

**PAKISTAN STONE DEVELOPMENT COMPANY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
PAKISTAN STONE DEVELOPMENT COMPANY**

**Opinion**

We have audited the annexed financial statement of **PAKISTAN STONE DEVELOPMENT COMPANY** (the Company) which comprises the statement of financial position as at June 30, 2022, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, the statement of profit or loss, 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 June 30, 2022 and of the loss, other comprehensive loss, changes in equity, 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.

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### **Emphasis of matter**

We draw user attention to note 13.1.1 to the financial statement which describes the uncertainty relating to the outcome of pending lawsuit regarding the price escalation of land acquired for the Marble City Risalpur. In this respect, the company has recognized an amount of Rs. 805.9 million as development properties for the plots allotted as detailed in note 17 to the financial statement and respective advances from customers received amounting to Rs. 780.9 million as at June 30, 2022 as described in the note 12 to the financial statements.

Our opinion is not modified in respect of this matter.

### **Information Other than Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. Other information comprises of directors' report for the year ended June 30, 2022 but doesn't include the financial statements and our auditor's report thereon.

Our opinion on the financial statements doesn't cover the other information and we don't express any form of assurance conclusion thereon.

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

### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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





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


- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with 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).

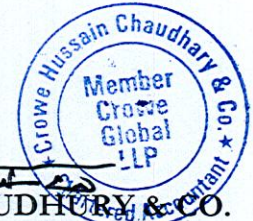
#### Other Matter

The financial statements of Pakistan Stone Development Company for the year ended June 30, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on December 27, 2021.

The engagement partner on the audit of "PAKISTAN STONE DEVELOPMENT" for the year ended June 30, 2022 resulting in this independent auditor's report is C.A Habib.

Place: Islamabad  
Dated: October 27, 2022  
UDIN: AR202210349GNnxemjhr

  
CROWE HUSSAIN CHAUDHURY & CO.  
(CHARTERED ACCOUNTANTS)





**PAKISTAN STONE DEVELOPMENT COMPANY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Note	2022 -----Rupees-----	2021
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	6	1,021,855,000	1,021,855,000
Advance against issue of shares	7	1,172,580,402	1,172,580,402
Accumulated deficit		(1,985,592,270)	(1,959,755,714)
		<u>208,843,132</u>	<u>234,679,688</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred capital grant	8	-	-
Provision for leave encashment	9	3,967,456	4,621,185
Defined benefit- gratuity	10	33,365,080	30,590,255
		<u>37,332,536</u>	<u>35,211,440</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	58,468,785	55,174,760
Advances from customers	12	780,933,760	693,529,615
		<u>839,402,545</u>	<u>748,704,375</u>
		<u>1,085,578,213</u>	<u>1,018,595,504</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	14	135,690,724	159,535,526
Receivables from projects - net	15	24,661,810	27,693,638
		<u>160,352,534</u>	<u>187,229,164</u>
<b>CURRENT ASSETS</b>			
Stores and spare parts	16	28,860,784	28,860,784
Stock in trade		784,365	3,359,667
Development properties	17	805,920,698	695,550,469
Trade debts - considered good	18	17,776,854	22,734,252
Advances	19	7,543,641	8,725,987
Deposits and prepayments	20	3,428,050	3,295,080
Other receivables	21	1,348,065	5,458,198
Income tax refundable	22	31,788,978	30,442,293
Cash and bank balances	23	27,774,244	32,939,610
		<u>925,225,679</u>	<u>831,366,340</u>
		<u>1,085,578,213</u>	<u>1,018,595,504</u>

The annexed notes 1 to 34 form integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**



PAKISTAN STONE DEVELOPMENT COMPANY  
STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 -----Rupees-----	2021
Revenue	24	85,888,213	74,834,051
Cost of sales	25	(74,036,736)	(66,956,311)
<b>Gross Profit</b>		<b>11,851,477</b>	<b>7,877,740</b>
Administrative expenses	26	(80,064,906)	(74,466,082)
Provision for doubtful debts	18 & 21	(687,596)	(8,269,995)
Impairment on receivables from projects - net		-	(46,819,494)
Programme expenses	27	-	(187,284)
Reversal of Impairment on receivables from projects		6,124,000	-
Reversal of Impairment on MCR		19,385,504	-
Other income	28	16,245,274	16,209,736
		(38,997,724)	(113,533,119)
Loss for the year		(27,146,247)	(105,655,379)

The annexed notes 1 to 34 form integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

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DIRECTOR

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**PAKISTAN STONE DEVELOPMENT COMPANY  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022**

		2022	2021
		-----Rupees-----	
<b>Loss for the year</b>	Note	(27,146,247)	(105,655,379)
<b>Other comprehensive income for the year:</b>			
Items that will not be subsequently reclassified in profit or loss:			
Remeasurement gain on gratuity	10.1	1,309,690	3,488,679
<b>Total comprehensive loss for the year</b>		<u>(25,836,557)</u>	<u>(102,166,700)</u>

The annexed notes 1 to 34 form integral part of these financial statements.

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**CHIEF EXECUTIVE OFFICER**

*Handwritten signature of Director*

**DIRECTOR**



PAKISTAN STONE DEVELOPMENT COMPANY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2022

	Share capital	Capital reserve Advance against issue of shares	Revenue reserve Accumulated deficit	Total
	Rupees			
Balance as at July 01, 2020	1,021,855,000	1,172,580,402	(1,857,589,014)	336,846,388
Loss for the year	-	-	(105,655,379)	(105,655,379)
Other comprehensive income for the year	-	-	3,488,679	3,488,679
Total comprehensive loss for the year	-	-	(102,166,700)	(102,166,700)
Balance as at June 30, 2021	1,021,855,000	1,172,580,402	(1,959,755,714)	234,679,688
Balance as at July 01, 2021	1,021,855,000	1,172,580,402	(1,959,755,714)	234,679,688
Loss for the year	-	-	(27,146,247)	(27,146,247)
Other comprehensive income for the year	-	-	1,309,690	1,309,690
Total comprehensive loss for the year	-	-	(25,836,557)	(25,836,557)
Balance as at June 30, 2022	1,021,855,000	1,172,580,402	(1,985,592,270)	208,843,132

The annexed notes 1 to 34 form integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR



**PAKISTAN STONE DEVELOPMENT COMPANY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 -----Rupees-----	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss for the year		(27,146,247)	(105,655,379)
<b>Adjustments for:</b>			
Depreciation	14.2	26,888,399	29,346,595
Provision for leave encashment	9.1	150,785	(141,016)
Provision for gratuity		5,584,515	5,677,635
Provision for doubtful debts	18 & 21	687,596	8,269,995
Impairment on receivables from projects		-	46,819,494
Written off stock in trade		478,662	916,456
Income from saving accounts	28	(3,017,709)	(1,728,541)
Amortisation of deferred capital grant		-	(187,284)
		<b>30,772,248</b>	<b>88,973,335</b>
<b>Changes in working capital:</b>			
Development properties		(110,370,229)	-
Trade debts		4,527,108	(9,891,536)
Advances		1,182,346	(260,311)
Deposit and prepayments		(132,970)	293,829
Other receivables		3,852,827	2,365,943
Stoke in trade		2,096,640	-
Trade and other payables		3,294,025	(5,873,056)
Advances from customers		87,404,145	(954,500)
		<b>(8,146,108)</b>	<b>(14,319,631)</b>
<b>Cash (used in) operating activities</b>		<b>(4,520,106)</b>	<b>(31,001,675)</b>
Tax paid		(1,346,685)	(2,621,862)
Leave encashment paid		(804,514)	-
Staff retirement benefits paid/contributed		(1,500,000)	(120,099)
		<b>(3,651,199)</b>	<b>(2,741,961)</b>
<b>Net Cash (used in) operating activities</b>		<b>(8,171,305)</b>	<b>(33,743,636)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(3,043,597)	(316,736)
Decrease in receivables from projects		3,031,828	1,100,000
Proceeds from interest on saving accounts		3,017,709	1,728,541
<b>Net cash generated from investing activities</b>		<b>3,005,940</b>	<b>2,511,805</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(5,165,366)</b>	<b>(31,231,831)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>32,939,610</b>	<b>64,171,441</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>27,774,244</b>	<b>32,939,610</b>

The annexed notes 1 to 34 form integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**



**PAKISTAN STONES DEVELOPMENT COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**1. THE COMPANY AND NATURE OF OPERATIONS**

- 1.1 Pakistan Stone Development Company (the Company) is a public company limited by guarantee having share capital, incorporated and licensed under section 42 of the Companies Act, 2017. The Company is a subsidiary of Ministry of Industries and Production, Government of Pakistan (MOIP) (the Parent Company). PASDEC's vision is "To make Pakistan globally competitive & socially responsible player of the international dimensional stone industry". This involves demonstration of mechanized mining and modern techniques through establishment/support of model quarries, upgradation of existing quarries, establishment of industrial cities and rock mining training institutes to impart quarrying skills in Pakistan. The registered office of the Company is situated at Islamabad Chamber of Commerce Building, 2nd floor, G-8/1, Mauve Area, Islamabad, Pakistan.

**2. BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Accounting Standard for Not for profit Organisations issued by the Institute of Chartered Accountants of Pakistan.

Where 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.

**2.2 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention.

**2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

The financial statements are presented in Pakistan Rupees (PKR) which is the Company's functional and presentation currency.

**3. USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements is in conformity with approved accounting and reporting standards that require the use of certain critical accounting estimates. They also require management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments 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 recognized in the period in which the estimates are revised and in any future period affected.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about critical judgments in applying policies that have the most significant effect on the amounts recognized in the financial statements is as follows:



**PAKISTAN STONES DEVELOPMENT COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**a) Property and equipment**

The Company reviews useful lives and residual value of property and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

**b) Impairment of non current assets**

The carrying amounts of the Company's non current assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. Any change in estimates in future years might affect the carrying amounts of respective assets with a corresponding effect on depreciation/ amortization charge and impairment.

**c) Stores and spare parts**

The Company reviews the carrying amount of stores and spare parts on a regular basis to assess any diminution in carrying value. Carrying value of stores, spare parts and loose tools is adjusted where the net realizable value is below the cost.

**d) Provision against trade debts, advances and other receivables**

The carrying amounts of trade debts, advances and other receivables are assessed on a regular basis and if there is any doubt about the reliability of their carrying amounts, appropriate amount of provision is made.

**e) Provisions and contingencies**

The Company reviews the status of all the legal cases on a regular basis. Based on the expected outcome and lawyers' judgments, appropriate disclosure or provision is made.

**f) Stock in trade**

The Company reviews the carrying value of stock in trade to assess any diminution in carrying values. Net realizable value is determined with reference to estimated selling price less estimated expenditures to make the sales.



**PAKISTAN STONES DEVELOPMENT COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**4. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENT**

4.1 Standards, amendments and interpretation to existing standards that are not yet effective and have not been early adopted by the Company.

		<b>Effective date (annual reporting periods beginning on or after)</b>
IAS 1	Amendments to 'IAS 1 and IFRS practice Statement 2' Disclosure of Accounting Policy	January 1, 2023
	Amendments to IAS 1 'Presentation of Financial Statements' Classification of Liabilities as Current or Non-Current	January 1, 2023
IAS 8	Accounting policies, changes in accounting estimates and error (Amendments)	January 1, 2023
IAS 12	Income taxes (amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provision, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business Combination (Amendments)	January 1, 2022
IAS 41, IFRS (1,9 and 16)	Annual improvements to IFRS Standard 2018-2020 (Amendments)	January 1, 2022

4.2 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2022:

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)
- IFRS 17 (Insurance Contract)
- IFRS 12 (Service concession arrangement)



PAKISTAN STONES DEVELOPMENT COMPANY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Property and equipment

These are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. These assets are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses, if any.

The cost includes the cost of replacing parts of the plant and equipment when that cost is incurred, if the recognition criteria are met. Depreciation is charged using the straight line method at the rates specified in note 14 when assets are available for use. No depreciation is charged on the assets in the month of sale / disposal, while full depreciation is charged in the month of acquisition. Maintenance and normal repairs are charged to income for the year as and when incurred, while major renewals and improvements are capitalized.

The carrying amounts of the Company's assets are reviewed at each date of the statement of financial position to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are charged to income for the year. An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in profit and loss in the year the asset is derecognized. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

The carrying amounts of the Company's assets are reviewed at each date of the statement of financial position to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are charged to income for the year. An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in profit and loss in the year the asset is derecognized. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.



**PAKISTAN STONES DEVELOPMENT COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**5.2 Intangible assets**

Internally generated intangible assets and other intangible assets are distinguished separately. Intangible assets with finite life are amortized over their useful life or the amortization rates used. The useful life of an intangible asset that arises from contractual or other legal rights shall not exceed the period of the contractual or other legal rights, but may be shorter depending on the period over which the entity expects to use the assets. Amortization is charged on pro rata basis.

**5.3 Stores and spare parts**

Store and spare parts are valued at the lower of weighted average cost and net realizable value. Cost is based on weighted average cost principles and comprise of costs of purchase and other costs incurred in bringing the assets to their present location and condition. Items considered obsolete based on physical form of related items are fully provided for.

**5.4 Development properties**

Development properties include land acquired for development of industrial plots to organize dimensional stone industry activities, such as processing, training, establishment of marble storage and display centers, within one vicinity. These are carried in the balance sheet at lower of cost and net realizable value. Cost includes purchase costs, related Government taxes, construction cost, borrowing cost and other overheads necessary to bring the properties in saleable condition. Net realizable value represents the selling price in the ordinary course of business less cost of completion and estimated cost necessary to be incurred for sale.

**5.5 Deposits and prepayments**

These are recognized at cost, which is the fair value of the consideration given. For measurement of loss allowance for advances, deposits and other receivables, the Company applies the IFRS 9 simplified approach to measure the expected credit losses.

**5.6 Receivable from projects**

Receivable from projects recognized at cost which is expected realizable value of plant and machinery invested in projects.

**5.7 Advance from customers**

These represent actual amount received from customer against allotment of plots in the industrial state being developed by the Company.

**5.8 Cash and cash equivalents**

Cash and cash equivalents comprises of cash balances and bank deposits. Cash equivalents are short term highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**5.9 Trade debts and other receivables**

Trade debts and other receivables are initially recognized at fair value which is the invoice value. After initial recognition these are measured at amortized cost using the effective interest method, less provision for impairment (if any). Any change in their value is recognized in profit and loss. Trade and other receivables are assessed on regular basis for impairment.



**PAKISTAN STONES DEVELOPMENT COMPANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**5.10 Restricted grant**

Grants received for specific purposes and interest thereon are classified as restricted grants. Such grants are transferred to income as grants to the extent of actual expenditure incurred there against. Expenditure incurred against grant committed but not received is accrued and recognized in income and is reflected as receivable from donors. Unspent portion of such grants are reflected as restricted grants in the statement of financial position as liability.

**5.11 Deferred capital grant**

Monetary grant received for capital expenditure is accounted for as deferred capital grant and recognized as liability. Amount equal to the annual charge for depreciation on asset so acquired is recognized as income in the income and expenditure account.

**5.12 Staff retirement benefits**

**5.12.1** The Company has defined benefit funded gratuity plan for all of its eligible employees. The fund is administered by trustees. Annual contribution to the gratuity is based on actuarial valuation using Projected Unit Credit Method, related details are given in note 10.1 to the financial statements.

Charge for the year is recognized in profit and loss account. Actuarial gains or losses arising on actuarial valuation are recorded directly in the other comprehensive income.

Calculation of gratuity requires assumptions to be made of future outcomes which mainly include increase in remuneration, expected long term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in underlying assumptions.

**5.12.2** The Company accounts for all compensated absences when employees render services that increase their entitlement to future compensated absences. Cash compensation for the balance of earned leaves up to maximum of 48 days at the time of retirement, resignation, death or termination of service. It shall be paid at the rate of latest gross salary to the regular and contract employee of the Company.

**5.13 Foreign currency transactions**

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into PKR at the rate of exchange ruling on the balance sheet date and exchange differences, if any, are charged to income and expenditure account for the year.

**5.14 Stock in trade**

Stock in trade is valued at lower of cost or net realizable value whichever is lower. Cost of stock is based on the weighted average principle. Cost of stock comprises of direct labor and appropriate overheads. Net realizable value signifies estimated selling price less costs necessary to be incurred to effect such sale.

**5.15 Provisions**

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



**PAKISTAN STONES DEVELOPMENT COMPANY**  
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**5.16 Trade and other payables**

Liabilities for trade and other amounts payables are carried at cost which is the fair value considered to be paid in the future for goods and services received, whether or not billed to the Company. Subsequent to initial recognition trade and other payables are measured at amortized cost using the effective interest method.

**5.17 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when *recovery of the consideration is probable, the associated costs can be estimated reliably, the amount of revenue can be measured reliably and when specific criteria have been met for each of the Company's activities as described below;*

**Income from machinery rental:**

Income from rented equipment is recognized based on utilization by the customer. The rental income is billed in units of completed hours. Receipt of advance rental is recorded as unearned revenue.

**Revenue from service contracts:**

Revenue from service contracts is recorded periodically as the performance obligation is satisfied over time.

**Income sale of stone blocks:**

Income from sale of stone blocks is recognized when the risk and rewards are transferred to the customers.

**Income on investments and bank deposits:**

Return on bank deposits and investments is recognized using the effective interest method.

**5.18 Borrowing costs**

Mark-up, interest and other charges on borrowings are capitalized up to the date when the qualifying assets are substantially ready for their intended use. Borrowing cost is included in the related qualifying assets acquired / constructed out of the proceeds of such borrowings. All other mark-up, interest and related charges are charged to the income and expenditure account in the period in which they are incurred.



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**5.19 Financial instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

**Financial assets**

**(a) Classification**

The Company classifies its financial assets in the following measurement categories:

- (i) Amortised cost, where the effective interest rate method will apply;
- (ii) Fair value through profit or loss (FVTPL);
- (iii) Fair value through other comprehensive income (FVTOCI).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

**Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

**Debt instruments**

**Amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating gains/ (losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.



**PAKISTAN STONES DEVELOPMENT COMPANY**  
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**Fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating gains/(losses). Interest income from these financial assets is included in other operating income using the effective interest rate method. Impairment expenses are presented as separate line item in the profit or loss.

**Fair value through profit and loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

**Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

**Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company recognises life time ECL for trade debts and other receivables, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and other receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.



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The Company recognizes an impairment gain or loss in the profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

**Financial liabilities**

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- o at fair value through profit or loss; and
- o other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

- (i) Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss.
- (ii) After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognised in profit or loss.

**Off-setting financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liability simultaneously.

**5.20 Taxation**

The Company was granted approval as a not for profit organization under section 2(36) the Income Tax Ordinance, 2001. However due to subsequent change in the Income Tax Ordinance, management has applied for renewal, which is in process before Income Tax Tribunal. As per the Company's income tax advisor, favorable outcome is likely and accordingly provision for taxation has not been recognized in these financial statements.



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**6. SHARE CAPITAL**

**Authorized share capital**

2022	2021		2022	2021
(Number of shares)			-----Rupees-----	
<b>110,000,000</b>	110,000,000	Ordinary shares of Rs.10 each fully paid in cash	<b>1,100,000,000</b>	1,100,000,000

**Issued, subscribed and paid-up share capital**

2022	2021		2022	2021
(Number of shares)			-----Rupees-----	
<b>102,185,500</b>	102,185,500	Ordinary shares of Rs.10 each fully paid in cash	<b>1,021,855,000</b>	1,021,855,000

Ministry of Industries and Production (MoIP), Government of Pakistan is the Parent Company controlling 80,327,400 i.e. 78.61% (2021: 80,327,400 i.e. 78.61%) ordinary shares of Rs. 10 each of the Company and 21,858,100 i.e. 21.39% (2021: 21,858,100 i.e. 21.39%) ordinary shares of Rs. 10 each are held by Pakistan Industrial Development Corporation (PIDC), an associated company. All shares carry equal voting and dividend right and rank equally with regard to the company's residual assets.

**7. ADVANCE AGAINST ISSUE OF SHARES**

	Note	2022	2021
		-----Rupees-----	
Funds received from MoIP		<b>1,026,733,866</b>	1,026,733,866
Interest paid on long term loan by MoIP		<b>145,846,536</b>	145,846,536
	7.1	<b>1,172,580,402</b>	1,172,580,402

7.1 Shares against this advance have not been issued as currently the authorised share capital of the Company is not adequate.

**8. DEFERRED CAPITAL GRANT**

	Note	2022	2021
		-----Rupees-----	
Balance as at July 01		-	187,284
Amortization		-	(187,284)
Balance as at June 30		-	-

**9. PROVISION FOR LEAVE ENCASHMENT**

Provision for leave encashment	9.1	<b>3,967,456</b>	4,621,185
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PAKISTAN STONES DEVELOPMENT COMPANY  
 NOTES TO THE FINANCIAL STATEMENTS  
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	Note	2022 -----Rupees-----	2021
<b>9.1 Provision for leave encashment</b>			
Balance at 01 July		4,621,185	4,882,300
(Reversal) / charged during the year		150,785	(141,016)
Paid during the year		(804,514)	(120,099)
Balance at 30 June		<u>3,967,456</u>	<u>4,621,185</u>
<b>10 Defined benefit-gratuity</b>	10.1	33,365,080	30,590,255
<b>10.1 Payable to gratuity fund</b>			
Present value of defined benefit obligation		33,558,702	31,871,777
Fair value of plan assets		(193,622)	(1,281,522)
Net obligation		<u>33,365,080</u>	<u>30,590,255</u>
<b>Amount to be recognised in income and expenditure account</b>			
Current service cost		2,941,107	3,082,700
Past service cost (credit)		-	279,242
Interest cost		2,821,509	2,491,845
Interest income on plan assets		(178,101)	(129,288)
		<u>5,584,515</u>	<u>5,724,499</u>
<b>Amount to be recognised in other comprehensive income</b>			
Actuarial gain on obligation		(1,487,791)	(3,617,967)
Actuarial loss on plan assets		178,101	129,288
		<u>(1,309,690)</u>	<u>(3,488,679)</u>
Expected contribution to be paid for the next year		<u>7,421,923</u>	<u>5,524,144</u>
<b>Movement in present value of defined benefit obligation</b>			
Present value of defined benefit obligation - as at July 01		31,871,777	29,915,199
Current service cost		2,941,107	3,082,700
Past service cost (credit)		-	279,242
Interest cost		2,821,509	2,491,845
Benefits paid		(2,587,900)	(279,242)
Remeasurement (gain) / loss on defined benefit obligation		(1,487,791)	(3,617,967)
Present value of defined benefit obligation - as at June 30		<u>33,558,702</u>	<u>31,871,777</u>



PAKISTAN STONES DEVELOPMENT COMPANY  
 NOTES TO THE FINANCIAL STATEMENTS  
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	2022	2021
Note	-----Rupees-----	
<b>Movement in fair value of plan assets</b>		
Fair value of plan assets - as at July 01	1,281,522	1,513,900
Interest Income on plan assets	178,101	127,121
Contribution for the year	1,500,000	-
Benefits paid	(2,587,900)	(279,242)
Return on plan assets, excluding interest income	(178,101)	(80,257)
Fair value of plan assets - as at June 30	<u>193,622</u>	<u>1,281,522</u>

**Movement in obligation in balance sheet**

Balance as at July 01	30,590,255	28,401,299
Charge for the year	5,584,515	5,724,499
Actuarial loss / (gain) on gratuity valuation	(1,309,690)	(3,488,679)
Contribution during the year	(1,500,000)	(46,864)
Balance as at June 30	<u>33,365,080</u>	<u>30,590,255</u>

**Actuarial assumptions**

Valuation discount rate	13.50%	10.25%
Salary increase rate	-	-

**Maturity Profile**

*Particulars*

	2022	2021
	-----Rupees-----	
Year 1	1,185,135	1,113,267
Year 2	1,959,303	1,178,032
Year 3	3,435,717	1,285,227
Year 4	3,670,963	4,047,348
Year 5	5,658,269	3,417,079
Year 6 to Year 10	22,793,416	18,440,468
Year 11 and above	<u>434,729,934</u>	<u>250,981,497</u>

**Sensitivity analysis**

The calculation of the defined benefit obligation is sensitive to the assumption set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in the respective assumptions by one percent.

	<b>Defined Benefit Obligation</b>	
	1 percent increase	1 percent decrease
	Effect in Rupees	
Discount rate	(28,426,168)	(32,251,471)
Salary increase rate	<u>34,741,651</u>	<u>31,262,814</u>



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The above sensitivities are based on average duration of the benefit obligation determined at the date of the last actuarial valuation at 30 June 2022 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned.

	2022	2021
11. TRADE AND OTHER PAYABLES	-----Rupees-----	
	Note	
Trade creditors	5,643,082	5,643,082
Retention money payable	13,652,054	13,652,054
Accrued liabilities	10,736,030	9,782,263
Sales tax payable / (Receivable) -net	(501,475)	78,707
Income tax payable (withheld from parties)	113,444	724,165
Security deposits against rental income	28,381,147	24,326,267
Advance from customers against rental income	400,803	871,934
Other payables	43,700	96,288
	<u>58,468,785</u>	<u>55,174,760</u>

	2022	2021
12. ADVANCES FROM CUSTOMERS	-----Rupees-----	
	Note	
Advance from allottees against development properties	12.1	<u>693,529,615</u>
		<u>780,933,760</u>

**12.1** PASDEC has established Marble City Risalpur –an industrial estate dedicated for marble and granite sector, to achieve cluster building function. The proceeds received from Customers (i.e. provisional allottees), has been recognized as ‘Advances from Customers’ The advance from allottees is adjusted against corresponding cost of development properties on issuance of respective possession certificates to the allottees.

**12.2** This represents amount received against allocation of 180 industrial and 2 commercial plots in Marble City Risalpur. This industrial city is being developed to organize dimensional stone industry activities, such as processing, establishment of marble storage and display centers, within one vicinity.

**Movement of advances from customers are as follows:**

	2022	2021
	-----Rupees-----	
Opening balance	693,529,615	694,484,115
Advance received from customers during the year	88,904,145	-
Advance adjusted/returned during the year	(1,500,000)	(954,500)
Closing balance	<u>780,933,760</u>	<u>693,529,615</u>



**PAKISTAN STONES DEVELOPMENT COMPANY  
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**13. CONTINGENCIES AND COMMITMENTS**

**13.1 CONTINGENCIES**

**13.1.1 Status of Law suit by ex-owners of marble city Risalpur**

The Company acquired 185 acres of land from KPEZDMC [formally known as Sarhad Development Authority (“SDA”) ] for the development of Marble City Risaplur. This land was purchased by KPEZDMC from ex-owners. Subsequent to this purchase, ex-owners of the land filed case against KPEZDMC for upward revision of sale prices of land in the district court Nowshera, followed by appeal in Peshawar High Court that were decided in favour of ex-owners. The case was pleaded before Supreme Court of Pakistan by KPEZDMC (SDA) against the High Court judgment. The Honourable Supreme Court dismissed the appeal of the KPEZDMC.

As per the sale deed dated August 15, 2008 signed between the Company and KPEZDMC, the Company is liable to pay any subsequent increase in the cost of land allowed by the Court. Before the execution court (District Court Nowshera) KPEZDMC filed an objection petition under section 47 of Civil Procedure Court to make PASDEC party; however the court decided in favour of PASDEC while dismissing the objection petition on September 17, 2020. KPEZDMC challenged the decision of District Court Nowshera before Peshawar High Court, which has been decided by the court in favour of PASDEC.

Further, KPEZDMC had also filed an application in Civil Court Peshawar against PASDEC to resolve the dispute as per Arbitration Act 1940, which was dismissed on maintainability grounds of jurisdiction. Now KPEZDMC has filed such application in Civil Court Nowshera. The case has been pleaded vigorously.

However, in the event of court decision that Company would required to pay the increased market price. In accordance to the agreement between KPEZDMC & PASDEC, the allottees of the plots would be required to make payment as per terms and conditions of allotment, therefore no provision is recorded in these financial statements in this respect.

In this respect, the Company has recognized an amount of Rs. 805.920 million as development properties as discussed under detailed note 17 to these financial statements and respective advances from the customers received amounting to Rs. 780.933 million as at June 30, 2022, as described in the note 12 to these financial statements.

**13.1.2 Contingency related to tax litigation**

The Company was granted approval under clause (36) of section (2) on Income Tax Ordinance 2001. However subsequent to this, there has been changes in the Income Tax Ordinance. Management has applied for renewal of its tax exemption certificate which is in process before Income Tax Tribunal. If such approval is rejected than the Company would be subject to minimum tax liability @ 1.5% of turnover which amounts to Rs. 7.3 million for tax year 2017 to 2022. As per the Company's income tax advisor, favourable outcome is likely and accordingly provision for taxation has not been recognized.

**13.2 Commitments**

	2022	2021
	-----Rupees-----	
Commitments	13.2.1 <u>54,152,406</u>	<u>164,827,360</u>

**13.2.1** This includes commitments related to development of infrastructure in marble city Risalpur with different contractors.



PAKISTAN STONES DEVELOPMENT COMPANY  
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14. PROPERTY AND EQUIPMENT

	Freehold Land	Lease hold improvements	Machinery	Furniture and fittings	Vehicles	Office equipment's	Computer and accessories	Pre-fabricated containers	Training tools	Capital work in progress	Total
	Rupees										
	Note 14.3										
<b>Cost</b>											
Balance at July 01, 2020	12,000,000	5,345,934	982,051,738	3,718,616	23,966,095	5,933,269	7,240,958	5,208,743	2,081,129	40,736,700	1,088,283,183
Additions	-	-	-	-	-	194,222	122,514	-	-	-	316,736
Balance at June 30, 2021	12,000,000	5,345,934	982,051,738	3,718,616	23,966,095	6,127,491	7,363,472	5,208,743	2,081,129	40,736,700	1,088,599,919
Balance at July 01, 2021	12,000,000	5,345,934	982,051,738	3,718,616	23,966,095	6,127,491	7,363,472	5,208,743	2,081,129	40,736,700	1,088,599,919
Additions	-	-	-	52,900	-	264,590	94,279	-	-	-	411,769
Transfer from projects	-	-	2,631,828	-	-	-	-	-	-	-	2,631,828
Balance at June 30, 2022	12,000,000	5,345,934	984,683,566	3,771,516	23,966,095	6,392,081	7,457,751	5,208,743	2,081,129	40,736,700	1,091,643,516
<b>Accumulated depreciation</b>											
Balance at July 01, 2020	-	4,840,569	849,444,195	3,490,675	21,721,190	5,690,338	7,240,958	5,208,743	2,081,129	-	899,717,796
Charge for the year	-	339,703	27,806,514	166,458	831,998	201,922	-	-	-	-	29,346,595
Balance at June 30, 2021	-	5,180,272	877,250,709	3,657,133	22,553,188	5,892,260	7,240,958	5,208,743	2,081,129	-	929,064,391
Balance at July 01, 2021	-	5,180,272	877,250,709	3,657,133	22,553,188	5,892,260	7,240,958	5,208,743	2,081,129	-	929,064,391
Charge for the year	-	151,183	25,712,299	49,080	831,998	93,598	50,241	-	-	-	26,888,399
Balance at June 30, 2022	-	5,331,455	902,963,008	3,706,213	23,385,186	5,985,858	7,291,199	5,208,743	2,081,129	-	955,952,790
<b>Carrying amounts</b>											
As at June 30, 2022	12,000,000	14,479	81,720,558	65,303	580,909	406,223	166,552	-	-	40,736,700	135,690,724
As at June 30, 2021	12,000,000	165,662	104,801,029	61,483	1,412,907	235,231	122,514	-	-	40,736,700	159,535,526
Rates of depreciation	0%	20%	10%	15%	20%	20%	33%	15%	20%	0%	

14.1 It includes the cost incurred on the foundation and shed of Gangsaw and Crane of Common Facility and Training Centre (CFTC) project of the Company at Risalpur. The establishment of the project was planned through PSDP funds. However, after the discontinuation of further release of PSDP funds, the Company has entered into Memorandum of Intent with Confindustria Marmomachine ((reference Association of Italian stone and technology) for technology transfer and completion of the project with the approval of Federal Cabinet in January 2018. Under the arrangement the Italian partner will contribute Euro 400,000 for machines, equipment and trainings. Further the federal Cabinet has accorded the approval for the signing of the Cooperation Agreement between PASDEC and Italian Trade Agency ITA - ICE – Italian Trade Commission, Italy on June 23, 2020, which has also been conveyed to Italian partners.



MINERAL DEVELOPMENT COMPANY  
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	2022	2021
	-----Rupees-----	
<b>14.2 Depreciation charged for the period has been allocated as follows</b>		
Cost of machinery pool	25,712,299	27,806,514
Administrative expenses	1,176,100	1,352,797
Programme expenses - GIZ	-	187,284
	<u>26,888,399</u>	<u>29,346,595</u>

<b>14.3</b> The breakup of capital work in progress is as follows:		
Civil works	26,759,239	26,759,239
Plant and machinery	13,977,461	13,977,461
	<u>40,736,700</u>	<u>40,736,700</u>

<b>15. RECEIVABLES FROM PROJECTS - NET</b>		
Opening balance	27,693,638	75,613,132
Add: additions during the year	-	-
Less: recovery during the year	(6,524,000)	(1,100,000)
Less : Assets Transfer during the year to PPE	(2,631,828)	
Less: impairment recognized during the year	-	(46,819,494)
15.3 Add: Reversal of Impairment due to recovery from Projects	6,124,000	-
15.1 Balance as at June 30	<u>24,661,810</u>	<u>27,693,638</u>

	2022	2021
	-----Rupees-----	
<b>15.1 Breakup of net receivables from projects is as follow:</b>		
Model Quarry Chitral	800,000	800,000
Model Quarry Khuzdar	18,848,217	21,690,045
Quarry Up-gradation Mastang 1 - Saleheen	1,665,668	1,855,668
Quarry Up-gradation Mastang 2 - Aziz	1,054,233	1,054,233
Quarry Up-gradation FATA 4	1,961,446	1,961,446
Quarry Up-gradation Loralai - II	332,246	332,246
	<u>24,661,810</u>	<u>27,693,638</u>

**15.2** The Company, with the objective to demonstrate mechanized mining techniques, has invested in quarry projects including the above during the year 2008-14. This involves introduction of new technologies and techniques through establishment of model quarries and up gradation of existing quarries. The Company recovers the investment by receiving certain amount per ton from production of stone as per the respective arrangement with joint ventures.

**15.3** During the year ended June 30, 2016, an independent assessment was conducted and based on the assessment, the Company had recognized an impairment loss of Rs. 405 million. During the year ended June 30, 2020, management has revisited the assessment considering the insignificant recoveries and recognized an impairment loss of Rs. 107.08 million. Similarly, during the year ended June 30, 2021, management has recognized an impairment loss of Rs. 46.82 million based on in-house assessment majorly due to slow moving of available stock of these discontinued projects.



**NOTES TO THE FINANCIAL STATEMENTS  
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During the year ended on June 30, 2022, an amount of Rs. 6.524 million has been recovered through sale of stock of such projects of which impairment had been recognized in the preceeding periods. Therefore, reversal of the impairment of Rs. 6.124 million has been recorded in the current year.

The net receivables of Rs. 24.661 million as at June 30, 2022 are backed by the machinery, and vehicle available at quarries majorly based on the values ascertained by independent valuer during December 2020. Since the receivable represents cost of the assets which have carrying amount substantially equivalent to the market value, therefore, fresh valuation has not been performed during the year.

16. STORES AND SPARE PARTS	Note	2022 -----Rupees-----	2021
Diamond wire		6,339,350	6,339,350
Others	16.1	22,521,434	22,521,434
		<u>28,860,784</u>	<u>28,860,784</u>

16.1 This includes plug & feather, hydro pushing bags, ISD rods, electric cables etc to be used as part of machinery.

17. DEVELOPMENT PROPERTIES	Note	2022 -----Rupees-----	2021
Land	17.1	88,390,000	88,390,000
Capitalised borrowing cost - net		135,599,975	135,599,975
Construction, related costs and directly attributable cost	17.3	581,930,723	490,945,998
Write down of marble city Risalpur to NRV		-	(19,385,504)
	17.2	<u>805,920,698</u>	<u>695,550,469</u>

17.1 This includes land having value of Rs. 44.72 million (2021: Rs. Rs. 44.72 million) which has been acquired from KPMEZD & MC [formally known as Sarhad Development Authority ("SDA") under an agreement for the development of Marble City Risalpur. The title of land has not been transferred in the name of the Company

17.2 Breakup of Development Properties		2022 -----Rupees-----	2021
Development property related to Marble City Risalpur		996,434,453	905,567,228
Write down of marble city Risalpur to NRV	17.4	-	(19,385,504)
Adjustment of Development Property against plots		(198,889,579)	(198,889,579)
		<u>797,544,874</u>	<u>687,292,145</u>
Development property related to Marble City Lorlai		6,487,017	6,487,017
Development property related to Machinery Pool Risalpur		117,500	-
Development property related to Gaddani		1,771,307	1,771,307
		<u>8,375,824</u>	<u>8,258,324</u>
		<u>805,920,698</u>	<u>695,550,469</u>



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17.3 This represents cost spend for development of 180 industrial and 45 commercial plots in Marble City Risalpur, along with cost incurred on planning and acquisition of 50 Acres land of Mable City Loralai.

17.4 The management has developed new plots during the current financial year ended on June 30, 2022, which has generated additional revenue of Rs. 39.500 million. Further additional development charges of Rs. 300,000 per plot has been imposed on the allottees of industrial plots during the year. Accordingly the previously recognized loss of Rs. 19.385 million has now been reversed in these financial statements.

18. TRADE DEBTS	Note	2022 -----Rupees-----	2021
Trade debts - considered good		17,776,854	22,734,252
Trade debts - considered doubtful		66,709,838	67,393,816
	18.1	84,486,692	90,128,068
Less; expected credit loss	18.2	(66,709,838)	(67,393,816)
		<u>17,776,854</u>	<u>22,734,252</u>
<b>18.1 Aging analysis of trade debts is as follows:</b>			
Not yet due		5,750,350	5,413,350
Past due			
31 to 90 days		3,226,947	2,323,991
91 to 180 days		2,325,612	978,570
181 to 365		1,520,363	6,359,940
More than 365 days		71,663,420	75,052,217
		<u>84,486,692</u>	<u>90,128,068</u>
<b>18.2 Movement of expected credit loss during the year</b>			
Opening balance		67,393,816	65,290,595
Charge for the year		430,290	4,338,558
Reversal during the year		(1,114,268)	(2,235,337)
Closing balance		<u>66,709,838</u>	<u>67,393,816</u>
<b>19. ADVANCES</b>			
Advances to employees - considered good		6,538,074	7,474,225
Advances to suppliers - considered good		1,005,567	1,251,762
		<u>7,543,641</u>	<u>8,725,987</u>
<b>20. DEPOSITS AND PREPAYMENTS</b>			
Security deposits		1,648,362	1,678,357
Prepayments		1,779,688	1,616,723
		<u>3,428,050</u>	<u>3,295,080</u>



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		2022	2021
		-----Rupees-----	
<b>21.</b>	<b>OTHER RECEIVABLES</b>		
	<b>Due from related parties - unsecured</b>		
	Pakistan Industrial Development Corporation - considered doubtful	19,050	19,050
	FATA - Secretariat - considered doubtful	1,920,579	1,920,579
		1,939,629	1,939,629
	Provision for doubtful receivables from related parties	(1,939,629)	(1,939,629)
		-	-
	<b>Others</b>		
	- considered good	547,105	665,009
	- considered doubtful	12,454,129	12,446,823
		13,001,234	13,111,832
	Provision for doubtful other receivables	(12,454,129)	(12,446,823)
		547,105	665,009
	Receivable from Competitive Industries Project Khyber Pakhtunkhwa	800,960	4,793,189
		1,348,065	5,458,198
<b>21.1</b>	<b>Movement of expected credit loss during the year</b>		
	Opening balance	12,446,823	8,819,886
	Charge for the year	257,306	3,931,437
	Written off during the year	-	-
	Reversal during the year	(250,000)	(304,500)
	Closing balance	12,454,129	12,446,823
<b>22.</b>	<b>INCOME TAX REFUNDABLE</b>		
	The Company was granted approval under clause (36) of section (2) of Income Tax Ordinance 2001. However, subsequent to this there has been changes in the Income Tax Ordinance. Management has applied for renewal/grant of the said approval, which case is pending before Tribunal Income Tax. The Company has also advance tax refundable from taxation authorities aggregating to Rs. 31.78 million as at June 30, 2022 (2021: 30.44 million) for which the Company has filed tax refund application and has compiled the supporting evidence for the preceding years. The refund of advance tax will depend over the grant of approval under Section 2(36) of Income Tax Ordinance 2001.		
<b>23.</b>	<b>CASH AND BANK BALANCES</b>	2022	2021
		-----Rupees-----	
	<b>Cash in hand</b>	53,214	39,696
	<b>Bank balances:</b>		
	Current accounts	6,209,701	56,103
	Deposit accounts	21,511,329	32,843,811
		27,721,030	32,899,914
		27,774,244	32,939,610
<b>23.1</b>	These carry interest rate ranging from 13.75% to 14.4% per annum (2021: 3% to 4%).		



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		2022	2021
		-----Rupees-----	
<b>24. REVENUE</b>	<b>Note</b>		
Income from machinery rentals	24.1	78,650,024	67,322,760
Service charges on rental of CIPK machinery		5,490,989	7,511,291
Sale of blocks		1,747,200	-
		<u>85,888,213</u>	<u>74,834,051</u>
<b>24.1 Income from machinery rentals</b>			
Income from PASDEC's Machinery Pools		78,186,374	66,732,540
Income from Machinery Pool FATA	24.1.1	463,650	590,220
		<u>78,650,024</u>	<u>67,322,760</u>
<b>24.1.1</b>	This represents rentals against the Machinery Pool FATA Development Authority under an agreement dated March 24, 2010.		
<b>25. COST OF SALES</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
		-----Rupees-----	
Cost of blocks		2,096,640	-
Cost of machinery pool	25.1	71,940,096	66,956,311
		<u>74,036,736</u>	<u>66,956,311</u>
<b>25.1 COST OF MACHINERY POOL</b>			
Salaries, wages and other benefits		24,136,793	23,662,689
Consultancy charges		200,000	1,000,000
Depreciation	14.2	25,712,299	27,806,514
Travelling, lodging and conveyance		453,860	84,590
Advertisement		168,718	59,949
Freight charges		171,600	-
Rent		1,949,153	1,355,615
Communication		157,445	158,150
Vehicles' running and maintenance		681,000	444,759
Entertainment		540	49,194
Legal and professional charges		529,998	120,598
Utilities		617,520	452,606
Printing and stationery		27,910	8,743
Insurance		2,540,911	3,366,600
Office utilities		86,491	56,582
Security services		563,365	476,300
Impairment due to decrease in NRV of stock		478,662	916,456
Repairs and maintenance		13,461,697	6,929,379
Bank charges and commission		2,134	7,587
		<u>71,940,096</u>	<u>66,956,311</u>



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		2022	2021
		-----Rupees-----	
<b>26.</b>	<b>ADMINISTRATIVE EXPENSES</b>		
	Salaries, wages and other benefits	57,937,835	54,762,686
	Consultancy charges	500,816	242,623
	Depreciation	1,176,100	1,352,797
	Travelling, lodging and conveyance	1,275,271	774,132
	Advertisement	467,456	286,660
	Freight charges	500	-
	Rent	8,802,661	7,493,386
	Communication	915,383	871,274
	Vehicles' running and maintenance	1,481,679	984,749
	Entertainment	63,409	238,219
	Legal and professional charges	1,378,753	1,130,599
	Utilities	1,441,130	1,130,522
	Printing and stationery	420,140	350,455
	Insurance	415,534	392,418
	Office utilities	220,935	190,111
	Auditors' remuneration	378,600	902,418
	Security services	2,050,794	1,707,360
	Repairs and maintenance	1,079,452	572,700
	Newspapers, books and periodicals	22,430	21,770
	Bank charges and commission	3,678	105
	Marketing expenses	25,000	42,000
	Others	7,350	6,850
	Site upgradation	-	1,012,248
		<b>80,064,906</b>	<b>74,466,082</b>

**26.1** It includes gratuity of Rs. 5,584,515 (2021: 5,724,499 ) and remuneration of CEO, Directors and Executive amounting to Rs. 17,534,910 (2021: 13,833,863)

		2022	2021
		-----Rupees-----	
<b>26.2</b>	<b>Breakup of auditor's remuneration is as follows:</b>		
	Audit fee	225,388	495,000
	Code of corporate governance review fee	75,129	126,500
	Out of pocket expenses	30,000	62,150
	Applicable sales tax	48,083	218,768
		<b>378,600</b>	<b>902,418</b>

		2022	2021
		-----Rupees-----	
<b>27.</b>	<b>PROGRAMME EXPENSES</b>		
	Depreciation	-	187,284
		-	187,284



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	2022	2021
	-----Rupees-----	
<b>28. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Income from saving accounts	3,017,709	1,728,541
Reversal of provision through recovery	1,364,267	2,539,837
	<u>4,381,976</u>	<u>4,268,378</u>
<b>Income from non-financial assets</b>		
Amortisation of deferred capital grant	-	187,283
Forfeited deposits	150,000	96,750
Restoration, transfer fee and others from plots	8,818,584	8,920,498
Surcharge on late payments against the plots allotment	214,000	966,300
Penalty recovered from contractor	720,166	440,713
Insurance recovery	204,710	-
Others	1,755,838	1,329,814
	<u>11,863,298</u>	<u>11,941,358</u>
	<u>16,245,274</u>	<u>16,209,736</u>



## 29. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The aggregate amounts charged in the financial statements for the year with respect to remuneration, including benefits and perquisites, were as follows:

	Chief Executive		Directors		Executives	
	2022	2021	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	6,000,000	3,914,499	-	-	8,567,293	7,537,428
Allowances and meeting fee	-	-	1,550,000	1,320,000	-	-
Travelling and other expenses	343,914	26,850	393,693	634,512	59,380	8,000
Gratuity expense	-	-	-	-	620,630	392,574
	<b>6,343,914</b>	<b>3,941,349</b>	<b>1,943,693</b>	<b>1,954,512</b>	<b>9,247,303</b>	<b>7,938,002</b>
Number of persons	<b>1</b>	<b>1</b>	<b>8</b>	<b>8</b>	<b>4</b>	<b>3</b>

- 29.1 The Chief Executive is provided with medical insurance facility and Company maintained car as per his limit. Gratuity is payable to the Executives in accordance with the terms of employment and determined based on actuarial valuations.

## 30. TRANSACTIONS WITH RELATED PARTIES

The Company is subsidiary of Ministry of Industries and Production, Government of Pakistan (the "Parent Company"). Therefore all the department and agencies controlled by the parent company are related parties of the Company. Other related parties comprise of associated companies, directors and close family members, companies with common directorship, executives, key management personnel and major shareholders of the Company. Balances with related parties are shown elsewhere in the notes to the financial statements. Remuneration of chief executive, directors and executives is disclosed in note 29 to the financial statements. Transactions with related parties disclosed elsewhere in these financial statements are as follows:

Name of related party	Basis of relationship	Percentage of shareholding
Shamama Tul Amber Arbab	Chairperson & Director	N/A
Iftikhar Ali Sahoo	Director	N/A
Iftikhar Ali Shalwani	Director	N/A
Khadim Hussain	Director	N/A
Rizwan Ahmed Bhatti CEO, PIDC	Director	1 share
Naimatullah Khan	Director	N/A
Sardar Rizwan Kehar	Director	N/A
Muhammad Usman Chachar	Director	N/A
Hashim Raza, CEO SMEDA	Director	N/A
Ahsan Ali Mangi Sect. TDAP	Director	N/A
Zahid Maqsood Sheikh	Former Chief Executive	N/A
Waqar uddin Siddiqui	Former Chief Executive	N/A
Babar Miraj Shami	Chief Executive / Key Management Personnel	N/A
Shahzad Basharat	Key Management Personnel	N/A
Moin Qadir Janjua	Key Management Personnel	N/A
Rukhsana Iqbal	Key Management Personnel	N/A



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	Note	2022 -----Rupees-----	2021
<b>30.1 Remuneration to key management personnel</b>			
Remuneration, allowances and benefits	30.1.1	14,970,587	11,486,777
<b>30.1.1 Breakup of remuneration to key managerial personnel</b>			
Managerial remuneration		14,567,293	11,451,927
Travelling expenses		403,294	34,850
		<u>14,970,587</u>	<u>11,486,777</u>

**31. FINANCIAL RISK MANAGEMENT**

The Company has exposure to the following risks associated with its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The senior management of the Company manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to stakeholders. Further, senior management under the guidance of Board of Directors (the Board) ensures that the Company's financial risk-taking activities are governed through resolution passed by the Board and that financial risks are identified, measured and managed in accordance with the Company's policies and risk appetite.

The capital structure of the Company consists of equity (comprising issued capital and advance against issues of shares in note 6 & 7). The Company is not subject to any externally imposed capital requirements.

The Board reviews and agrees the policies for measuring each of their risks which are summarized below:

**FINANCIAL INSTRUMENTS BY CATEGORIES**

The Company's activities are exposed to a variety of financial risks namely credit risk, interest rate risk, foreign exchange risk and liquidity risk. Overall, risks arising from the Company's financial instruments are limited. The Company manages its exposure to financial risk in the following manner:

June 30, 2022

Description	INTEREST / MARK UP BEARING			NON INTEREST / MARK-UP BEARING			
	Maturity up to one year	Maturity after one year	Sub Total	Maturity up to one year	Maturity after one year	Sub Total	Total
-----Rupees-----							
<b>FINANCIAL ASSETS</b>							
<b>Amortised cost</b>							
Trade debts - net	-	-	-	17,776,854	-	17,776,854	17,776,854
Receivables from projects - net	-	-	-	-	24,661,810	24,661,810	24,661,810
Advances	-	-	-	7,543,641	-	7,543,641	7,543,641
Other receivables - net	-	-	-	1,348,065	-	1,348,065	1,348,065
Cash and bank balances	21,511,329	-	21,511,329	6,262,915	-	6,262,915	27,774,244
	<u>21,511,329</u>	-	<u>21,511,329</u>	<u>32,931,475</u>	<u>24,661,810</u>	<u>57,593,285</u>	<u>79,104,614</u>
<b>FINANCIAL LIABILITIES</b>							
<b>Financial liabilities measured at amortized cost</b>							
Trade and other payables	-	-	-	58,468,785	-	58,468,785	58,468,785
	-	-	-	<u>58,468,785</u>	-	<u>58,468,785</u>	<u>58,468,785</u>



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June 30, 2021

Description	INTEREST / MARK UP BEARING			NON INTEREST / MARK-UP BEARING			
	Maturity up to one year	Maturity after one year	Sub Total	Maturity up to one year	Maturity after one year	Sub Total	Total
<b>FINANCIAL ASSETS</b>							
<b>Amortised cost</b>							
Trade debts - net	-	-	-	22,734,252	-	22,734,252	22,734,252
Receivables from projects - net	-	-	-	-	27,693,638	27,693,638	27,693,638
Advances	-	-	-	8,725,987	-	8,725,987	8,725,987
Other receivables - net	-	-	-	5,458,198	-	5,458,198	5,458,198
Cash and bank balances	32,843,811	-	32,843,811	95,799	-	95,799	32,939,610
	<u>32,843,811</u>	<u>-</u>	<u>32,843,811</u>	<u>37,014,236</u>	<u>27,693,638</u>	<u>64,707,874</u>	<u>97,551,685</u>
<b>FINANCIAL LIABILITIES</b>							
<b>Financial liabilities measured at amortized cost</b>							
Trade and other payables	-	-	-	55,174,760	-	55,174,760	55,174,760
	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,174,760</u>	<u>-</u>	<u>55,174,760</u>	<u>55,174,760</u>

31.1 Credit risk

Credit risk represents that risk that one party to a financial instruments will cause a financial loss for the another party by failing to discharge an obligation and arises from receivables, trade debts, advances, deposits, other receivables and bank balances.

31.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follow:

	2022		2021	
	-----Rupees-----			
	Note			
Trade debts - net	31.1.2		17,776,854	22,734,252
Receivables from Projects			24,661,810	27,693,638
Advances			7,543,641	8,725,987
Other receivables			1,348,065	5,458,198
Cash and bank balances			27,774,244	32,939,610
			<u>79,104,614</u>	<u>97,551,685</u>

31.1.2 Impairment losses

The aging of receivable at the reporting date is:

	2022			2021		
	Gross	Impairment	Net Receivables	Gross	Impairment	Net Receivables
----- (Rupees) -----						
Not yet due 1-30 days	5,750,350	-	5,750,350	5,413,350	-	5,413,350
Not yet due 31-90 days	3,226,947	-	3,226,947	2,323,991	-	2,323,991
Past due 91-180 days	2,325,612	(69,768)	2,255,844	978,570	489,285	1,467,855
Past due 181-365 days	1,520,363	(760,182)	760,182	6,359,940	3,179,970	9,539,910
More than 365 days	71,663,420	(65,879,888)	5,783,532	75,052,217	(71,063,069)	3,989,147
	<u>84,486,692</u>	<u>(66,709,838)</u>	<u>17,776,854</u>	<u>90,128,068</u>	<u>(67,393,816)</u>	<u>22,734,253</u>



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The Company's credit risk is primarily attributes to its short term investments and balances at banks. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The name and credit ratings of major banks where the Company maintains its bank balances are as follows:

Name of Bank	Rating Agency	Credit Rating	
		Short Term	Long Term
United Bank Limited	VIS	A-1+	AAA
Allied Bank limited	PACRA	A-1+	AAA
Bank Alfalah Limited	PACRA	A-1+	AA+
MCB Bank Limited	PACRA	A-1+	AAA

**31.2 Market risk**

**31.2.1 Interest rate risk**

Interest Rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Company's income and operating cash flows are substantially independent of market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2022	2021
	-----Rupees-----	
<b>Financial assets</b>		
Bank balances	<u>21,511,329</u>	<u>32,843,811</u>

The effective interest rates for the financial assets are mentioned in respective notes to the financial statements.

**Interest rate sensitivity analysis**

At June 30, 2022 if interest rates had been 50 basis points higher/ lower and all other variables were held constant, the Company's profit before tax for the year ended June 30, 2022 would increase/ decrease by Rs.107,557 (2021: increase/ decrease by Rs 164,215).

**31.2.2 Foreign currency risk**

Foreign currency risk is the risk that changes in foreign exchange rates will affect the Company's income of the value of its holding of financial instruments. The objective of foreign currency risk exposures within acceptable parameters, while optimizing the return on financial instruments.

The Company does not have any financial instruments involving any foreign currency risk.



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31.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities.

Financial liabilities in accordance with their contractual maturities are presented below:

June 30, 2022

	Rupees		
	Carrying amount	Contractual cash flows	Less than 1 Year
Trade and other payables	58,468,785	58,468,785	58,468,785
	<u>58,468,785</u>	<u>58,468,785</u>	<u>58,468,785</u>

June 30, 2021

	Rupees		
	Carrying amount	Contractual cash flows	Less than 1 Year
Trade and other payables	55,174,760	55,174,760	55,174,760
	<u>55,174,760</u>	<u>55,174,760</u>	<u>55,174,760</u>

31.4 Fair value of financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Company has no financial instruments under the fair value hierarchy. As at statement of financial position date, the carrying values of the financial assets and financial liabilities approximate their fair values.

31.4.1 Fair value hierarchy

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Fair value hierarchy:**

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

The Company does not have any financial instruments which are required to be classified under aforesaid fair value hierarchies.



**31.5 Capital risk management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide return 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 to ensure that it will be able to continue as a going concern. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

	2022	2021
<b>32 NUMBER OF EMPLOYEES</b>		
Total number of employees (contractual) at end of the year	49	50
Average number of employees (contractual) during the year	49	50

**33 CORRESPONDING FIGURES**

Corresponding figures have been re-classified, re-arranged for better presentation of transactions and events for the purpose of comparison. However no significant reclassification has been made during the year, except Gratuity was classified under head "Trade and other payable". However, during the year it has been presented as separate line item on statement of financial position in "Non-current liabilities".

**34 DATE OF AUTHORISATION OF ISSUE**

These financial statements were authorized for issue by the Board of Directors on of the Company in its meeting held on

27 OCT 2022

CHIEF EXECUTIVE OFFICER

DIRECTOR