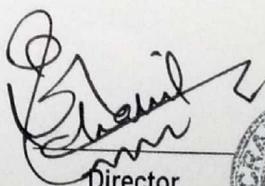


INDUS CRAFTS FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
Non-current assets			
Fixed assets	4	785,462	1,138,545
Long term investments	5	10,200,000	10,369,169
		10,985,462	11,507,714
Current assets			
Stock in hand - finished handicrafts		1,673,736	1,711,836
Debtors		27,330	147,750
Advances to staff and supplier		519	34,918
Accrued interest on investment		112,869	153,407
Deposits and prepayment	6	132,000	364,037
Advance tax		860,114	339,589
Cash and bank balances	7	69,881	1,260
		2,876,449	2,752,797
Total assets		13,861,911	14,260,511
GENERAL FUND & LIABILITIES			
General fund		(1,696,990)	91,077
Endowment fund		10,000,000	10,000,000
		8,303,010	10,091,077
Current liabilities			
Trade and other payables	8	5,370,953	3,981,486
Provision for taxation		187,948	187,948
		5,558,901	4,169,434
		13,861,911	14,260,511

The annexed notes from 1 to 16 forms an integral part of these financial statements.


Chairman / Chief Executive
Dr. Sono Khangharani
CEO/CHAIRMAN
INDUS CRAFTS FOUNDATION


B. Patel
Director


INDUS CRAFTS FOUNDATION
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
INCOME			
Grants	9	-	3,368,163
EXPENDITURE			
Donor's expenditure	10	(1,351,206)	(3,368,163)
Other operating expenditures	11	(2,221,195)	(3,196,838)
		(3,572,401)	(6,565,001)
Other income	12	<u>1,784,334</u>	<u>927,167</u>
Loss before taxation		(1,788,067)	(2,269,671)
Taxation			
- current			
- prior			
Loss after taxation		<u>(1,788,067)</u>	<u>(2,269,671)</u>

The annexed notes from 1 to 16 forms an integral part of these financial statements.



Chairman / Chief Executive

Dr. Sono Khanharani
CEO/CHAIRMAN
INDUS CRAFTS FOUNDATION



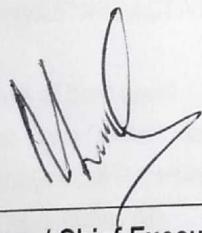
Director



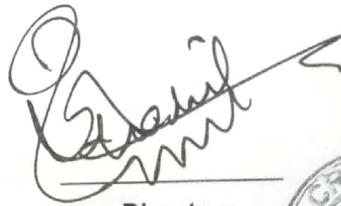
INDUS CRAFTS FOUNDATION
STATEMENT OF CHANGES IN GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	General fund	Loss for the year	Total
-----(Rupees)-----			
As at June 30, 2018	2,360,748		2,360,748
Loss for the year		(2,269,671)	(2,269,671)
Transfer to general fund	(2,269,671)	2,269,671	
	91,077		91,077
Balance as at June 30, 2019			
Loss for the year		(1,788,067)	(1,788,067)
Transfer to general fund	(1,788,067)	1,788,067	
	(1,696,990)		(1,696,990)
Balance as at June 30, 2020			

The annexed notes from 1 to 16 forms an integral part of these financial statements.



Chairman / Chief Executive
Dr. Sono Khangharani
CEO/CHAIRMAN
INDUS CRAFTS FOUNDATION



Director



INDUS CRAFTS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

2020
Rupees

2019
Rupees

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation	(1,788,067)	(2,269,671)
Adjustments for non cash items		
Depreciation	353,083	449,678
	(1,434,984)	(1,819,993)
Working capital changes		
Decrease in debtors	120,420	2,640
Decrease in advance to staff and supplier	34,399	9,527
Decrease in deposits and prepayments	232,037	293,000
Decrease in accrued interest on investment	40,538	-
Decrease / (increase) in stock in hand	38,100	(67,926)
Increase in accrued and other payables	1,389,467	1,995,075
	1,854,961	2,232,316
Tax paid	(520,525)	(69,796)
Grant utilization in operating activities (A)		(3,368,163)
	(100,548)	(3,025,636)

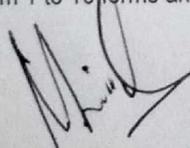
CASH FLOWS FROM INVESTING ACTIVITIES

Grant utilized for purchase of fixed asset	-	(127,520)
Disposal of investment in Term Deposit Receipts	10,369,169	-
Investment made in Term Deposit Receipts	(10,200,000)	-
Net cash used in investing activities (B)	68,621	(3,153,156)

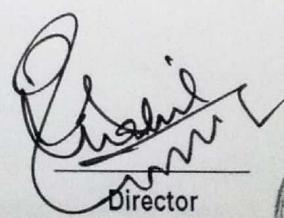
CASH FLOWS FROM FINANCING ACTIVITIES

Deferred grant (C)	-	3,103,440
Net increase in cash and cash equivalents (A+B+C)	68,621	(49,716)
Cash and cash equivalents at the beginning of the year	1,260	50,976
Cash and cash equivalents at the end of the year	69,881	1,260

The annexed notes from 1 to 16 forms an integral part of these financial statements.



Chairman / Chief Executive
Dr. Sono Khangharani
CEO/CHAIRMAN
INDUS CRAFTS FOUNDATION



Director



INDUS CRAFTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1. STATUS AND NATURE OF BUSINESS

Indus Crafts Foundation is a company limited by Guarantee, incorporated in Pakistan under section 42 of the repealed Companies Ordinance, 1984 on June 04, 2012. The company's registered office is located at Khairpur Mirs Sindh, Pakistan. The principal activity of the company is to promote handicrafts, poverty alleviation and women empowerment. The organization is a not-for-profit association in accordance with section 42 of the repealed Companies Ordinance, 1984.

1.1. Subsequent to the reporting date, the Company's licence has been revoked by Securities and Exchange Commission of Pakistan (SECP) due to non submission of audited financial statements which may cast significant doubt about the company's ability to continue as a going concern.

Management contends that Securities and Exchange Commission of Pakistan (the Commission) order is based on misunderstanding as the Company's licence had already expired in 2017 and application for the renewal of licence had filed which is still pending with the Commission. Therefore, the licence did not exist that could be revoked by the Commission. Management is confident that since audited financial statements have now been finalized, which will be submitted to the Commission shortly after issuance of audit reports, the Commission will agree to renewal of the licence commission for renewal of the Company in public interest.

Impacts of COVID 19 pandemic

The outbreak of COVID 19 pandemic in the year has significantly affected the operations of the company. Grants from the government authorities ceased for a significant period of amount of time and as a result, normal course of activities and revenues have been negatively impacted and the company suffered a loss.

Due to both of the above factors, the Company's has suffered net accumulated losses of Rs. 1,696,990 as at reporting date. Moreover, the current liabilities of the Company exceeds its current assets by Rs. 2,682,452.

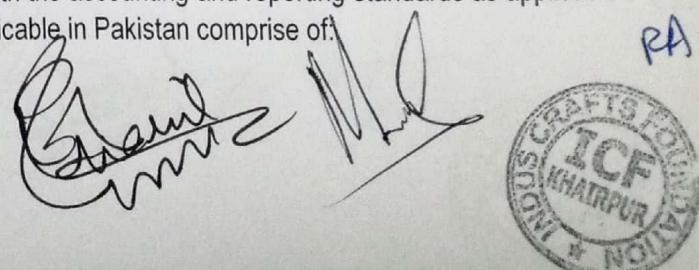
Mitigating factor

The management of the Company is hopeful that upon submission of audited financial statements its licence will be restored / renewed. Also, the management has taken various measures to manage the business through COVID 19 crisis, including reduction in expenses to cater the short term cash flow needs. Thus these financial statements has been prepared on going concern basis.

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 approved accounting and reporting standards applicable in Pakistan comprise of:



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INDUS CRAFTS FOUNDATION
KHAIRPUR
SINDH & N.W.F.P.

- International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPO) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs or the Accounting Standard for NPOs, 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 except as otherwise stated in the respective policies and notes given here under.

2.3. Functional and presentation currency

The financial statements are prepared in Pakistani Rupees, which is the Company's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

2.4. Significant accounting estimates and judgements

The preparation of financial information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in note 3.

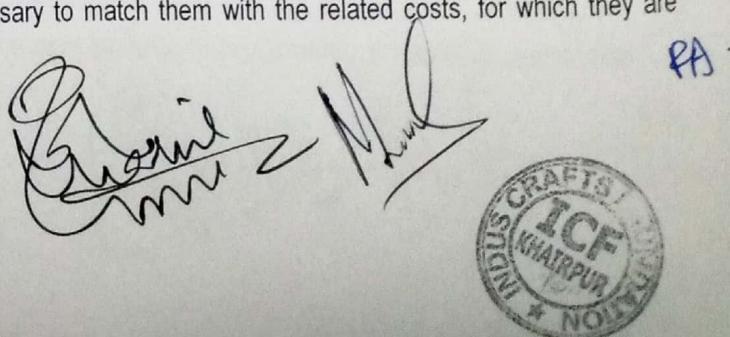
3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of revenue and the associated cost incurred or to be incurred can be measured reliably, on the following bases:

(a) Grant income

The grant is recognized as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.



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(b) Sales of goods

Sale of goods is recognised when the goods are delivered and the risk and rewards of ownerships have passed to the customer.

(c) Interest income

Profit on saving account is recognized on receipt basis.

3.2. Property, plant and equipment

These are stated at cost less accumulated depreciation, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Depreciation on additions is charged for the full month in which an asset is available for use and on deletions, upto the month of immediately preceding the month of deletion.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

Gain or loss on disposal, if any, is included in statement of profit or loss.

3.3. Intangible assets

Intangible assets acquired having finite useful life are capitalized at cost and stated at cost less amortization. The rate of amortization is 33% applying straight line method.

Amortization on additions is charged from the month during which the asset is put to use or acquired. For disposals during the year, amortization is charged upto the month preceding the month of disposal.

3.4. Investments

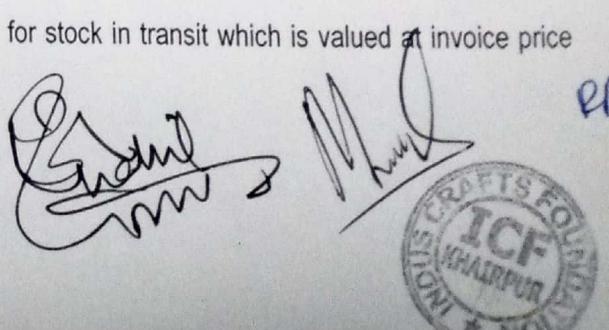
Investments are classified as held to maturity, which are securities with a fixed maturity that the Fund has the intention and ability to hold until maturity.

All investments are initially recorded at cost. Held to maturity investments are subsequently carried at amortized cost using the effective interest rate method.

Profit on investment is accrued on the basis effective yield of respective investments and is shown net of tax with held, if any.

3.5. Stock in hand

Stocks are valued at the lower of cost and net realizable value except for stock in transit which is valued at invoice price and related expenses incurred up to the balance sheet date.



Net realizable value signifies the estimated selling price in the ordinary course of business less net of estimated cost of completion and selling expenses.

3.6. Taxation

Current tax expense represents current tax expense. Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates, if any.

Deferred tax, where applicable, is accounted for using the balance sheet method.

3.7. Trade and other receivables

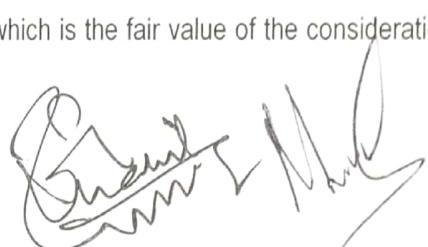
Trade and other receivables are stated at estimated realizable value after each debt has been considered individually.

3.8. Cash and cash equivalent

Cash and cash equivalents comprised cash in hand & cash with banks on savings and current accounts.

3.9. Accrued and other payable

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

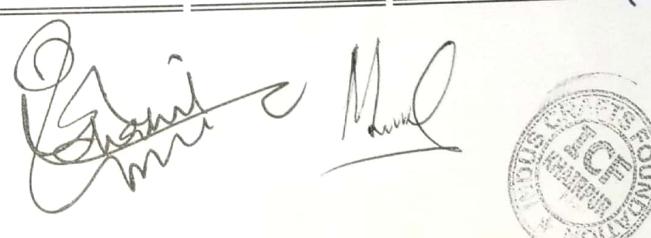


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4 FIXED ASSETS

Description	June 30, 2020							
	Cost			Accumulated Depreciation			W.D.V	Rate %
	Balance as at July 01, 2019	Additions during the year	Balance as at June 30, 2020	Balance as at July 01, 2019	Charged for the year	Balance as at June 30, 2020	Balance as at June 30, 2020	
Office equipment	1,877,017	-	1,877,017	1,438,879	142,285	1,581,164	295,853	25%
Office furniture	1,399,791	-	1,399,791	699,384	210,798	910,182	489,609	20%
Vehicles	765,965	-	765,965	765,965	-	765,965	-	20%
Total	4,042,773	-	4,042,773	2,904,228	353,083	3,257,311	785,462	

Description	June 30, 2019							
	Cost			Accumulated Depreciation			W.D.V	Rate %
	Balance as at July 01, 2018	Additions during the period	Balance as at June 30, 2019	Balance as at July 01, 2018	Charged for the year	Balance as at June 30, 2019	Balance as at June 30, 2019	
Office equipment	1,798,547	78,470	1,877,017	1,210,158	228,721	1,438,879	438,138	25%
Office furniture	1,350,741	49,050	1,399,791	478,426	220,958	699,384	700,407	20%
Vehicles	765,965	-	765,965	765,965	-	765,965	-	20%
Total	3,915,253	127,520	4,042,773	2,454,549	449,679	2,904,228	1,138,545	<i>(P)</i>




		2020 Note	Rupees	2019 Rupees
4.1 Allocation of depreciation				
Depreciation charged has been allocated as follows:				
SEF fund				75,666
Other operating expenses			353,083	374,012
			353,083	449,678

5 LONG TERM INVESTMENTS

This represents TDRs from NRSP Microfinance Bank carrying profit at 10- 13.5 % per annum with maturity period of 3 years.

6 DEPOSIT AND PREPAYMENT

Security deposits	60,000	242,037
Prepaid rent	72,000	122,000
	132,000	364,037

7 CASH AND BANK BALANCES

Cash in hand	10,295	
Cash at banks		
- saving account	59,586	1,260
- current account		
	59,586	1,260
	69,881	1,260

Saving account carries interest rate ranging from 5 to 8 (2019: 4% to 6%) per annum.

8 TRADE AND OTHER PAYABLES

Auditors' fee	100,000	200,500
Salaries and wages payable	3,023,000	1,837,100
Withholding tax payable	44,214	17,118
Other payable	1,335,437	608,761
Provident fund deductions	395,205	376,334
Security deposits from shops	400,000	400,000
Bank overdraft	73,097	541,673
	5,370,953	3,981,486

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9 DEFERRED GRANTS

	NARA Fund 9.1	Development Fund 9.2	NCFC 9.3	BBSYDP 9.4	SEF Fund 9.5	Grants From Local 9.6	Total
(Rupees)							
Balance as at June 30, 2018	(222,178)	(288,260)	(420,678)	130,610	1,491,639	(426,410)	264,723
Grants received from Government	-	-	-	-	2,103,440	1,000,000	3,103,440
Grants utilized during the year	-	-	-	-	(2,847,931)	(520,232)	(3,368,163)
Balance as at June 30, 2019	(222,178)	(288,260)	(420,678)	130,610	747,148	53,358	-
Grants received from Government	-	-	-	-	(1,351,206)	-	(1,351,206)
Grants utilized during the year	-	-	-	-	-	-	-
Balance as at June 30, 2020	(222,178)	(288,260)	(420,678)	130,610	(604,058)	53,358	(1,351,206)

9.1 NARA Crafts person capacity building and handicraft promotion. This represents grant received from the Government of Sindh for the purpose of development of the handicrafts sector of Khairpur District.

9.2 This represents grant received from Government of Sindh for the purpose of capacity building, handicraft promotion and development of handicraft sector of Khairpur District.

9.3 Nara Crafts Finishing Center (NCFC) grant received from district administration Khairpur for the purpose to create sustainable livelihood opportunities for craft persons of the district through utilization of their folk wisdom and skill through design development and finishing of the products items according to national & international market demand level in khairpur.

9.4 Benazir Bhutto Shaheed Youth Development Program (BBSYDP) grant received from Government of Sindh for the purpose to enable the trainee to make creative designs in Embroidery and prepare dresses by using these embroidery stitches. Identifying new opportunities in crafts, textile art and fashion and design markets. Produce trainees capable of designing embroidery by different stitches.

9.5 The project is an initiative of sindh government through Sindh Education Foundation (SEF) to promote education in rural areas of sindh. ICF is part of Adult Adolescent Learning and Training Program (AALTP) of SEF that focuses of the non formal basic education of the adults (man and women) who were unable to go to school in their childhood. Through this program regular classes are conducted on improving multiple subjects i-e english, maths etc to improve their skills and facilitate them to improve their quality of life. *PA*

9.6 This represents grant received from local government



		Note	2020 Rupees	2019 Rupees
10	DONOR WISE PROJECT EXPENDITURES			
SEF fund		10.1	1,351,206	2,847,931
Grants from Local Government		10.2	-	520,232
			1,351,206	3,368,163

10.1 SEF fund

Communication expenses	-	5,500
Freight and transportation	-	9,000
POL expenses	-	239,215
Repair and maintenance	-	96,695
Material and supplies to SEF centres	-	33,893
Printing and photocopying	4,515	24,608
Repairs and maintenance AALTP centres	-	27,000
Stationary for SEF centres	2,690	19,815
Transportation to learners	59,501	159,000
Rent expense	468,000	468,000
Salary to project staff	816,500	1,677,334
Meeting and refreshment	-	8,655
Depreciation	-	75,666
Meeting expenses	-	3,550
	1,351,206	2,847,931

10.2 Grants from Local Government

Salaries and other benefits	-	451,285
Packaging expenses	-	20,532
Repair and maintenance	-	48,415
	-	520,232

		Note	2020 Rupees	2019 Rupees
11	OTHER OPERATING EXPENSES			
	Periodicals and newspapers		7,600	9,175
	Exhibition expenses		60,000	20,000
	Freight and transportation		-	21,000
	Legal and professional fees		60,391	5,535
	Office stationary		1,600	4,445
	Office supplies		20,192	12,806
	POL expenses		118,044	37,086
	Postage and mailing service		9,939	5,246
	Printing and copying		4,848	16,847
	Rental expenses		15,990	90,000
	Repair and maintenance		53,347	19,335
	Training expenses		8,000	-
	Bad debt expenses		189,003	-
	Utilities expenses		31,628	73,894
	Advertising expenses		3,400	9,356
	Bank charges		89,867	17,715
	Miscellaneous expenses		150	7,245
	Salaries and wages expenses		956,500	2,384,441
	Boarding and lodging		55,268	30,920
	Local TA claims		49,200	24,400
	Meeting and refreshment		7,205	-
	Travel and meetings - other		25,940	33,380
	Depreciation		353,083	374,012
	Audit fee		100,000	-
			<u>2,221,195</u>	<u>3,196,838</u>

12 OTHER INCOME

Interest income on PLS account		86,209	24,258
Interest income on TDR investment		1,386,125	830,149
Loss from sales of handicraft - net	12.1	-	(119,240)
Rent from shops		312,000	192,000

12.1 Income / (loss) from sales of handicraft - net

Sales		259,100	118,400
Less: Cost of sales			
Opening balances		1,711,836	1,643,910
Net purchases		221,000	305,566
Closing balances		(1,673,736)	(1,711,836)
		<u>259,100</u>	<u>237,640</u>
			(119,240)



13 FINANCIAL INSTRUMENTS

Amortised cost		Total	
2020	2019	2020	2019
(Rupees)			
27,330	147,750	27,330	147,750
10,200,000	10,369,169	10,200,000	10,369,169
112,869	153,407	112,869	153,407
60,000	242,037	60,000	242,037
69,881	1,260	69,881	1,260
10,470,080	10,913,623	10,470,080	10,913,623

Financial liabilities

Trade and other payables	5,370,953	3,981,486	5,370,953	3,981,486
	<u>5,370,953</u>	<u>3,981,486</u>	<u>5,370,953</u>	<u>3,981,486</u>

2020 Number 2019 Number

14 NUMBER OF EMPLOYEES

The average number of employees working for the company during the year are as follows:

Total employees of the Company	18	18
Average employees of the Company	17	14

15 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue in a meeting held on _____

16 GENERAL

All the figures have been rounded off to the nearest rupees.

W. J. H.

Chairman / Chief Executive

Dr. Sono Khanharani
CEO/CHAIRMAN
INDUS CRAFTS FOUNDATION

B. S. Ghosh
Director



R.A. & Co.
Chartered Accountants
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S.M.C.H.S, Main Shahra-e-Faisal
Karachi, Pakistan

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF INDUS CRAFTS FOUNDATION**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **INDUS CRAFTS FOUNDATION (the Company)**, which comprise the statement of financial position as at June 30, 2020 and the statement of Profit or Loss, the statement of cash flows, statement of changes in general fund 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, statement of profit or loss, the statement of cash flows and statement of changes in general fund 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, 2021 and profit or loss, its cash flows and changes in general fund 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.

Material Uncertainty Related to Going Concern

We draw attention to note 1.1 in the financial statements which states that Company's license has been revoked by the Securities and Exchange Commission of Pakistan due to non-submission of financial statements.

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Further, the COVID 19 outbreak has adversely affected the operations of the company, due to which the company has an accumulated loss and its current liabilities exceeds its current assets at the reporting date

As stated in note 1.1, these events and conditions, along with other matters as set forth note 1.1, indicate that material uncertainty exist that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- a. 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.



- b. 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.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of
- d. Accounting estimates and related disclosures made by management.
- e. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- f. 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 management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

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

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



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

The engagement partner on the audit resulting in this independent auditors' report is Imtiaz Ahmed.

RA & Co.

Chartered Accountants

Place: Karachi

Date: December 15, 2021