(67.65)	1.02	(49.00)	2.00	36.05	1.47	-

Change of Directors / Chief Executive Officers During The Period

Government of Sindh, through its notifications nominated Mr. Malik Asrar Hussain, Mr. Shahid Gulzar Shaikh and Mr. Shoaib Ahmed Siddiqui as nominee directors of the company. Further, Government of Sindh also took the withdrawal the nominee directors, namely, Mr. Sikandar Ahmed Rao, Mr. Malik Asrar and Mr. Shahid Gulzar Shaikh.



Sindh Land Management & Development Company Ltd



During the period Ms. Nargis Ali Akbar Ghaloo, Mr. Ejaz Ahmed Khan and Mr. Roshan Ali Shaikh took over the charge as Chief Executive Officer of the company in different periods in the FY 2014-15 and as at June 30th 2015 the charge of the CEO held with Mr. Roshan Ali Shaikh.

Number of Board Meeting Held During The Period

During the period, four Board of Directors meeting were held. Following is the detail of Directors attendance:

S. No:	Name of Director	No. of meetings Held	No of meetings Attended
1	Mr. Fazal-ur-Rehman, Chairman	04	04
2	Ms. Nargis Ali Akbar Ghaloo, CEO	02	02
3	Mr. Roshan Ali Shaikh, CEO	02	02
4	Mr. Ejaz Ahmed Khan	04	02
5	Mr. Muhammad Waseem	04	01
6	Mr. Sikandar Ahmed Rai	00	00
7	Mr. Malik Asrar Hussain	02	01
8	Mr. Shahid Gulzar Sheikh	01	01
9	Mr. Shoaib Ahmed Siddiqui	01	01
10	Mr. Alamdin Bullo	04	02
11	Mr. M. Suhail Khan Rajput	04	01

Future outlook

The management of the company is making all out efforts to make the company functional in the coming financial year, by reducing the paid-up-capital of the company and completing all the regulatory requirements, at the earliest and to begin the principal business activities, as per the mandate of the company, at the earliest possible.

Statements of Compliance

Statements of compliance as per Public Sector (Corporate Governance) Rules 2013 issued by Securities & Exchange Commission of Pakistan duly signed by the Chairman of the Board of Directors and Chief Executive Officer and External



Sindh Land Management & Development Company Ltd



Auditors of the company have been annexed with these financial statements envisaging the status of compliance and the future course of action.

Auditors

Messrs. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountant, who stands retired, is eligible, offer themselves for re-appointment for the next financial year subject to the approval of shareholders in General Meeting and rotation of partner, if required.

Acknowledgement

The Board appreciates the services of management and staff of the company, Securities and Exchange Commission of Pakistan, and shareholders i.e Government of Sindh and external auditors of the company for their extended cooperation towards the achievement of the targets of the company during the period.

For & On Behalf of Board

Fazal-ur-Rehman
Chairman, SLM&DC Ltd

Karachi

Dated: April 28th 2016



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Sindh Land Management & Development Company Limited** ("the Company") as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

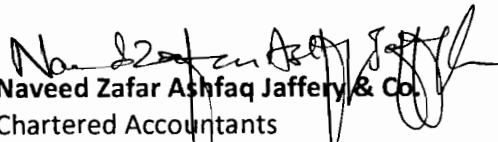
We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of above said statements. We believe that our audit provides a reasonable basis for our opinion, we report that:

- a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i. the balance sheet and profit and loss account, together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii. the expenditure incurred during the year was for the purpose of the company's business; and
 - iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

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- c) In our opinion and to the best of our information and to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement, and statement of changes in equity together and notes forming part thereof confirm with approved accounting standards as applicable in Pakistan, and, give the information required by the companies ordinance, 1984, in the manner so required and respectively give a true and fair view of the company's affairs as at June 30, 2015 and of the loss, its cash flows and changes in equity for the year then ended; and
- d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Without qualifying our opinion, we draw attention to note 2 to the financial statements which describe the matter relating to going concern, as a result the Company has not obtained a "certificate of commencement of business" from SECP due to the portion of unsubscribed share capital. Our opinion is not qualified in respect of this matter.


Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
Engagement Partner: **Shahid Hussain - FCA**

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Karachi
Dated: **01 JUL 2016**

SCHEDULE I
[See paragraph 2(1)]

**Statement of Compliance with the
Public Sector Companies (Corporate Governance) Rules, 2013**

Name of company **M/S. SINDH LAND MANAGEMENT & DEVELOPMENT COMPANY**
Name of the line ministry **Special Initiative Department through Planning & Development Department,
Government. of Sindh**
For the year ended **JUNE 30TH 2015**

I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

II. The company has complied with the provisions of the Rules in the following manner:

S. No.	Provision of the rule	Rule no.	Y	N		
			Tick the relevant box			
1	The independent directors meet the criteria of independence, as defined under the rules.	2 (d)		✓		
2	The Board has the requisite percentage of independent directors. At present the board includes:	3(2)		✓		
	Category				Name	Date of appointment
	Independent Directors					
	Executive Directors					
	Non-Executive Directors					
3	A casual vacancy occurring on the board was filled up by the directors within ninety days.	3(4)	✓			
4	The Directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓			
5	The appointment authorities have applied the fit and proper criteria given in the annexure in making nomination of the persons for election as board member under the provision of the Ordinance.	3(7)	✓			
6	The chairman of the board is working separately from the chief executive of the Company.	4(1)	✓			
7	The Chairman has been elected from amongst the independent directors.	4(4)		✓		
8	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)		✓		

9	(a) The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same in the company's website. (Address of website to be indicated _____) (b) The Board has established a system of sound internal controls for the identification and redressal of grievances arising from unethical practices.	5(4)		✓
10	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)		✓
11	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b) (ii)		✓
12	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b) (vi)		✓
13	(a) The Board has ensured equality of opportunity by establishing open and fair procedure for making appointments and for determining terms and conditions of service. (b) A committee has been formed to investigation deviations from the company's code of conduct.	5(5)(c) (ii)	✓	
14	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services, in accordance with the PPRA Rules.	5(5)(c) (iii)	✓	
15	The board has developed a vision or mission statement, 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.	5(6)	✓	
16	The board has quantified the outlay of any action in respect of any service delivered or a good sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	✓	
17	(a) The board has met at least four times during the year. (b) Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	✓	

18	The board has carried out performance evaluation of its members, including the chairman and the chief executive, on the basis of a process, based on specified criteria, developed by it. The board has also monitored and assessed the performance of senior management on annual/half-yearly/quarterly basis*. Strike out whichever is not applicable	8		✓																		
19	The board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓																			
20	The board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end, and has placed the annual financial statements on the company's website. Monthly accounts were also prepared and circulated amongst the board members.	10	✓																			
21	All the board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11		✓																		
22	(a) The board has formed the requisite committees, as specified in the Rules. (b) The committees were provided with written term of reference defining their duties, authority and composition. (c) The minutes of the meetings of the committees were circulated to all the board members. (d) The committees were chaired by the following non-executive directors: <table><tr><td>Committee</td><td>Number of members</td><td>Number of Chair</td></tr><tr><td>Audit Committee</td><td></td><td></td></tr><tr><td>Risk Management Committee</td><td></td><td></td></tr><tr><td>Human Resources Committee</td><td></td><td></td></tr><tr><td>Procurement Committee</td><td></td><td></td></tr><tr><td>Nomination Committee</td><td></td><td></td></tr></table>	Committee	Number of members	Number of Chair	Audit Committee			Risk Management Committee			Human Resources Committee			Procurement Committee			Nomination Committee			12		✓
Committee	Number of members	Number of Chair																				
Audit Committee																						
Risk Management Committee																						
Human Resources Committee																						
Procurement Committee																						
Nomination Committee																						
23	The board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, with their remuneration and terms and conditions of employment, and as per their prescribed qualifications.	13/14		✓																		

24	The company has adopted International Financial Reporting Standards notified by the Commission under clause (i) of sub section (3) of section 234 of the Ordinance.	16	✓																					
25	The directors' report for this year has been prepared in compliance with the requirements of the Ordinance and the Rules and fully describes the salient matters required to be disclosed.	17	✓																					
26	The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.	18	✓																					
27	A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place. The annual report of the company contains criteria and details of remuneration of each director.	19	✓																					
28	The financial statements of the company were duly endorsed by the chief executive and chief financial officer, before approval of the board.	20	✓																					
29	The board has formed an audit committee, with defined and written terms of reference, and having the following members: <table><tr><td colspan="2">Name of member</td><td colspan="2">Category</td><td>Professional background</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></table> The chief executive and chairman of the Board are not members of the audit committee.	Name of member		Category		Professional background																21		✓
Name of member		Category		Professional background																				
30	The board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee, and which worked in accordance with the applicable standards.	22		✓																				
31	The company has appointed its external auditors in line with the requirements envisaged under the Rules.	23	✓																					
32	The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓																					
33	The external auditors have not been appointed to provide non-audit services and the auditors have confirmed that they have observed applicable guidelines issued by IFAC in this regards	23(5)	✓																					
34	The company has complied with all the corporate and financial reporting requirements of the Rules.		✓																					


 ROSHAN ALI SHAIKH
 CHIEF EXECUTIVE OFFICER


 FAZAL UR-REHMAN
 CHAIRMAN OF THE BOARD

SCHEDULE II
[See paragraph 2(3)]

**Explanation of Non-Compliance with the
Public Sector Companies (Corporate Governance) Rules, 2013**

We confirm that all other material requirements envisaged in the Rules have been complied with [except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year]. Moreover, it also pertinent to mention that following non-compliance took place mainly due to non-issuance of the Certificate of Commencement of Business by Securities & Exchange Commission of Pakistan due to partial non-subscription of minimum subscription of capital required for the issuance of the same. However, in the month of May 2015 the Board of Directors has resolved to reduce the paid-up-capital from Rs. 300 million to Rs. 200 million to obtain the CoCoB from SECP in the FY 2015-16.

Sr. No.	Rule/sub-rule	Reasons for non-compliance	Future course of action
1	2(d)	The Certificate of Commencement of Business has not been issued by SECP due to partial non-fulfilment of minimum subscribed capital (The company is a wholly owned subsidiary of Government of Sindh)	The Board of Directors has resolved to reduce the paid-up-capital from Rs. 300 million to Rs. 200 million to obtain the CoCoB from SECP
2	3(2)	As above	As above
3	4(4)	As above	As above
4	5(2)	CEO is posted by Government of Sindh	Subsequent to the issuance of CoCoB from SECP it will be complied, in near future.
5	5(4)	Currently all the company's affairs are reviewed and approved by the Board of Directors of the company	As above
6	5(5)	As above	As above
7	5(5)(b)(ii)	As above	As above
8	5(5)(b)(vi)	As above	As above
9	8	As above	As above
10	11	The company is passing through its establishment process, yet. Hence no material business decisions are being taken so far.	As above

11	12	The company is passing through its establishment process and not functional yet. However, committees have been formed excluding risk management committee due to lower assets	As above
12	13	Due non-availability of the CoCoB from SECP, Chief Internal Auditor has not been appointed yet and all the company's affairs are reviewed and approved by the Board of Directors of the company	As above
13	21	Audit committee has been formed excluding Chairman and the CEO without defined and written terms and all the company's affairs are reviewed and approved by the Board of Directors of the company	As above
14	22	Currently all the company's affairs are reviewed and approved by the Board of Directors of the company including External Auditors and DG Commercial Audit Sindh	As above


ROSHAN ALI SHAIKH
CHIEF EXECUTIVE OFFICER


FAZAL-UR-REHMAN
CHAIRMAN OF THE BOARD

**REVIEW REPORT ON STATEMENT OF COMPLIANCE WITH PUBLIC SECTOR COMPANIES
(CORPORATE GOVERNANCE) RULES, 2013**

We have reviewed the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 for the year ended June 30, 2015, prepared by the Board of Directors of **Sindh Land Management and Development Company Limited** ("the Company") to comply with the provisions of the Rules.

Based on our review, nothing has come to our attention, **except the following**, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material aspects with the Public Sector Companies (Corporate Governance) Rules, 2015, as applicable to the Company for the year ended June 30, 2015:

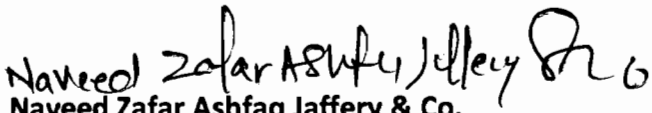
- a) The board has not mentioned non-compliances of these rules in director's report as required under rule 17(2)(a), and
- b) The board has not formed a committee to investigate deviations from the company's code of conduct as required under rule 5(5)(c)(ii).

We further draw attention to the paragraphs of the Statement of Compliance where the board has disclosed non-compliances as under:

1. As disclosed in **paragraph 1 & 2** the company does not have any independent director on the board as required under rules 2(d) & 3(2) respectively.
2. As disclosed in **paragraph 7** the acting chairman is not an independent director of the company as required under rule 4(4).
3. As disclosed in **paragraph 8** the board has not evaluated candidates for the position of chief executive as required under rule 5(2).
4. As disclosed in **paragraph 9** the board has not prepared a code of conduct of the company and has not established a sound internal control system as required under rule 5(4).
5. As disclosed in **paragraph 10** the board has not established a sound internal control system to ensure compliance with the fundamental principle as required under rule 5(5).
6. As disclosed in **paragraph 11** the board has not established a conflict of interest policy as required under rule 5(5)(b)(ii).

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7. As disclosed in **paragraph 12** the board has not established an anti-corruption policy as required under rule 5(5)(b)(vi).
8. As disclosed in **paragraph 15** the board has not developed corporate strategy and significant policies of the company as required under rule 5(5).
9. As disclosed in **paragraph 18** the board has not carried out performance evaluation of its members neither it has established a criteria for the performance evaluation as required under rule 8.
10. As disclosed in **paragraph 21** none of the directors have obtained certification under directors training program and Board did not arranged orientation courses for its directors during the financial year to apprise them of their duties and responsibilities as required under rule 11.
11. As disclosed in **paragraph 22** the board has not formed the required committees as required under rule 12.
12. As disclosed in **paragraph 23** the board has not appointed any person as Chief Internal Auditor as required under rule 13(1).
13. As disclosed in **paragraph 29** the board has not formed an audit committee as required under rule 21.
14. As disclosed in **paragraph 30** the board has not established an internal audit function as required under rule 22.


Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
Engagement Partner: **Shahid Hussain - FCA**

Karachi

Dated: **20 JUL 2016**

SINDH LAND MANAGEMENT & DEVELOPMENT COMPANY LTD.

**BALANCE SHEET
AS AT JUNE 30, 2015**

	NOTE	2015 Rupees	2014 Rupees
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorised capital 30,000,000 (2014: 30,000,000) ordinary shares of Rs. 10 each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid-up capital	5	200,000,000	200,000,000
Unappropriated loss		<u>(58,171,820)</u>	<u>(52,747,785)</u>
		141,828,180	147,252,215
NON CURRENT LIABILITIES			
Deferred liabilities - staff gratuity	6	1,997,976	1,578,567
CURRENT LIABILITIES			
Accrued and other liabilities	7	1,740,435	1,513,266
CONTINGENCIES AND COMMITMENTS			
	8		
TOTAL EQUITY AND LIABILITIES		<u><u>145,566,591</u></u>	<u><u>150,344,048</u></u>
<u>ASSETS</u>			
NON CURRENT ASSETS			
Property, plant and equipment	9	13,077,141	15,123,639
Long term deposits		1,300,000	1,300,000
Long term investment	10	102,331,393	-
CURRENT ASSETS			
Advances, deposits, pre-payments and other receivable	11	11,684,715	3,876,776
Cash and bank balances	12	17,173,342	130,043,633
		28,858,057	133,920,409
		<u><u>145,566,591</u></u>	<u><u>150,344,048</u></u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

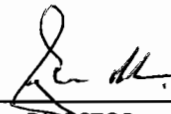
SINDH LAND MANAGEMENT & DEVELOPMENT COMPANY LTD.
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	NOTES	2015 Rupees	2014 Rupees
General and administrative expenses	13	(16,934,894)	(18,305,271)
Other Income	14	11,450,193	11,767,865
Loss before interest and taxation		(5,484,701)	(6,537,406)
Finance Cost	15	(1,625)	(2,200)
Loss before taxation		(5,486,326)	(6,539,606)
Taxation		--	--
Loss after taxation		<u>(5,486,326)</u>	<u>(6,539,606)</u>
Loss per share	16	<u>(0.27)</u>	<u>(0.33)</u>

The annexed notes form an integral part of these financial statements.

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 CHIEF EXECUTIVE OFFICER

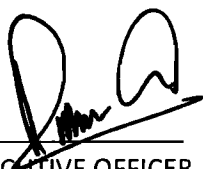

 DIRECTOR

SINDH LAND MANAGEMENT & DEVELOPMENT COMPANY LTD.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015

	NOTES	2015 Rupees	2014 Rupees
Loss for the year		(5,486,326)	(6,539,606)
Other Comprehensive Income	6.1	62,291	5,749
Total Comprehensive loss for the year		<u>(5,424,035)</u>	<u>(6,533,857)</u>
Accumulated losses brought forward		(52,747,785)	(46,213,928)
Accumulated losses Carried Forward		<u>(58,171,820)</u>	<u>(52,747,785)</u>

The annexed notes form an integral part of these financial statements.

N707



CHIEF EXECUTIVE OFFICER



DIRECTOR

SINDH LAND MANAGEMENT & DEVELOPMENT COMPANY LTD.
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	Notes	2015 Rupees	2014 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Net loss before taxation		5,486,326	6,539,606
Adjustment for:			
Depreciation		2,203,908	2,646,620
Bad debts		-	941,505
Gratuity		590,950	556,575
Amortization of investment		533,807	
Earned Leaves		39,462	13,673
Financial charges		1,625	2,200
		3,369,752	4,160,573
Operating (loss) before working capital changes		(2,116,574)	(2,379,033)
Net Change in Working Capital	(a)	(6,348,365)	4,266,755
		(8,464,939)	1,887,722
Staff Gratuity paid		(109,250)	(127,650)
Leave encashment paid		(3,450)	(1,065)
Financial charges paid		(1,625)	(2,200)
Income tax paid		(1,268,417)	(1,571,091)
Net cash (outflow) / intflow from operating activities		(9,847,681)	185,716
CASH FLOW FROM INVESTING ACTIVITIES			
Addition to PPE		(157,410)	-
Long term investment		(102,865,200)	-
Short term investment		-	100,000,000
Net cash (outflow) / intflow from investing activities		(103,022,610)	100,000,000
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash Inflow / (Outflow) from financing activities		-	-
Net Increase/decrease in cash and cash equivalents		(112,870,291)	100,185,716
Cash and cash equivalents at beginning of the year		130,043,633	29,857,917
Cash and cash equivalents at end of the year		17,173,342	130,043,633
(a) NET CHANGES IN WORKING CAPITAL			
(Increase) / decrease in current assets			
Advances, deposits, prepayment & other receivables		(6,539,522)	4,339,599
Increase / (decrease) in current liabilities			
Accrued Expenses & Other Liabilities		191,157	(72,844)
		(6,348,365)	4,266,755

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

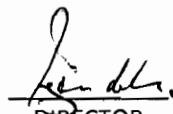

DIRECTOR

SINDH LAND MANAGEMENT & DEVELOPMENT COMPANY LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

	Issued, subscribed and paid - up capital	Unappropriated loss	Total
----- (Rupees) -----			
Balance as at July 1, 2013	200,000,000	(46,213,928)	153,786,072
Total comprehensive loss for the year:			
- Loss for the year	-	(6,539,606)	(6,539,606)
- Other Comprehensive income for the year	-	5,749	5,749
		(6,533,857)	(6,533,857)
Balance as at June 30, 2014	200,000,000	(52,747,785)	147,252,215
Total comprehensive loss for the year:			
- Loss for the year	-	(5,486,326)	(5,486,326)
- Other Comprehensive income for the year	-	62,291	62,291
		(5,424,035)	(5,424,035)
Balance as at June 30, 2015	200,000,000	(58,171,820)	141,828,180

The annexed notes form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

SINDH LAND MANAGEMENT & DEVELOPMENT COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1. Legal Status and Operations

The company has been incorporated in Pakistan on June 24, 2010 as a public limited company by shares under the Companies Ordinance, 1984 and is domiciled in the Province of Sindh. The company is mainly engaged in the business of land development in line with the government policy in the province and for making available land for the purpose of designing cities, towns, townships, new residential, commercial, industrial, recreational and other such projects. The registered office of the company is situated at Karachi. The company has not obtained the certificate of commencement of business from Securities and Exchange Commission of Pakistan and no statutory meeting has been held till to date due to the portion of un-subscribed minimum share capital required for the issuance of shares of the company which is 9,900,040 No of shares at Rs. 10/- per share out of a total of 29,900,040 no of shares.

2. Going Concern Assumption

2.1 During the 14th Board of Directors meeting held in the month of May 2015, the Board resolved to reduce the requirement of Paid-up-capital from Rs. 299 million to Rs. 200 million which has already been received by the company from Govt. of Sindh. The company anticipate that the Certificate of Commencement of Business ("CoCoB") will be obtained from SECP in the FY 2015-16 to make the company operational, process has been initiated with the SECP subsequent to the passing of said resolution. However, as of June 30, 2015 the company is still without CoCoB. Prior to the said resolution the Company has reduced the par value of its shares from Rs. 100 per share to Rs. 10 per share. This change was not reflected accurately in the records of the SECP due to some filing errors. As a result the SECP did not issue a 'commencement of business certificate' to the Company. The management is already having discussions and meetings with the SECP and it is anticipated that these issues will be resolved shortly. It has already been agreed with the SECP that once this issue is resolved, all pending statutory requirements will be completed on an urgent basis in order to start the operations of the company.

2.2 At 30 June 2015, the initial subscription of share capital of the company stood at 29,900,040 number of shares and unsubscribed shares capital stands at 9,900,040 number of shares for which reduction of paid-up-capital has been resolved by the Board .

2.3 An amount of Rs. 100 million was received from Government of Sindh for launching of the project Benazir town for allotment of land (10,000 Plots) free of cost to the poorest of poor. The project was later transferred to DG Lyari Development Authority, but the said amount remains with the Company and has been classified as 'paid up-capital of the company' as per notification of Finance Department, Government of Sindh. The Company intends to use these funds on a long term basis to perform projects in the future and for operational expenses, etc.

3. Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for *Medium-Sized Entities (MSEs) issue by the institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. Public Sector (Corporate Governance) Rules 2013. In case requirements differ, the provisions or directives of the companies Ordinance, 1984 shall prevail."

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3.1 Basic of Measurement

These Financial statements have been prepared under the historical cost convention except as otherwise disclosed in the financial statements.

3.2 Functional and Presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation

3.3 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates, if any, are recognized prospectively commencing from the period of revision. The areas where various assumptions and estimates are significant to the Company's financial statements are as follows;

i) Property, plant and equipment

The Company reviews the useful lives of the property, plant and equipment on monthly basis. Any changes in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment. The company uses the reducing balance method at various rates for the purpose to charge depreciation.

ii) Employee benefits

The Company operates an approved non contributory gratuity scheme for all its employees. The scheme entitles the members to a gratuity payable on retirement, death in his service of the employer, voluntary retirement and termination of employee by the employer other than for misconduct and negligence. The actuarial valuation is conducted by external actuaries and reported on annual basis.

Company adopt gratuity policy for officers / staff hired from open market i.e, one gross salary per annum basis (or pro-rata for amount of time served), which is equal to 8.333%.

iii) Taxation

The Company takes into account the relevant provision of current income tax laws while providing for current and deferred tax as explained in relevant note 4.11 to these financial statements.

4. Significant Accounting Policies

4.1 Fixed Assets - Tangible

a. Owned

These are initially stated at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment losses, if any. Depreciation on fixed assets is charged to income by applying the reducing balance method at the rates specified in the relevant note.

The depreciation on property and equipment is charged full in the month of acquisition and no depreciation charged in the month of disposal.

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Normal repair and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized.

The carrying values of tangible fixed assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Gain or loss on disposal, if any, are included in income currently.

4.2 Cash and Cash equivalents.

Cash in hand and at banks are carried at cost.

Cash and cash equivalents are defined as cash in hand, cash at bank and short-term highly liquid investments that are readily convertible to known amount of cash and subject to insignificant risk of change in value.

For the purpose of the cash flow statements, cash and cash equivalents consist of cash in hand and at

4.3 Investments

All purchases and sale of investments are recognized using settlement date accounting. All investments are derecognized when the right to receive economic benefits from the investments has expired or has been transferred and the Company has transferred substantially all the risks and rewards of ownership.

4.3.1 Investments held to maturity

Investments with fixed or determinable payments and fixed maturity are classified as investments held to maturity. These are initially recognized at cost inclusive of transaction costs and are subsequently carried at amortized cost using the effective interest rate method, less any impairment losses.

4.4 Trade debts

Trade debts originate by the company are recognized and carried at original invoice amount less an allowances for the any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are no longer recoverable.

4.5 Trade and other payables

Liabilities for trade and other amount payable are recognized and carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

4.6 Off setting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to set-off the recognized amounts and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.7 Financial instruments.

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. Any gain or loss on de-recognition of the financial assets and financial liabilities is taken to profit and loss account currently.

4.8 Transactions with related parties

Transactions with related parties are executed on arm's length basis. These prices are determined in accordance with the admissible pricing methods.

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4.9 Impairment

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating units).

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

4.10 Compensated absences

Liability in respect of accumulated absences of employees is accounted for in the period in which these absences occur.

Earned leave is calculated at the rate of 2 ¹/₂ days for every calendar month served in the company totalling 30 calendar days annually. It would be mandatory to avail at least 50% of earned leave within the financial year, and up to 50% of left over leave could be carried forward to next financial year leave account or could be encashed @ 50% (1/2 day salary for each day). Actuarial valuation is conducted by external actuaries and recorded on annual basis.

4.11 Taxation

a) Current

Provision of current taxation is based on the taxable income for the year determined in accordance with the prevailing law for taxation on income. The charge for current tax also includes adjustments, where considered necessary, for provision for tax made in previous years, arising from assessment framed during the year, for such year.

a) Deferred

The Company accounts for deferred taxation for all material timing differences. The amount is computed using the balance sheet liability method. Debit balance on account of deferred taxation are recognized only if there is reasonable certainty for realization.

4.12 Provisions

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

NMD

	2015	2014
Note	Rupees	Rupees

5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2015	2014			
No.				
20,000,000	20,000,000	Ordinary Shares of Rs. 10/- each in cash	200,000,000	200,000,000
<u>20,000,000</u>	<u>20,000,000</u>		<u>200,000,000</u>	<u>200,000,000</u>

- 5.1 29,900,040 Nos of ordinary shares have been shown as subscribed capital in the memorandum and articles of the company, at the time of its incorporation with SECP. However, no allotment of shares has taken place as of June 30, 2015.

6 Deferred Liabilities - Staff Gratuity

6.1 The amounts recognised in the balance sheet are as follows:

Movement in net liability recognised

Opening net liability	1,578,567	1,155,391
Expense for the year	590,950	556,575
Other Comprehensive Income	(62,291)	(5,749)
Benefits paid during the year	(109,250)	(127,650)
Closing net liability	<u>1,997,976</u>	<u>1,578,567</u>

6.2 Charge for the Defined Benefit Plan

Current service cost	389,028	424,681
Interest cost	201,922	131,894
Expense recognised in the financial statements	<u>590,950</u>	<u>556,575</u>

6.3 Reconciliation of payable to/(receivable from) Defined Benefit Plan

Present value of Defined Benefit Obligation	1,997,976	1,578,567
Fair value of Plan assets	-	-
	<u>1,997,976</u>	<u>1,578,567</u>

Actuarial assumptions:

- Valuation discount rate (p.a)	9.75%	13.25%
- Salary increase rate (p.a)	9.75%	13.25%

7 ACCRUED & OTHER LIABILITIES

Accrued Expenses	466,934	156,912
Other Liabilities	1,091,030	1,209,895
Provision for earned leaves	182,471	146,459
	<u>1,740,435</u>	<u>1,513,266</u>

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments at the year end.(2014 : Nil)

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		2015 Rupees	2014 Rupees
9 PROPERTY PLANT AND EQUIPMENT			
Schedule attached	9.1	<u>13,077,141</u>	<u>15,123,639</u>
10 LONG TERM INVESTMENT			
Held to maturity			
Pakistan Investment Bond (PIB) with NBP	10.1	<u>102,331,393</u>	<u>-</u>
10.1	The face value of the PIB is Rs 100 million carrying interest rate of 11.25% per annum. This PIB was issued on 17 July 2014 for a period of three years maturing on 17 July 2017. Premium on investment is amortised over the remaining term of the investment using effective interest method.		
11 ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES			
LOANS AND ADVANCES - Considered good			
Advance income tax		4,062,789	2,794,372
SHORT TERM DEPOSIT AND PREPAYMENTS			
Prepayments	11.1	<u>358,688</u>	<u>267,128</u>
Security deposits		<u>378,250</u>	<u>378,250</u>
		736,938	645,378
OTHER RECEIVABLES			
Earnest money		10,000	10,000
Accrued income	11.2	5,023,973	298,226
Receivable against development expenditure	11.3	-	-
Other Receivable	11.4	98,800	98,800
Advance to Employees		-	30,000
Receivable from Sind Solid Waste Management Board ('SSWMB')	11.5	<u>1,752,215</u>	<u>-</u>
		<u>11,684,715</u>	<u>3,876,776</u>
11.1	Prepayments include prepaid vehicle insurance only.		
11.2	This represent accrued interest income on available bank balances and PIB		
11.3	Receivable against development expenditure		
Less: Allowance for bad debt		<u>941,505</u>	<u>941,505</u>
		<u>(941,505)</u>	<u>(941,505)</u>
		-	-
11.4	Receivable from Sindh Board of Investment (CONCEPTUAL MASTER PLAN 3D PERSPECTIVE)		
11.5	This represent amount receivable from SSWMB in respect proportion of rent and common expenses paid by Sindh Land Management & Development Company.		
12 CASH AND BANK BALANCE			
Cash in hand		20,159	1,527
Cash at bank in current account		16,421	16,421
in Saving account		<u>17,136,762</u>	<u>130,025,685</u>
		<u>17,173,342</u>	<u>130,043,633</u>
12.1	Yield on saving accounts ranges from 6.9% - 8.5% p.a (2014 : 6.9% to 8.5% p.a.)		

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13 GENERAL AND ADMINISTRATIVE EXPENSES

	2015	2014
	Rupees	Rupees
Chief Executive Remuneratoin	900,000	400,000
Salaries, allowances and benefits	6,813,136	6,591,924
Office Rent	3,300,000	3,900,000
Vehicle running and maintenance	1,570,517	1,543,542
Printing and stationay	21,016	18,160
Legal and professional	205,272	189,000
Auditor Remuneration	122,500	100,000
Repair and Maintenance	22,800	8,790
Depreciation	2,203,908	2,646,620
Director Meeting fee	-	-
Communucation	81,531	95,660
Insurance	431,096	460,490
Electricity	400,108	354,835
Gas Expenses	3,400	3,740
Water Charges	79,985	77,800
Fee and Subscriptions	18,485	34,500
Entertainment	45,170	56,790
Security Services	536,000	484,800
Conveyance and Travelling	109,746	308,341
Advertisement	12,720	37,538
Office Supplies and Janitorial	42,180	36,129
Newspaper, Books and Periodicals	13,324	12,927
Bad Debts	-	941,505
Miscellaneous	2,000	2,180
	16,934,894	18,305,271

13.1 Auditors' Remuneration

Audit Fees	90,000	90,000
Out of Pocket	10,000	10,000
Certification	22,500	-
	122,500	100,000

14 OTHER INCOME

Interest income	11,446,943	11,767,865
Miscellaneous income	3,250	-
	11,450,193	11,767,865

14.1 Interest income comprises of available bank balances and PIBs

15 FINANCE COST

Bank charges	1,625	2,200
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16 LOSS PER SHARE - BASIC AND DILUTED

Net loss after taxation	(5,486,326)	(6,539,606)
Weighted average number of ordinary shares	20,000,000	20,000,000
	(0.27)	(0.33)

(Loss) per share - basic

1707

17 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management frame work. The Company has exposure to the following risks from its use of finances instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk Management Framework

The board meets frequently throughout the year for developing and monitoring the company's risk management policies. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limites and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to develop a desciplined and constructive control environment in which all employees understand their roles and obligations.

17.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

Credit risk arises when changes in economic or industry factors similarly affects Company's of counter parties whose aggregate credit exposure is significant in relation the Company's total credit exposure. Credit risk of the Company arise principally from the trade debts, advances, trade deposits, other receivables and balances with banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risks at the reporting date is as follows:

	2015 Rupees	2014 Rupees
Long term deposits	1,300,000	1,300,000
Advances, deposits and other receivable	11,684,715	3,876,776
Bank balances	17,173,342	130,043,633
Long term Investment	102,331,393	-
	<u>132,489,450</u>	<u>135,220,409</u>

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17.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

Carrying amount	Total	Contractual cash flows		
		On demand	Upto one year	More than one year

-----Rupees-----

Deferred liabilities - staff gratuity	1,997,976	1,997,976		1,997,976
Accrued and other liabilities	1,740,435	1,740,435	1,740,435	

June 30, 2015

3,738,411	3,738,411	-	1,740,435	1,997,976
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Deferred liabilities - staff gratuity	1,578,567	1,578,567		1,578,567
Accrued and other liabilities	1,513,266	1,513,266	-	1,513,266

June 30, 2014

3,091,833	3,091,833	-	1,513,266	1,578,567
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17.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objectives of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is exposed to interest rate risk only.

Interest rate risk

Interest/ mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. Sensitivity to interest rate risk arises from mismatches of financial liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The long-term financing and short term borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offered Rate (KIBOR) as indicated in respective notes. At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

As at balance sheet date, the Company does not hold any fixed rate interest based financial assets or liabilities carried at fair value.

17.4 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The carrying values of financial assets and financial liabilities reported in balance sheet approximate their fair values.

18 CAPITAL MANAGEMENT

The objective of the Company when managing capital i.e. its shareholders' equity and surplus on revaluation on property, plant and equipment, is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. As at June 30, 2015, the shareholders' equity amounts to Rupees 141.85 million (2014 : Rupees 147.25 million)

19 NUMBER OF EMPLOYEES

The total number of employees as at the balance sheet date were 15 (2014: 13)

20 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

a) The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Officers		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Managerial Remuneration	900,000	400,000	-	-	3,416,110	2,735,926	4,316,110	3,135,926
Other allowances and other benefits	491,335	726,082	-	-	756,927	1,104,422	1,248,262	1,830,504
TOTAL	1,391,335	1,126,082	-	-	4,173,037	3,840,348	5,564,372	4,966,430
	1	1	-	-	4	4		

21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise associated companies, directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, contribution of staff benefits funds, return on loans, amounts due from executives and remuneration of directors and executives are disclosed in relevant notes.

Transaction with related parties

	2015 Rupees	2014 Rupees
Key management personnel		
Salaries and other employee benefits	5,564,372	4,966,430
Associate		
Sindh Solid Waste Management Board		
Rent and other expenses paid on its behalf	1,752,215	-

Balances with related parties

Associate		
Sindh Solid Waste Management Board		
Receivable against rent and common expenses	1,752,215	-

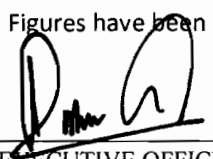
During the year, company has no transaction with related parties otherwise as disclosed in the financial statements.

22 DATE OF AUTHORISATION

These financial statements were authorised for issue on April 08th 2016 by the Board of Directors of the company.

23 GENERAL

Figures have been rounded off to the nearest rupee.


CHIEF EXECUTIVE OFFICER

11/07


DIRECTOR

9 PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Computer & Printer	Furniture & Fixtures	Vehicles	Total
----- (Rupees) -----					
Net carrying value basis					
Year ended June 30, 2015					
Opening net book value (NBV) 2015	4,315,932	1,260,584	3,311,978	6,235,145	15,123,639
Additions (at cost)	75,735	81,675	-	-	157,410
Disposal during the period	-	-	-	-	-
Depreciation for the year	(414,330)	(334,308)	(316,433)	(1,138,837)	(2,203,908)
Closing net book value (NBV) 2015	3,977,337	1,007,951	2,995,545	5,096,308	13,077,141
Gross carrying value basis					
Year ended June 30, 2015					
Cost	5,585,700	3,159,523	4,196,660	13,063,462	26,005,345
Accumulated Depreciation	(1,608,363)	(2,151,572)	(1,201,115)	(7,967,154)	(12,928,204)
Net book value (NBV) 2015	3,977,337	1,007,951	2,995,545	5,096,308	13,077,141
Net book value (NBV) 2014	4,315,932	1,260,584	3,311,978	6,235,145	15,123,639
Depreciation rate % per annum	10	30	10	20	

NRG.