DIRECTORS' REPORT

On behalf of the Board of Directors, it gives us great pleasure to present the Directors' Report of Kissan Support Services (Pvt) Limited along with the Audited Accounts and Auditors Report thereon for the year ended December 31, 2022.

The principal activity of the Company continued to be the provider of non-core support services to Zarai Taraqiati Bank Limited (ZTBL) by exercising appropriate control on the workforce in line with the best service quality standards.

Financial Overview

Since welfare of its workforce has been a cornerstone of Company's operations, therefore, the KSSL took a number of initiatives during the year. The Employees were granted Compensation Allowance at various rates to cope with the effects of inflation. Further, the minimum wage of employees was enhanced from Rs 20,000 to Rs 25,000 w.e.f. April 2022. In the same vein, the unpaid annual increments of the employees for the years 2019, 2020 and 2021 were paid to the employees. Similarly, the rates of Travelling/Daily Allowance, Overtime Allowance, and Security Guards' Special & Extra Duty Allowances were revised during the year. Since most of the employees are serving in ZTBL, therefore the above measures also had a positive impact on profitability of the company. The After Tax profit of the Company stood at Rs 54.442 million as on December 31, 2022 as compared to a loss of Rs 64.918 million as on December 31, 2021.

The Company being a wholly owned subsidiary of ZTBL neither proposes any dividend to be paid nor transferred any sum to any specific Fund/Reserve for the purpose.

No significant change or commitment occurred during the period from the end of the year to the date of this report.

Key Operating & Financial Data of last 6 Years

(Rupees in Million)

Particulars	2017	2018	2019	2020	2021	2022
Total Assets	910.335	1,066.176	1,268.024	1,440.900	1,398.338	1,494.775
Cash & Cash Equivalents	676.787	805.403	931.974	984.665	1,042.865	1,117.044

Particulars	2017	2018	2019	2020	2021	2022
Non-Current assets	98.897	100.801	111.974	130.646	134.734	143.455
Share Capital & Reserves	585.860	697.873	849.961	1,000.694	959.846	1,012.221
Non-Current Liabilities	307.263	350.375	392.356	412.038	431.798	473.426
Profit/(Loss) before Tax	155.054	153.640	191.411	160.067	(80.000)	78.359
Taxation	49.547	50.955	63.321	36.824	(15.082)	23.916
Profit/(Loss) after Tax	105.507	102.685	128.089	123.243	(64.918)	54.442
Earnings/(Loss) per Share (Rs.)	10.55	10.27	12.81	12.32	(6.49)	5.44

Operations

During the year, Company's operational performance remained satisfactory regarding services rendered to ZTBL.

Corporate and Financial Reporting Framework

The Directors are pleased to give the following statements in respect of compliance with the Corporate and Financial Reporting Framework:-

a) The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

b) Proper books of accounts of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and any changes in accounting policies have been disclosed in the financial statements. The accounting estimates are based on reasonable and prudent judgment.

d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there-from has been adequately disclosed.

e) The Company has complied with Public Sector Companies (Corporate Governance) Rules, 2013 (The Rules). Statement of Compliance with the Rules has also been prepared.

f) The system of internal control has been effectively implemented and monitored.

g) There are no significant doubts upon the Company's ability to continue as a going concern.

Appointment & Remuneration of the Directors

The ZTBL, being 100% shareholder of KSSL, nominates all the Directors at KSSL Board.

The Company adopts the remuneration policy of the Board Members as given in Section 42 of its Articles of Association. Any change in remunerations of the Directors is approved in the Annual General Meeting which is not attended by the beneficiaries of such remunerations. The highlights of the existing remunerations of the Directors are as follows:-

1. Remuneration is neither paid to the Executive Directors nor to the Non-Executive Directors who are employees of ZTBL.
2. Fee for participation in the Meeting of the Board is Rs 30,000/- per meeting.
3. Fee for participation in the Meeting of the Board's Sub-Committee is Rs 20,000/- per meeting.
4. Travelling: Rs 15/km if travelled by road or Return Air Ticket (Economy Class)
5. The accommodation of the Board Members who travel from other cities for participation in Board Meetings or Company's related matters is arranged by the Company itself.

Board of Directors

During the year 2022 the composition of the Board and meetings attended by each Board Member is as follows:-

Sr No	Name of Director	Designation	No of Board meetings attended
1	Mr Muhammad Shahbaz Jameel	Chairman	4
2	Mr Ahmed Chinoy	Director	4
3	Mr Jamal Abdul Nasir	Director	4
4	Mr Arshad Mahmood	Director	4

Sr No	Name of Director	Designation	No of Board meetings attended
5	Mr Habib Ullah Khan	Director	4
6	Mr Muhammad Arif	Director	4
7	Brig (R) Zaheer Ud Din Ahmad	MD/CEO & Director	4
8	Mr Azmat Ullah	CFO/Company Secretary	4

Committees of the Board

The Board has constituted its sub-committees namely, Audit Committee, Human Resource Management Committee, Procurement Committee and Nomination Committee, as required under the Public Sector Companies (Corporate Governance) Rules 2013, to extend support to the Board and the Company in performing their functions efficiently, and for seeking assistance in the decision making process. The Meetings of the Audit Committee were held on quarterly basis whereas Meetings of remaining Committees are also held as and when required to discuss and carry out business as per their terms of reference.

Annual General Meeting

The Sixteenth Annual General Meeting (AGM) of the Company was held on May 18, 2022.

Chief Executive Officer

The Company has a full time Chief Executive Officer whose terms of employment are under contract.

Company's Future Outlook

KSSL is committed to assist ZTBL by provision of support staff and taking over all non-core/auxiliary activities of the bank so that the bank can concentrate on its core banking activities.

The Company intends to offer its expertise in HR outsourcing to the corporate sector. Further, prospects of initiating other commercially viable projects are also being considered.

External Auditors

M/s BDO Ebrahim & Company, Chartered Accountants, Islamabad were appointed as External Auditors for the year ended December 31, 2022 in the 16th Annual General Meeting of the Company held on May 18, 2022.

Pattern of Shareholding

1. ZTBL **100% Shares (10 million shares of Rs. 10 each)**

Company is a wholly owned subsidiary of ZTBL, incorporated under Section 32 of the Companies Ordinance, 1984 (repealed and replaced by Companies Act, 2017) in Pakistan.

Acknowledgement

We appreciate the hard work and diligence of the Company's management and employees for efficient and productive service delivery.

On behalf of the Board of Directors.

(BRIG (R) ZAHEER UD DIN AHMAD)
MD/CEO

(MUHAMMAD ARIF)
Director

Islamabad
February 28, 2023

BDO

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Fax: +92 51 260 4468
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Islamabad 44000,
Pakistan.

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the "Rules") prepared by the Board of Directors of Kissan Support Services (Private) Limited (the "Company") for the year ended December 31, 2022.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Rules.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal control, the Company's corporate governance procedures and risks.

The Rules requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Company for the year ended December 31, 2022.

ISLAMABAD

DATE: 02 MAR 2023
UDIN: CR202210094awoilCuSD

BDO Ebrahim & Co.
CHARTERED ACCOUNTANTS
Engagement Partner: Iffat Hussain

SCHEDULE I

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

Name of company: Kissan Support Services (Pvt) Limited

Line Ministry: Subsidiary of ZTBL which is owned by Finance Division, GOP

For the Year Ended: December 31, 2022

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

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

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Provision of the Rules</th><th rowspan="2">Rule No.</th><th>Y</th><th>N</th></tr>
<tr><th colspan="2">Tick the relevant</th></tr>
<tr><td>1</td><td>The independent directors meet the criteria of independence, as defined under the Rules.</td><td>2(d)</td><td>✔</td><td></td></tr>
<tr><td>2</td><td>The Board has the requisite percentage of independent directors. At present the board includes:
<table>
<tr><th>Category</th><th>Names</th><th>Date of Appointment</th></tr>
<tr><td>Independent Director</td><td>1. Mr Ahmad Chinoy
2. Mr Arshad Mahmood
3. Mr Jamal Abdul Nasir
4. Mr Habib Ullah Khan</td><td>29-Apr-2019
29-Apr-2019
29-Apr-2019
29-Apr-2019</td></tr>
<tr><td>Executive Director</td><td>1. Brig Zaheer ud Din Ahmad, MD/CEO</td><td>29-Apr-2019</td></tr>
<tr><td>Non-Executive Director</td><td>1. Mr Muhammad Shahbaz Jameel
2. Mr Muhammad Arif</td><td>10-Dec-2019
29-Apr-2019</td></tr>
</table></td><td>3(2)</td><td>✔</td><td></td></tr>
</table>

Sr. No.	Provision of the Rules	Rule No.	Y	N
			Tick the relevant	
3	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✔	
4	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	✔	
5	The Chairman of the Board is working separately from the chief executive of the Company.	4(1)	✔	
6	The chairman has been elected by the Board of Directors except where Chairman of the Board has been appointed by the Government.	4(4)	✔	
7	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	✔	
8	a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website. (Address of website: http://10.1.101.32/KSSL/Documents.aspx) c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices	5(4)	✔ ✔ ✔	
9	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✔	
10	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	✔	
11	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the	5(5)(b)(vi)	✔	

Sr. No.	Provision of the Rules	Rule No.	Y	N
			Tick the relevant	
	company.			
12	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✔	
13	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c) (iii)	✔	
14	The board has developed a vision or mission statement and corporate strategy of the company.	5(6)	✔	
15	The Board has developed significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✔	
16	The board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	N/A	
17	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✔	
18	(a) The board has met at least four times during the year. (b) Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	✔ ✔ ✔	
19	The board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✔	
20	The board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✔	
21	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end. (b) In case of listed PSCs, the Board has prepared half yearly	10	✔ N/A	

<table>
<tr><th>Sr. No.</th><th>Provision of the Rules</th><th>Rule No.</th><th>Y
Tick the relevant</th><th>N</th></tr>
<tr><td></td><td>accounts and undertaken limited scope review by the auditors.

(c) The Board has placed the annual financial statements on the company's website.</td><td></td><td>✔</td><td></td></tr>
<tr><td>22</td><td>All the board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.</td><td>11</td><td>✔</td><td></td></tr>
<tr><td>23</td><td>(a) The board has formed the requisite committees, as specified in the Rules.

(b) The committees were provided with written term of reference defining their duties, authority and composition.

(c) The minutes of the meetings of the committees were circulated to all the board members.

(d) The committees were chaired by the following non-executive directors:

<table>
<tr><th>Committee</th><th>Number of Members</th><th>Name of Chair</th></tr>
<tr><td>Audit Committee</td><td>3</td><td>Mr Ahmed Chinoy</td></tr>
<tr><td>Risk Management Committee</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Human Resources Committee</td><td>3</td><td>Mr Jamal Abdul Nasir</td></tr>
<tr><td>Procurement Committee</td><td>3</td><td>Mr Arshad Mahmood</td></tr>
<tr><td>Nomination Committee</td><td>3</td><td>Mr Muhammad Arif</td></tr>
</table></td><td>12</td><td>✔
✔
✔
✔</td><td></td></tr>
<tr><td>24</td><td>The board has approved appointment of Chief Financial Officer and Company Secretary, by whatever named called, with their remuneration and terms and conditions of employment, and as per their prescribed qualifications.</td><td>13</td><td>✔</td><td></td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Provision of the Rules</th><th>Rule No.</th><th>Y</th><th>N</th></tr>
<tr><td></td><td></td><td></td><td colspan="2">Tick the relevant</td></tr>
<tr><td>25</td><td>The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.</td><td>14</td><td>✔</td><td></td></tr>
<tr><td>26</td><td>The company has adopted International Financial Reporting Standards notified by the Commission under clause (1) of section 225 of the Act.</td><td>16</td><td>✔</td><td></td></tr>
<tr><td>27</td><td>The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.</td><td>17</td><td>✔</td><td></td></tr>
<tr><td>28</td><td>The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the company.</td><td>18</td><td>✔</td><td></td></tr>
<tr><td>29</td><td>(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.
(b) The annual report of the company contains criteria and details of remuneration of each director</td><td>19</td><td>✔
✔</td><td></td></tr>
<tr><td>30</td><td>The financial statements of the company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the board.</td><td>20</td><td>✔</td><td></td></tr>
<tr><td>31</td><td>The board has formed an audit committee, with defined and written terms of reference, and having the following members:
<table>
<tr><th>Name of Member</th><th>Category</th><th>Professional Background</th></tr>
<tr><td>Mr Ahmed Chinoy</td><td>Independent Member</td><td>CMA</td></tr>
<tr><td>Mr Habib Ullah Khan</td><td>Independent Member</td><td>MA (International Business)</td></tr>
<tr><td>Mr Muhammad Arif</td><td>Non-Executive Director</td><td>CMA (CFO of the parent company)</td></tr>
</table>
The chief executive and chairman of the Board are not members of the audit committee.</td><td>21(1)

21(2)</td><td>✔

✔</td><td></td></tr>
<tr><td>32</td><td>(a) The Chief Financial Officer, the Chief Internal Auditor, and a representative of External Auditors attended all meetings of the Audit Committee at which issues relating to accounts and audit were discussed.</td><td>21(3)</td><td>✔</td><td></td></tr>
</table>

Sr. No.	Provision of the Rules	Rule No.	Y	N
			Tick the relevant	
	(b) The Audit Committee met external auditors, at least once a year, without presence of the Chief Financial Officer, the Chief Internal Auditor and other executives.		✔	
	(c) The Audit Committee met the Chief Internal Auditor and other members of the internal audit function, at least once a year, without the presence of Chief Financial Officer and the External Auditors.		✔	
33	(a) The board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.	22	✔	
	(b) The Chief Internal Auditor has requisite qualification and experience prescribed in the Rules.		✔	
	(c) The internal audit reports have been provided to the external auditors for their review.		✔	
34	The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan	23(4)	✔	
35	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✔	

CHIEF EXECUTIVE OFFICER

DIRECTOR

BDO

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

BDO

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INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF KISSAN SUPPORT SERVICES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **KISSAN SUPPORT SERVICES (PRIVATE) LIMITED** (the Company), which comprise the statement of financial position as at December 31, 2022 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, 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 profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity 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 December 31, 2022 and of the profit, the comprehensive income, the changes in equity 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 *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 / Institute of Cost and management Accountants (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 Auditors 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 auditors 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.

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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.

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 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.

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

- 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 auditors 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 statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with 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 Iffat Hussain.

ISLAMABAD

DATED: 28 FEB 2023
UDIN: AR202210094OGqUmZR3a

Bdo ebrahim & co.
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	6,697,178	9,391,274
Deferred tax asset	6	136,757,805	125,342,781
		143,454,983	134,734,055
CURRENT ASSETS			
Receivable from ZTBL	7	103,126,962	103,192,623
Advances and other receivables	8	4,965,651	12,955,325
Short term investments	9	1,188,387,128	1,098,201,438
Accrued interest	10	1,513,947	734,854
Taxation - net	11	36,282,030	43,497,333
Cash and bank balances	12	17,043,951	5,023,208
		1,351,319,669	1,263,604,781
TOTAL ASSETS		1,494,774,652	1,398,338,836
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	13	100,000,000	100,000,000
Accumulated profit		912,221,349	859,845,868
		1,012,221,349	959,845,868
NON CURRENT LIABILITIES			
Deferred liabilities	14	473,425,944	431,170,033
Payable against car loan depreciation policy	15	-	627,500
		473,425,944	431,797,533
CURRENT LIABILITIES			
Trade and other payables	16	8,427,357	5,813,508
Security deposits	17	700,002	881,927
		9,127,359	6,695,435
TOTAL EQUITY AND LIABILITIES		1,494,774,652	1,398,338,836
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes from 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022 Rupees	2021 Rupees
Revenue	19	147,240,637	115,511,228
Cost of services	20	(121,510,079)	(222,791,999)
Gross profit/(loss)		25,730,558	(107,280,771)
Administrative expenses	21	(65,457,399)	(54,343,439)
Operating loss		(39,726,841)	(161,624,210)
Other income	22	118,085,611	81,624,120
Profit/(loss) before taxation		78,358,770	(80,000,090)
Taxation	23	23,916,448	(15,084,187)
Profit/(loss) after taxation		54,442,322	(64,915,903)
Earnings/(loss) per share - basic and diluted	24	5.44	(6.49)

The annexed notes from 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 Rupees	2021 Rupees
Profit/(loss) after taxation	54,442,322	(64,915,903)
Other comprehensive income:		
Item that will not be reclassified to profit or loss account:		
(Loss)/gain on remeasurement of defined benefit liability	(2,911,043)	33,899,605
Tax impact relating to remeasurement of defined benefit liability	844,202	(9,830,885)
	(2,066,841)	24,068,720
Total comprehensive income for the year	52,375,481	(40,847,183)

The annexed notes from 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

	Share capital	Accumulated profit	Total
	---------- Rupees ----------		
Balance as at January 01, 2021	100,000,000	900,694,947	1,000,694,947
Total comprehensive loss for the year	-	(40,849,079)	(40,849,079)
Balance as at December 31, 2021	100,000,000	859,845,868	959,845,868
Total comprehensive income for the year	-	52,375,481	52,375,481
Balance as at December 31, 2022	100,000,000	912,221,349	1,012,221,349

The annexed notes from 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

KISSAN SUPPORT SERVICES (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		78,358,770	(80,000,090)
Adjustments for non cash items:			
Depreciation		2,832,896	2,741,369
Provision for gratuity		66,253,647	61,896,880
Provision for medical fund		16,194,312	17,129,154
Interest income		(117,396,858)	(81,497,777)
		(32,116,003)	269,626
Operating profit/(loss) before working capital changes		46,242,767	(79,730,464)
Changes in working capital:			
(Increase)/decrease in current assets			
Receivable from holding company		65,661	111,445,264
Loans, advances and other receivables		7,989,674	(5,222,156)
		8,055,335	106,223,108
Increase/(decrease) in current liabilities:			
Trade and other payables		2,613,849	(2,971,985)
Payable under car loan depreciation policy		(627,500)	-
Cash generated from operations		56,284,451	23,520,659
Interest income received		88,590,604	123,620,513
Gratuity paid		(27,607,463)	(14,581,202)
Medical expenses paid		(15,495,628)	(10,786,097)
Income tax paid		(27,271,967)	(62,366,618)
		18,215,546	35,886,596
Net cash generated from operating activities		74,499,997	59,407,255
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(138,800)	(991,785)
Sale proceeds from disposal of property and equipment		-	70,718
Net cash used in investing activities		(138,800)	(921,067)
CASH FLOWS FROM FINANCING ACTIVITIES			
Security deposits paid		(181,925)	(286,909)
Net cash used in financing activities		(181,925)	(286,909)
Net increase in cash and cash equivalents		74,179,272	58,199,279
Cash and cash equivalents at the beginning of the year		1,042,864,679	984,665,400
Cash and cash equivalents at the end of the year	25	1,117,043,951	1,042,864,679

The annexed notes from 1 to 33 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

1 STATUS AND NATURE OF BUSINESS

Kissan Support Services (Private) Limited ("the Company") was incorporated in Pakistan as a private limited company on September 19, 2005 under the repealed Companies Ordinance, 1984 (repealed through the enactment of the Companies Act, 2017 on May 30, 2017). It is a subsidiary of Zarai Taraqiati Bank Limited (ZTBL) which holds 100% shares. The registered office of the Company is situated at Zarai Taraqiati Bank Limited, Head Office, 1 - Faisal Avenue, Zero Point, Islamabad.

The Company's principal business is to provide consultancy, advisory (not being investment advisory), agency services and other support services, all kind of support staff and ancillary services, marketing of products and services, provision of quality products and services for efficient and improved farming including seeds, fertilizers, pesticides, agri-machinery and technical services, training and education of farmers and others, provision of storage facilities such as warehousing and grain silos facilities, import and export of goods and services to any legal entity and corporate sector in accordance with applicable laws.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) 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, 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 for employee benefits which have been stated at present value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

Balance -

The preparation of these financial statements in conformity with approved accounting standards requires the management to exercise its judgment in the process of applying the Company's accounting policies and use of certain critical accounting estimates. The areas involving a higher degree of judgment, critical accounting estimates and significant assumptions are disclosed in note 4.24.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards / amendments that are effective in current year and relevant to the Company

The following stantdards, amendments and interpretations are effective for the year ended December 31, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendmends to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent consessions	April 01, 2021
Amendmends to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendmends to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the company's operations or are not expected to have significant impact on the company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendmends to IFRS 16 'Leases' - Lease liability in a sale and leaseback	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Authority:

IFRS 1	Financial Reporting Standards
IFRS 17	Insurance Contracts

4 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged on reducing balance method except for vehicles and computer equipment which are depreciated on straight line method.

Normal repairs and maintenance are charged to profit or loss account as and when incurred whereas major renewals and improvements are capitalised.

Depreciation is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which asset is disposed off.

Gain and losses on disposal of operating assets are taken to profit or loss account.

4.2 Impairment losses

The Company assesses at each balance sheet date whether there is any indication that assets other than stores and spares and stock in trade and deferred tax assets may be impaired. If such an indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. Where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amounts and the resulting impairment loss is recognised as expense in the profit or loss account, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

4.3 Trade debts

Trade debts originated by the company are recognised and carried at original invoice amount less expected credit loss for any uncollectible amounts. Expected credit loss is made when collection of the full amount is no longer probable. Debts considered irrecoverable are written off when identified.

4.4 Loans, advances and other receivables

These are recognised at cost, which is the fair value of the consideration given. An assessment is made at each balance sheet date to determine, whether there is an indication that a financial asset, or a group of financial assets, may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognised for the difference between the recoverable amount and the carrying value.

4.5 Investments

Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified and stated at amortised cost using the effective interest method. Gain and losses are recognised in the statement of profit or loss when the investments are derecognised or impaired, as well as through the amortization process. All investments are initially recognised at cost, being the fair value of the consideration given. Cost includes transaction costs associated with the investment.

4.6 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalent comprise cash at bank and short term investments with maturity of not later than six months at known amount in rupees if any.

4.7 Trade and other payables

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 the goods and services received, whether or not billed to the Company.

4.8 Cash and bank balances

Cash in hand and at banks are carried at nominal amount.

4.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss account except to the extent that it relates to items recognised directly in equity/comprehensive income, in which case it is recognised in equity/comprehensive income.

i) Current

The Company accounts for current taxation on the basis of taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or three percent of turnover, or alternative corporate tax, whichever is higher in accordance with the provisions of the Income Tax Ordinance, 2001.

ii) Deferred

Deferred tax is computed using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available and the credits can be utilised.

iii) Prior years

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments and changes in estimates made during the current year, except otherwise stated.

4.10 Provision

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting future cash flows at appropriate discount rate where ever required. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.11 Share capital

Share capital is classified as equity and recognised at the face value. Incremental costs directly attributable to the issue of new shares are shown as a deduction in equity.

4.12 Employees benefits

Unfunded medical benefits

The Company operates an unfunded medical benefit fund for its employees. Employees are entitled for free medical facility during their service. This unfunded amount is utilised against the reimbursement of employee's actual medical expenses. The benefits are charged to profit and loss account at the rate of Rs 400/- per employee per month on time proportionate basis.

Staff retirement benefits

The Company operates an un-funded gratuity scheme for its permanent employees whose period of service is one year or more. Employees are entitled to gratuity on the basis set out in staff regulation. The most recent actuarial valuation is carried out at December 31, 2022 using the Projected Unit Credit Actuarial Cost method as mandated under the latest IAS-19. The Actuarial gains/losses arising due to differences between actuarial assumptions and actual experience regarding salary increase, mortality and withdrawal probabilities are considered as remeasurements of the net defined benefit liability, and are recognised in Other Comprehensive Income.

4.13 Revenue recognition

Revenue comprises of the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the Company's activities.

Revenue from sale of goods is shown net of sales tax. Revenue is recognised when the company completes it performance obligation in the contract. The revenue arising from different activities of the Company is recognised on the following basis:

- Revenue from services is recognised as and when services are rendered.
- Interest income is recognised as revenue on time proportion basis.
- Commission income is recognised when services are rendered.
- Rental income is recognised on accrual basis.

4.14 Borrowing

Loans and borrowings are recorded at the proceeds received. Mark up, interest and other borrowing costs are charged to income in the period in which they are incurred.

Borrowing cost on long term finances which are specifically obtained for the acquisition of qualifying assets (plant and machinery) are capitalised up to the date of commencement of commercial production on the respective assets. All other borrowing costs are charged to profit and loss account in the period in which these are incurred.

4.15 Related party transactions

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible.

4.16 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

4.17 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company 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.

4.18 Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortised cost.

Amortised cost

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

(i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity Investments at FVOCI

These assets are initially measured at cost plus transaction cost that are directly attributable to its acquisition. Subsequently, these are measured at fair value. Dividends are recognised as income in the statement of profit or loss 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 statement of profit or loss.

Financial assets at FVTPL

These assets are initially recognised at cost. Subsequently, these are measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in profit or loss.

Impairment

The Company recognises loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortised cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with

Derecognition

The financial assets are de-recognised when the Company loses control of the contractual right that comprise the financial assets. The financial liabilities are de-recognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

4.19 Foreign currency translation

Transactions in foreign currencies are converted into Pak Rupees at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Exchange gains and losses are included in the profit and loss account.

4.20 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. The Company has only one reportable segment.

4.21 Dividend and apportioning to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

4.22 Operating lease

Rentals payables under the operating leases are charged to profit or loss on straight line basis over the term of relevant lease.

4.23 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.24 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of these financial statements in conformity with approved accounting standards requires the use of certain accounting estimates. In addition, it requires management to:

- exercise its judgment in process of applying the Company's accounting policies, and
- use of certain critical accounting estimates and assumptions concerning the future.

Judgments and assumptions have been required by the management in applying the Company's accounting policies in many areas. Actual results may differ from estimates calculated using these judgments and assumptions.

The areas involving critical accounting estimates and significant assumptions concerning the future are discussed below:-

a) **Income taxes**

The Company takes into account the current income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

b) **Contingencies**

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

c) **Financial Instrument**

The fair value of the financial instrument that are not traded in an active market is determined by using valuation techniques based on assumption that are dependent on conditions existing at the balance sheet.

d) **Defined benefits plan**

Certain actuarial assumptions have been adopted as disclosed in note 14 of these financial statements for valuation of present value of defined benefit obligation. Any changes in these assumptions in future years might affect actuarial gains / losses recognised in those years with corresponding effect on carrying amount of defined benefit plan liability / asset.

5 PROPERTY AND EQUIPMENT

Particulars	Furniture and fixtures	Electrical installations	Vehicles	Office equipment	Computers	Total
	---------- Rupees ----------					
Year ended December 31, 2022						
Net carrying value basis						
Opening book value	2,713,495	1,531,093	4,174,971	573,512	398,203	9,391,274
Additions	73,500	37,300	-	28,000	-	138,800
Disposals:						
Cost	-	-	2,450,554	-	-	2,450,554
Accumulated depreciation	-	-	(2,450,554)	-	-	(2,450,554)
	-	-	-	-	-	-
Depreciation charge	(275,642)	(309,330)	(1,885,443)	(119,369)	(243,112)	(2,832,896)
Closing net book value	2,511,353	1,259,063	2,289,528	482,143	155,091	6,697,178
Gross carrying value basis						
Cost	3,807,865	2,816,861	9,074,088	1,397,662	3,887,822	20,984,298
Accumulated depreciation	(1,296,512)	(1,557,798)	(6,784,560)	(915,519)	(3,732,731)	(14,287,120)
Net book value	2,511,353	1,259,063	2,289,528	482,143	155,091	6,697,178
Year ended December 31, 2021						
Net carrying value basis						
Opening book value	2,936,263	1,228,546	5,892,084	582,697	571,986	11,211,576
Additions	134,430	576,705	-	133,800	146,850	991,785
Adjustment:						
Cost	(66,900)	-	-	(11,627)	(1,800)	(80,327)
Accumulated depreciation	6,690	-	-	2,325	594	9,609
	(60,210)	-	-	(9,302)	(1,206)	(70,718)
Depreciation charge	(296,988)	(274,158)	(1,717,113)	(133,683)	(319,427)	(2,741,369)
Closing net book value	2,713,495	1,531,093	4,174,971	573,512	398,203	9,391,274
Gross carrying value basis						
Cost	3,734,365	2,779,561	11,524,642	1,369,662	3,887,822	23,296,052
Accumulated depreciation	(1,020,870)	(1,248,468)	(7,349,671)	(796,150)	(3,489,619)	(13,904,778)
Net book value	2,713,495	1,531,093	4,174,971	573,512	398,203	9,391,274
Annual rate of depreciation	**10%**	**20%**	**20%**	**20%**	**33.33%**	

		Note	2022 Rupees	2021 Rupees
6	**DEFERRED TAX ASSET**			
	Deferred tax asset	6.1	136,757,805	125,342,781
6.1	Deferred tax assets arising on account of temporary differences in:			
	Accelerated depreciation		(535,718)	303,471
	Provision for post employment benefit obligation		100,201,896	88,150,301
	Provision for medical facilities		37,091,627	36,889,009
			136,757,805	125,342,781
	Tax rate used		**29%**	**29%**
6.2	**Reconciliation of deferred tax**			
	Balance at the beginning of the year		125,342,781	119,434,902
	Operating fixed assets		(839,189)	177,732
	Provision against employment benefits obligation		11,207,393	13,721,546
	Provision against medical fund		202,618	1,839,486
	Charged to profit or loss account		10,570,822	15,738,764
	Charged to other comprehensive income:			
	Deferred tax on remeasurement of post employment benefit obligation		844,202	(9,830,885)
	Balance at the end of the year		136,757,805	125,342,781

6.3 The deferred tax asset recognised in the financial statements represents the management's best estimate of potential benefit which is expected to be realized in future years in the form of reduced tax liability as the Company would be able to set off the profits earned in those years against temporary differences.

		Note	2022 Rupees	2021 Rupees
7	**RECEIVABLE FROM ZTBL**			
	Holding company			
	Unsecured - considered good			
	Zarai Taraqiati Bank Limited (ZTBL)	7.1	103,126,962	103,192,623

7.1 This is the amount receivable against services rendered to the holding company. The aging of balances at the balance sheet date is as follows:

Not past due	103,126,962	103,192,623

7.2 Maximum balance outstanding at the end of any month was Rs. 224.719 million (2021: Rs. 585.415 million during the year.

	Note	2022 Rupees	2021 Rupees
8 LOANS AND ADVANCES			
Unsecured - considered good			
Advances to:			
Employees	8.1	35,000	105,652
Others		510,464	729,843
Receivable from employees - EOBI	8.2	3,176,186	11,436,761
Insurance		1,244,001	683,069
		4,965,651	12,955,325

8.1 This includes advances provided to employees to meet business expenses and are settled as and when the expenses are incurred.

8.2 This represents EOBI contribution paid by Kissan Support Services Limited on behalf of employees and will be recovered from their salaries on monthly basis.

	Note	2022 Rupees	2021 Rupees
9 SHORT TERM INVESMENTS			
At amortised cost			
Term deposit receipts (TDR)	9.1	1,100,000,000	1,037,841,471
Accrued interest on TDRs		88,387,128	60,359,967
		1,188,387,128	1,098,201,438

9.1 This represents TDRs with ZTBL having maturity of one year each and carrying interest at rates ranging from 10.70% to 16.50% (2021: 7.35% to 13.05%) per annum.

	2022 Rupees	2021 Rupees
10 ACCRUED INTEREST		
Saving accounts	1,513,947	734,854
11 TAXATION-NET		
Balance at the start of year	43,497,333	(18,212,812)
Advance income tax deposited/deducted during the period	27,271,967	58,980,635
Tax paid with return against opening tax liability	-	3,385,983
	70,769,300	44,153,806
Less: Provision for taxation		
-Current	(34,487,270)	(1,734,564)
- Prior year adjustment	-	1,078,091
Balance at the end of year	36,282,030	43,497,333

		Note	2022 Rupees	2021 Rupees
12	**CASH AND BANK BALANCES**			
	Cash at bank-local currency			
	Current account		37,801	37,801
	Savings accounts	12.1	17,006,150	4,985,407
			17,043,951	5,023,208

12.1 Saving accounts carry mark up at the rates ranging from 8.25% to 13.50% per annum (2021: 5.50% to 7.25% per annum).The balance in saving accounts kept with ZTBL.

		2022 Rupees	2021 Rupees
13	**SHARE CAPITAL**		
13.1	**Issued, subscribed and paid up capital**		

Number of ordinary shares of Rs. 10/- each				
2022	2021			
10,000,000	10,000,000	Fully paid in cash	100,000,000	100,000,000
13.1.1	Percentage of holding company (Zarai Taraqiati Bank Ltd)		100%	100%

13.2 Authorised share capital

This represents 10,000,000 (2021: 10,000,000) ordinary shares of Rs. 10 each amounting to Rs. 100,000,000 (2021: Rs. 100,000,000).

		Note	2022 Rupees	2021 Rupees
14	**DEFERRED LIABILITIES**			
	Gratuity	14.1	345,523,781	303,966,554
	Medical fund	14.2	127,902,163	127,203,479
			473,425,944	431,170,033

14.1 Reconciliation of gratuity liability recognised in the balance sheet:

14.1.1 The amounts recognised in the balance sheet are determined as follow:

Present value of defined benefit obligation		345,523,781	303,966,554
Benefits due but not paid during the year		-	-
Liability in the balance sheet	14.1.2	345,523,781	303,966,554

	2022 Rupees	2021 Rupees
14.1.2 Movement in the liability recognised in the balance sheet:		
At the beginning of the year	303,966,554	290,550,481
Amount recognised during the year	66,253,647	61,896,880
Benefits paid during the year	(27,607,463)	(14,581,202)
Remeasurement gain on obligation	2,911,043	(33,899,605)
Balance at the end of the year	345,523,781	303,966,554
14.1.3 Movement in present value of defined benefit obligations		
Opening present value of defined benefit obligations	303,966,554	290,550,481
Current service cost for the year	31,515,796	33,434,902
Interest cost for the year	34,737,851	28,461,978
Benefits paid during the year	(27,607,463)	(14,581,202)
Remeasurement loss/(gain) on obligation	2,911,043	(33,899,605)
Closing present value of defined benefit obligations	345,523,781	303,966,554
14.1.4 Remeasurement chargeable to other comprehensive income		
Remeasurement loss / (gain) on defined obligation due to:		
Change in demographic assumptions	5,303,530	-
Change in financial assumptions	(7,995,193)	(7,682,859)
Experience adjustment	5,602,706	(26,216,746)
	2,911,043	(33,899,605)
14.1.5 Charge for the year		
Current service charges	31,515,796	33,434,902
Interest cost for the year	34,737,851	28,461,978
	66,253,647	61,896,880
14.1.6 The principal actuarial assumptions used were as follows:		
Following are a few important actuarial assumptions used in the valuation:		
Valuation Discount Rate (p.a)	14.50%	12.25%
Valuation Discount Rate (p.a.) - P&L	12.25%	10.25%
Expected rate of increase in salary (%)-short term (1 year)	9.50%	7.25%

	2022	2021
Expected rate of increase in salary (%) long term	13.50%	11.25%
Mortality rate	SLIC 2001-05	SLIC 2001-05
Average service (years)	11.41	10.52
Weighted average duration of the defined benefits obligation (years)	9.2	11.32

14.1.7 Undiscounted expected benefit payments from active employees

	Year 1	Year 2 to 5	Year 6 and above
	----------Rupees----------		
Expected benefits payments	32,286,974	111,696,650	214,665,697

14.1.8 General description

The scheme provides retirement benefits for all its regular employees at the rate of one salary for each completed year of service. Payments on account of severance benefits are determined on the basis of last drawn monetized salary and are net of outstanding liabilities including any statutory deductions such as tax liabilities. The service period of more than six months is rounded off to one year, towards the payment of gratuity. KSSL Officers engaged in KSSL service beyond the age of 60 years are also allowed gratuity. Annual charge is based on actuarial valuation carried out as at December 31, 2022 using the Projected Unit Credit Method.

The Company faces the following risks on account of gratuity:

Salary increase risk - The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Longevity risks - The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Investment risks - The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

14.1.9 Sensitivity analysis

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

	2022 Rupees	2021 Rupees
Current Liability	345,523,781	303,966,554
Discount Rate + 1 %	316,589,432	273,115,026
Discount Rate - 1 %	378,920,692	340,423,344
Salary growth rate + 1 %	380,675,430	342,033,016
Salary growth rate - 1 %	314,645,495	271,209,648

14.1.10 Comparison for five years (Rs.)

2022	2021	2020	2019	2018
----------Rupees----------				
345,523,781	303,966,554	290,550,481	278,660,298	249,121,176

14.1.11 The charge in respect of defined benefit plan for the year ending December 31, 2023 is estimated to be Rs. 80.865 million.

14.1.12 There are no plan assets, therefore, disclosure in respect to plan assets required as per IAS 19 "Employee Benefits" has not been made in these financial statements.

	2022 Rupees	2021 Rupees
14.2 Medical fund		
Movement in the fund recognised in the balance sheet		
At the beginning of the year	127,203,479	120,860,422
Recognised during the year	16,194,312	17,129,154
Payments during the year	(15,495,628)	(10,786,097)
Balance at the end of the year	127,902,163	127,203,479

14.2.1 General description

This represents amount set aside for employees' hospitalisation expenses. This unfunded amount is utilised against the reimbursement of employees' hospitalisation expenses. Contribution to this fund is made at the rate of Rs. 400 per employee per month on proportionate time basis.

	2022 Rupees	2021 Rupees
15 PAYABLE AGAINST CAR LOAN DEPRECIATION POLICY (CLDP)		
Secured -vehicles Against CLDP	-	627,500

	Note	2022 Rupees	2021 Rupees
16 TRADE AND OTHER PAYABLES			
Sundry and trade creditors	16.1	1,208,064	1,966,411
Tax deducted payable		714,568	1,041,110
Accrued expenses		1,493,846	2,801,134
EOBI contribution payable		5,010,879	4,853
		8,427,357	5,813,508

16.1 This includes group Life insurance claim payable to deceased employees families' amounting to Rs.1.2 million (2021: .8 million)

	Note	2022 Rupees	2021 Rupees
17 SECURITY DEPOSITS			
Contractors securities	17.1	700,002	881,927

17.1 This represents security deposits received from contractors against service agreements executed with contractors.

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

a) Company was required to charge and pay Sales Tax on sales and services declared in Income Tax return/Audited accounts at Rs. 1,137,504,591 for the tax year 2021, whereas, declared sales in Sales Tax Return for the corresponding tax year stand at Rs. 121,633,402 therefore sales tax amounting to Rs. 162,539,390 is recoverable from Company along with default surcharges and penalty amounting to Rs. 39,610,488 and Rs. 8,252,185 respectively.An appeal was filed before Commissioner Inland Revenue (Appeal-IV) which is pending for adjudication, this unjustified tax demand is likely to be deleted. No provision has been made as the management is confident that the decision will be decided in the favour of the Company.

b) An order was passed by department u/s 122(5A) dated June 11,2022 vide which Department raised tax demand amounting to Rs. 8,683,554 against errorneous refund adjustment for the Tax year 2016. An appeal was filed before Commissioner Inland Revenue (Appeal-IV) who has annulled this unjustified demand vide order dated December 02,2022.However, department has filed 2nd appeal with ATIR Islamabad which is pending for adjudication.No provision has been made as the management is confident that the decision will be decided in the favour of the Company.

c) An order was passed by department u/s 122(5A) dated August 11,2022 vide which department raised tax demand amounting to Rs. 35,167,194 against errorneous refund adjustment for the Tax year 2017. An appeal was filed before Commissioner Inland Revenue (Appeal-IV) based on favorable decision in same case for tax year 2016, No provision has been made as the management is confident that the decision will be decided in the favour of the Company.

d) The Officer Inland Revenue LTU, Islamabad has initiated proceedings against the Company under Section 161/205 of the Income Tax Ordinance, 2001 for the Tax Year 2009 and 2011 and created a demand of Rs.32 million. The Company submitted detail reply in Jun 2015 against the show cause with complete documentary evidences, the case is pending for adjudication. No provision has been made in these accounts as the management is confident that the decision of the case will be decided in the favor of the Company.

e) The Officer Inland Revenue LTU, Islamabad initiated proceedings against the Company under Section 161/205 of the Income Tax Ordinance, 2001 for the financial year ended December 31, 2013 i.e. Tax Year 2014 and created a demand of Rs. 1.182 million. The Company filed an appeal before the Commissioner Inland Revenue(Appeals). The Commissioner passed an Order against the Company and maintained the assessment of the Officer Inland Revenue. The Company filed appeal to the Appellate Tribunal Inland Revenue, Islamabad. The Appellate tribunal Inland Revenue, Islamabad through its order dated April 18, 2017 has accepted CPR of tax withheld and deposited by the company in the month of July 2013, which was previously rejected by Officer Inland Revenue LTU, and has directed the officer Inland Revenue to re-examine the remaining issue by only treating any amount paid to ZTBL as services if payment amount is for other than salary, bonuses, overtime etc. Officer Inland Revenue was also directed to pass final order within maximum of 180 days of this order. No provision has been made in these financial statements as the management is confident that the decision of the case will be decided in favour of the Company.

f) The Company is facing claims launched in various Courts filed by the employees, pertaining to service promotion, dismissal from service and entry into company's premises and others. The matters are still pending before the Courts. As no amount is involved in most of the cases, therefore, the liability is not accurately quantifiable.

g) There was no other contingent liability of the Company as at the balance sheet date (2021: Nil).

18.2 Commitments

The company has no commitments as at the balance sheet date (2021: nil).

		Note	2022 Rupees	2021 Rupees
19	**REVENUE**			
	Service charges	19.1	168,962,315	132,581,848
	Other	19.2	1,537,603	1,750,154
			170,499,918	134,332,002
	Less: Sales tax on services		(23,259,281)	(18,820,774)
			147,240,637	115,511,228
19.1	**Service charges**			
	Human resource services		168,428,001	129,665,542
	Sports activity		484,439	2,814,100
	Security services		49,875	102,206
			168,962,315	132,581,848
19.2	**Others**			
	Rental income		1,537,603	1,750,154
20	**COST OF SERVICES**			
	Human resource services		1,328,447,669	1,178,497,404
	Sports activities		1,346,697	25,948,727
	Security expenses		429,947	881,092
	Expenses on hostel		2,996,602	1,903,530
			1,333,220,915	1,207,230,753
	Expenditure reimbursed	20.1	(1,211,710,836)	(984,438,754)
			121,510,079	222,791,999
20.1	**Expenditure reimbursed**			
	Human resource services		1,209,971,252	959,298,187
	Sports activities		1,309,637	24,259,475
	Security services		429,947	881,092
		20.1.1	1,211,710,836	984,438,754

20.1.1 This represents the expenditure reimbursement from ZTBL, as per agreement, against services provided during the year.

		2022 Rupees	2021 Rupees
21	**ADMINISTRATIVE EXPENSES**		
	Salaries, wages and other benefits	47,142,526	38,518,606
	EOBI expense -employer portion	682,911	1,616,300
	Repair and maintenance	759,637	314,918

		2022 Rupees	2021 Rupees
Travelling and conveyance		802,452	442,826
Rent, rates and taxes		5,805,899	5,048,979
Postage, telephone and telegram		371,237	351,303
Printing, stationery and advertisement material		483,267	715,410
Fee and meeting expenses		1,306,019	1,657,116
Insurance		303,275	288,013
Legal and professional charges		3,199,966	1,341,198
Auditors' remuneration	21.2	430,000	300,000
Fuel expenses		1,083,409	684,799
Entertainment expenses		170,527	321,267
Depreciation		2,832,896	2,741,369
Miscellaneous expenses		83,378	1,335
		65,457,399	54,343,439

21.1 Salaries, wages and other benefits include Rs. 1.681 million (2021: 1.459 million) in respect of staff retirement benefits.

		2022 Rupees	2021 Rupees
21.2	**Auditors' remuneration**		
	Annual audit fee	300,000	300,000
	Half yearly review	100,000	-
	Out of pocket	30,000	-
		430,000	300,000

22 OTHER INCOME

Interest income from investments	112,788,544	79,414,396
Interest on bank deposits	4,608,314	2,083,381
Miscellaneous income	688,753	126,343
	118,085,611	81,624,120

23 TAXATION

Current	34,487,270	1,732,668
Prior year	-	(1,078,091)
	34,487,270	654,577
Deferred	(10,570,822)	(15,738,764)
	23,916,448	(15,084,187)

24 EARNING/(LOSS) PER SHARE - Basic and diluted

Profit/ (loss) for the year (Rupees)	54,442,322	(64,915,903)
Weighted average ordinary shares (Number)	10,000,000	10,000,000
Earning per share – basic and diluted (Rupees)	5.44	(6.49)

24.1 There is no dilutive effect on the basic earnings per share, as the Company has not issued any instruments carrying option which would have any impact on earnings per share when exercised.

	Note	2022 Rupees	2021 Rupees
25 CASH AND CASH EQUIVALENTS			
Cash and bank balances	12	17,043,951	5,023,208
Short term investments	9	1,100,000,000	1,037,841,471
		1,117,043,951	1,042,864,679

26 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's exposure to interest rate risk on its financial assets and liabilities are summarised as follows:

	2022				
		Interest/mark up bearing			
	Total	Maturity up to one year	Maturity after one year	Sub-total	Not interest / mark up bearing
	(Rupees)				
Financial assets					
Assets carried at amortised cost					
Receivable from ZTBL	103,126,962	-	-	-	103,126,962
Accrued interest	1,513,947	-	-	-	1,513,947
Short term investments	1,188,387,128	1,188,387,128	-	1,188,387,128	-
Cash and bank balances	17,043,951	17,006,150	-	17,006,150	37,801
	1,310,071,988	1,205,393,278	-	1,205,393,278	104,678,710
Financial liabilities					
Liabilities carried at amortised cost					
Deferred liabilities	473,425,944	-	-	-	473,425,944
Trade and other payables	7,712,789	-	-	-	7,712,789
Security deposits	700,002	-	-	-	700,002
	481,838,735	-	-	-	481,838,735
On balance sheet gap	828,233,253	1,205,393,278	-	1,205,393,278	(377,160,025)
Off Balance sheet Items					
Financial commitments:	-	-	-	-	-
Total Gap	828,233,253	1,205,393,278	-	1,205,393,278	(377,160,025)

	2021				
		Interest/mark up bearing			
	Total	Maturity up to one year	Maturity after one year	Sub-total	Not interest / mark up bearing
	(Rupees)				
Financial assets					
Assets carried at amortised cost					
Receivable from ZTBL	103,192,623	-	-	-	103,192,623
Accrued interest	734,854	-	-	-	734,854
Short term investments	1,098,201,438	1,098,201,438	-	1,098,201,438	-
Cash and bank balances	5,023,208	4,985,407	-	4,985,407	37,801
	1,207,152,123	1,103,186,845	-	1,103,186,845	103,965,278
Financial liabilities					
Liabilities carried at amortised cost					
Deferred liabilities	431,170,033	-	-	-	431,170,033
Trade and other payables	4,772,398	-	-	-	4,772,398
Security deposits	881,927	-	-	-	881,927
	436,824,358	-	-	-	436,824,358
On balance sheet gap	770,327,765	1,103,186,845	-	1,103,186,845	(332,859,080)
Off Balance sheet Items					
Financial commitments:	-	-	-	-	-
Total Gap	770,327,765	1,103,186,845	-	1,103,186,845	(332,859,080)

Effective interest rates are mentioned in the respective notes to the financial statements.

27 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2022				2021			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	----------Rupees----------							
Managerial remuneration	6,217,862	-	13,622,600	19,840,462	4,469,400	-	14,204,022	18,673,422
Medical facility	122,796	-	110,963	233,759	112,633	-	233,389	346,022
Retirement benefits	399,581	-	298,418	697,999	372,456	-	545,282	917,738
Meeting fee	-	720,000	-	720,000	-	1,040,000		1,040,000
Other allowances and bonus	186,225	341,464	471,796	999,485	547,209	458,415	586,967	1,592,591
Total	6,926,464	1,061,464	14,503,777	22,491,705	5,501,698	1,498,415	15,569,660	22,569,773
Number of persons	1	4	7	12	1	4	10	15

a) The Chief Executive has been provided with self maintained car under Car Loan Depreciation Policy for official cum private use and other benefits as per his terms of employment.

b) No remuneration / benefits were paid to the Non-Executive Directors other than meeting fee.

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's objective in managing risks is the creation and protection of shareholders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

The Company finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

28.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2022 Rupees	2021 Rupees
Receivable from ZTBL	103,126,962	103,192,623
Accrued interest	1,513,947	61,094,821
Short term investments	1,188,387,128	1,037,841,471
Bank Balances	17,043,951	5,023,208
	1,310,071,988	1,207,152,123

The aging of trade debts at the reporting date is:

Not past due	103,126,962	103,192,623
Past due 1-30 days	-	-
	103,126,962	103,192,623

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. The ratings of banks ranges from A to AAA.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

			2022	2021
Long term	Agency		Rupees	Rupees
Zarai Taraqiati Bank Limited	AAA	JCR-VIS	17,006,150	4,985,407
Habib Bank Limted	AAA	JCR-VIS	37,801	37,801

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

Impaired assets

During the year, no assets have been impaired.

28.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

	Carrying amount	One year or less	One to two years	Two to five years and above
	----------Rupees----------			
Deferred liabilities	473,425,944	-	-	473,425,944
Trade and other payables	8,427,357	8,427,357	-	-
Security deposits	700,002	700,002	-	-
	482,553,303	9,127,359	-	473,425,944

	Carrying amount	One year or less	One to two years	Two to five years and above
	----------Rupees----------			
Deferred liabilities	431,170,033	-	-	431,170,033
Trade and other payables	5,813,508	5,813,508	-	-
Security deposits	881,927	881,927	-	-
	437,865,468	6,695,435	-	431,170,033

28.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments. The Company is not exposed to price risk.

(i) Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into in foreign currencies.

Presently the Company is not exposed to foreign currency risk.

(ii) 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 exposure arises from short-term investments.

Interest rate of the Company's financial assets and financial liabilities as at December 31, 2022 can be evaluated from the following schedule:

	2022 Rupees	2021 Rupees
At amortised cost:		
Financial assets with fixed rates:		
Short-term investments	1,188,387,128	1,037,841,471
Saving accounts	17,006,150	4,985,407
	1,205,393,278	1,042,826,878

The following rates have been applied:

	Reporting date rate	
	2022	2021
	Percentage(%)	Percentage(%)
Short-term investments	10.7 to 16.50	7.10 to 13.05
Saving accounts	8.25 to 13.5	5.5 to 7.25

The Company is not exposed to variable interest rate risk as the Company does not hold any variable interest bearing instrument as at the balance sheet date, therefore, no sensitivity analysis has been presented.

(iii) Other price risk

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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end, the Company is not exposed to price risk since there are no financial instruments whose fair value or future cash flows will fluctuate because of changes in market prices.

29 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IFRS 9. The carrying amount of trade receivables and payables is assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments, if relevant.

Fair value hierarchy

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The Company using following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Level 1: Quoted (unadjustable) prices in active market for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observables either, directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observables market data.

Transfer between level of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

30 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitors the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

31 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of holding company, directors and key management personnel. Transactions with related parties during the period are as follows:

Relation with the Company	Nature of transactions	2022 Rupees	2021 Rupees
Holding company (Zarai Taraqiati Bank Limited - ZTBL)	Services charges	168,962,315	132,581,847
	Rent paid during the year	5,935,784	4,299,480
	Expenses reimbursed during the year	1,211,710,836	984,438,754
	Short-term investment made (TDRs)	1,273,476,695	1,098,201,438
	Short-term investment enchased	(1,211,318,165)	(1,076,266,371)
	Interest income	117,396,858	81,497,777

Relation with the Company	Period end balances	2022 Rupees	2021 Rupees
Holding company (Zarai Taraqiati Bank Limited - ZTBL)	Receivable balance	103,126,962	103,192,623
	Bank accounts maintained		
	Saving accounts	17,006,150	4,985,407
	Short-term investment (TDRs)	1,100,000,000	1,037,841,471
	Accrued Interest	88,387,128	60,359,967

32 NUMBER OF EMPLOYEES

The number of employees as at year end was 3,348 (2021: 3,557) and average number of employees during the year was 3,411 (2021: 3,626).

33 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary. However, following reclassification has been made during the year.

Description	Reclasssifed from	Reclasssifed to	2021 Amount (Rs.)
Expenditure reimbursed	Revenue	Cost of services	(984,438,754)

34 DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on 28 FEB 2023.

35 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR