



FINANCIAL STATEMENTS OF
FISHERIES DEVELOPMENT BOARD
FOR THE YEAR ENDED
JUNE 30, 2022

BDO Ebrahim & Co. Chartered Accountants

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



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Saeed Plaza,
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Islamabad-44000,
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The Board of Directors,
Fisheries Development Board,
Islamabad.

January 30, 2023
BDO/AUD/1358/2023

AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Gentlemen,

We are pleased to enclose herewith four copies of the draft financial statements of Fisheries Development Board (FDB - the company) together with our draft audit report thereon duly initialed by us for identification purposes. We shall be pleased to sign our report in its present or amended form after the financial statements are approved by the Board and signed on their behalf by the Chief Executive and at least one other Director and on receipt/ review of the following:

- a) Letter of representation addressed to us on behalf of the Board of Directors and signed by the Chief Executive and Chief Financial Officer as per draft provided by us;
- b) Board of Directors' resolution in respect of the following:
 - Additions to property, plant and equipment amounting to Rs. 44.775 million;
 - Grant received during the year amounting to Rs. 195.579 million;
 - Addition in investments amounting to Rs. 31.6 million;
 - Deferred grant recognized during the year amounting to Rs. 147.509 million;
 - Additions to capital work in progress amounting to Rs. 46.885 million.
 - Additions to grant receivables amounting to Rs. 11.040 million.
 - Transactions with related parties as stated in the notes to the financial statements.
- c) Directors' report for the year ended June 30, 2022.
- d) On receipt of confirmations from the following.
 - National Bank of Pakistan (NBP).
 - Saddozai Law Associates (Legal advisor)

We would like to advise you that unless we sign our audit report, these draft financial statements shall remain and be deemed as unaudited.

our comments and observations on this set of financial statements are as follows:

Review



1. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS' IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors in a usual examination of financial statements are stipulated in section 249 of the Companies Act, 2017 and International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such statements is primarily that of the Company's management.

The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. The audit of financial statements does not relieve the management of its responsibilities.

2. OTHER INFORMATION

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. We request you to provide us a copy of the "Annual Report" to ensure that it is not materially inconsistent with the financial statements.

3. INTERNAL CONTROL DEFICIENCY IN MONITORING PROCESS OF JOINT VENTURE

On 6, March 2015 FDB entered into an agreement with Reliance Aqua Farm (Private) Limited, (RAFPL) to execute a project of shrimp farming on commercial basis. Under the terms of arrangement, RAFPL shall contribute all of its existing infrastructure to the joint arrangement for the term of five years which was subsequently extended for two more years. As per the agreement, in the first year of operations FDB shall invest in repair of Ponds, farm inputs, procurement, installation of equipment and hiring of staff for the farm. In the second year of operations, RAFPL will invest in operational cost like fish seed and feed etc. and utilize the machinery, equipment and ponds renovated by FDB. The net profit shall be disbursed between FDB and RAFPL at 60:40 in the first year, and 30:70 in subsequent years. Any loss during the first financial year will however, be borne by FDB entirely. Management interprets that any loss in subsequent years is to be borne by RAFPL and FDB will not bear any liability in this respect. Also, out of fourteen ponds owned by RAFPL, FDB shall utilize ten ponds and may sublet the remaining four ponds to any private sector entrepreneur. For ponds that will be sublet, FDB shall finance the repair of the ponds and installation of equipment, and the lessee shall incur the operational costs of farming, and will payback 30% of the net profit, to be shared equally between FDB and RAFPL.

Review.



FDB has made the total investment of Rs. 104.576 million in a joint venture (JV) during the period from 2015 to 2018. This includes assets transferred to JV amounting to Rs. 75.925 million and expenses incurred on behalf of JV amounting to Rs. 28.65 million. As per clause 13 of the agreement, the book of accounts of JV shall be prepared and be audited within 45 days after the closure of each financial year. However, we noted that JV has not maintained accounts for the current year which forms the basis of the income sharing between FDB and the JV. The accounts are prepared till 2017 but were not audited. Absence of audited accounts poses a risk of weak control of the financial affairs of the JV. We recommend that necessary steps should be taken to ensure the preparation of accounts by the JV and be audited.

As per management, no activities were incurred during the current year and the agreement has expired on July 07, 2022 and is not further extended. The fully impaired assets are also shifted to another site. Please confirm the management representation.

4. RESTATEMENT DUE TO CHANGE IN ACCOUNTING POLICY

The company is operating an un-funded gratuity scheme for all its permanent employees since June 30, 2007. The Company was previously recording gratuity on the basis of management estimates. In current year, the Company has adopted IAS-19 "Employee Benefits" and recorded gratuity on the basis of Projected Unit Credit Method as per the requirements of IAS-19. As a result of retrospective application of change in accounting policy, a restatement of liability against gratuity amounting to Rs. 6.509 million and Rs. 1.576 million has been incorporated in the financial statements for the year ended June 30, 2020 and June 30, 2021 respectively.

5. PROPERTY, PLANT AND EQUIPMENT

As per clause 19.1 of policy and procedures manual;

"The organization should capitalize any items above Rs. 5,000 having useful life of more than one year." However, we noted that some fixed assets above Rs. 5,000 were also expensed out during the year.

We recommend that all expenditures pertaining to fixed assets should be strictly reviewed and should be capitalized. We also recommend that management should revise capitalization policy as the limit of 5,000 is very small.

6. CASH AND BANK BALANCES

6.1 During the course of audit, we observed that following bank accounts were dormant;

- Askari Bank Limited - 521650502043 (saving account - local currency)
- National Bank of Pakistan - 4066259767 (current account - local currency)

Accumulated balance in these accounts as per Company's record is Rs 39,367 at the year end. As per management, no transaction has occurred in these accounts during the year

Review



and balance as per Company's books is correct. We recommend that these accounts should either be closed or reactivated as these accounts may be misused if remained dormant and unattended.

- 6.2 During the course of our audit, we noted that the Finance Division, Government of Pakistan (GoP) through their letter F.No.1(1)S.O(TSA)/2020 dated August 19, 2020 has directed all Federal Government Ministries, Divisions and attached departments to close their bank accounts with the commercial banks and transfer the balance funds to the Federal Government's Central Account No.1 (non-food) with State Bank of Pakistan (SBP). On May 26, 2021, the MCB Islamic Bank Limited (MIB) transferred the balance fund of Rs 63,350 to the government treasury as per said instructions. Currently the Company has bank accounts in the following commercial banks;

- Askari Bank Limited - 521650502043 (saving account - local currency)
- Habib Bank Limited - 23327901437603 (local account - local currency)
- Habib Bank Limited -23327901291801 (saving account - local currency)

The balance in these accounts as per Company's record is Rs 33,801, Rs 193,135 and Rs. 3,579 respectively at the year end. We recommend that the balance fund should be transferred to National Bank of Pakistan in order to avoid any loss of fund in case of immediate actions being taken by the management.

7. EMPLOYEE'S OLD AGE BENEFITS

In accordance with Employees' Old-Age Benefits Act, 1976, every company should submit EOBI deducted from employees along with employer contribution within 15th day of succeeding month. However, we have observed that EOBI has not been paid by the company within prescribed limits for few months.

We recommend that EOBI should be paid within prescribed limits, in order to avoid any penalty imposed by law.

8. DEFERRED GRANT

We noted that the balance of restricted grant related to "Human Resource Development through Research and Training in Fisheries Department (HRRT)" amounting to Rs. 1.181 million, grant related to "Promotion of Shrimp, Tilapia Polyculture in Pond Conditions (PSTPC)" amounting to Rs. 0.193 million, and grant related to "Establishment of Pen Fish Farm of Sea Bass and Groupers Along With Coastal Belt of Sindh" amounting to Rs. 3.242 million remained unchanged during the year. We recommend management that after the approval of the donor such balance should either be utilized against other projects or be refunded.

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9. EXPENSES

Fisheries Development Board Head Office and four of its projects operate from the same location whereas common expenses like utilities and telecommunication of Head Office and projects are charged to different projects grant, which may result in overutilization of project expenses that are not related to the specific project.

We recommend that combined expenses should be apportioned proportionately between the projects and head office.

10. CONTINGENCIES AND COMMITMENTS

In the prior year, the Company sold trout fish to M/S Ali Bhai & Sons (Private) Limited on credit. The balance of Rs. 2.5 million is still receivable against this sale. The Company has filed suit for the recovery of said balance while an FIR has also been filed against the said party as per direction of the Session court. As per the management, they are expecting a favorable outcome and therefore no provision has been recorded in respect of the amount recoverable. Moreover, we have not received any confirmation from the legal counsel in this regard. We recommend that the said balance should be provided for after proper scrutiny.

11. GENERAL

We have not received direct replies against confirmations from most of the debtors and suppliers circulated. We have performed alternative tests to confirm the status of closing balances. We recommend that confirmations from parties should be followed up and provided to us to confirm that books of accounts reflect the correct position at the year-end.

12. UNIQUE DOCUMENT IDENTIFICATION NUMBER (UDIN)

To enhance public trust on auditor's report, the Institute of Chartered Accountants of Pakistan (ICAP) has issued a Directive 4.27, whereby it is required that every practicing chartered accountant will place UDIN generated from ICAP portal on the following reports:

- Auditors' Report on General Purpose Financial Statements
- Auditors' Report on Interim Financial Information
- Auditors' Report on Statement of Compliance with Code of Corporate governance

In order to obtain the UDIN, auditors are required to upload certain financial information of the reporting entity. Accordingly, we are required to upload the information on ICAP's portal for generation of UDIN. The ICAP, in its frequently asked questions, has assured that Client's confidential data would be entered by the concerned engagement partner himself and such data would not be available for any unauthorized use.

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Compliance of the above ICAP Directive is mandatory and non-compliance of results in professional misconduct under Chartered Accountants Ordinance, 1961.

13. CONTINGENCIES AND COMMITMENTS

We have been informed by the management that there are no contingent liabilities and commitments of the Company as on the date of the financial statements other than those disclosed in the notes to the financial statements. Kindly confirm the representations made by management.

14. RELATED PARTY TRANSACTIONS

We have been informed by the management that there were no transactions with the related parties other than those disclosed in the notes to the financial statements. Kindly confirm the representations made by management.

15. SUBSEQUENT EVENTS

We have been informed by the management that there were no subsequent events that would have financial reporting implications or required disclosure in these financial statements.

16. FRAUD AND ERROR

We have been informed by the management that no case of fraud and error has been brought to their knowledge during the year. Kindly confirm the representations made by management.

We wish to place on record our appreciation for the courtesy and cooperation extended to us during course of our audit.

Yours faithfully,


BDO EBRAHIM & CO.
Enclosed as above

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FISHERIES DEVELOPMENT BOARD

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **FISHERIES DEVELOPMENT BOARD** (the Company), which comprise the statement of financial position as at June 30, 2022 and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, 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, 2022 and of the surplus and other comprehensive income, the changes in fund and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors Report Thereon

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

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

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.

Revised,

- 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, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors report is Iffat Hussain.

ISLAMABAD

DATED:
UDIN:

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Review

**FISHERIES DEVELOPMENT BOARD
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees (Restated)	2020 Rupees (Restated)
ASSETS				
NON-CURRENT ASSETS				
Property and equipment	6	104,712,617	77,212,533	60,170,869
Intangible asset	7	1,874,094	1,229,039	1,470,567
Capital work in progress	8	46,884,931	-	-
Long term investments	9	-	320,000,000	300,000,000
		<u>153,471,642</u>	<u>398,441,572</u>	<u>361,641,436</u>
CURRENT ASSETS				
Grant receivable		15,235,602	4,914,354	5,731,596
Current portion of long term investments	9	351,600,000	-	-
Biological assets	10	2,572,979	-	-
Advance tax	11	18,911,178	10,462,300	-
Inventory	12	434,944	-	-
Advances	13	2,286,200	75,000	50,000
Deposits and short-term prepayments	14	1,405,311	1,016,780	785,970
Other receivables	15	3,337,123	3,328,549	2,670,745
Accrued interest	16	4,808,365	34,362,774	38,420,111
Cash and bank balances	17	37,911,891	12,436,238	9,551,333
		<u>438,503,592</u>	<u>66,595,995</u>	<u>57,209,755</u>
TOTAL ASSETS		<u><u>591,975,234</u></u>	<u><u>465,037,567</u></u>	<u><u>418,851,191</u></u>
FUND AND LIABILITIES				
FUND				
Endowment Fund	18	300,000,000	300,000,000	300,000,000
Accumulated surplus		94,264,306	60,423,504	29,399,724
		<u>394,264,306</u>	<u>360,423,504</u>	<u>329,399,724</u>
NON-CURRENT LIABILITIES				
Deferred grants	19	162,415,498	82,983,730	68,097,685
Deferred liabilities	20	18,145,874	15,369,746	12,894,078
		<u>180,561,372</u>	<u>98,353,476</u>	<u>80,991,763</u>
CURRENT LIABILITIES				
Accrued and other liabilities	21	17,149,556	6,260,587	8,459,704
TOTAL FUND AND LIABILITIES		<u><u>591,975,234</u></u>	<u><u>465,037,567</u></u>	<u><u>418,851,191</u></u>
CONTINGENCIES AND COMMITMENTS	22	-	-	-

The annexed notes from 1 to 37 form an integral part of these financial statements.

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CHAIRMAN

CHIEF EXECUTIVE

**FISHERIES DEVELOPMENT BOARD
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees (Restated)
INCOME			
Grant income	23	147,508,810	71,312,054
Other operating income	24	45,901,608	41,436,544
Other income	25	2,078,610	3,072,662
		<u>195,489,028</u>	<u>115,821,260</u>
EXPENDITURE			
Programme expenses - direct costs	26	104,974,471	38,229,408
Administrative expenses	27	57,431,532	47,109,917
		<u>162,406,003</u>	<u>85,339,325</u>
SURPLUS FOR THE YEAR		<u><u>33,083,025</u></u>	<u><u>30,481,935</u></u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

Done.

CHAIRMAN

CHIEF EXECUTIVE

FISHERIES DEVELOPMENT BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	Rupees	Rupees
		(Restated)
Surplus for the year	33,083,025	30,481,935
Other comprehensive income		
Remeasurment gain on defined benefit obligations	<u>757,777</u>	<u>541,845</u>
Total comprehensive income for the year	<u><u>33,840,802</u></u>	<u><u>31,023,780</u></u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

As per.

CHAIRMAN

CHIEF EXECUTIVE

**FISHERIES DEVELOPMENT BOARD
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Accumulated Fund Rupees Restated
Balance as at July 01, 2019 as previously reported	(10,719,425)
Impact of rectification of error	
Provision for gratuity booked	(1,324,950)
Balance at July 01, 2019 - restated	<u>(12,044,375)</u>
Surplus for the year	47,953,257
Balance as June 30, 2020 - restated	<u>35,908,882</u>
Impact of rectification of error	
Impact of change in policy as per IAS-19	(6,509,158)
Balance at June 30, 2020 - restated	<u>29,399,724</u>
Total comprehensive income for the year ended June 30, 2021	
Surplus for the year	30,481,935
Other comprehensive income	541,845
Balance as June 30, 2021 - restated	<u>60,423,504</u>
Total comprehensive income for the year ended June 30, 2022	
Surplus for the year	33,083,025
Other comprehensive income	757,777
Balance at June 30, 2022	<u><u>94,264,306</u></u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

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CHAIRMAN

CHIEF EXECUTIVE

**FISHERIES DEVELOPMENT BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		33,083,025	30,481,935
Adjustments for non-cash and other items:			
Depreciation	6	17,275,037	13,750,553
Amortization	7	303,971	241,528
Provision for gratuity charged		3,533,905	3,017,513
Grant income	23	(147,508,810)	(71,312,054)
Profit on investments and bank deposits	24	(45,901,608)	(41,436,544)
Loss before working capital changes		<u>(172,297,505)</u>	<u>(95,739,003)</u>
		(139,214,480)	(65,257,068)
Working capital changes			
Decrease / (increase) in current assets			
Inventory		(1,211,681)	-
Biological assets		(2,948,400)	-
Grant receivable		(10,321,248)	817,242
Advances		(2,211,200)	(25,000)
Deposits and short- term prepayments		(388,531)	(230,810)
Other receivables		(8,574)	(657,804)
Increase/ (decrease) in current liabilities			
Trade and other payables		10,888,970	(2,199,117)
		<u>(6,200,663)</u>	<u>(2,295,487)</u>
Cash used in operations		<u>(145,415,143)</u>	<u>(67,552,555)</u>
Grant received		228,092,737	88,092,594
Net cash generated from operating activities		<u>82,677,593</u>	<u>20,540,039</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(44,775,121)	(30,792,217)
Increase in long-term investments		(31,600,000)	(20,000,000)
Acquisition of intangible assets		(949,026)	-
Capital work in progress		(46,884,931)	-
Interest received		67,007,138	33,137,084
Net cash used in investing activities		<u>(57,201,940)</u>	<u>(17,655,134)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in cash and cash equivalents		<u>25,475,653</u>	<u>2,884,905</u>
Cash and cash equivalents at the beginning of the year		<u>12,436,238</u>	<u>9,551,333</u>
Cash and cash equivalents at the end of the year	17	<u><u>37,911,891</u></u>	<u><u>12,436,238</u></u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHAIRMAN

CHIEF EXECUTIVE

**FISHERIES DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

1 LEGAL STATUS AND OPERATIONS

Fisheries Development Board (FDB the Company), was incorporated on August 02, 2007 under Section 42 of the repealed Companies Ordinance, 1984 (repealed by the Companies Act, 2017 with effect from May 30, 2017), as a company limited by guarantee. The registered office of the Company is situated at Fisheries and livestock complex, Gate No. 02, NARC Islamabad.

Locations	Purpose
(a) Fisheries and livestock complex, Gate No. 02, NARC Islamabad	Head Office
(b) B-111 13D/2 Gulshan Iqbal, Karachi	Regional Office
(c) Agha Rizvi house, division road Alamdar chowk, Skardu	Regional Office

The Company has been set up to provide and maintain a platform for enhancing and promoting the fisheries sector in Pakistan, where the participants, professionals and intermediaries may discuss issues of common interest, identify new solutions that enhance the efficiency of the sector, initiate development programs, promote regional and global integration, and undertake activities in Pakistan and / or abroad, for any or all of the purposes for which the Company has been established. The operations of the Company are being run and administered by Ministry of National Food Security and Research (formerly Ministry of Food, Agriculture and Livestock).

The objective of setting up the Company was envisioned under PC-1 of the Aquaculture and Shrimp Farming Project ("the Project") dated April 2007. The Project was originally sponsored by the Ministry of Food, Agriculture and Livestock (MINFAL) and is being executed through the following agencies.

- Ministry of National Food Security and Research (formerly MINFAL)
 - Fisheries Management Wing (FMW)
 - Marine Fisheries Department (MFD)
 - Pakistan Agricultural Research Council (PARC)
- Line department of provinces and special areas
- Private sector / NGOs

1.1 Projects

a) Pilot Shrimp Farming Cluster Development Project

The project was started from September 17, 2019 with an expected cost of Rs. 168 million which will take an expected duration of 5 years under the "Ministry of National food security and research" the purpose of which is to built multipurpose hatchery to provide shrimp seed to private fish farms along the coast of Balochistan. A Research and Development Centre will also be established in the cluster areas to provide R&D support to the farming community. Trainings will be imparted to 1570 people, interested in shrimp farming.

b) Cage Culture Cluster Development Project

The project was started from December 6, 2019 with an expected cost of Rs. 680 million which will take an expected duration of 5 years under the "Ministry of National food security and research" the purpose of which is to develop a cage culture technology in Pakistan by establishing modern cage farms and facilitation units. Training to stakeholders will also be provided in order to develop the human resource.

c) Establishment of Pen Fish Farm of Sea Bass and Groupers along with Coastal Belt of Sindh

The project was started in July 2017 and was designed to promote sea farming near coastal area of Pakistan which is 1100 km in length. Expected cost at the time of initiation of project was 96 million and was carried out under the "Ministry of Commerce". Purpose of the project is to establish pen fish farms and designing and manufacturing of pens for culture. Pen/cage culture is a technology of fish production in which an enclosure is established in shallow sea water or in creek area outside sea.

d) Promotion of Trout Farming in Northern Areas of Pakistan

The project was started from September 4, 2019, with an expected cost of Rs. 1,515 million which will take an expected duration of 5 years under the "Ministry of National food security and research", the purpose of which is to build and renovate hatcheries in Azad Jamu & Kashmir, Gilgit Biltistan and Khyber Pakhtunkhwa and to build trout farms with public private partnership in all the three regions. Under the project fish markets will be established along with the processing plants. Training and capacity building will also be provided to public as well as private stakeholders.

1.2 Joint Ventures

On March 06, 2015, FDB entered into an agreement with Reliance Aqua Farm (Private) Limited (RAFPL), to execute a project of shrimp farming on commercial basis. Under the terms of the arrangement, RAFPL shall contribute all of its existing infrastructure to the joint arrangement for the term of the agreement; i.e. five years. As per the agreement, FDB shall invest in repair of ponds, farm inputs, procurement and installation of equipment and hiring of staff for the farm, in the first year of operations; from the second year of operations, RAFPL will invest in operational costs like fish seed and feed etc., and utilize the machinery, equipment and ponds renovated by FDB. The net profit shall be disbursed between FDB and RAFPL at 60:40 in the first year, and 30:70 in subsequent years, respectively. Any loss during the first financial year will however, be borne by FDB entirely. Management interprets that any loss in subsequent years is to be borne by RAFPL and FDB will not bear any liability in this respect.

Out of the total fourteen ponds owned by RAFPL, FDB shall utilize ten ponds and may sublet the remaining four ponds to any private sector entrepreneur. For sublet ponds, FDB shall finance the repair of the ponds and installation of equipment, and the lessee shall incur the operational costs of farming, and will payback 30% of the net profit, to be shared equally between FDB and RAFPL. The contract have been extended for 2 more years on expiry of project on July 07, 2022.

Redeem

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or the Accounting Standard for NPO, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of preparation

These financial statements have been prepared under the historical cost convention and on accrual basis of accounting except for the cash flow statement or as otherwise stated, in the respective policies and notes given hereunder.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupee, which is the functional and presentation currency of the Company.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

Refer

**Effective date
(annual periods
beginning on or
after)**

Interest Rate Benchmarck Reform - Phase 2
(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) January 01, 2021

Amendments to IFRS 16 'Leases' - Extended practical relief regarding
Covid - 19 related rent concessions April 01, 2021

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

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

Amendments to IFRS 3 'Business Combinations' - Reference to the
conceptual framework January 01, 2022

Amendments to IAS 1 'Presentation of Financial Statements' -
Classification of liabilities as current or non-current January 01, 2024

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure
of Accounting Policies January 01, 2023

Amendments to IAS 8 'Accounting Policies, Changes in Accounting
Estimates and Errors' - Definition of Accounting Estimates January 01, 2023

Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets
and Liabilities arising from a single transaction January 01, 2023

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before
intended use January 01, 2022

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent
Assets' - Onerous Contracts - Cost of fulfilling a contract January 01, 2022

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

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income, applying the straight line method to write off the cost of an asset over its estimated useful life at the rates specified in note 6 of operating fixed assets. A full month's depreciation is charged in the month of addition, while no depreciation is charged in the month of disposal.

Maintenance and normal repairs are charged to the income and expenditure account as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that the respective future economic benefits will flow to the Company. Gains and losses on disposals are determined by comparing sale proceeds with the carrying amount of the relevant assets. These are included in the income and expenditure account.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the income and expenditure account.

Operating fixed assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in income to that extent.

4.2 Intangible

These are stated at cost less accumulated amortization and impairment losses, if any. Major computer software licenses are capitalized on the basis of cost incurred to acquire and bring to use the specific software. Amortization is provided on straight line method at the rates disclosed in note 7 to the financial statements.

Cost associated with maintaining computer software are recognized as an expense as and when incurred.

4.3 Capital work in progress

Capital work-in-progress are stated at cost and consist of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

4.4 Biological assets

The Company measures seeds at their fair value less cost to sell. Fair value of seed is determined based on market prices in the local area. Gains or losses arising from changes in fair value less cost to sell are recognized in profit and loss account.

4.5 Investments

Amortized cost investments

Amortized cost investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold up to the maturity. If the Company wants to sell other than an insignificant amount of amortized cost financial assets, the whole category would be tainted.

Amortized cost investments are initially recognized at fair value plus transaction costs. Such investments are carried at amortized cost, using the effective interest rate method, less impairment, if any.

4.6 Receivables

Receivables originated by the Company are recognized and carried at original billed amounts less any estimated allowance made for doubtful receivables, if any.

An estimate for doubtful receivables is made when collection of the full amount is no longer probable based on a review of all outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when determined to be uncollectable.

4.7 Inventory

Recognition and measurement

The Company is recognizing feed stock at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

Cost comprises of direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditures. Costs of purchased inventory are determined after deducting rebates and discounts. Costs are assigned to individual items of inventory on the basis of "First-in-First-out (FIFO)" method.

Judgement and Estimates:

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of change in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and decline in net realisable value and an allowance is recorded against the inventory balances for such declines.

4.8 Cash and cash equivalents

Projects are funded through National Bank's Lapsable Assignment Account (LAA). LAA is a special type of Account for which the sanction of expenditure is given by AGPR and all the sanctions appearing as at June 30 will expire.

4.9 Deferred liabilities

The Company operates an unfunded gratuity scheme for all its permanent employees who attain the minimum qualification period for entitlement to gratuity. The Company has a policy to record provision for gratuity when an employee serves for more than six months in a reporting period. The provision is recognised against one month basic pay of employee if he/she serves between 5 to 10 years, and the two months of basic pay if an employee serves more than 10 years.

4.10 Trade and other payables

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

4.11 Income recognition

(a) Grants income

Grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

(b) Grants against operating activities

Grants of a non-capital nature are recognized as deferred income at the time of their receipt. Subsequently, these are recognized in the income and expenditure statement on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

(c) Grants against purchase of fixed assets

Grants received for the purchase of fixed assets, are initially recorded as deferred income upon receipt. Subsequently, these are recognized in the income and expenditure statement, on a systematic basis, over the periods and in the proportions in which depreciation expense on those assets is recognised.

(d) Return on bank deposits and investments

Return on bank deposits and investments is recognized using the effective interest rate method.

Balance

4.12 Endowment fund

Board of directors (BOD) in their 26th BOD held on 13th March, 2018, initiated case for the sustainability of FDB. In this regard, finance division had provided Rs.300 million grant during the FY-2018-19 as seed money to raise an Endowment Fund to FDB as a restricted grant.

4.13 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with approved accounting standards requires the management to:-

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

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

a) Property and equipment

Management has made estimates of fair value, residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property and equipment with corresponding effect on the depreciation charge and impairment loss.

b) Intangibles

Management has made estimates of the fair value, residual values, useful lives and recoverable amounts of intangible assets. Any change in these estimates in future years might affect the carrying amounts of the respective items with corresponding effect on the amortisation charge and impairment loss.

c) Capital work in progress

Capital work-in-progress is stated at cost and consist of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

d) Provision for doubtful receivables

The carrying amount of trade and other receivables are assessed on regular basis and if there is any doubt about the realisability of these receivables, an appropriate amount of provision is made.

Adena.

e) **Biological assets**

The management has made estimates of the fair value of biological assets and the expected costs to sell them at the end of each financial reporting period. The fair value gains and losses are recorded in profit and loss of the relevant period.

f) **Provision for gratuity**

The Company has a policy to record provision for gratuity when an employee serves for more than six months in a reporting period. The provision is recognised against one month basic pay of employee if he/she serves between 5 to 10 years, and the two months of basic pay if an employee serves more than 10 years.

5 RESTATEMENT DUE TO CHANGE IN ACCOUNTING POLICY

- a) The company has restated the financial statements because of change due to adoption of accounting policy for recording provision for gratuity as per IAS-19.

The financial impact is shown as follows:

Description	As at June 30, 2021		
	As previously reported on June 30, 2021	Adjustments Increase / (Decrease)	As restated on June 30, 2021
Impact on financial position			
Retained earnings	67,424,920	(7,001,416)	60,423,504
Liabilities			
Deferred liabilities	8,368,330	1,034,103	9,402,433
Impact on profit and loss			
Administrative expenses	25,098,368	1,034,103	26,132,471

Description	As at June 30, 2020		
	As previously reported on June 30, 2020	Adjustments Increase / (Decrease)	As restated on June 30, 2020
Impact on financial position			
Retained earnings	35,908,882	(6,509,158)	29,399,724
Liabilities			
Deferred liabilities	6,384,920	6,509,158	12,894,078

Reverse.

6 PROPERTY AND EQUIPMENT

Description	Project Funded						Head Office		Total	
	Freehold Land	Office building	Furniture and fixtures	Office equipment	Vehicles	Scientific and other equipment	Plant and machinery	Sub total		Office equipment
Rupees										
Year ended June 30, 2022										
Net carrying value basis										
Opening net book value	-	-	6,078,832	8,084,332	25,696,211	1,386,346	35,947,461	77,193,182	19,351	77,212,533
Additions	5,313,000	11,479,877	223,478	2,238,164	16,575,590	660,465	7,448,372	43,938,946	836,175	44,775,121
Depreciation charge	-	(860,991)	(796,256)	(1,436,190)	(2,947,315)	(45,329)	(11,170,206)	(17,256,287)	(18,750)	(17,275,037)
Closing net book value	5,313,000	10,618,886	5,506,054	8,886,306	39,324,486	2,001,482	32,225,627	103,875,842	836,776	104,712,617
Gross carrying value basis										
Cost	5,313,000	11,479,877	10,607,757	23,525,391	46,943,016	60,705,078	59,088,404	217,662,523	855,771	218,518,294
Accumulated depreciation	-	(860,991)	(5,101,703)	(14,639,085)	(7,618,530)	(58,703,596)	(26,862,777)	(113,786,682)	(18,995)	(113,805,677)
Net book value	5,313,000	10,618,886	5,506,054	8,886,306	39,324,486	2,001,482	32,225,627	103,875,842	836,776	104,712,617
Year ended June 30, 2021										
Net carrying value basis										
Opening net book value	-	-	6,405,829	7,146,421	2,313,520	2,792,974	41,512,125	60,170,869	-	60,170,869
Additions	-	-	361,969	2,299,793	24,191,893	-	3,918,966	30,772,621	19,596	30,792,217
Depreciation charge	-	-	(688,966)	(1,361,882)	(809,202)	(1,406,628)	(9,483,630)	(13,750,308)	(245)	(13,750,553)
Closing net book value	-	-	6,078,832	8,084,332	25,696,211	1,386,346	35,947,461	77,193,182	19,351	77,212,533
Gross carrying value basis										
Cost	-	-	10,384,279	21,287,227	30,367,426	60,044,613	51,640,032	173,723,577	19,596	173,743,173
Accumulated depreciation	-	-	(4,305,447)	(13,202,895)	(4,671,215)	(58,658,267)	(15,692,571)	(96,530,395)	(245)	(96,530,640)
Net book value	-	-	6,078,832	8,084,332	25,696,211	1,386,346	35,947,461	77,193,182	19,351	77,212,533
Depreciation rate per annum			10%	10%	10%	20%	20%	20%	15%	15%

6.1 Depreciation has been allocated to the operating expenses.

6.2 The Company has acquired 134 canals and 8 marlas of land @ Rs 0.034 million per kanal in Pind Dadan Khan for "Pilot Shrimp Farming Cluster Development Project". The total cost of land amounts to Rs. 5.313 million.

6.3 The addition in office building is mainly due to cost incurred on renovation of office building amounting to Rs. 10.74 million during the audit period. *False*

	Note	2022 Rupees	2021 Rupees
7 INTANGIBLE ASSET			
Computer software	7.1	<u>1,874,094</u>	<u>1,229,039</u>
7.1 Net carrying value basis			
Opening net book value		1,229,039	1,470,567
Additions during the year		949,026	-
		<u>2,178,065</u>	<u>1,470,567</u>
Amortization during the year		(303,971)	(241,528)
Closing net book value		<u>1,874,094</u>	<u>1,229,039</u>
7.2 Gross carrying value basis			
Cost		2,415,279	2,415,279
Additions	7.2.1	949,026	-
Accumulated amortization		(1,490,211)	(1,186,240)
Net book value		<u>1,874,094</u>	<u>1,229,039</u>
Amortization rate per annum		10%	10%

7.2.1 Additions represents licenses purchased for "Pilot Shrimp Farming Cluster Development Project" and "Cage Culture Cluster Development Project" amounting to Rs. 0.524 million and training software purchased of Rs. 0.425 million for "Pilot Shrimp Farming Cluster Development Project" in order to maintain the training database.

	Note	2022 Rupees	2021 Rupees
8 CAPITAL WORK IN PROGRESS			
Balance at July 01, 2021		-	-
Addition during the year	8.1	46,884,931	-
Transfer to property, plant and equipment		-	-
Balance at June 30, 2022		<u>46,884,931</u>	<u>-</u>

8.1 This represents construction of hatcheries in Balochistan including boundary wall, protection wall, internal roads under "Pilot Shrimp Farming Cluster Development Project" and construction of building at Keenjhar lake Thatta under "Cage Culture Cluster Development Project".

Redeem

	Note	2022 Rupees	2021 Rupees
9 LONG TERM INVESTMENTS			
-At amortized cost			
Cost (opening)	9.1	320,000,000	300,000,000
Additions	9.2	31,600,000	20,000,000
Accrued interest		34,362,774	40,820,000
		<u>385,962,774</u>	<u>360,820,000</u>
Shown as part of interest accrued		<u>(34,362,774)</u>	<u>(40,820,000)</u>
		<u>351,600,000</u>	<u>320,000,000</u>
Current portion of long term investments		<u>351,600,000</u>	-
Non current portion of long term investments		<u>-</u>	<u>320,000,000</u>

9.1 This represents a TDR, placed with the National Bank of Pakistan, having a face value of Rs. 300 million. The TDR carries mark-up at the rate of 13.40 % per annum, with a term of 3 years maturing on July 18, 2022. Further, a TDR of Rs 20 million having maturity on July 21, 2022 is also placed with National Bank of Pakistan and interest rate of 6.20% receivable at maturity.

9.2 This represents TDR placed with National Bank of Pakistan having face values of 31.6 million having maturity on July 18, 2022 and interest rate of 7.2% receivable at maturity.

	Note	2022 Rupees	2021 Rupees
10 BIOLOGICAL ASSET			
Biological asset		<u>2,572,979</u>	<u>-</u>
10.1 Reconciliation of changes in carrying amount			
Purchases during the year		2,948,400	-
Decrease due to mortality		(375,421)	-
Balance as at June 30, 2022	10.1.1	<u>2,572,979</u>	<u>-</u>

10.1.1 At June 30, 2022, biological asset comprised of 48,880 seeds (2021: nil) including 29,036 "Tilapia" seeds, 14,115 "Pangsius" seeds and 5,729 "Grass Carp" seeds. During the year, no seed is sold.

10.2 Risk management strategy related to agricultural activities

The Company is exposed to the following risks relating to its business.

Regulatory Risks

The Company is subject to laws and regulations for standard of food quality promulgated by the food authorities of the country. The Company has established policies and procedures with necessary resources to ensure compliance with these laws and regulations.

Mortality Risk

The Company is exposed to the risk of loss arising by mortality of seeds due to un-suitable temperature and high or low quantity of feeds given to them. The Company mitigates such risk through proper check and balance and by selling the seeds before its mortality.

	Note	2022 Rupees	2021 Rupees
11	ADVANCE TAX		
	Opening balance	10,462,300	-
	Charge for the year	-	-
	Income tax paid during the year	8,448,878	10,462,300
		<u>18,911,178</u>	<u>10,462,300</u>
12	INVENTORY		
	Balance as at July 01, 2021	-	-
	Additions during the year	12.1 1,211,681	-
	Consumptions	(776,737)	-
	Balance as at June 30, 2022	<u>434,944</u>	<u>-</u>

12.1 This represents the feeds procured during the period under various projects.

	Note	2022 Rupees	2021 Rupees
13	ADVANCES		
	Unsecured - considered good		
	To employees against expenses	75,000	75,000
	To Saigol Motors	13.1 2,211,200	-
		<u>2,286,200</u>	<u>75,000</u>

13.1 This represents advance payment made to Saigol Motors for delivery of vehicle.
Adsew.

	Note	2022 Rupees	2021 Rupees
14 DEPOSITS AND SHORT-TERM PREPAYMENTS			
Security deposits		551,400	551,400
Prepayments	14.1	853,911	465,380
		<u>1,405,311</u>	<u>1,016,780</u>
14.1	This represents prepayments against the medical insurance of employees with Pak Qatar Group.		
	Note	2022 Rupees	2021 Rupees
15 OTHER RECEIVABLES			
Other receivables	15.1	3,337,123	3,328,549
15.1	Other receivables includes an amount of Rs. 2.5 million receivable against sale of fish from M/S Ali Bhai and Sons Pvt. Ltd.		
	Note	2022 Rupees	2021 Rupees
16 ACCRUED INTEREST			
Accrued interest	16.1	4,808,365	34,362,774
16.1	This represents interests calculated on TDRs mentioned in Note 9 to these financial statements and profits on bank deposits.		
	Note	2022 Rupees	2021 Rupees
17 CASH AND BANK BALANCES			
Cash in hand		315	94,695
Cash at bank - local currency			
Current accounts		3,482,772	4,330,165
Saving accounts	17.1	34,428,804	8,011,378
		37,911,576	12,341,543
		<u>37,911,891</u>	<u>12,436,238</u>
17.1	These carry mark-up at the rates ranging from 5.75% to 12.25% (2021: 7% to 11% per annum).		
	Note	2022 Rupees	2021 Rupees
18 ENDOWMENT FUND			
Endowment fund	18.1	300,000,000	300,000,000

18.1 This represents the fund raised by finance division as disclosed in note 4.12 of these financial statements. The fund was invested in National Bank of Pakistan for 3 years as per instructions issued by finance division.

	Note	2022 Rupees	2021 Rupees
19 DEFERRED GRANT			
Deferred capital grant	19.1	154,791,581	78,367,736
Against feed and seed procurement		3,007,923	-
Against operating activities	19.2	4,615,994	4,615,994
		<u>162,415,498</u>	<u>82,983,730</u>
19.1 Deferred capital grant			
Balance as at July 01, 2021		78,367,736	61,587,196
Addition in deferred capital grant	19.4	93,984,103	30,772,621
Recognized in income during the year			
- Depreciation	6	(17,256,287)	(13,750,553)
- Amortization	7	(303,971)	(241,528)
		<u>154,791,581</u>	<u>78,367,736</u>
19.2 Against operating activities			
Balance as at July 01, 2021		(298,360)	778,893
Grant received during the year		195,579,160	175,935,205
Grant surrendered during the year - return		(3,911,929)	(107,318,660)
Grant lapsed during the year		(32,032)	(691,769)
Grant recognised during the year - net			
Amortization during the year		(104,964,420)	(38,229,408)
Feed and seed procurement		(3,007,923)	-
Transferred to deferred capital grant		(93,984,103)	(30,772,621)
		<u>(201,956,446)</u>	<u>(69,002,029)</u>
Balance as at June 30, 2022	19.4	(10,619,607)	(298,360)
Transferred to grant receivable		15,235,602	4,914,354
		<u>4,615,994</u>	<u>4,615,994</u>
19.3 Employees related expenses			
Balance as at July 01, 2021		-	-
Grant received during the year		24,974,081	18,886,921
Grant recognised during the year		(24,974,081)	(18,886,921)
		<u>-</u>	<u>-</u>

pkaw

19.4 Project wise movement in grants against

Project Name	Balance as at July 01, 2021	Grant received during the year	Unspent Grant		Prior Year Expenditures	Grant recognized in income and expenditure statement	Transferred to deferred capital grant	Feed and seed procurement	Adjustments	Closing balance	Grants receivable - gross	Net balance
			Surrendered grant	Lapsed grant								
Rupees												
A	B	C	D	E	F	G	G - A + B + C - D + E - F - G					
Local sources:												
Head Office (FDB Component)	(150,685)	-	-	-	-	-	-	-	(150,685)	(150,685)	(150,685)	(150,685)
Human resource development through research and training in fisheries department	1,180,562	-	-	-	-	-	-	-	1,180,562	-	-	1,180,562
Promotion of shrimp, tilapia polyculture in pond conditions	193,133	-	-	-	-	-	-	-	193,133	-	-	193,133
Establishment of pen fish farm of sea bass and groupers along with coastal belt of Sindh	3,242,299	-	-	-	-	-	-	-	3,242,299	-	-	3,242,299
Promotion of trout farming in northern areas of Pakistan	(54,279)	34,372,000	(3,735,820)	(794)	(7,200)	(20,679,052)	(9,993,597)	-	-	(98,742)	(91,542)	(190,284)
Pilot shrimp farming cluster development project	(215,605)	95,600,000	-	(19,939)	(211,417)	(38,128,825)	(65,638,843)	-	-	(8,614,629)	(8,403,212)	(8,403,212)
Cage culture cluster development project	(4,493,785)	65,607,160	(176,109)	(11,299)	(3,976,249)	(46,156,543)	(18,351,663)	(3,007,923)	-	(10,566,411)	(6,590,162)	(6,590,162)
	(298,360)	195,579,160	(3,911,929)	(32,032)	(4,194,866)	(104,964,420)	(93,984,103)	(3,007,923)	-	(14,814,474)	(15,235,602)	(10,718,349)

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	2022 Rupees	2021 Rupees (Restated)
20 DEFERRED LIABILITIES		
Gratuity payable	<u>18,145,874</u>	<u>15,369,746</u>
20.1 Gratuity payable		
Opening balance	15,369,746	12,894,078
Charged to profit and loss during the year	3,533,905	3,017,513
Payments during the year	-	-
Charge to other comprehensive income during the year	(757,777)	(541,845)
Closing balance	<u>18,145,874</u>	<u>15,369,746</u>

20.2 Staff retirement benefits - gratuity

General description

The scheme provides for terminal benefits for all its permanent employees who attain the minimum qualifying period at varying percentages of last drawn gross salary. The percentage depends on the number of service years with the Company. Annual charge is based on actuarial valuation carried out as at June 30, 2022 using the Projected Unit Credit Method.

The Company faces the following risks on account of gratuity:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Asset volatility - Most assets are invested in risk free investments i.e. Government Bonds / Treasury bills. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

Risk of insufficiency of assets - This is managed by making regular contribution to the plan as advised by the actuary.

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Principal actuarial assumptions

Following are a few important actuarial assumptions used in the valuation:

		2022	2021 Restated
Discount rate		13.50%	10.25%
Expected rate of increase in salary		0.00%	10.25%
Average age		41.5 years	40.5 years
Average service		8.3 years	7.3 years
Average entry age		33.2 years	33.2 years
Expected mortality rate		SLIC(2001-2005)	SLIC(2001-2005)
	Note	2022 Rupees	2021 Rupees Restated
20.2.1	Liability recognized in the statement of financial position	20.2.2 <u>18,145,874</u>	<u>15,369,746</u>
20.2.2	Reconciliation of balance due to defined benefit plan		
	Present value of defined benefit obligation	20.2.3 18,145,874	15,369,746
	Benefits due but not paid	-	-
	Closing net liability	20.2.1 <u>18,145,874</u>	<u>15,369,746</u>
20.2.3	Movement of the liability recognized in the statement of financial position		
	Opening net liability	15,369,746	6,384,920
	Restatement impact of IAS 19	-	6,509,158
	Charge for the year	20.2.5 3,533,905	3,017,513
	Remeasurement chargeable to other comprehensive income	(757,777)	(541,845)
	Benefits paid	-	-
	Closing net liability	20.2.2 <u>18,145,874</u>	<u>15,369,746</u>
20.2.4	Movement in present value of defined benefit obligations		
	Opening present value of defined benefit	15,369,746	6,384,920
	Restatement impact of IAS 19	-	6,509,158
	Current service cost for the year	1,958,506	1,824,811
	Interest cost for the year	1,575,399	1,192,702
	Remeasurement loss on obligation	64,750	17,879
	Experience adjustments	(822,527)	(559,724)
	Closing present value of defined benefit	<u>18,145,874</u>	<u>15,369,746</u>

Patel

	Note	2022 Rupees	2021 Rupees Restated
20.2.5			
Charge for the year			
Current service cost		1,958,506	1,824,811
Interest cost		1,575,399	1,192,702
Charge for the year	20.2.3	<u>3,533,905</u>	<u>3,017,513</u>

20.2.6 Remeasurement chargeable to other comprehensive income

Remeasurement gain on defined benefit obligations		(757,777)	(541,845)
Tax impact at 29%		219,755	157,135
		<u>(538,022)</u>	<u>(384,710)</u>

20.2.7 The Company has no plan assets, therefore fair value and movement in the fair value of plan assets has not been presented.

20.2.8 Sensitivity analysis

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

	Increase in Assumption Rupees	Decrease in Assumption Rupees
Discount rate	16,156,631	20,480,953
Salary increase	20,480,133	16,121,877

20.2.9 The charge in respect of defined benefit plan for the year ending June 30, 2022 is estimated to be Rs. 0.355 million. Further the Company has no plan assets, therefore fair value and movement in the fair value of plan assets has not been presented.

	2022 Rupees	2021 Rupees Restated
20.2.10		
Expected benefit payments from active employees		

1 year	354,910	-
2-5 year	4,759,119	-
6 to 10 years	6,339,779	-
11 year and onward	476,907,304	-

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	2022 Rupees	2021 Rupees
21 ACCRUED AND OTHER LIABILITIES		
Accrued liabilities	540,875	540,876
Other liabilities		
Payable to suppliers	16,028,766	5,440,886
Withholding tax payable	579,915	278,825
	<u>16,608,681</u>	<u>5,719,711</u>
	<u>17,149,556</u>	<u>6,260,587</u>

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

22.1.1 M/s Ali Bhai & Sons Pvt. Ltd has filed case in court of senior civil Judge, Islamabad against Fisheries Development Board to reimburse Rs. 0.423 million in respect of advance payment for the purchase of trout fish and Rs.0.180 million bid money cash deposit receipt. M/s Ali bhai and sons is a distributor of fish and are in agreement with FDB to purchase fresh fish for distribution. However they are of view that FDB supplied approximately 1836 KG spoiled fish which was against the agreement. FDB have also filed case against Ali Bhai and Sons for the recovery of remaining amount of Rs. 2.5 millions and FIR have been filed against Ali Bhai and Sons on direction of court. The case is still under court consideration.

22.1.2 An Officer Inland Revenue has issued orders under section 122(5) of the Income Tax Ordinance, 2001 (ITO' 2001) having Order No. 100000099646304 and Order No. 1000000125253386 dated June 30, 2021 demanding tax amounting to Rs. 8.67 million and Rs. 2.87 million for tax year 2015 and tax year 2016 respectively. The Company has filed a revision of the said order on the grounds that the Company is not for profit entity and is entitled to 100% tax credit under section 100C of the ITO' 2001. The Company expects that the revision will be in their favor.

22.2 Commitments

The Company has commitment in respect of construction of shrimp hatchery at coastal area of Balochistan under the Project titled "Pilot Shrimp Farming Cluster Development project". The total estimated cost of the said project is Rs. 471.87 million and the cost of Rs. 441.87 million is to be incurred in future years in respect of this project.

	Note	2022 Rupees	2021 Rupees
23 GRANT INCOME			
Amortisation of deferred capital grant	19.1	17,560,258	13,992,081
Amortisation of restricted grant	19.2	104,974,471	38,433,052
Amortisation of restricted grant - against	19.3	24,974,081	18,886,921
		<u>147,508,810</u>	<u>71,312,054</u>

	Note	2022 Rupees	2021 Rupees
24 OTHER OPERATING INCOME			
Profit on bank deposits		390,181	680,738
Interest on TDRs	24.1	45,511,427	40,755,806
		<u>45,901,608</u>	<u>41,436,544</u>

24.1 This amount represents interest earned on TDRs placed with National Bank of Pakistan.

	Note	2022 Rupees	2021 Rupees
25 OTHER INCOME			
Sale of fish		1,995,110	3,072,662
Tender income		83,500	-
		<u>2,078,610</u>	<u>3,072,662</u>

26 PROGRAMME EXPENSES - DIRECT COSTS

Establishment of pen fish farm of sea bass and groupers along with coastal belt of Sindh	26.1	-	1,894,495
Promotion of trout farming in northern areas of Pakistan	26.2	20,689,103	9,710,235
Pilot shrimp farming cluster development project	26.3	38,128,825	13,585,086
Cage culture cluster development project	26.4	46,156,543	13,039,592
		<u>104,974,471</u>	<u>38,229,408</u>

26.1 Establishment of Pen Fish Farm of Sea Bass and Groupers along with Coastal Belt

Daily wages	-	646,800
Utilities	-	27,626
Vehicle running expenses	-	386,943
Printing and stationery	-	4,610
Repair and maintenance	-	357,757
Postage, telegram and telephone	-	23,197
Bank charges	-	477
Advertisement	-	33,260
Miscellaneous expenses	-	413,825
		<u>1,894,495</u>

Follow

	2022 Rupees	2021 Rupees
26.2 Promotion of Trout Farming in Northern Areas of Pakistan		
Salaries and allowances	7,647,694	5,305,412
Rent, rate and taxes	62,003	847,128
Consultancy charges	3,592,800	-
Project training charges	4,871,941	-
Postage, telegram and telephone	150,987	262,779
Utilities	583,911	792,068
Vehicle running expenses	857,187	499,714
Vehicle rental	16,000	430,000
Printing and stationery	582,850	120,201
Repair and maintenance	739,328	-
Travelling and boarding	1,042,625	749,676
Advertisement	254,996	450,178
Miscellaneous expenses	286,781	253,079
	<u>20,689,103</u>	<u>9,710,235</u>
26.3 Pilot Shrimp Farming Cluster Development Project		
Salaries and allowances	7,980,103	5,105,888
Consultancy charges	5,099,250	1,260,000
Project training charges	16,596,647	2,014,423
Utilities	1,033,216	488,189
Repair and maintenance	1,146,264	399,675
Rent, rate and taxes	200,640	1,165,840
Vehicle running expenses	838,846	511,700
Printing and stationery	911,992	714,611
Postage, telegram and telephone	416,150	226,261
Travelling and boarding	1,370,025	730,980
Advertisement	1,947,278	654,562
Miscellaneous expenses	588,414	312,957
	<u>38,128,825</u>	<u>13,585,086</u>
26.4 Cage Culture Cluster Development Project		
Salaries and allowances	11,468,641	5,175,290
Daily wages	-	37,800
Utilities	382,019	322,673
Rental equipment	870,000	540,000
Rent, rate and taxes	1,195,433	1,019,487
Vehicle running expenses	1,212,765	677,863
Printing and stationery	1,404,334	273,587
Feed consumption	776,737	300,000

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	Note	2022 Rupees	2021 Rupees (Restated)
Seed mortality		375,421	-
Postage, telegram and telephone		152,346	159,013
Travelling and boarding		1,784,080	977,226
Advertisement		1,842,111	825,297
Project training charges		20,900,095	2,253,292
Repair and maintenance		2,457,138	250,649
Fair value loss on biological assets		-	-
Miscellaneous expenses		1,335,423	227,415
		<u>46,156,543</u>	<u>13,039,592</u>

27 ADMINISTRATIVE EXPENSES

Salaries and allowances		31,646,503	26,132,471
Daily wages		612,040	1,455,759
EOBI expense		270,081	250,061
Travelling and boarding		1,613,010	912,739
Legal and professional charges		1,143,710	1,162,930
Vehicle running expenses		850,739	133,799
Postage, telegram and telephone		55,912	206,504
Printing, postage and stationery		131,290	151,732
Utilities		33,857	36,528
Rent, rate and taxes		-	96,800
Auditor remuneration	27.1	400,000	360,000
Depreciation	5	17,275,037	13,750,553
Amortization	6	303,971	241,528
Repair and maintenance		1,301,947	436,229
Medical insurance		892,336	699,953
Bank charges		81,035	95,811
Advertisement		-	251,915
Miscellaneous expenses		820,064	734,605
		<u>57,431,532</u>	<u>47,109,917</u>

27.1 Auditor remuneration

Audit fee		335,000	300,000
Other services		65,000	60,000
Out of pocket expense		-	-
		<u>400,000</u>	<u>360,000</u>

Rs. in Lakhs

28 REMUNERATION OF CHIEF EXECUTIVE DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year in respect of remuneration of the Chief Executive directors and executives of the Company are as follows:

Particulars	2022				2021			
	Directors	Chief Executive	Executives	Total	Directors	Chief Executive	Executives	Total
Remuneration (Rupees)	-	3,476,155	6,275,271	9,751,426	-	3,540,781	5,501,466	9,042,247
No. of persons	12	1	3	16	12	1	4	17

In the prior period, the CEO resigned after performing duties for the first three months. Whereas, the position was temporarily filled by executive director acting as CEO until the official appointment by federal secretary.

29 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings of the Company comprise of subsidiaries, associated companies, directors and key management personnel. Transactions with related parties and associated undertaking involve long term finance, service charges and the movements in current account.

29.1 Transaction with key management personnel

There are no other transactions with key management personnel other than under their terms of employment and disclosed in note 28.

Review

30 FINANCIAL ASSETS AND LIABILITIES

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

2022	Total	Interest/mark up bearing			Not interest / mark up bearing
		Maturity up to one year	Maturity after one year	Sub-total	
Rupees					
Financial assets					
Grant receivable	15,235,602	-	-	-	15,235,602
Deposits	551,400	-	-	-	551,400
Other receivables	3,337,123	-	-	-	3,337,123
Accrued interest	4,808,365	-	-	-	-
Long term investments	351,600,000	351,600,000	-	351,600,000	-
Cash and bank balances	37,911,891	34,428,804	-	34,428,804	3,483,087
	<u>413,444,381</u>	<u>386,028,804</u>	<u>-</u>	<u>386,028,804</u>	<u>22,607,212</u>
Financial liabilities					
Accrued and other liabilities	16,569,641	-	-	-	16,569,641
	<u>16,569,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,569,641</u>
On balance sheet gap	<u>396,874,739</u>	<u>386,028,804</u>	<u>-</u>	<u>386,028,804</u>	<u>6,037,570</u>
Rupees					
2021	Total	Interest/mark up bearing			Not interest / mark up bearing
		Maturity up to one year	Maturity after one year	Sub-total	
Rupees					
Financial assets					
Grant receivable	4,914,354	-	-	-	4,914,354
Deposits	551,400	-	-	-	551,400
Other receivables	3,328,549	-	-	-	3,328,549
Accrued interest	34,362,774	-	-	-	-
Long term investments	320,000,000	-	320,000,000	320,000,000	-
Cash and bank balances	12,436,238	8,011,378	-	8,011,378	4,424,860
	<u>375,593,315</u>	<u>8,011,378</u>	<u>320,000,000</u>	<u>328,011,378</u>	<u>13,219,163</u>
Financial liabilities					
Accrued and other liabilities	5,981,762	-	-	-	5,981,762
	<u>5,981,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,981,762</u>
On balance sheet gap	<u>369,611,553</u>	<u>8,011,378</u>	<u>320,000,000</u>	<u>328,011,378</u>	<u>7,237,401</u>

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31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management policies

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

The Company has exposure to the following risks from the use of its financial instruments:

- Credit risk
- Liquidity risk
- Market Risk

This note presents information about the Board's exposure to each of the above risks, the Board's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Board's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Board's risk management policies are established to identify and analyze the risks faced by the Board, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and system are reviewed regularly to reflect changes in market conditions and the Board's activities. The Board, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Board oversees how management monitors compliance with the Board's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Board.

31.1 Credit risk

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

Exposure to credit risk

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

Follows.

	2022	2021
	Rupees	Rupees
Grant receivable	15,235,602	4,914,354
Accrued interest	4,808,365	34,362,774
Security deposits	551,400	551,400
Other receivables	3,337,123	3,328,549
Long term investments	351,600,000	320,000,000
Bank balances	37,911,576	12,341,543
	<u>413,444,066</u>	<u>375,498,620</u>

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

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis.

Concentration of credit risk

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

Impaired assets

During the year, no assets have been impaired.

31.2 Liquidity risk

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

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years
	----- Rupees -----				
June 30, 2022					
Accrued and other liabilities	17,149,556	17,149,556	8,574,778	8,574,778	-
	17,149,556	17,149,556	8,574,778	8,574,778	-

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years
	----- Rupees -----				
June 30, 2021					
Accrued and other liabilities	6,260,587	6,260,587	3,130,294	3,130,293	-
	6,260,587	6,260,587	3,130,294	3,130,293	-

The Board believes that it is not exposed to any significant level of liquidity risk.

31.3 Market risk

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

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arise in financial instruments that are denominated in foreign currencies i.e. in a currency other then the functional

Presently, the board is not exposed to foreign currency risk.

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Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings from banks and short term advances (receivable and payables) from related parties. At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2022	2021	2022	2021
	Effective rate		Carrying amount	
	In percent		Rupees	
Variable rate instruments				
Financial assets				
Investments	13.40%	13.40%	320,000,000	320,000,000
Cash at bank - balances	5.75% to 12.25%	7% to 11%	34,428,804	8,011,378
			<u>354,428,804</u>	<u>328,011,378</u>

32 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IFRS-09. The carrying amount of trade receivables and payables are assumed to approximate their fair values.

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

Review

June 30, 2022		June 30, 2021	
Carrying amount	Fair value	Carrying amount	Fair value
-----Rupees-----			

Assets carried at amortised cost

Cash and bank balances	37,911,891	37,911,891	12,436,238	12,436,238
Investments	351,600,000	351,600,000	320,000,000	320,000,000
Other receivables	3,337,123	3,337,123	3,328,549	3,328,549
Grant receivable	15,235,602	15,235,602	4,914,354	4,914,354
Security deposits	551,400	551,400	551,400	551,400
Accrued interest	4,808,365	4,808,365	34,362,774	34,362,774
	<u>413,444,381</u>	<u>413,444,381</u>	<u>375,593,315</u>	<u>375,593,315</u>

Liabilities carried at amortized cost

Accrued and other liabilities	17,149,556	17,149,556	6,260,587	6,260,587
	<u>17,149,556</u>	<u>17,149,556</u>	<u>6,260,587</u>	<u>6,260,587</u>

Interest rate used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are of short term in nature, fair value significantly approximates to carrying value.

Fair value hierarchy

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by valuation method. The different values have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: input other than quoted prices included with in Level 1 that are observable for assets and liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change occurred.

	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
June 30, 2022					
Investment					
Long term investment	351,600,000	351,600,000	351,600,000	-	-
	351,600,000	351,600,000	351,600,000	-	-
June 30, 2021					
Investment					
Long term investment	320,000,000	320,000,000	320,000,000	-	-
	320,000,000	320,000,000	320,000,000	-	-

32.1 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

Non-derivate financial asset

The fair value of non-derivate financial asset is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The fair value is determined for disclosure purposes.

Non-derivate financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

33 FUND

The Board of Directors of the Company monitors the performance along with the fund required for the sustainable operations and the Company is not subject to externally imposed funds requirement.

34 NUMBER OF EMPLOYEES

	2022	2021
The number of employees as at year end	<u>22</u>	<u>22</u>
Average number of employees during the year	<u>22</u>	<u>22</u>

Below

35 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors of the Fisheries Development Board on _____.

36 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for better presentation and classification. Following major reclassifications have been made during the year:

Reclassified from	Reclassified to	2021
Accrued interest	Advance tax	10,462,300

37 GENERAL

Figures have been rounded - off to the nearest rupee.
Rs.

CHAIRMAN

CHIEF EXECUTIVE