

PAKISTAN AGRICULTURAL COALITION

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

MUSHTAQ & CO.
CHARTERED ACCOUNTANTS

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Independent auditor's report

To the members of PAKISTAN AGRICULTURAL COALITION

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Agricultural Coalition, which comprise the statement of financial position as at June 30, 2021 and income and expenditure statement, the statement of changes in fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, income and expenditure statement, the statement of changes in fund 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, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the surplus, the changes in fund and its cash flows for the year then ended.

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the income and expenditure statement, the statement of changes in fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 and agree with the books of account and returns;



MUSHTAQ & CO.

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- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Ayaz Mahmood, ACA.**


MUSHTAQ & CO
Chartered Accountants

Lahore.

Dated: _____

PAKISTAN AGRICULTURAL COALITION

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	June 30, 2021 Rupees	June 30, 2020 Rupees
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	5	1,034,877	1,678,639
Current Assets			
Loans , Advances and Receivables	6	4,397	2,932,742
Short Term Deposits And Prepayments	7	129,000	309,000
Advance Tax	8	2,853,992	3,151,281
Cash And Bank Balances	9	15,889,940	6,044,096
		18,877,329	12,437,119
TOTAL ASSETS		19,912,206	14,115,758
LIABILITIES			
Current Liabilities			
Other Payables	10	2,218,887	3,834,416
Net Assets		17,693,319	10,281,342
Represented by:			
Surplus Fund		17,693,319	10,281,342
		17,693,319	10,281,342

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


CHIEF EXECUTIVE


DIRECTOR

PAKISTAN AGRICULTURAL COALITION

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021**

		June 30, 2021	June 30, 2020
	Note	Rupees	Rupees
INCOME			
Income	11	34,812,158	43,991,250
Other Income		167,810	183,730
		34,979,968	44,174,980
EXPENDITURES			
Operating Expenses	12	27,567,991	37,062,751
Surplus/(Deficit) Of Income Over Expenses		7,411,977	7,112,229

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


CHIEF EXECUTIVE


DIRECTOR

PAKISTAN AGRICULTURAL COALITION
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Total Funds Rupees
Balance As At July 01, 2019	3,169,113
Surplus/(Deficit) Of Income Over Expenditure For The Year Ended on 30 June 2020	7,112,229
Balance As At June 30, 2020	10,281,342
Balance As At July 1, 2020	10,281,342
Surplus/(Deficit) Of Income Over Expenditure For The Year Ended on 30 June 2021	7,411,977
Balance As At June 30, 2021	17,693,319

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


CHIEF EXECUTIVE


DIRECTOR

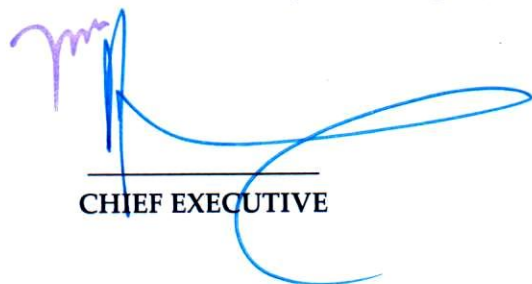
PAKISTAN AGRICULTURAL COALITION

STATEMENT OF CASH FLOWS

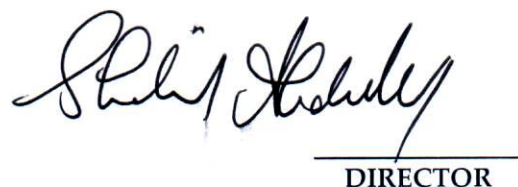
FOR THE YEAR ENDED JUNE 30, 2021

		June 30, 2021	June 30, 2020
	Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(Deficit) Of Income Over Expenses		7,411,977	7,112,229
Add: Depreciation		683,566	736,628
Gain on Disposal		(4,904)	-
		<u>8,090,639</u>	<u>7,848,857</u>
(Increase) / Decrease In Current Assets			
Loans And Advances		2,928,345	(2,770,104)
Short Term Deposits And Prepayments		180,000	88,772
Advance Tax		297,289	(228,896)
Increase / (Decrease) In Current Liabilities			
Trade And Other Payables		(1,615,529)	(622,408)
Cash Generated From Operations		<u>9,880,744</u>	<u>4,316,221</u>
Net Cash Flow From Operating Activities		<u>9,880,744</u>	<u>4,316,221</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase Of Property, Plant and Equipment		(77,200)	(328,013)
Proceeds from Sale of Disposal of Property, Plant and Equipment		42,300	-
Net Cash (Used) / Generated From Investing Activities		<u>(34,900)</u>	<u>(328,013)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Grants Received Against Project		-	-
Net Cash (Used) / Generated From Financing Activities		<u>-</u>	<u>-</u>
Net Cash (Used) / Generated During The Year		9,845,844	3,988,208
Cash And Cash Equivalents At The Beginning Of The Year	9	6,044,096	2,055,888
Cash And Cash Equivalents At The End Of The Year		<u><u>15,889,940</u></u>	<u><u>6,044,096</u></u>

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



CHIEF EXECUTIVE



DIRECTOR

1 STATUS AND OPERATIONS

PAC (Pakistan Agricultural Coalition) is a voluntary, non profit organization, is registered in Pakistan at 22, May 2014 as an association not for profit under section 42 of the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017). Its basic purpose is to work for the increase of productivity and yield of agriculture in Pakistan, development of opportunities both for farmers as well as agri-businesses and increase in international competitiveness of agricultural products for the benefit of national economy, farmers, agri-businesses and the consumer. Its registered office is Plaza No.4, 3rd Floor Block -A, Phase 6C, Avenue 4, Behind DHA Main Office Complex Link Shabbir Sharif Road, Defence Housing Authority Lahore.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board and the Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act 2017, provisions of and directives issued thereunder. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

3 BASIS OF PREPARATION

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

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, reported amounts of assets, liabilities, 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 are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have significant risk of material adjustments to the financial statements in subsequent years are discussed in relevant note.

These financial statements are presented in Pak Rupee which is also the functional currency.

4 SIGNIFICANT ACCOUNTING POLICIES

These accounts have been prepared under historical cost convention in accordance with the generally accepted accounting principles.

4.1 Accrued and other payables

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

4.2 Current taxation

The company is approved u/s 2(36) of the Income Tax Ordinance 2001, as Non-Profit Organization. So, its income is exempted on complying with all the relevant provisions and rules including Section 100C of Income Tax Ordinance, 2001 and Income Tax Rules, 2002.

4.3 Impairment

At each statement of financial position date, the organization reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the greater of fair value less cost to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

4.4 Financial instruments

All the financial assets and liabilities are recognized at the time when the organization becomes the party to the contractual provisions of instruments. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss account, currently financial assets are stated at their nominal value as reduced by the appropriate allowances for estimating irrecoverable amount. Mark up bearing financial liabilities are recorded at the gross proceeds received. Other financial liabilities are stated at their nominal value.

4.5 Off setting of financial assets and liabilities

A financial asset and financial liability is offset and the net amount is reported in the financial statements if the organization has legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

4.6 Provisions

A provision is recognized in the financial statements when the organization has a legal or constructive obligation as a result of past event, and it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.7 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents are short term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in values.

4.8 Income

Income is recognized on accrual basis and when it is probable that the economic benefits associated with the transaction will flow to the organization and the amount of income, and the associated cost incurred or to be incurred, can be measured reliably. All other income is recognized on accrual basis.

4.9 Foreign currency translation

Foreign currency transactions are translated into Pak Rupee at the exchange rate prevailing on the date of transaction. Exchange gain and losses are included in the income currently.

4.10 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged to income and expenditure statement by applying the straight line method whereby the cost of an asset is written off over its useful life at the rates specified in note 5 to the financial statements. Leased assets are depreciated over the shorter of lease term and their useful lives after taking into account the residual values of such assets. Depreciation on additions is charged for the month in which an asset is put to use and no depreciation is charged in the month in which assets are disposed. The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate assets, as appropriate, only when it is probable that future benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Gains and losses on disposal of assets, if any, are taken to the income and expenditure statement.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income and expenditure in the year asset is derecognized.

Maintenance and normal repairs are charged to income and expenditure statement as and when incurred, whereas major renewals and improvements are capitalized and the assets so replaced, if any, are retired.



5 PROPERTY, PLANT AND EQUIPMENT

5.1 Operating Assets

Note	OWNED ASSETS						TOTAL
	ELECTRIC EQUIPMENTS	FURNITURE AND FIXTURES	MACHINERY AND EQUIPMENTS	COMPUTERS AND PRINTERS	CONTAINERS	MOTOR VEHICLES	
Cost							
Balance As At July 01, 2019	1,078,326	704,374	998,130	351,696	1,239,885	-	4,372,411
Additions During The Year	-	-	-	278,776	-	49,237	328,013
Disposals	-	-	-	-	-	-	-
Transfer / Adjustments	-	-	-	-	-	-	-
Balance As At June 30, 2020	1,078,326	704,374	998,130	630,472	1,239,885	49,237	4,700,424
Balance As At July 01, 2020	1,078,326	704,374	998,130	630,472	1,239,885	49,237	4,700,424
Additions During The Year	48,700	28,500	-	-	-	-	77,200
Disposals	(70,204)	-	-	-	-	-	(70,204)
Transfer / Adjustments	-	-	-	-	-	-	-
Balance As At June 30, 2021	1,056,822	732,874	998,130	630,472	1,239,885	49,237	4,707,420
Depreciation							
Balance As At July 01, 2019	380,864	306,920	507,970	294,484	794,918	-	2,285,156
Charge For The Year	107,833	70,437	199,626	100,908	247,977	9,847	736,628
Depreciation On Disposals	-	-	-	-	-	-	-
Transfer / Adjustments	-	-	-	-	-	-	-
Balance As At June 30, 2020	488,697	377,358	707,596	395,392	1,042,895	9,847	3,021,785
Balance As At July 01, 2020	488,697	377,358	707,596	395,392	1,042,895	9,847	3,021,785
Charge For The Year	105,411	70,912	194,828	105,576	196,990	9,848	683,566
Depreciation On Disposals	(32,807)	-	-	-	-	-	(32,807)
Transfer / Adjustments	-	-	-	-	-	-	-
Balance As At June 30, 2021	561,301	448,270	902,424	500,968	1,239,885	19,695	3,672,543
Written Down Value As At June 30, 2021	495,521	284,604	95,706	129,504	-	29,542	1,034,877
Written Down Value As At June 30, 2020	589,629	327,016	290,534	235,080	196,990	39,390	1,678,639
Rate Of Depreciation	10%	10%	20%	33%	20%	20%	

5.2 Depreciation charged for the year has been allocated as follows:

Operating Expenses

12

June 30, 2021	June 30, 2020
683,566	736,628
683,566	736,628

PAKISTAN AGRICULTURAL COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	June 30, 2021 Rupees	June 30, 2020 Rupees
6 LOANS , ADVANCES & RECEIVABLES			
Advances			
Advance For AMD Project		3,002	3,002
Advance For Karachi Office		-	28,345
Advance For Corporate Compliances		1,395	1,395
		4,397	32,742
Receivables			
Receivable From Naymat Collateral		-	2,400,000
Receivable From ICI Pakistan Foundation		-	500,000
		-	2,900,000
		4,397	2,932,742
7 SHORT TERM DEPOSITS AND PREPAYMENTS			
Security Deposit		129,000	309,000
		129,000	309,000
8 ADVANCE TAX			
Tax On Cash Withdrawals		104,787	104,787
Tax On Utility Bills		110,735	106,652
Tax Withheld On Subscription		2,043,462	2,525,782
Tax Withheld On PMEX Payments		190,060	190,060
Advance Tax:Income tax		404,948	224,000
		2,853,992	3,151,281
9 CASH AND BANK BALANCES			
Cash In Hand		2,087	4,434
Cash With Bank - Current Accounts		15,887,853	6,039,662
		15,889,940	6,044,096
10 OTHER PAYABLES			
Accrued Liabilities		232,658	1,779,617
Loan From Directors		150,000	150,000
Payable to Progressive Associate		-	1,000,000
Payable to MNS		-	771,000
Advance Subscription		1,500,000	-
Tax Deducted At Source		336,229	133,799
		2,218,887	3,834,416

PAKISTAN AGRICULTURAL COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

			June 30, 2021 Rupees	June 30, 2020 Rupees
11	INCOME	Note		
	Subscription Fee		29,844,388	34,500,000
	Services Income		4,967,770	9,491,250
			34,812,158	43,991,250
12	OPERATING EXPENSES			
	Trading Platform Expenses	12.2	20,925,105	31,193,065
	Business Plan For Rice Machinery	12.2	1,872,730	-
	Salaries & Benefits		1,273,532	2,967,448
	Professional Charges		960,000	904,800
	Rent Expense		525,108	300,933
	Travelling & Accommodation		229,948	163,283
	Repairs & Maintenance		71,447	123,600
	Utilities		125,329	122,090
	Printing & Stationary		11,115	12,143
	Postage & Courier		22,220	3,562
	Office Supplies		7,335	12,361
	Kitchen Supplies		26,380	-
	Mobile Expense		3,000	3,040
	Internet & Cable Charges		45,585	24,010
	Meals & Entertainment		27,226	33,459
	Bank Charges		3,923	356
	Corporate Compliance Charges		308,160	5,605
	Depreciation	5.2	683,566	736,628
	Miscellaneous Expenses		16,881	8,416
	Web Maintenance Charges		44,531	60,988
	Computer Expense		-	11,599
	Communication Charges		24,988	-
	PRA Tax Expense		311,982	331,035
	Security Expense		900	-
	Auditor's Remuneration	12.1	47,000	44,330
			27,567,991	37,062,751

12.1 Auditors' Remuneration

Audit services

Annual Audit Fee

Out of Pocket Expenses

45,000	40,000
2,000	4,330
47,000	44,330

PAKISTAN AGRICULTURAL COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

12.2

TRADING PLATFORM EXPENSES					TOTAL TRADING PLATFORM JUNE 2021	TOTAL TRADING PLATFORM JUNE 2020	UNRESTRICTED	TOTAL (CONSOLIDATED) 2021
PADDY RICE PROJECT	WHEAT PILOT PROJECT	RED CHILLI PROJECT	MAIZE PROJECT	PADDY RICE & MAIZE STORAGE PROJECT			BUSINESS PLAN FOR RICE MACHINERY	

PROJECT EXPENSES

Commission	-	-	-	-	-	-	-	-
Computer Expense	-	-	-	-	-	-	-	-
Consultancy Fee	6,640,650	-	61,500	-	-	6,702,150	9,353,245	1,655,805
Courier and Postage	-	-	8,060	-	-	8,060	16,018	250
Internet Charges	-	-	16,500	-	-	16,500	75,040	1,500
Meals & Entertainment	-	-	-	7,135	-	7,135	54,368	12,940
Miscellaneous Expenses	-	-	-	-	-	-	51,939	-
Mobile Expense	-	-	-	-	-	-	12,160	-
Office Supplies	-	-	-	-	-	-	49,444	-
Printing & Stationery	-	-	4,920	-	-	4,920	48,390	120
Rent Expense	101,885	101,885	107,885	101,885	-	413,540	1,785,286	-
Repair and Maintenance	-	-	-	-	-	-	5,420	-
Salaries & Benefits	4,710,678	2,505,178	3,705,177	2,505,177	-	13,426,210	18,709,440	-
Travelling & Accommodation	30,410	-	80,193	136,527	-	247,130	865,719	202,115
Utilities	24,865	24,865	24,865	24,865	-	99,460	166,596	-
TOTAL	11,508,488	2,631,928	4,009,100	2,775,589	-	20,925,105	31,193,065	1,872,730

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13 NUMBER OF EMPLOYEES

	June 30, 2021	June 30, 2020
Number Of Employees As At	7	11
Average Number Of Employees During The Year	8	12

14 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	June 30, 2021			June 30, 2020		
	CHIEF EXECUTIVE	DIRECTORS	EXECUTIVES	CHIEF EXECUTIVE	DIRECTORS	EXECUTIVES
	Rupees			Rupees		
Managerial remuneration	8,682,240	-	2,520,000	8,682,240	-	9,548,000
Company's contribution to the Provident fund	-	-	-	-	-	-
Fees	-	-	-	-	-	-
Bonus	-	-	-	-	-	-
Housing and utilities	-	-	-	-	-	-
	8,682,240		2,520,000	8,682,240	-	9,548,000
Number of persons	1	-	2	1	-	5

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15 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The organization has exposures to the following risks from its use of financial instruments.

- 15.1 Credit Risk
- 15.2 Liquidity Risk
- 15.3 Market Risk

The board of directors has overall responsibility for the establishment and oversight of organization's risk management framework. The board is also responsible for developing and monitoring the organization's risk management policies.

15.1 Credit Risk

15.1.1 Exposure To Credit Risk

Credit risk is the risk of financial loss to the organization if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the other receivables, advances, deposits and prepayments and cash and bank balances. Out of total financial assets of Rs. 16,018,953 (June 30, 2020 : Rs. 9,253,096), financial assets which are subject to credit risk aggregate to Rs. 129,000 (June 30, 2020 : Rs. 3,209,000). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

Financial Assets	2021 Rupees	2020 Rupees
Loans, Advances & Receivables	-	2,900,000
Security Deposit	129,000	309,000
Cash And Bank Balances	15,889,940	6,044,096
	<u>16,018,940</u>	<u>9,253,096</u>

15.2 Liquidity Risk

Liquidity risk is the risk that the organization will not be able to meet its financial obligations as they fall due. The organization'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 damages to the organization's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

June 30, 2021					
Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
-----Rupees-----					
Non - Derivative Financial Liabilities					
Other Payables	2,218,887	2,218,887	2,218,887	-	-
	<u>2,218,887</u>	<u>2,218,887</u>	<u>2,218,887</u>	<u>-</u>	<u>-</u>
June 30, 2020					
Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
-----Rupees-----					
Non - Derivative Financial Liabilities					
Other Payables	3,834,416	3,834,416	3,834,416	-	-
	<u>3,834,416</u>	<u>3,834,416</u>	<u>3,834,416</u>	<u>-</u>	<u>-</u>

15.3 Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The organization is exposed to interest rate risk only.

15.3.1 Currency Risk

Exposure To Currency Risk

The organization is exposed to currency risk on other receivables and others that are denominated in a currency other than the respective functional currency of the organization. The organization is not exposed to any currency risk as at June 30, 2021.

15.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arise from term deposit receipts. At the financial statements date the interest rate profile of the organization's interest bearing financial instrument is as follows.

	2021 Rupees	2020 Rupees
Variable Rate Instruments		
Financial assets	-	-

Fair Value Sensitivity Analysis For Fixed Rate Instruments

The organization does not account for any fixed rate financial assets and liabilities at fair value through Income and expenditure. Therefore, a change in interest rates at the reporting date would not affect income and expenditure statement.

Cash Flow Sensitivity Analysis For Fixed Rate Instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) surplus and income or expenditure by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for June 30, 2020

	Income and Expenditure		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	Rupees			
Cash flow sensitivity - variable rate instruments	-	-	-	-
Cash flow sensitivity - variable rate instruments	-	-	-	-

15.4 Fair Value Of Financial Assets And Liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

15.5 Off Balance Sheet Items

There is no off balance sheet item as at June 30, 2021.

15.6 The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

16 CORRESPONDING FIGURES

Figures have been rearranged / reclassified whenever necessary for the purpose of comparison.

17 DATE OF AUTHORIZATION

These financial statements were authorized for issue on _____ by the board of directors of the organization.

18 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR