



## **AMIR SULTAN CHINOI FOUNDATION**

A company set up under section 42 of the Companies Act, 2017

# **ANNUAL AUDITED ACCOUNTS TOGETHER WITH AUDITORS REPORT AND GOVERNORS' REPORT**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2023**



## GOVERNORS REPORT – FY 2023

We are pleased to submit the audited annual financial statements for the year ended June 30, 2023.

### THE AMIR SULTAN CHINOY FOUNDATION

The Amir Sultan Chinoy Foundation is one of Pakistan’s oldest foundations. It was established in 1968 as “The Friendship Foundation” by Amir Sultan Chinoy in accordance with the wishes of his father Sir Sultan Mehrally Chinoy. In 1980 the foundation was renamed as the “Amir Sultan Chinoy Foundation”. Till this day the foundation continues to operate in accordance with the wishes of Amir Sultan Chinoy who established the foundation to help further the advancement of education, learning and industry in all its branches. Presently, ASCF continues to contribute towards education, health and social advancement.

### CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY RELATIONS

During the year under review, ASCF:

- Provided food and medical facilities in the flood-affected areas
- Helped the reconstruction of houses in Bajara village at the outskirts of Sehwan, Sindh in collaboration with Dawn Relief.
- Need-based scholarships to students
- Financial assistance for medical treatment to those who cannot afford it.
- Continue to maintain the Masjid Siddiqui, Landhi



Moreover, ASCF continued to accomplish its mission whilst maintaining a low profile. We believe that we can more easily accomplish our mission in this quiet and efficient manner.

### COMPOSITION OF THE BOARD

The Board of Governors is composed of the following members;

1. Mr. Samir Chinoy
2. Mr. Fahd Chinoy
3. Mr. Zain K. Chinoy
4. Mr. Turhan Chinoy
5. Mr. Adnan M. Chinoy
6. Ms. Maira K. Chinoy
7. Mr. Hamid A. Rashid
8. Ms. Mariam Durrani



In addition to the above-named members, Ms. Aisha Ijaz is also a member of the Amir Sultan Chinoy Foundation.

During the FY 2022-23, three (3) meetings of the Board of Governors were held and the urgent issues were decided through electronic mail circulations.

## FINANCIAL RESULTS

Our total Inflow for the year was Rs.77,53,758/- as compared to Rs.92,257,227/- in the FY 2021-22. Our total outflows during the year 2022-23 were as follows:

### AMIR SULTAN CHINOY FOUNDATION BREAKUP OF DISBURSEMENT DURING THE YEAR 2022-23

				Rupees	
Sr. No.	Description	Sub-Total	Total	% of Total Expenditure	
1	<b>Education</b>				
	a Scholarships to dependents of employees of group companies	13,500			0.06%
			13,500		0.06%
2	<b>Social Welfare</b>				
	a Charity to widows of retired employees of group companies	2,683,400			12.27%
	b Flood donations	16,496,000			75.40%
	c Mosque Expenses	1,450,980			6.63%
			20,630,380		94.30%
3	a Misc. running expenses	478,614			2.19%
	b Taxes (withholding taxes)	755,459			3.45%
			1,234,073		5.64%
<b>Total Disbursement during the year</b>				<b>21,877,953</b>	<b>100.00%</b>

## INVESTMENTS

ASCF's investments were Rs.144.390 million on June 30, 2023 (FY 2022-Rs. 123.819 million). ASCF maintained its diverse portfolio with a combination of TDRs and T-Bills.

## CERTIFICATION BY PAKISTAN CENTRE FOR PHILANTHROPY (PCP)

The Pakistan Centre for Philanthropy (PCP) renewed its certificate to ASCF for next three years after completing a desk and field review of the Foundation. As of June 30, 2022, Amir Sultan Chinoy Foundation is a certified member of the PCP and listed on its website <http://pcp.org.pk/pagestyle.php?catd=538> among the other certified members.



## **COMPLIANCE AND GOVERNANCE**

### ***INTERNAL CONTROL FRAMEWORK***

The Board has in place an effective internal control framework which is monitored by the Chairman.

### ***RISK, OPPORTUNITY, AND MITIGATION REPORT***

The management, in consultation with the Board of Governors, continues to develop capabilities to anticipate risks and develop suitable strategies to mitigate them while formulating our strategic roadmap.

### ***PAYMENT TO DIRECTORS***

During the year under review, **no** payment was made to the members of the Board of Governors and the Chief Executive on account of the meeting fee or the reimbursement of expenses.

### ***STATUTORY COMPLIANCE***

The Board of Governors confirms that the Foundation has complied with:

- relevant provisions of the Companies Act, 2017
- all the provisions and conditions of the Associations with Charitable and Not-for-Profit Objects Regulations, 2018
- all conditions provided in the license and

Moreover, It is being confirmed that all Board members and all donors are Pakistan nationals. During the year under review, no security clearance was requested with respect to foreign donations, foreign members, foreign directors, or the foreign chief executive officer.

### ***MONTHLY REPORTING OF DONATIONS***

In compliance with Regulation 14, the Foundation regularly submits the monthly statement of the amounts received from local or foreign sources equivalent to or in excess of Rs. 5.0 million on NFP Form 3.

## **FUTURE PROSPECTS**

ASCF has agreed with the Hunar Foundation (THF) to build an Entrepreneurial Development Lab at THF's Korangi Campus, providing entrepreneurial training (technical and vocational) to Hunar students and subsequently facilitate them in setting up their small businesses.



## STAFF AND ACKNOWLEDGEMENT

The Governors would like to take this opportunity to thank the management of the ASC Foundation without which none of this would have been possible.

We are confident that the ASC Foundation will indeed continue to prosper and be in a better position to serve all the stakeholders.

We pray to Allah for the continued success of the foundation.

For and behalf of  
AMIR SULTAN CHINOY FOUNDATION

Samir M. Chinoy  
Chairman

Turhan M. Chinoy  
Governor

**AMIR SULTAN CHINOY FOUNDATION**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**JUNE 30, 2023**



**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Governors of Amir Sultan Chinoy Foundation**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the annexed financial statements of Amir Sultan Chinoy Foundation (the Foundation), which comprise the statement of financial position as at June 30, 2023, and the statement of income and expenditure account and other comprehensive income, the statement of changes in net assets, 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, the statement of income and expenditure account and other comprehensive income, the statement of changes in net assets, 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 Foundation's affairs as at June 30, 2023 and of the surplus and other comprehensive income, the changes in funds 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 Foundation 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.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### **Responsibilities of Management and Board of Governors 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 the 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

The Board of Governors are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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 Governors 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 Foundation as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in net assets and 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 the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Foundation's operations; 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 Syed Muhammad Hasnain.

**A. F. Ferguson & Co.**  
**Chartered Accountants**  
**Karachi**

**Date: September 27, 2023**

**UDIN: AR20231007387xl356OT**

AMIR SULTAN CHINYOY FOUNDATION

STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Loan to employees of Group Company	4	55,000	-
		<u>55,000</u>	<u>-</u>
<b>Current assets</b>			
Short term investments	3	72,636,080	62,819,380
Loan to employees of Group Company	4	180,000	-
Accrued interest	5	69,300	175,942
Cash and Bank balances	6	121,361,184	75,672,066
		<u>194,246,564</u>	<u>138,667,388</u>
<b>Total assets</b>		<u>194,301,564</u>	<u>138,667,388</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued liabilities		51,574	53,203
<b>NET ASSETS</b>		<u>194,249,990</u>	<u>138,614,185</u>
<b>REPRESENTED BY:</b>			
<b>FUNDS</b>			
General fund		35,249,990	19,614,185
Endowment fund	7	159,000,000	119,000,000
<b>Total funds</b>		<u>194,249,990</u>	<u>138,614,185</u>

The annexed notes 1 to 15 form an integral part of these financial statements.

  
Chairman

  
Governor

AMIR SULTAN CHINYOY FOUNDATION

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>Income</b>			
Donations	8	53,371,000	82,989,000
Interest income	9	24,142,758	9,268,227
		<u>77,513,758</u>	<u>92,257,227</u>
<b>Operating Expenditure</b>			
Charities / donations and scholarships		19,192,900	2,245,800
Mosque expenses		1,450,980	1,316,625
Salary and allowances		339,300	314,100
Legal and professional charges		85,000	71,330
Withholding tax on profit		755,459	17,951
Miscellaneous expenses		54,314	4,590
		<u>21,877,953</u>	<u>3,970,396</u>
<b>Surplus for the year</b>		<u>55,635,805</u>	<u>88,286,831</u>

The annexed notes 1 to 15 form an integral part of these financial statements.

  
Chairman

  
Governor

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AMIR SULTAN CHINOY FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
Surplus for the year	55,635,805	88,286,831
<b>Other comprehensive income</b>		
Items not to be reclassified to profit or loss in subsequent periods	-	-
Total comprehensive income for the year	<u>55,635,805</u>	<u>88,286,831</u>

The annexed notes 1 to 15 form an integral part of these financial statements.



Chairman



Governor

AMIR SULTAN CHINYOY FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2023

	Note	General Fund	Endowment Fund (Rupees)	Total
Balance as at July 01, 2021		11,327,354	39,000,000	50,327,354
Surplus for the year		88,286,831	-	88,286,831
Transfer to endowment fund		(80,000,000)	80,000,000	-
Balance as at June 30, 2022		<u>19,614,185</u>	<u>119,000,000</u>	<u>138,614,185</u>
Surplus for the year		55,635,805	-	55,635,805
Transfer to endowment fund	7	(40,000,000)	40,000,000	-
Balance as at June 30, 2023		<u><u>35,249,990</u></u>	<u><u>159,000,000</u></u>	<u><u>194,249,990</u></u>

The annexed notes 1 to 15 form an integral part of these financial statements.

  
Chairman

  
Governor

AMIR SULTAN CHINYOY FOUNDATION

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	55,635,805	88,286,831
<b>Adjustments for non cash charges and other items</b>		
Interest income	(24,142,758)	(9,268,227)
<b>Changes in working capital</b>		
<b>Decrease in current liabilities</b>		
Accrued liabilities	(1,629)	(34,121)
Net cash generated from operating activities	<u>31,491,418</u>	<u>79,066,481</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Treasury Bills	(8,570,270)	(62,819,380)
Loan (disbursed to) / repaid by employee of Group Company	(235,000)	81,998
Redemption of Special Saving Certificates	-	31,000,000
Income from investments	23,002,970	10,307,844
Net cash generated from / (used in) investing activities	<u>14,197,700</u>	<u>(21,511,536)</u>
Net increase in cash and cash equivalents	<u>45,689,118</u>	<u>57,554,945</u>
Cash and cash equivalents at beginning of the year	<u>75,672,066</u>	<u>18,117,121</u>
Cash and cash equivalents at end of the year	<u><u>121,361,184</u></u>	<u><u>75,672,066</u></u>

The annexed notes 1 to 15 form an integral part of these financial statements.

  
Chairman

  
Governor

# AMIR SULTAN CHINYOY FOUNDATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

### 1. LEGAL STATUS AND NATURE OF OPERATIONS

- 1.1 Amir Sultan Chinoy Foundation ('the Foundation') was domiciled in Karachi, Sindh in 1968 under section 26 of the Companies Act 1913 with the name "The Friendship Foundation". Subsequently, it changed its name to Amir Sultan Chinoy Foundation in 1992 under section 42 of the Companies Ordinance, 1984 (now "Companies Act, 2017"). The main objective of the Foundation is to do and promote charity among people of Pakistan and elsewhere in other countries of the world, to manage and run Schools, Colleges, Hospitals, Orphanage for promotion of welfare of mankind, to grant stipends, scholarships and loans for the purpose of education. The Foundation is operating under a license granted under section 42 of the Companies Act, 2017 issued by SECP. It was initially granted on October 25, 1967 which has been renewed on continuous basis. The latest license will expire on May 07, 2024 and it is expected that it will be renewed in the normal course.

The registered office of the Foundation is situated at 101, Beaumont Plaza, 10, Beaumont Road, Karachi, 75530.

### 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:

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or the Accounting Standards 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 stated otherwise in these financial statements.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Foundation's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest Rupee.

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## 2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of accounting and reporting standards as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year as described in the following:

- Financial Instruments (note 2.6)
- Impairment (notes 2.6.3)

## 2.5 Changes in accounting standards, interpretations and pronouncements

### a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Company's financial reporting.

### b) Standards and amendments to approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

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## 2.6 Financial instruments

### 2.6.1 Initial measurement of financial asset

The Foundation classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

#### Subsequent measurement

<b>Debt Investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognised in the income and expenditure account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the income and expenditure account.
<b>Equity Investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in the income and expenditure account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income and expenditure account.
<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the income and expenditure account.
<b>Financial assets measured at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income and impairment, if any, are recognised in the income and expenditure account.

### 2.6.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Foundation becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade debts, deposits, advances, other receivables and cash and cash equivalents. The Foundation derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

## 2.9 Taxation

As per Section 100C of the Income Tax Ordinance 2001, (the Ordinance), the income of the Foundation is eligible for a tax credit equal to one hundred percent of the tax payable, including minimum tax and final taxes payable, provided that the Foundation files its income tax return, deducts or collects the withholding tax required under the Ordinance and the withholding tax statement has been filed with the authorities. Management intends to continuously comply with the provisions to avail the tax credit and accordingly no provision for tax has been recognised.

## 2.10 Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents comprise cash in hand, balances with banks on current, savings and deposit accounts and short-term investments with original maturities of three months or less, which form an integral part of the Company's cash management.

## 2.12 Deferred income

Donations related to specific projects are deferred and recognized as income on a systematic basis to match them with the related costs that they are intended to compensate.

## 2.13 Transfer to General Fund

The Foundation transfers surplus of income over expenditure to general fund in the year in which it is approved by the Board of Governors of the Foundation.

## 2.14 Contingent liability

A contingent liability is disclosed when the Foundation has a possible obligation as a result of past events, whose existence will be confirmed only by occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Foundation; or the Foundation has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

	Note	2023 Rupees	2022 Rupees
<b>3. SHORT TERM INVESTMENTS</b>			
Treasury Bills (T-Bills)	3.1	<u>72,636,080</u>	<u>62,819,380</u>
3.1	These carry effective yield of 21.97% (2022: 15.08%) per annum and will mature between June 24, 2023 and August 24, 2023.		

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	Note	2023 Rupees	2022 Rupees
<b>4. LOAN TO EMPLOYEES OF GROUP COMPANY</b>			
Opening balance		-	81,998
Loan disbursed during the year		250,000	-
Loan repaid during the year		(15,000)	(81,998)
Closing balance	4.1	<u>235,000</u>	<u>-</u>
Less: Current portion of loan		(180,000)	-
		<u>55,000</u>	<u>-</u>

4.1 This represents loans provided to employees of International Industries Limited (Group Company) for the purpose of meeting their medical or financial needs. The Foundation has secured post dated cheques from Group Company employees availing such loans. These loans are interest free and are repayable on various dates.

	Note	2023 Rupees	2022 Rupees
<b>5. ACCRUED INTEREST</b>			
Accrued interest on:			
- Special Saving Certificates		-	-
- Term Deposit Receipts	6.1	69,300	175,942
- T- Bills		-	-
		<u>69,300</u>	<u>175,942</u>

	Note	2023 Rupees	2022 Rupees
<b>6. CASH AND BANK BALANCES</b>			
Term deposit receipts	6.1	73,000,000	61,000,000
PLS savings account	6.2	48,361,184	14,672,066
		<u>121,361,184</u>	<u>75,672,066</u>

6.1 The Foundation has placed surplus fund as investment in term deposit receipts with a financial institution, which carried a range of mark-up at 9.49% to 11.02% per annum (2022: 4.96% to 10.02% per annum) with maturity within one and three months.

6.2 This represents PLS savings account maintained with Bank Al-Habib Limited and carries mark-up at the rate of 6.00% to 8.75% per annum (2022: 3.41% to 6.00% per annum).

#### 7. ENDOWMENT FUND

During the year 2017, the Board of Governors had setup an endowment fund for the long term sustainability of the Foundation. The Foundation has transferred an amount of Rs. 40 million (2022: 80 million) from its general fund to the endowment fund.

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	Note	2023 Rupees	2022 Rupees
<b>8. DONATIONS</b>			
Donations from International Steels Limited		30,000,000	62,500,000
Donations from International Industries Limited		3,421,000	10,700,000
Donations from Pakistan Cables Limited		17,500,000	9,500,000
Donations from Individuals		2,450,000	289,000
		<u>53,371,000</u>	<u>82,989,000</u>
<b>9. INTEREST INCOME</b>			
PLS savings account	6.2	1,132,111	1,791,473
Term deposit receipts	6.1	11,276,491	4,909,816
Special Saving Certificates (SSC)		-	2,566,938
T-Bills	3.1	11,734,156	-
		<u>24,142,758</u>	<u>9,268,227</u>

## 10. FINANCIAL RISK MANAGEMENT

### 10.1 Financial risk factors

The Foundation's activities expose it to variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Foundation's overall risk management program focuses on having cost effective funding as well as managing financial risk to minimise volatility.

#### 10.1.1 Financial assets and liabilities by category and their respective maturities

	Interest bearing			Non-interest bearing			Total
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
	← Rupees '000 →						
<b>2023</b>							
<b>FINANCIAL ASSETS</b>							
<b>At amortised cost</b>							
Accrued income	-	-	-	69,300	-	69,300	-
Term deposit receipts	73,000,000	-	73,000,000	-	-	-	73,000,000
T-bills	72,636,080	-	72,636,080	-	-	-	72,636,080
Balances with bank	48,361,184	-	48,361,184	-	-	-	48,361,184
	<u>193,997,264</u>	<u>-</u>	<u>193,997,264</u>	<u>69,300</u>	<u>-</u>	<u>69,300</u>	<u>192,750,834</u>
<b>FINANCIAL LIABILITIES</b>							
<b>At amortised cost</b>							
Accrued liabilities	-	-	-	51,574	-	51,574	51,574
	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,574</u>	<u>-</u>	<u>51,574</u>	<u>-</u>
<b>2022</b>							
<b>FINANCIAL ASSETS</b>							
<b>At amortised cost</b>							
Accrued income	-	-	-	175,942	-	175,942	175,942
Term deposit receipts	61,000,000	-	61,000,000	-	-	-	61,000,000
T-Bills	62,819,380	-	62,819,380	-	-	-	62,819,380
Balances with bank	14,672,066	-	14,672,066	-	-	-	14,672,066
	<u>138,491,446</u>	<u>-</u>	<u>138,491,446</u>	<u>175,942</u>	<u>-</u>	<u>175,942</u>	<u>138,667,388</u>
<b>FINANCIAL LIABILITIES</b>							
<b>At amortised cost</b>							
Accrued liabilities	-	-	-	53,203	-	53,203	53,203
	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,203</u>	<u>-</u>	<u>53,203</u>	<u>53,203</u>

None of the above financial assets were considered to be past due or impaired as at June 30, 2023.

## 10.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or other counter parties to fulfil their contractual obligations resulting in financial loss to the Foundation. The credit risk of the Foundation mainly arises from its investments in Term Deposits Receipts (TDR) obtained from Financial Institutions. The Foundation is also exposed to counterparty credit risk on bank balances, long term loans and accrued income.

### Loan to employees of Group Company

The Foundation secures post dated cheques from employees of Group Company availing such loan. The Governors do not expect to incur material issues on such loans.

### Bank balances and term deposit receipts

Credit risk from bank deposits and term deposit receipts are managed by placing deposits with banks having sound credit ratings. The Governors assess the credit rating of banks before placing its funds. At reporting date the rating of bank with which Foundation has kept its surplus funds was as follows:

	Rating		Rating agency	2023 Rupees	2022 Rupees
	Short term	Long term			
Bank Al-Habib	A1+	AAA	PACRA	121,361,184	75,672,066

## 10.3 Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Foundation'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, without incurring losses or risking damage to the Foundation's reputation.

The following are the contractual maturities of the non interest bearing financial liabilities:

	2023		
	Carrying amount	One to two years (Rupees)	Two to five years
<b>Financial liabilities</b>			
Accrued liabilities	51,574	-	-
		2022	
	Carrying amount	One to two years (Rupees)	Two to five years
<b>Financial liabilities</b>			
Accrued liabilities	53,203	-	-

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## 10.4 Market risk

Market risk is a risk of changes in market price, such as foreign exchange rates, interest rates and equity prices which will effect the Foundation's income or the value of its financial instruments.

The Foundation manages market risk by monitoring exposure in marketable securities by following the investment guidelines approved by the Board of Governors (BoG).

Market risk comprises of three type of risks: currency risk, interest rate risk and price risk.

### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At reporting date, the Foundation does not have financial instruments exposed to currency risk.

### 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.

The Foundation is mainly exposed to interest rate risk on its money market placements and balances maintained with bank.

#### a) Fair value sensitivity analysis for variable rate instruments

At the reporting date, the Foundation does not hold any variable rate instruments.

#### b) Fair value sensitivity analysis for fixed rate instruments

As at 30 June 2023, the Foundation holds term deposit receipts and treasury bills which are classified as 'Financial assets measured at amortised cost'. Since, these are carried at amortised cost, any increase or decrease in market interest rates will not affect the net income for the year nor the net assets of the Fund as at June 30, 2023.

### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). At reporting date, the Foundation holds term deposit receipts and treasury bills which are classified as 'Financial assets measured at amortised cost'. Since, these are carried at amortised cost, any increase or decrease in market prices will not affect the net income for the year nor the net assets of the Fund as at June 30, 2023.

### 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.

The carrying values of the financial instruments approximate their fair values as at 30 June 2023 as these are of short term nature.

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## 11. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The carrying amounts of all the financial instruments reflected in the financial statements approximate their fair value.

As at June 30, 2023, all financial assets and financial liabilities are carried at amortised cost.

The Foundation classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The Foundation recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Foundation's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (eg. Significant increases / decreases in activity).
- changes in inputs used in valuation techniques (eg. Inputs becoming / ceasing to be observable in the market).

There were no transfers between level 1, 2 and 3 of the fair value hierarchy during the year.

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## 12. RELATED PARTY TRANSACTIONS

Related parties include associated undertakings having common directors and key management personnel. Details of transactions with related parties are as follows:

### 12.1 Donation received from related parties

Relationship	Nature of Transactions	2023 Rupees	2022 Rupees
<b>Associate Companies</b>			
International Steels Limited	- Donations received	30,000,000	62,500,000
International Industries Limited	- Donations received	3,421,000	10,700,000
Pakistan Cables Limited	- Donations received	17,500,000	9,500,000
<b>Members</b>			
Zain K. Chinoy	- Donations received	721,000	239,000
Fahd K. Chinoy	- Donations received	-	-

12.2 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Foundation. The Foundation considers Chairman and Company Secretary as its key management personnel. The remuneration / compensation paid or payable to key management amounts to Rs. 0.339 million (2022: Rs. 0.314 million) during the year which represents honorarium paid to the Company Secretary, other than that there are no transactions with the key management personnel.

	2023	2022
13. NUMBER OF EMPLOYEES		
Number of employees including contractual employees at June 30	<u>1</u>	<u>1</u>

## 14. FUND MANAGEMENT

The Foundation is funded by contributions received from its members and donors from different sections of society and the objective is to utilize it for the cause for which the Foundation is established. The Foundation is not exposed to any externally imposed capital requirement. In the event of winding up or dissolution of the Foundation, any surplus assets after satisfaction of all debts and liabilities of the Foundation shall be given or transferred to some other company established under section 42 of the Companies Act, 2017.

## 15. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue in the Governors meeting held on 27 SEP 2023

by

Chairman

Governor