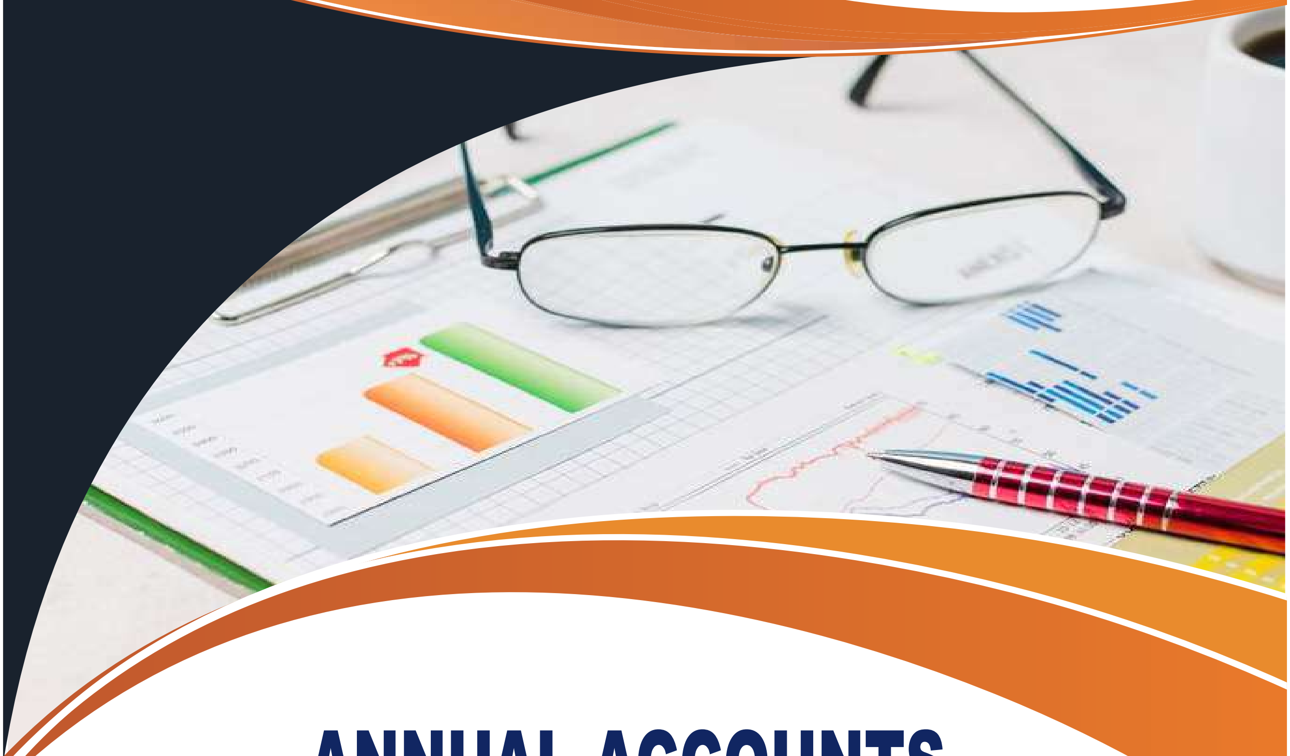
PUNJAB INDUSTRIAL ESTATES
DEVELOPMENT AND MANAGEMENT COMPANY



ANNUAL ACCOUNTS
FY 2022-2023

Prepared by:
Chief Financial Officer

PIEDMC HEAD OFFICE:
Commercial Area (North), Sundar Industrial Estate,
Sundar Raiwind Road, Lahore

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PUNJAB INDUSTRIAL ESTATES DEVELOPMENT AND MANAGEMENT COMPANY
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the annexed financial statements of Punjab Industrial Estates Development and Management Company (the Company), which comprise the statement of financial position as at June 30, 2023, the statement of income and expenditure and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes comprising of material accounting policy information 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the surplus and other comprehensive loss, 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 directors' report, but does not include the financial statements of the Company 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.

RSM

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

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

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

- 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 income and expenditure and other comprehensive income, the statement of changes in equity 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 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 Inam ul Haque.

Rsm Avais Hyder Liaquat Nauman

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS
PLACE: LAHORE
DATE: 06 AUG 2025
UDIN: AR202310226QeW24hlHb

PUNJAB INDUSTRIAL ESTATES DEVELOPMENT AND MANAGEMENT COMPANY
(A COMPANY SET UP UNDER SECTION 42 OF THE REPEALED COMPANIES ORDINANCE, 1984)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
Equity			
Authorized share capital	5	150,000,000	150,000,000
Issued, subscribed and paid up capital	5	50,000,000	50,000,000
Accumulated surplus		8,897,532,823	6,474,410,494
Total equity		8,947,532,823	6,524,410,494
Non-current liabilities			
Long term financing	6	3,338,535,311	3,103,797,664
Deferred liabilities			
Deferred Income	7	131,311,454	145,901,616
Deferred Interest income	8	3,823,947,307	3,729,830,184
Deferred grant	9	180,000,000	194,618,826
Staff retirement benefits	10	61,743,941	17,272,323
Retention money payable	11	168,983,762	27,324,818
Security deposits	12	670,021,596	614,121,300
Total non-current liabilities		8,374,543,371	7,832,866,731
Current liabilities			
Advances from customers against sale of plots	13	13,141,973,961	10,181,815,967
Trade and other payables	14	3,116,736,673	2,881,257,464
Current portion of long term financing	6	8,105,107,712	8,043,550,000
Current portion of deferred interest income	8	128,994,619	9,188,101
Accrued mark up on long term financing		212,262,410	170,276,644
		24,705,075,375	21,286,088,176
Total Equity and liabilities		42,027,151,569	35,643,365,401
CONTINGENCIES AND COMMITMENTS	15	-	-
ASSETS			
Non-current assets			
Property and equipment			
Operating fixed assets	16	1,047,561,200	585,437,041
Capital work in progress	17	189,904,509	657,168,797
Intangibles		1,997,198	1,049,337
Long term security deposits	18	226,078,043	244,887,523
Total non-current assets		1,465,540,950	1,488,542,698
Current assets			
Stores, spare parts and loose tools		64,887,233	50,525,409
Land held for development and resale	19	23,469,911,911	17,862,038,754
Trade receivables	20	2,329,902,119	1,927,836,167
Advances, deposits, prepayments and other receivables	21	1,256,720,053	1,208,440,629
Income tax refundable		683,739,846	682,179,039
Short term investments	22	10,665,000,000	8,865,000,000
Accrued interest on short term investments		538,669,280	268,148,808
Cash and bank balances	23	1,552,780,178	3,290,653,898
Total current assets		40,561,610,620	34,154,822,704
Total Assets		42,027,151,569	35,643,365,402

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

Chief Executive Officer | **Chief Financial Officer** | **Chairman**

PUNJAB INDUSTRIAL ESTATES DEVELOPMENT AND MANAGEMENT COMPANY
(A COMPANY SET UP UNDER SECTION 42 OF THE REPEALED COMPANIES ORDINANCE, 1984
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
INCOME			
Income from sale of plots / Sale returns	24	352,279,137	(81,021,610)
Fees	25	255,940,957	273,462,450
Operation, maintenance and allied services billing	26	500,208,376	474,588,611
Return on bank deposits and investments		1,843,230,529	807,048,646
Income from electricity supply	27	287,711,239	76,559,113
Rental Income		58,341,181	34,967,376
Amortization of deferred income	28	17,087,326	19,428,547
Gain on disposal of assets	29	349,673,786	-
Other income	30	26,100,926	47,715,483
		3,690,573,456	1,652,748,616
EXPENDITURE			
Estates maintenance expenses	31	51,929,515	59,043,077
Infrastructure maintenance expenses	32	606,944,233	472,233,578
Administrative expenses	33	530,932,500	426,176,417
Selling expenses	34	11,205,402	29,486,207
Finance cost	35	569,161	1,297,363
		1,201,580,811	988,236,641
Surplus for the year before taxation		2,488,992,644	664,511,975
Provision for taxation	36	-	-
Surplus for the year		2,488,992,644	664,511,975
Other comprehensive (loss)/ income			
Item that may be reclassified subsequently to statement of income and expenditure			
Remeasurement of staff retirement benefits		(65,870,316)	(68,655,673)
Total comprehensive income for the year		2,423,122,328	595,856,302

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

Chief Executive Officer | Chief Financial Officer | Chairman

PUNJAB INDUSTRIAL ESTATES DEVELOPMENT AND MANAGEMENT COMPANY
(A COMPANY SET UP UNDER SECTION 42 OF THE REPEALED COMPANIES ORDINANCE, 1984)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid up capital	Accumulated surplus	Total
		Rupees	
Balance as at July 01, 2021	50,000,000	5,878,554,192	5,928,554,192
Total comprehensive income for the year			
Surplus for the year	-	664,511,975	664,511,975
Other comprehensive loss	-	(68,655,673)	(68,655,673)
	-	595,856,302	595,856,302
Balance as at June 30, 2022	50,000,000	6,474,410,494	6,524,410,494
Total comprehensive income for the year			
Surplus for the year	-	2,488,992,644	2,488,992,644
Other comprehensive loss	-	(65,870,316)	(65,870,316)
	-	2,423,122,328	2,423,122,328
Balance as at June 30, 2023	50,000,000	8,897,532,823	8,947,532,823

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

Chief Executive Officer **Chief Financial Officer** **Chairman**

PUNJAB INDUSTRIAL ESTATES DEVELOPMENT AND MANAGEMENT COMPANY
(A COMPANY SET UP UNDER SECTION 42 OF THE REPEALED COMPANIES ORDINANCE, 1984)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES			
Cash flow from operations	37	(2,439,088,659)	(904,468,725)
Long term security deposits received / (paid)		18,629,480	(26,017,200)
Retention money		165,847,028	(195,952,316)
Security deposits		55,900,296	22,254,997
Gratuity contributions paid		(59,260,794)	(91,157,362)
Net cash flow from operating activities		(2,257,972,649)	(1,195,340,606)
B) CASH FLOW FROM INVESTING ACTIVITIES			
Additions in			
Operating fixed assets		(46,232,953)	(87,146,885)
Capital work in progress		(76,352,621)	(98,155,047)
Intangibles		(1,659,000)	-
Short term investments made		(1,800,000,000)	(3,800,000,000)
Return on bank deposits received		1,572,710,057	677,876,661
Proceeds from disposal of property and equipment		-	820,000
Net cash flow from investing activities		(351,534,517)	(3,306,605,272)
C) CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing		(120,550,000)	(120,550,000)
Finance cost paid		-	(1,499,428)
Long term financing obtained		1,003,000,001	4,020,036,131
Net cash flow from financing activities		882,450,001	3,897,986,703
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(1,727,057,165)	1,579,378,186
Cash and bank balances transferred of PDTRC on disposal	29	(10,816,555)	-
		(1,737,873,720)	1,579,378,186
Cash and cash equivalents at the beginning of the year		3,290,653,898	1,711,275,712
Cash and cash equivalents at the end of the year		1,552,780,178	3,290,653,898

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

Chief Executive Officer	Chief Financial Officer	Chairman

PUNJAB INDUSTRIAL ESTATES DEVELOPMENT AND MANAGEMENT COMPANY
(A COMPANY SET UP UNDER SECTION 42 OF THE REPEALED COMPANIES ORDINANCE, 1984
NOTES COMPRISING MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

1 Legal status and nature of business

1.1 Punjab Industrial Estates Development and Management Company ("the Company") was incorporated in Pakistan on 18 September 2003 as a public company limited by guarantee having share capital, licensed as a non-profit organization under section 42 of the Companies Ordinance, 1984 (now Companies Act, 2017). The Company is wholly owned by the Government of Punjab. The principal activity of the Company is to develop new industrial estates together with updating the existing industrial estates as may be assigned to the Company by the Government of Punjab. The registered office of the Company is situated at Commercial Area (North) Sundar Industrial Estate, Raiwind Road, Lahore.

1.2 The Company is currently engaged in managing the following developed projects:

- Quaid e Azam Industrial Estate comprising of 565 Acres of land located at 169-A/S Kot Lakhpat Lahore.
- Sundar Industrial Estate comprising of 1763 Acres of land located at Gate. 2 Sundar Raiwind Road Lahore.
- Multan Industrial Estate Phase I comprising of 743 Acres of land located at Admin Block Commercial Area Multan.

1.3 The Company is also developing the following projects:

- Multan Industrial Estate - Phase II comprising of 667 Acres of land located near Suzuki Fort Motors Multan.
- Rahim Yar Khan Industrial Estate comprising of 456 Acres of land located at Main KLP Road, near Chak#-NP Rahim Yar Khan.
- Bhalwal Industrial Estate comprising of 427 Acres of land located near 13 Chak Shamal.
- Vehari Industrial Estate comprising of 251 Acres of land located near Adda 28/W.B at Kacha Khu Road District;
- Chunian Industrial Estate comprising of 130.11 Acres of land located at Pattoki Bypass
- Bahawalpur Industrial Estate comprising of 483.67 Acres of land located at Dera Masti N-5 Near Total Petrol Pump.
- Quaid-e-Azam Business Park Sheikhupura comprising of 1,677.41 Acres of land located at M-2 Tehsil and District Sheikhupura

1.4 The Company has also carried out research and planning on further projects. (Refer Note 19).

1.5 The Company has sold lands in the aforementioned projects and recorded sales in the current and prior periods, however transfer of title of the lands in the name of the Company and to the customers is pending.

1.6 The Company is distributing electricity in some industrial estates. The Company had submitted applications for grant of electricity sale and distribution licenses in industrial estates with the National Electric Power Regulatory Authority (NEPRA). In January 2022, NEPRA rejected the application on the ground of judgement passed by Islamabad High Court (IHC) that during the terms of existing license, the Distribution Companies will continue to hold exclusive rights for providing distribution/ supplier services. NEPRA has issued notice for comments in respect of applications submitted to MEPCO and FESCO on September 14, 2022, whereas application submitted to LESCO is still under verification process of NEPRA. The Company's applications are in process and the requested license is not yet issued, however, NEPRA is aware in respect of purchase and distribution of electricity by the Company.

1.7 The Company has obtained the license from Oil and Gas Regulatory Authority (OGRA) for Bhalwal Industrial Estate and Quaid -e - Azam Business Park subsequent to the year end. The Company will be able to construct and operate the pipelines for the purpose of distribution and sale of natural gas / RLNG within these estates. The license is valid for a period of 30 years effective from 2023.

1.8 Certain petitioners of Civil Society filed a petition in the Honorable Lahore Court on 23 October 2017 challenging incorporation of the Company along with other companies incorporated u/s 42 of the repealed Companies Ordinance, 1984 which are operating in Punjab. Currently, proceedings of the Courts are in process. Based on opinion of the legal advisor, the Company would be able to continue as going concern as the said petition is most likely to be dismissed.

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:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Accounting Standard for Not for Profit Organization issued by ICAP as are 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, 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 certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistani Rupees which is the Company's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about 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. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies, other than those specifically discussed in the accounting policies, are as follows:

	Note
• Residual values and useful lives of depreciable assets	4.7
• Valuation of land held for development purposes;	4.11
• Provisions	4.6

3 Standards, amendments to standards and interpretations

3.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2022 and therefore, have been applied in preparing these financial statements.

i. Annual Improvements to IFRS Standards 2018–2020 Cycle

The IASB has issued 'Annual Improvements to IFRS Standards 2018–2020'. The pronouncement contains amendments to the following Financial Reporting Standards (IFRSs).

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IAS 41 Agriculture - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The ammendments are applicable for annual periods beginning on or after 1 January 2022. These amendments do not have any significant impact on the Company's financial statements.

ii. **IAS 16 – Property, Plant and Equipment**

The IASB has published 'Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)' from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

The standard prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. An entity applies the amendments retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The ammendments are applicable for annual periods beginning on or after 1 January 2022. These amendments do not have any significant impact on the Company's financial statements.

iii. **IAS 37 – Provisions, Contingent Liabilities and Contingent Assets**

The IASB has published 'Onerous Contracts — Cost of Fulfilling a Contract' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

The changes in Onerous Contracts — Cost of Fulfilling a Contract specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments published are effective for annual periods beginning on or after 1 January 2022. These amendments do not have any significant impact on the Company's financial statements.

iv. IAS 12 – Income Taxes

The IASB has issued amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. The amendments introduce an exception to the requirements in the standard that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes.

An entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments. These amendments do not have any significant impact on the Company's financial statements.

3.2 Standards, amendments to standards and interpretations becoming effective in the current year but not relevant

There are certain new standards, amendments to standards and interpretations that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2022 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

3.3 Standards, amendments to standards and interpretations becoming effective in future periods

The following standards, amendments to standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after the effective dates specified therein.

i. IAS 1 – Presentation of Financial Statements

(I) The IASB has issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments in Classification of Liabilities as Current or Non-current affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The ammendments to IAS -1 are effective from annual period beginning on or after 1 January 2023

(II) The IASB has published 'Non-Current Liabilites with Covenants' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liabaility. The amendments in Non-current Liabilities with Covenants modify the requirements introduced by Classification of Liabilities as Current or Non-current on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2024.

(III) The IASB has issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements in the following ways:

- an entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023. The amendments are expected to affect disclosure of policies in the financial statements.

ii. **IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The IASB has published 'Definition of Accounting Estimates' to help entities to distinguish between accounting policies and accounting estimates. The definition of 'a change in accounting estimates' is replaced with a definition of 'accounting estimates'. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The IASB clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023. Application of these amendments is not expected to have any significant impact on the Company's financial statements.

iii. **IAS 12 – Income Taxes**

(I) The IASB has published 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. Accordingly, the initial recognition exemption, provided in IAS 12.15(b) and IAS 12.24, does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

(II) The IASB has issued amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. The amendments introduce an exception to the requirements in the standard that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes.

An entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments; the remaining disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.

These amendments do not have any significant impact on the Company's financial statements.

iv. IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures

The IASB has published 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure rquirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments in Supplier Finance Arrangements:

- Do not define supplier finance arrangements. Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements.

- Add two disclosure objectives. Entities will have to disclose in the notes information that enables users of financial statements:

  - to assess how supplier finance arrangements affect an entity's liabilities and cash flows and

  - to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

- Complement current requirements in IFRSs by adding to IAS 7 additional disclosure requirements about:

  - the terms and conditions of the supplier finance arrangements;

  - for the arrangements, as at the beginning and end of the reporting period:

    a) the carrying amounts of financial liabilities that are part of the arrangement and the associated line item;

    b) the carrying amount of financial liabilities disclosed under a) for which suppliers have already received payment from the finance providers;

    c) the range of payment due dates (for example, 30 to 40 days after the invoice date) of financial liabilities disclosed under a) and comparable trade payables that are not part of a supplier finance arrangement; and

  - the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement

    The IASB decided that, in most cases, aggregated information about an entity's supplier finance arrangements will satisfy the information needs of users of financial statements.

- Add supplier finance arrangements as an example within the liquidity risk disclosure requirements in IFRS 7.

An entity applies these amendments for annual reporting periods beginning on or after 1 January 2024. The Company is in process of evaluating the mpact of application of these amendments on the Company's financial statements.

v. **IFRS 16 - Leases**

The IASB has issued amendments for 'Lease Liability in Sale and Leaseback' that clarify how a seller-lessee subsequently measure sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for sale.

Lease Liability in a Sale and Leaseback Amendments' requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments also include one amended and one new illustrative example.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

The application of these amendments is not expected to have any significant impact on the company's financial statements

3.4 Standards, amendments to standards and interpretations becoming effective in future periods but not relevant

There are certain new standards, amendments to standards and interpretations that are effective from different future periods, but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

3.5 Standards issued by IASB but not applicable in Pakistan

Following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

IFRS 1 - First-time adoption of International Financial Reporting Standards

IFRS 17 - Insurance Contracts

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial

IFRS S2 Climate-related Disclosures

4 Material accounting policy information

4.1 Long term financing

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at fair values less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the statement of income and expenditure account over the period of the borrowings on an effective interest rate basis.

Loan at a below-market rate of interest from Government are recognized and measured at amortized cost (i.e. the present value of the future cash flows discounted at a market rate of interest). The benefit, that is the difference between the fair value of the loan on initial recognition and the amount received, is accounted for as additional government grant. The benefit is accounted for as deferred credit and is amortized over the period of borrowings.

4.2 Government grants

Government grants are recognized when there is reasonable assurance that the Company will comply with all conditions attaching to them and these will be received.

Government grants related to income are credited to the statement of financial position as deferred credit and amortized over the periods in which the entity recognizes as expenses the related costs for which the grant is intended to compensate. Government grants related to assets are credited to statement of income and expenditure.

Non monetary grants are recognized at fair value of the assets.

4.3 Post retirement benefit

The Company operates an unfunded gratuity scheme for eligible employees who have completed their qualifying period. Provision is made annually to cover obligations. Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurement of the defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest), are recognized immediately in Statement of Comprehensive Income ("OCI") net of related tax. The Company determines the interest expense / (income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/(asset) during the year as a result of contributions and benefits paid. Net interest expense/(income) and other expenses related to defined benefit scheme is recognized in statement of income and expenditure.

4.4 Trade and other payables

Liabilities relating to trade and other payables are carried at fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company. Subsequently, these are measured at amortized cost.

4.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the statement of income and expenditure as incurred.

4.6 Provisions

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

4.7 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment in value, if any. Cost of property plant and equipment consist of historical costs and directly attributable costs in bringing the assets to their working condition.

The management of the Company reassesses useful lives, depreciation method and rates for each item of property plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available. Any change in estimate may effect the depreciation charge or impairment.

Depreciation is calculated by applying the rates mentioned in the Note 17 on reducing balance method. Depreciation is charged on additions from the month the asset is available for use and on disposals up to the month preceding the month of disposal. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Normal repair and maintenance is charged to income as and when incurred whereas major renewals and improvements are capitalized. Gain or loss on disposal of assets is charged to the statement of income and expenditure.

4.8 Capital work-in-progress

Capital work in progress represents expenditure on property, plant and equipment in the course of construction and installation including material, labor and overheads directly relating to the project. Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in progress. These are transferred to specific assets as and when these are available for use.

4.9 Intangibles

Expenditure incurred to acquire intangibles is capitalized as intangible and stated at cost less accumulated amortization and any identified impairment loss. The estimated useful life and amortization method is reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

Intangibles are amortized using straight-line method over a period of three years. Amortization on additions to intangible assets is charged from the month the asset is available for use and on disposals up to the month preceding the month of disposal.

4.10 Stores, spare parts and loose tools

These are stated at lower of cost and net realizable value. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

4.11 Land held for development and resale

This represents land received from government and land purchased for various projects, expenditure incurred on its development, and is intended to be sold in the ordinary course of business.

Expenditure incurred on development of infrastructure forms part of the cost of over all project and is included in the cost of inventory as and when incurred.

Inventory is valued at lower of the cost and net realizable value. Net realizable value is the estimated selling price of plots in the ordinary course of business less the estimated costs of completion of projects in progress. Cost is determined on work performed basis.

4.12 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in income and expenditure account. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized. Reversal of impairment loss is recognized in statement of income and expenditure account except in the case of available for sale instruments where the reversal is included in other comprehensive income.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in income and expenditure account. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

4.13 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on review of outstanding amounts at the year end. Bad debts are written off when identified.

4.14 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and at bank and short term investments with maturities of three months or less. These are readily convertible to known amount of cash therefore they are subject to insignificant risk of changes in value and are used by the Company in the management of its short-term commitments.

4.15 Loans and receivables

Loans and receivables are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition, loans and receivables are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of income and expenditure over the period of the investments on an effective yield method less impairment.

4.16 Financial instruments

4.16.1 Financial assets at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represents solely payments of principle and interest are measured at amortized cost. Interest income from these financial assets, impairment, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in statement of income and expenditure and other comprehensive income.

4.16.2 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments or principle and interest on the principle amount outstanding.

4.16.3 Financial assets at fair value through profit or loss

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through statement of income and expenditure is recognized in profit or loss in the period in which it arises.

Such equity instruments are measured at fair value at and subsequent to initial recognition. Change in fair value of these financial assets are normally recognized in statement of income and expenditure. Dividends from such investments continue to be recognized in profit or loss when the Company's right ot receive payment is established.

When an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

4.16.4 Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are exposed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

4.17 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at fair value of consideration received or receivable on the following basis:

- Revenue from sale of industrial plots is recognized on the completion of the project for its intended use by the owner of the plot and the chances of cancellation of the allotment of the plot is remote at which stage the Company determines that the risks and rewards associated to sale of plot is transferred to the buyer.
- Revenue from electricity bills is recognized on the basis of electricity supplied to customers at rates determined by NEPRA for LESCO. Electricity sale is recorded on accrual basis i.e. when the consumers have consumed the electricity supplied.
- Fee and other charges are charged to customers at prescribed rates and they are recognized as income on accrual basis.
- Operations and maintenance charges billed to customers are recorded on accrual basis.
- Non-utilization fee is recorded if the project is not completed in accordance with terms of allotment of the plot and the recovery of the fee is certain.
- Return on bank deposits is recognized as and when accrued on effective interest method.
- Miscellaneous income represents fee for providing temporary connections and repair/replacement of cables and temporary meters. The fee for installation/replacement of temporary connections is recognized on installation of meters at allottees' sites. The income related to repair of meters and cables is recognized on performance of repair and maintenance services.

4.18 Advances received for sale of plots

Advances received from customers against sale of plots are stated at cost. They are recognized as revenue when the chances of cancellation of the allotted plot are remote and the customer has completed the project.

4.19 Deferred income

Amount received from customers for electic transformers are recognized as deferred income and recognized as income over the useful life of the transformers from the date of installation.

		2023 Rupees	2022 Rupees
5	**Share Capital**		
5.1	**Authorized share capital**		
	15,000,000 (2022: 15,000,000) ordinary shares of Rupees 10 each	150,000,000	150,000,000
5.2	**Issued, subscribed and paid up capital**		
	5,000,000 (2022: 5,000,000) ordinary shares of Rupees 10 each fully paid in cash	50,000,000	50,000,000

5.2.1 100% shares of the Company are held by the Government of the Punjab through its Industries, Commerce, Investment and Skill Development Department.

		Note	2023 Rupees	2022 Rupees
6	**Long term financing**			
	From the Government of Punjab - Un-secured			
	In cash	6.1	11,216,444,119	10,808,457,667
	In shape of land	6.2	227,198,904	338,889,997
			11,443,643,023	11,147,347,664
	Less: current portion			
	Installments due		7,550,768,998	7,393,550,000
	Payable within one year		554,338,714	650,000,000
			8,105,107,712	8,043,550,000
			3,338,535,311	3,103,797,664

6.1 These loans were granted by the Government of Punjab for different projects. These are subject to mark up at the rate of 0.25% per annum. These are subject to penalty at the rate of 4% (2022: 4%) per annum on the default amount in case of delay in repayment of installments. These loans are being carried at amortized cost determined using effective mark up rate of 23.27% per annum (2022: 15.73% per annum) using the discounted cash flow method. The resultant financing unearned interest income is recognized as deferred income. Other significant terms and conditions of these shares are as under;

Description	No of installments		Starting date	Ending date	Related to the project	Balance In Rupees	
	Total	Out-standing				2023	2022
Loan I	10	0	31-12-13	31-12-22	Sundar Industrial Estate	-	93,500,000
Loan II	10	0	31-12-13	31-12-22	Vehari Industrial Estate	-	15,100,000
Loan III	10	0	31-12-13	31-12-22	Shifting of Industry to Sundar Industrial Estate	-	10,000,000
Loan IV	10	0	31-12-13	31-12-22	Combined effluent treatment plant	-	1,950,000
Loan V	3	3	30-6-17	30-6-19	Vehari Industrial Estate	-	150,000,000
Loan VI	3	3	30-6-17	30-6-19	Shifting of Industry to Sundar Industrial Estate	-	100,000,000
Loan VII	3	3	30-6-17	30-6-19	Quaid-e-Azam Business Park	3,315,668,000	3,315,668,000
Loan VIII	3	3	30-6-18	30-6-20	Quaid-e-Azam Business Park	1,587,332,000	1,587,332,000
Loan IX	3	3	30-6-19	30-6-21	Chunian Industrial Estate	347,769,000	470,000,000

Description	No of installments		Starting date	Ending date	Related to the project	Balance In Rupees	
	Total	Out-standing				2023	2022
Loan X	3	3	30-6-20	30-6-22	Quaid-e-Azam Business Park	1,650,000,000	1,650,000,000
Loan XI	3	3	13-11-22	13-11-24	Bahawalpur Industrial Zone	250,000,000	250,000,000
Loan XII	3	3	23-01-23	23-01-25	Quaid-e-Azam Business Park	1,700,000,000	1,700,000,000
Loan XIII	3	3	24-05-24	24-05-26	Bahawalpur Industrial Zone	100,000,000	100,000,000
Loan XIV	3	3	07-02-25	07-02-27	Bahawalpur Industrail Zone and Quaid-e-Azam business park	2,450,000,000	2,450,000,000
Loan XV	3	3	14-03-25	14-03-27	Quaid-e-Azam Business Park	1,179,500,000	1,179,500,000
Loan XVI	3	3	04-03-25	04-03-27	Vehari Industrial Estate	383,461,000	383,461,000
Loan XVII	3	3	05-10-25	05-10-27	Bahawalpur Industrail Zone	818,000,000	-
Loan XVII	3	3	05-10-25	05-10-27	Quaid-e-Azam Business Park	185,000,000	-
						13,966,730,000	13,456,513,022
Deferred interest (Refer Note 8.1)						(2,750,285,881)	(2,648,053,333)
						11,216,444,119	10,808,459,689

6.1.1 The Company's request to the Government to reschedule repayment terms of these loans, is pending

6.2 These represent loans in shape of state land provided to the Company by the Government of Punjab (GoPb) through Colonies Department for different projects, with the direction that a loan agreements be signed with the finance department on the basis of mutually agreed terms and conditions, however, as per finance department, as no loan is granted by it, hence the loan agreement needs to be signed between the Colonies department and the Company. The matter is still under discussion and no loan agreements have been signed subsequently.

Terms of repayment have not yet been decided as discussed above, however, these loans will be repayable in equal annual instalments starting from the repayment date as per repayment schedule to be mutually agreed between the parties. These loans are being carried at amortized cost determined using effective mark up rate of 23.27 % per annum (2022: 15.73% per annum) using the discounted cash flow method for an estimated period of repayment of each loan and unearned interest income is recognized as deferred interest income. Detail of these loans is as under:

Description	Area of land in acres	Estimated repayment period		Related to the Project	Amount (Rupees)
		Start date	End date		
Loan I	390.75	1/7/30	1/7/34	Bhalwal Industrial Estate	130,566,562
Loan II	200	1/7/30	1/7/34	Vehari Industrial Estate	132,000,000
Loan III	130.11	1/7/30	1/7/34	Chunian Industrial Estate	103,203,387
Loan IV	483.67	1/7/30	1/7/34	Bahawalpur Industrial Estate	1,064,085,000
					1,429,854,949
Deferred interest income(Refer Note 8.2)					(1,202,656,045)
					227,198,904

	Note	2023 Rupees	2022 Rupees
7 Deferred Income			
Opening balance		145,901,616	162,259,723
Amortization for the year	28	(14,590,162)	(16,358,107)
Closing balance		131,311,454	145,901,616

7.1 This represents recovery of cost of transformers from the customers at the time of electricity connections. An amount equal to depreciation on transformers is being recognized as income.

	Note	2023 Rupees	2022 Rupees
8 Deferred Interest income			
On long term financing			
In cash	8.1	2,621,291,262	2,638,865,232
In shape of land	8.2	1,202,656,045	1,090,964,952
		3,823,947,307	3,729,830,184

8.1 **Deferred interest income on long term financing in cash**	Note	2023 Rupees	2022 Rupees
Opening balance		2,648,053,333	540,963,500
Arisen during the year		267,048,358	4,369,094,944
Amortization for the year		(164,815,810)	(2,262,005,111)
		2,750,285,881	2,648,053,333
Less: current portion		(128,994,619)	(9,188,101)
Closing balance		2,621,291,262	2,638,865,232

8.2 Deferred interest income on long term financing in shape of land

Opening balance	1,090,964,952	1,013,507,313
Amortization for the year	111,691,093	77,457,639
Closing balance	1,202,656,045	1,090,964,952

8.3 These represent interest income in respect of subsidized loans from the Government of Punjab carried at amortized cost (Refer Note 6).

9 **Deferred grant**	Note	2023 Rupees	2022 Rupees
Un-utilized grant	9.1	180,000,000	180,000,000
Grant related to assets			
Opening balance	9.2	14,618,826	17,689,266
Grants amortized related to assets	28	(2,497,164)	(3,070,440)
Adjustment due to disposal of related assets (Refer Note 29)		(12,121,662)	-
		-	14,618,826
		180,000,000	194,618,826

9.1 It represents grant from Government of Punjab for acquisition of land and development of new industrial estate in Gujrat. The Company has not undertaken this project as yet.

9.2 It represents grant from Government of Punjab for Pakistan Drugs Testing and Research Center (PDTRC) which was disposed off, during the year (Refer Note 29).

10 Staff retirement benefits

The latest actuarial valuation of the Company's defined benefit gratuity scheme was conducted on 30 June 2023 using projected unit credit method. Details of obligation for defined benefit gratuity scheme is as follows:

	2023 Rupees	2022 Rupees
Liability for defined benefit obligation	388,421,988	284,504,616
Fair value of plan assets	(326,678,047)	(267,232,293)
Net liability for defined benefit obligations	61,743,941	17,272,323

		2023	2022
		Rupees	Rupees
10.1	**Movement in net liability for defined benefit obligation**		
	Opening balance	17,272,323	14,258,832
	Provision for the year	34,594,267	25,594,770
	Paid / adjusted during the year	2,964,273	(79,590)
	Transfer to the fund	(58,957,239)	(91,157,362)
	Remeasurement of defined benefit obligation	65,870,317	68,655,673
	Closing balance	61,743,941	17,272,323
10.2	**Movement in liability for defined benefit obligation**		
	Opening balance	284,504,616	197,804,706
	Current service cost for the year	37,396,886	29,133,277
	Interest cost for the year	36,481,756	19,030,935
	Benefits paid / adjusted during the year	(20,274,469)	(17,949,347)
	Experience adjustments	50,313,199	56,485,045
	Closing balance	388,421,988	284,504,616
10.3	**Changes in fair value of plan assets**		
	Opening balance	267,232,293	183,545,874
	Contributions during the year	58,957,239	91,157,362
	Interest income on plan assets	39,284,375	22,569,442
	Benefits paid / adjusted during the year	(23,238,742)	(17,869,757)
	Experience adjustments	(15,557,118)	(12,170,628)
	Closing balance	326,678,047	267,232,293
10.4	**Expenses to be recognized in statement of income and expenditure**		
	Current service cost	37,396,886	29,133,277
	Interest cost on defined benefit obligation	36,481,756	19,030,955
	Interest income on plan assets	(39,284,375)	(22,569,442)
		34,594,267	25,594,790
10.5	**Remeasurement chargeable in other comprehensive income**		
	Experience adjustments on plan obligations	50,313,199	56,485,045
	Experience adjustments on plan assets	15,557,118	12,170,628
		65,870,317	68,655,673
10.6	**Significant actuarial assumptions used**		
	Discount rate	15.75%	13.50%
	Rate of salary increase	14.75%	12.50%
	Mortality rates	SLIC 2001-05 Setback 1 Year	SLIC 2001-05 Setback 1 Year
	Withdrawal rates	Age based (per appendix)	Age based (per appendix)
	Retirement age	Age 60	Age 60

10.7 Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation and accumulated compensated absences at the reporting date had fluctuated by 100 BPS with all other variables held constant, the present value of the net defined benefit obligation and accumulated compensated absences as at June 30, 2023 and 2022 would have been as follows:

	2023 Rupees	2022 Rupees
Discount rate increase by 100 BPS	353,976,514	250,366,527
Discount rate decrease by 100 BPS	429,946,689	306,889,517
Salary increase by 100 BPS	430,355,074	307,203,076
Salary decrease by 100 BPS	353,042,978	249,579,788

The sensitivity analysis of the defined benefit obligation and accumulated compensated absences to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation and accumulated compensated absences reported above.

	Note	2023 Rupees	2022 Rupees
11 Retention money payable			
Retention money payable		465,795,475	342,559,050
Less: current portion	14	(296,811,713)	(315,234,232)
		168,983,762	27,324,818
12 Security deposits			
Against electricity connections		666,044,346	610,144,050
Security deposit against rent		3,977,250	3,977,250
		670,021,596	614,121,300
13 Advances from customers against sale of plots			
Opening balance		10,181,815,967	5,189,380,026
Received during the year		5,162,257,294	6,416,884,388
Refunded during the year		(1,289,068,986)	(1,536,922,197)
		3,873,188,308	4,879,962,191
		14,055,004,275	10,069,342,217
Adjusted during the year		(913,030,314)	112,473,750
Closing balance	13.1	13,141,973,961	10,181,815,967

	2023 Rupees	2022 Rupees
13.1 Break up of advances from customers against sale plots is as under:		
Sundar Industrial Estate	108,926,665	407,882,716
Multan Industrial Estate Phase I	106,962,030	78,256,610
Multan Industrial Estate Phase II	396,670,679	231,674,478
Rahim Yar Khan Industrial Estate	647,400,107	1,119,189,663
Bhalwal Industrial Estate	847,284,537	825,124,411
Vehari Industrial Estate	251,846,818	312,093,084
Quaid-e-Azam Business Park	10,782,883,125	7,207,595,005
	13,141,973,961	10,181,815,967

14 Trade and other payables

	Note	2023 Rupees	2022 Rupees
Creditors		1,563,301,464	1,829,181,661
Accrued liabilities		367,563,290	48,703,574
Withholding income tax		158,060,012	133,871,928
Funds for development of a project of the Government	14.1	-	64,060,377
Current portion of retention money payable	11	296,811,713	315,234,232
Other payables	14.2	731,000,194	490,205,692
		3,116,736,673	2,881,257,464

14.1 Funds for development of a project of the Government

	Note	2023	2022
Quaid e Azam Solar Park, Bahawalpur			
Total funds received		1,619,570,000	1,619,570,000
Utilization of funds for development of the project			
Opening balance		1,555,509,623	1,459,231,221
Utilized during the year		64,060,377	96,278,402
		(1,619,570,000)	(1,555,509,623)
	14.1.1	-	64,060,377

14.1.1 The task of supervision of development works of Quaid e Azam Solar Park, Bahawalpur was assigned to the Company and for this purpose funds of Rs. 1,619.57 million were provided to the Company in 2015 by the Government of Punjab through Energy Department In accordance with the terms of the agreement executed between the Company and the Energy Department dated March 06, 2015. The Company has undertake the Engineering, Construction & Procurement Services of all works as per approved development plan of the Quaid-e- Azam Solar Park, Bahawalpur. The energy department claims profit earned by the Company on these funds during the period of non utilization of the funds and the Company believes that in case of remission of such profit, it will charge the services fee to the energy department in respect of the services rendered by the Company for supervision and management of the works. The relevant amounts are not yet determined, and settlement of this matter is still pending.

14.2 This includes advances of Rs. 259.19 million (2022: Rs. 259.19) refundable to Ms. Alokozay FZE owing to change of its decision to purchase plots in Quaid-e-Azam Business Park.

15 CONTINGENCIES	2023 Rupees	2022 Rupees
- Accumulated default surcharge on delay in repayment of certain long term loans to government of the Punjab not acknowledged due to pending settlement.	759,432,420	456,662,192

- Different customers / contractors / consultants have filed cases against the Company at different legal forums on different dates with the ground challenging any imposition by the Company or claiming any amounts from the Company. These are discussed below:

- The landlords have filed claims / cases for enhancement of compensation of land acquired by the Company under Land Acquisition Act, 1894. The amount of enhancement claimed is not determinable at this stage. The management of the Company and its legal advisors are confident that the cases will be decided in favor of the Company and there will be no adverse financial impact on the Company.

- Different plot holders have filed cases against the Company challenging imposition of non- utilization fee and have claimed recovery of the amounts paid by them. The total amount involved is Rs. 102.508 million. The management of the Company and its legal advisors are confident that the cases will be decided in favor of the Company and there will be no adverse financial impact on the Company.

- Some contractors / consultants have filed cases against the Company claiming charges over and above the contract amounts. The total amount claimed by these parties is Rs. 1,388.971 million. The Company has also filed a case against one of these contractors claiming damages of Rs. 617 million on account of project delay. The management of the Company and its legal advisors are confident that the cases will be decided in favor of the Company and there will be no adverse financial impact on the Company.

- Some industrial undertakings are claiming subsidy on electricity billing from the Company on the ground that they are eligible for the same as per Government notification. The Company is purchasing the electricity from DISCOS, and no such subsidy was allowed by the DISCOS, therefore, the Company cannot pass on the same to its customers. The quantum of claimed amount is not determinable at this stage. The management of the Company and its legal advisors are confident that the cases will be decided in favor of the Company and there will be no adverse financial impact on the Company.

Commitments	2023 Rupees	2022 Rupees
- Development projects	8,364,350,000	877,380,000
- Software	2,237,000	731,250

16 Operating fixed assets

	2023										
	Cost					Accumulated Depreciation				Written down	rate of
	Cost as at July 1, 2022	Additions during the year	Transferred from CWIP	Deletion of during the year	Cost as at June 30, 2023	as at July 1, 2022	Depreciation for the year	Deletion of during the year	as at June 30, 2023	value as at June 30, 2023	depreciation %
	Rupees										
Land	12,480,403	-	-	-	12,480,403	-	-	-	-	12,480,403	0
Building	263,594,322	-	42,475,395	(39,545,846)	266,523,871	(123,950,832)	(15,049,346)	19,986,270	(119,013,908)	147,509,963	10
Office equipment	53,687,307	2,013,553	7,925,352	1,695,283	65,321,495	(37,261,632)	(5,840,546)	1,918,411	(41,183,767)	24,137,728	20
Lab Equipment	66,923,693	-	-	(66,923,693)	-	(61,857,848)	(1,396,500)	63,254,348	-	-	30
Computers	71,181,402	12,467,424	-	(661,867)	82,986,959	(53,719,302)	(6,197,602)	250,807	(59,666,097)	23,320,862	30
Furniture and fixture	32,857,300	3,123,460	-	(1,943,155)	34,037,605	(23,046,612)	(2,233,566)	1,280,723	(23,999,455)	10,038,150	20
Electric installation	3,297,794	7,694,436	-	-	10,992,230	(3,036,776)	(379,985)	-	(3,416,761)	7,575,469	20
Machinery	74,546,688	951,990	93,654,284	(3,142,873)	166,010,089	(35,873,305)	(12,216,253)	2,731,303	(45,358,255)	120,651,834	20
Vehicles	260,384,621	19,808,090	-	(3,616,158)	276,576,553	(151,652,316)	(23,989,738)	4,848,754	(170,793,300)	105,783,253	20
Transformer	267,971,961	-	-	-	267,971,961	(122,070,342)	(14,590,162)	-	(136,660,504)	131,311,457	10
Grid Stations	95,799,060	-	399,561,878	-	495,360,938	(14,399,794)	(24,048,056)	-	(38,447,850)	456,913,088	5
BillBoard	13,199,679	174,000	-	-	13,373,679	(3,618,430)	(1,916,256)	-	(5,534,686)	7,838,993	20
	1,215,924,230	46,232,953	543,616,909	(114,138,309)	1,691,635,783	(630,487,189)	(107,858,010)	94,270,616	(644,074,583)	1,047,561,200	

	2022								
	Cost				Accumulated Depreciation			Written down	rate of
	Cost as at July 1, 2021	Additions during the year	Transferred from CWIP	Cost as at June 30, 2022	as at July 1, 2021	Depreciation for the year	as at June 30, 2022	value as at June 30, 2022	depreciation %
	Rupees								
Land	12,480,403	-	-	12,480,403	-	-	-	12,480,403	0
Building	258,569,577	5,024,745	-	263,594,322	(109,521,435)	(14,429,397)	(123,950,832)	139,643,490	10
Office equipment	49,959,405	3,727,902	-	53,687,307	(32,771,660)	(4,489,972)	(37,261,632)	16,425,675	20
Lab Equipment	66,827,753	95,940	-	66,923,693	(59,890,250)	(1,967,598)	(61,857,848)	5,065,845	30
Computers	65,917,722	5,263,680	-	71,181,402	(47,976,022)	(5,743,280)	(53,719,302)	17,462,100	30
Furniture and fixture	28,756,242	4,101,058	-	32,857,300	(21,199,171)	(1,847,441)	(23,046,612)	9,810,688	20
Electric installation	3,297,794	-	-	3,297,794	(2,971,522)	(65,254)	(3,036,776)	261,018	20
Machinery	52,064,068	20,049,060	2,433,560	74,546,688	(29,631,443)	(6,241,862)	(35,873,305)	38,673,383	20
Vehicles	227,582,211	32,802,410	-	260,384,621	(131,507,161)	(20,145,155)	(151,652,316)	108,732,305	20
Transformer	267,971,961	-	-	267,971,961	(105,712,235)	(16,358,107)	(122,070,342)	145,901,619	10
Grid Stations	93,200,064	2,598,996	-	95,799,060	(10,138,420)	(4,261,374)	(14,399,794)	81,399,266	5
BillBoard	12,749,226	450,453	-	13,199,679	(1,298,193)	(2,320,237)	(3,618,430)	9,581,249	20
	1,139,376,426	74,114,244	2,433,560	1,215,924,230	(552,617,512)	(77,869,677)	(630,487,189)	585,437,041	

16.1 The depreciation charge for the year has been allocated as follows:

	Note	2023 Rupees	2022 Rupees
Infrastructure maintenance expenses	32	34,242,131	23,515,264
Cost of electricity supply	27.1	24,048,057	4,261,374
Administrative expenses	33	29,819,406	50,093,040
Land held for development and resale		19,748,416	-
		107,858,010	77,869,678

16.1.1 It includes depreciation expense on grant assets (laboratory equipment and building of PDTRC) amounting to Rs. 2,497,164 (2022: Rs. 3,070,440) (Refer Note 9).

17 Capital work in progress

	Opening balance	Additions during the year	Transferred to operating fixed assets	Closing balance
			Rupees	
2023				
Office equipment	20,278,281	9,379,577	(7,925,352)	21,732,506
Grid station	399,561,878	-	(399,561,878)	-
Office building	129,694,353	34,626,377	(42,475,395)	121,845,335
Machinery	107,634,285	25,090,118	(93,654,284)	39,070,119
Software-(intangible)	-	743,000	-	743,000
Electrical installations	-	6,513,549	-	6,513,549
	657,168,797	76,352,621	(543,616,909)	189,904,509
2022				
Office equipment	19,968,689	309,592	-	20,278,281
Grid station	164,816,853	234,745,025	-	399,561,878
Office building	112,718,642	16,975,711	-	129,694,353
Machinery	110,067,845	-	(2,433,560)	107,634,285
	407,572,029	252,030,328	(2,433,560)	657,168,797

18 Long term security deposits

	2023 Rupees	2022 Rupees
Against electricity connections	214,690,253	244,887,523
Others	11,387,790	-
	226,078,043	244,887,523

19 Land held for development and resale		2023 Rupees	2022 Rupees
Sunder Industrial Estate (plots)		97,598,234	105,488,557
Multan Industrial Estate II	19.1	179,556,497	116,856,489
Bhalwal Industrial Estate	19.1&19.3	2,878,948,960	2,647,778,194
Rahim Yar Khan Industrial Estate		1,345,001,135	1,682,021,090
Bahawalpur Industrial Estates	19.1	3,447,492,253	2,511,911,875
Vehari Industrial Estate	19.1&19.3	1,807,257,977	1,068,908,915
Quaid-e-Azam Business Park		12,889,759,480	9,161,303,822
Chunian Industrial Estate	19.1	769,587,994	450,382,030
Quaid-e-Azam Industrial Estate (plots)		25,341,651	25,341,651
Research & Planning (others progressive projects)		113,245,901	92,046,131
		23,553,790,082	17,862,038,754
Cost differential	24.1	(83,878,171)	-
	19.3	23,469,911,911	17,862,038,754

19.1 Title of state owned lands measuring 667 acres in Multan Industrial Estate Phase II, 483.67 acres in Bahawalpur Industrial Estate, 200 acres in Vehari Industrial Estate, 130.11 acres in Chunian Industrial Estate and 390.75 acres in Bhalwal Industrial Estate have not been transferred in the name of the Company.

19.2 The allotment letters of land measuring 390 acres in Bhalwal Industrial Estate and 200 acres in Vehari Industrial Estate are not yet received by the Company, however these lands have been used in the respective projects.

19.3 This includes borrowing cost capitalized amounting to Rs. 212.01 million (2022: Rs. 169.99 million) against loans received from the Government of Punjab.

20 Trade receivables	Note	2023 Rupees	2022 Rupees
Unsecured			
Considered good			
Electricity bills receivables		2,128,187,496	1,789,729,537
Operation and maintenance charges receivable		100,330,280	55,805,435
Water charges receivable		11,917,789	5,714,112
Aquifer charges receivable		18,357,383	16,663,096
Sewerage charges receivable		15,231,475	15,194,071
Sub letting fee receivable		1,526,350	919,892
Receivables against fee and penalties		-	1,920,774
Mark-up on outstanding dues		26,490,969	20,455,515
Extension fee receivable		3,049,274	-
Funds for development of a project of the Government		4,695,589	-
Misc receivables		181,364	-
		2,309,967,969	1,906,402,432

	Note	2023 Rupees	2022 Rupees
Considered doubtful			
Electricity bills receivables		7,392,426	7,392,426
Operation and maintenance charges receivable		65,992,650	65,992,650
Water charges receivable		11,941,662	11,941,662
Aquifer charges receivable		556,892	556,892
Sewerage charges receivable		12,023,849	12,023,849
Rentals receivable		808,368	859,618
Annual recurring expenses receivable		891,081	891,081
Additional cost of land receivable		64,000	64,000
Sub letting fee receivable		5,075,898	5,075,898
Violation fee receivable		100,000	100,000
Receivables against fee and penalties		42,596,796	43,187,931
Mark-up on outstanding dues		26,655,739	26,655,739
Non utilization fee receivable		547,235,099	548,092,299
		721,334,460	722,834,045
Less: Provision for doubtful balances	20.1	(701,400,310)	(701,400,310)
		19,934,150	21,433,735
		2,329,902,119	1,927,836,167

20.1 Provision for doubtful receivables

	Note	2023 Rupees	2022 Rupees
Opening balance		701,400,310	702,726,546
Provision / (reversals) for the year	33 & 30	-	(1,326,236)
Closing balance		701,400,310	701,400,310

21 Advances, deposits, prepayments and other receivables

	Note	2023 Rupees	2022 Rupees
Considered good			
Advances to suppliers / contractors		516,948,843	960,061,788
Advance against deposits work			
to employees		44,439,442	26,567,929
for expenses		-	1,216,241
Security deposits		8,842,800	3,691,427
Prepayments		35,000,165	11,245,083
Other receivables			
Sales tax adjustable / refundable		630,847,108	183,029,045
Receivable from subsidiary	21.1	19,500,000	19,500,000
Others		1,141,695	3,129,116
		1,256,720,053	1,208,440,629
Considered doubtful			
Advance against deposits work		80,292,860	80,292,860
Donation recoverable from plot owners		-	167,035
Other receivables		263,764	263,764
Less: Provision for doubtful balances		(80,556,624)	(80,723,659)
		-	-
		1,256,720,053	1,208,440,629

21.1 The funds were transferred to the related party out of the loan received from the Government of Punjab for establishment of a combined effluent treatment plant at Sundar Industrial Estate. These are refundable as the proceedings for winding up of the subsidiary are in process. This also represents the maximum aggregate amount at the end of any month during the current and prior year.

	2023	2022
22 Short term investments	Rupees	Rupees
Term deposit receipts	10,665,000,000	8,865,000,000

22.1 These are subject to mark up at the rates ranging from 10.40% to 21.50% (2022: 6.85% to 15.80%).

23 Cash and bank balances		2023	2022
	Note	Rupees	Rupees
Cash in hand		1,702,116	801,452
Cash at bank			
Current accounts	24.2	557,009	701,909
Deposit accounts	24.1 & 24.2	1,550,521,053	3,289,150,537
		1,551,078,062	3,289,852,446
		1,552,780,178	3,290,653,898

23.1 These carry mark up at the rates ranging from 6.35% to 19.50% per annum (2022: 4% to 12.5% per annum).

23.2 These include some bank accounts with title in the name of some projects of the Company.

		2023	2022
24 Income from sale of plots	Note	Rupees	Rupees
Sale of plots			
Rahimyar Khan Industrial Estate		402,061,148	-
Bhalwal Industrial Estate		25,747,150	(91,633,400)
Sundar Industrial Estate		300,944,837	-
Multan Industrial Estate Phase II		131,309,879	-
Quaid-e-Azam Industrial Estate		29,523,900	-
Vehari Industrial Estate		23,443,400	(20,840,350)
		913,030,314	(112,473,750)
Cost of plots sold			
Rahimyar Khan Industrial Estate		(318,252,210)	-
Bhalwal Industrial Estate		(40,287,165)	(13,145,914)
Sundar Industrial Estate		(33,107,469)	-
Multan Industrial Estate Phase II		(6,809,160)	-
Quaid-e-Azam Industrial Estate		(36,829,373)	-
Vehari Industrial Estate		(41,587,629)	(18,306,226)
Cost differential	24.1	(83,878,171)	
		(560,751,177)	(31,452,140)
		352,279,137	(81,021,610)

24.1 It represent cost differential due to cost esclation / revision of projects costs.

		Note	2023 Rupees	2022 Rupees
25	**Fees**	25.1	255,940,957	273,462,450

25.1 This includes non-utilization fee, transfer fee, map approval fee, water meter fees, bidding fees, possession fees etc.

		Note	2023 Rupees	2022 Rupees
26	**Operation, maintenance and allied services billing**			
	Operation & maintenance		283,588,726	265,463,588
	Water		88,294,267	90,260,046
	Aquifer		128,325,383	118,864,977
			500,208,376	474,588,611
27	**Income from electricity supply**			
	Electricity billing		19,147,848,239	14,032,335,778
	Less:Sales tax		(2,966,608,243)	(2,062,419,587)
			16,181,239,996	11,969,916,191
	Less: Cost of electricity supply	27.1	(15,893,528,757)	(11,893,357,078)
			287,711,239	76,559,113
27.1	**Cost of electricity supply**			
	Electricity purchased		15,719,388,284	11,815,285,550
	Stores consumed		47,124,215	-
	Staff salaries and benefits		72,817,115	55,856,859
	Fuel		13,629,379	4,554,091
	Repairs and maintenance of vehicle		7,278,108	7,435,660
	Depreciation	16.1	24,048,057	4,261,374
	Printing and stationery		458,964	1,081,076
	Insurance		1,619,922	1,807,569
	Entertainment		550,161	2,315,060
	Utilities		744,729	285,381
	Uniform and liveries		1,387,618	474,458
	Miscellaneous		4,482,205	-
			15,893,528,757	11,893,357,078

		Note	2023 Rupees	2022 Rupees
28	**Amortization of deferred income**			
	Amortization of deferred income	7	14,590,162	16,358,107
	Amortization of grant	9	2,497,164	3,070,440
			17,087,326	19,428,547
29	**GAIN ON DISPOSAL OF ASSETS**	29.1	349,673,786	-

29.1 Pakistan Drug testing and Research Center (PDTRC) has been transfered to Primary and Secondary Healthcare department (P&SH) on the direction of Government of Punjab. Ownership of the land measuring 0.85 acres on which the centre was established is also transfered to P&SH department. No cost was assigned to the said land as the same is catagorized as non saleable area. The net assets are transferred to P&SA and the related sales consideration of Rs 372.23 is adjusted against the loan from the Government of Punjab on June 28, 2023.

		2023	2022
30	**Other income**		
	Mark up on outstanding dues	12,043,805	8,903,253
	Reversal of provision for doubtful balances	167,035	1,326,236
	Miscellaneous income	13,890,086	37,485,994
		26,100,926	47,715,483
31	**Estates maintenance expenses**		
	Road and water supply development cost	51,929,515	59,043,077

31.1 This includes development expenditure incurred on development and major rehabilitation of Quaid-e-Azam Industrial Estate.

32	**Infrastructure maintenance expenses**	Note	2023 Rupees	2022 Rupees
	Staff salaries and benefits		297,505,492	210,286,100
	Road, drain and sewerage cleaning		32,426,927	39,005,793
	Cost of chemical consumed		179,911	-
	Security		13,528,521	11,212,798
	Maintenance disposal station		44,765,737	33,529,821
	Fuel and power		36,822,295	22,215,020
	Repairs and maintenance		15,864,990	14,339,878
	Depreciation	16.1	34,242,131	23,515,264
	General maintenance		33,250,692	52,035,170
	Insurance		653,306	524,227
	Utilities		93,200,895	61,725,021
	Miscellaneous		4,503,336	3,844,486
			606,944,233	472,233,578

PUNJAB INDUSTRIAL ESTATES DEVELOPMENT AND MANAGEMENT COMPANY
(A COMPANY SET UP UNDER SECTION 42 OF THE REPEALED COMPANIES ORDINANCE, 1984)
NOTES COMPRISING MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
33 Administrative expenses			
Staff salaries and benefits		328,848,187	252,659,818
Rent, rates and taxes		5,138,385	2,441,488
Repairs and maintenance		20,261,337	16,275,833
Fuel and power		60,698,127	31,760,922
Insurance		6,587,867	6,901,419
Travelling and conveyance		11,360,341	8,251,148
Utilities		15,426,103	10,969,066
Printing and stationery		10,720,570	4,330,758
Network and website expenses		6,271,348	7,869,685
Advertisement		2,634,241	1,586,654
Security charges		324,267	160,219
Entertainment		5,788,674	3,971,696
Depreciation	16.1	29,819,406	50,093,040
Amortization		711,139	216,664
Postage		955,783	839,863
Legal and professional charges		18,897,193	9,315,054
Bad debts written off		78,420	11,508,839
Auditor's remuneration	33.1	880,000	880,000
Books and periodicals		96,420	73,340
Janitorial services		415,265	372,715
Fees and subscriptions		360,559	932,336
Uniform and liveries		3,658,563	3,380,429
Rental Expenditures		-	-
Miscellaneous		1,000,305	1,385,431
		530,932,500	426,176,417

33.1 Auditor's remuneration

		2023	2022
Audit fee		787,500	787,500
Out of pocket expenses		92,500	92,500
		880,000	880,000

			2023	2022
			Rupees	Rupees
34	**Selling expenses**			
	Staff salaries and benefits		-	10,578,560
	Image building and branding		5,962,182	2,058,283
	Marketing and promotion		5,243,220	13,442,370
	Advertisement		-	48,680
	Repairs and maintenance		-	529,990
	Insurance		-	194,717
	Utilities		-	1,668,300
	Entertainment		-	136,690
	Printing and stationery		-	468,666
	Others		-	359,951
			11,205,402	29,486,207
35	**Finance cost**			
	Interest on long term financing - net	35.1	250,000	702,060
	Bank charges		319,161	595,303
			569,161	1,297,363
35.1	**Interest on long term financing - net**			
	Interest on long term financing	6	(52,874,716)	2,185,249,532
	Amortization of deferred interest income	35.1.1	53,124,716	(2,184,547,472)
			250,000	702,060
35.1.1	Interest income - related to financing in cash	8.1	164,815,810	2,262,005,111
	Interest income - related to financing in land	8.2	(111,691,093)	(77,457,639)
			53,124,716	2,184,547,472

36 Provision for taxation

No provision for current income tax and deferred income tax has been made in these financial statements as the Company is registered as a non-profit organization under section 2(36) of the Income Tax Ordinance, 2001, hence its income is subject to 100% tax credit under section 100C of the Income Tax Ordinance, 2001.

37 Cash flow from operations

	Note	2023 Rupees	2022 Rupees
Surplus for the year		2,423,122,328	595,856,302
Adjustment for non cash and other items:			
Depreciation	16.1	107,858,010	77,869,677
Amortization	33	711,139	216,664
Finance cost	35	569,161	1,297,363
Amortization of grant / income	28	(17,087,326)	(19,428,547)
Gain on disposal of assets	29	(349,673,786)	-
Bad Debts	33	78,420	11,508,839
Return on bank deposits		(1,843,230,529)	(807,048,646)
Provision / (reversals) for the year	20.1	(167,035)	(1,326,236)
Remeasurement (gain) / loss	10.5	65,870,317	68,655,673
Provision for staff retirement gratuity	10.1	34,594,267	25,594,770
		(2,000,477,362)	(642,660,443)
Cash flow before working capital changes		422,644,966	(46,804,141)
Working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(14,790,690)	6,991,392
Land held for development and resale		(5,607,873,157)	(5,258,931,109)
Trade receivables		(402,144,372)	(785,603,297)
Advances, deposits, prepayments and other receivables		(50,925,229)	(1,042,782,126)
Income tax refundable		(1,827,179)	(750,521)
Increase / (decrease) in current liabilities			
Advances from customers against sale of plots		2,960,157,994	4,992,435,941
Accrued mark up on long term financing		41,416,605	33,354,815
Trade and other payables		214,252,403	1,197,620,321
		(2,861,733,625)	(857,664,584)
Cash flow from operations		(2,439,088,659)	(904,468,725)

38 Financial risk management objectives and policies

38.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest risk) credit risk and liquidity risk. It's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Financial instruments by category

	2023 Rupees	2022 Rupees
Financial assets at amortized cost:		
Long term security deposits	226,078,043	244,887,523
Short term investments	10,665,000,000	8,865,000,000
Trade receivables	2,329,902,119	1,927,836,167
Accrued interest on short term investments	538,669,280	268,148,808
Advances, deposits, prepayments and other receivables	73,923,937	49,759,356
Bank balances	1,551,078,062	3,289,852,446
	15,384,651,441	14,645,484,300
Financial liabilities at amortized cost:		
Long term financing	11,443,643,023	11,147,347,664
Security deposits	670,021,596	614,121,300
Trade and other payables	2,958,676,661	2,683,325,159
Retention money payable	168,983,762	27,324,818
Accrued mark up on long term financing	212,262,410	170,276,644
	15,453,587,451	14,642,395,585

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises of currency risk, equity risk and interest rate risk.

(i) Currency risk

Currency risk is the risk that the value of financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchase are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak rupee. The Company is not exposed to any currency risk as there are no financial instruments at the reporting date that are sensitive to currency fluctuations.

(ii) Other price risk

Equity risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of change in prices of equity securities.

Trading and investing in equity securities give rise to equity price risk. The Company is not exposed to any equity price risk.

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

	2023 Rupees	2022 Rupees
Variable rate financial assets		
Deposit accounts	1,550,521,053	3,289,150,537
Fixed rate financial assets		
Short term investments	10,665,000,000	8,865,000,000
Fixed rate financial liabilities		
Loan from Government of Punjab	13,966,730,000	13,456,511,000

If interest rates on deposit accounts with banks, at the reporting date, fluctuate by 1% with all other variables held constant, surplus for the year would have been higher / lower by Rs. 12.85 million (2022: Rs. 32.89 million).

(b) Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. To manage credit risk th Company maintains procedures for monitoring of exposures against different parties. As part of these processes the financial viability of all conterparties is regularly monitored and assessed. To mitigate the risk, the Company has a system of monitoring outstanding balances of all debts, advances and bank balances. Concentration of credit risk arises when a number of obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

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

	2023	2022
Financial assets at amortized cost	Rupees	Rupees
Long term security deposits	226,078,043	244,887,523
Short term investments	10,665,000,000	8,865,000,000
Trade receivables	2,329,902,119	1,927,836,167
Accrued interest on short term investments	538,669,280	268,148,808
Advances, deposits, prepayments and other receivables	73,923,937	49,759,356
Bank balances	1,551,078,062	3,289,852,446
	15,384,651,441	14,645,484,300

All debtors are in domestic currency and aging of all trade debts before provisioning at the reporting date

	2023	2022
	Rupees	Rupees
Past due 0-365 days	2,150,204,366	1,658,417,555
Past due 366 - 720 days	138,630,292	54,429,801
Past due 721 & above	1,008,044,031	890,910,887
	3,296,878,689	2,603,758,243

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties. Adequate provision is made in respect of balances considered doubtful.

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

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner unfavourable to the Company. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of adequate funds through committed credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of financial liabilities as at June 30, 2023 and 2022:

	Carrying amount	Contractual cash flows	Within one year	Over one year but less than five years
	......Rupees......			
Financial liabilites				
2023				
Long term financing	11,443,643,023	15,396,584,950	8,234,102,331	3,209,540,691
Security deposits	670,021,596	670,021,596	-	670,021,596
Trade and other payables	2,958,676,661	2,958,676,661	2,958,676,661	-
Retention money payable	465,795,475	465,795,475	296,811,713	168,983,762
Accrued mark up on long term financing	212,262,410	212,262,410	212,262,410	-
	15,750,399,164	19,703,341,092	11,701,853,115	4,048,546,049
2022				
Long term financing	11,147,347,664	13,332,597,196	8,043,550,000	3,103,797,664
Security deposits	614,121,300	614,121,300	-	614,121,300
Trade and other payables	2,683,325,159	2,683,325,159	2,683,325,159	-
Retention money payable	342,559,050	342,559,050	315,234,232	27,324,818
Accrued mark up on long term financing	170,276,644	170,276,644	170,276,644	-
	14,957,629,817	17,142,879,349	11,212,386,035	3,745,243,782

38.2 Fair values of financial assets and liabilities

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

38.3 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Company's objectives when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide service for which it is established.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintan or adjust the capital structure, the Company may obtain loan from Government of Punjab. Neither were there any changes in the Company's approach to capital management during the year nor is the Company subject to externally imposed capital requirements.

39 Remuneration to Chief Executive Officer, Directors and Executives

39.1 Chief Executive Officer

	2023 Rupees	2022 Rupees
Managerial remuneration	8,842,969	6,800,000
Reimbursements of expenses	193,200	538,680
Retirement benefits (Gratuity)	757,969	625,000
	9,794,138	7,963,680
Number of persons	1	1

39.2 Executives

	2023 Rupees	2022 Rupees
Managerial remuneration	255,670,214	193,737,612
Reimbursements of expenses	18,966,678	10,834,597
Retirement	29,901,404	21,143,313
	304,538,296	225,715,522
Number of persons	98	86

39.3 Cars are provided to Chief Executive Officer and Executives (Grade 8-12) for official and personal use.

40 Transactions with related parties

The Institute in the normal course of business carries out transactions with various related parties which comprise of Government of Punjab, Directors and key management personnel. Balances outstanding at the year end have been disclosed in the respective notes to the financial statements. Remuneration and benefits to key management personnel are disclosed in Note 39. Significant transactions and balances with related parties are as follows:

Name and basis of relationship	**Particulars**	**2023 Rupees**	**2022 Rupees**
Receivable from related parties			
Punjab Environmental Effluent Treatment Company-Federal Government Entity	Loan	19,500,000	19,500,000
Lahore Electric Supply Company-Federal Government	Advance against construction work	80,292,860	80,292,860

Name and basis of relationship	Particulars	2023 Rupees	2022 Rupees
Transactions are as follows:			
Pakistan Telecommunication Company Ltd-Federal Government	Utility services received	912,767	759,074
National Telecommunication Corporation-Federal Government	Utility services received	274,247	143,348
Lahore Electric Supply Company-Federal Government	Utility services received	16,029,609,910	12,251,157,735
Multan Electric Power Company	Utility services received	2,292,778,761	1,088,380,352
Faisalabad Electric Supply Company	Utility services received	1,162,371,958	881,948,126
Water and Sanitaion Agency, Lahore-Provincial Government	Utility services received	4,798,442	4,036,044
National Insurance Company Limited-Federal Government	Insurance	8,770,744	7,161,384
Sui Northern Gas Pipelines Limited-Federal Government	Utility services received	175,706,134	169,150
Directorate General Public Relations-Provincial Government	Advertisment	9,813,964	33,872,223
COMSATS Internet Services-Provincial Government	Internet	412,982	302,755
Government of Punjab	Loan repaid	120,851,375	121,152,750
PPRA	Utility services received	274,000	162,000
Lahore Waste Management Company (LWMC)	Waste management	-	200,000
Pakistan National Accreditation Council (PNAC)	Other utilities	-	142,400
Pakistan Telecommunication Authority (PTA)	Other utilities	11,000	-
Government of Punjab-EOBI	EOBI	10,167,178	4,372,515
Government of Punjab-PESSI	PESSI	1,362,469	1,041,504

A number of entities owned directly/indirectly by the Government of Punjab (GOP) are the related parties of the Company due to significant influence of the GOP over the Institute. The transactions with other such entities, are considered insignificant, hence are not specifically disclosed.

PUNJAB INDUSTRIAL ESTATES DEVELOPMENT AND MANAGEMENT COMPANY
(A COMPANY SET UP UNDER SECTION 42 OF THE REPEALED COMPANIES ORDINANCE, 1984)
NOTES COMPRISING MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

41 Number of employees

	2023	2022
Total number of employees as at the year end	747	668
Average number of employees during the year	737	680

42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 0 6 AUG 2025 by the Board of Directors of the Company.

Chief Executive Officer | Chief Financial Officer | Chairman