



INSTITUTE OF CORPORATE SECRETARIES OF PAKISTAN

ANNUAL REPORT 2023



Table Of Contents

03

Mission & Vision

06

Profile of Council Members

13

Notice of AGM

17

President's Review

19

Council's Report

22

Auditor's Report

VISION STATEMENT

PROMOTION OF CORPORATE CULTURE IN PAKISTAN FOR GOOD GOVERNANCE, AS ENVISAGED IN THE CIVILIZED WORLD THROUGH PROFESSIONAL EXPERTISE IN THE FIELD OF CORPORATE LAWS AND SECRETARIAL PRACTICES.

MISSION STATEMENT

TO EXAMINE, GROOM AND PROMOTE HIGH QUALITY COMPANY SECRETARIES AND PROFESSIONALS IN CORPORATE SECTOR WHO ARE ABLE TO MEET THE DEMANDS OF PRESENT DAYS AND ALSO TO EQUIP THEM WITH KNOWLEDGE TO FACE THE FUTURISTIC CHALLENGES.



THE INSTITUTE

The Institute of Corporate Secretaries of Pakistan (ICSP) was established in 1973 to develop and regulate the profession of company secretaries in Pakistan. The Institute was formed as a company limited by guarantee under the Companies Act 1913 which was later substituted by the Companies Ordinance, 1984 and recently was replaced by the Companies Act 2017.

The ICSP is functioning as a recognized professional body of corporate secretaries which is imparting professional education and prudence in the areas of secretarial practice. Besides, to equip its students with knowledge for meeting challenges of modern corporate and financial world, the ICSP is also giving commands in the subjects of corporate & business laws, corporate governance, accounting, human resource and information technology.

The Institute has three classes of membership; Licentiate, Associate and the Fellow. A person who asses final exam conducted by the Institute becomes entitled for basic cadre titled as Licentiate however, if, at that time he holds at least three years' working experience and also meets certain other requirements then he can directly be admitted as an Associate. The Licentiate, on acquiring three years' working experience and after meeting certain other requirements can apply for Associate membership. Whereas, after completion of five years' continuous period as associate and on meeting certain other requirements an Associate member can apply for Fellow membership of the Institute.



The affairs of the ICSP are run by a National Council comprised of 12 members who are elected by the members of the Institute through a defined election process. The National Council is assisted by a Branch Council known as Karachi Branch Council. The members of the National Council are elected for three years whereas members of Karachi Branch Council are elected for a period of one year only.

Every year, members of the National Council elect amongst themselves five office bearers; a President, two Vice Presidents, a Secretary and a Treasurer. The day to day matters are administered through the Secretariat which is supervised by the office bearers.

Auditors

M/s. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants, 1st Floor, Modern Motors House, Beaumont Road, Karachi-75530

Bankers

MCB Islamic Bank Limited, Allied Bank Limited, Bank AL-Habib Limited Faysal Bank Limited, Meezan Bank Limited, Bank Islami Pakistan Limited

Registered Office

71-C/1 21 st Commercial Street
Phase-II D.H.A, Karachi

Email

info@icsp.org.pk (for general queries)
students@icsp.org.pk (for students related matters)
members@icsp.org.pk (for members related matters)

Website

<http://www.icsp.org.pk>

The Council

| | | |
|-----------------------|----------------------------------|--------------------------|
| President | Mr. Mohammed Zaki | FCIS,FCA,FPFA |
| Past President | Syed Shakeel Ur Rehman | FCIS,FCA,FPFA |
| Vice President | Mr. Abdul Rehman | FCIS,FCMA |
| Vice President | Mr. Mohammad Ahmed | FCIS |
| Secretary | Syed Maqsood Ahmad | FCIS,MA(Eco),LLB |
| Treasurer | Mr. Salman Ahmed | FCIS,FCA.CIA,CISA |
| MEMBERS | Mr. Zafar Mumtaz Burney | FCIS,FCMA,FPFA |
| | Mr. S. Shamim Akhtar | FCIS,FPFA,LLB |
| | Mr. Saquib Jawed | FCIS,FPFA |
| | Mr. Muhammad Javed Ansari | FCIS,FCMA,FPFA |
| | Mr. Nadeem Akhtar | FCIS,FCMA |
| | Mr. Tahir Mehmood | FCIS,LLB |
| | Ms. Nusrat Latif | FCIS,LLB |



The Council Profile

Mr Mohammed Zaki

PRESIDENT



Mr. Mohammed Zaki is currently serving the Institute as the President. He has also served the institute as the President in two previous terms, during the period from 2016 to 2017 and from 2018 to 2019. He became fellow member of the Institute of Corporate Secretaries of Pakistan (ICSP) in 1994 and he is also fellow member of the Pakistan Institute of public Finance Accountants (PIPFA) and the Institute of Chartered Accountants of Pakistan (ICAP). He is a dynamic and well known professional. He has over 40 years diversified experience in the fields of accounting, auditing, general management strategy & financial planning, people's management and corporate affairs. He worked for the leading multinational and national companies of the country. Since 1994, he is engaged with Interflow group of companies. At present he is serving this group as Group Director Finance.

The Council Profile

Syed Shakeel ur Rehman

PAST PRESIDENT



Syed Shakeel-ur-Rehman is the past president of the Institute of Corporate Secretaries of Pakistan (ICSP). He became member of the Institute in the year 1993 and Serving the Institute's Councils since last 25 years. He is a meticulous professional and is familiar among the professionals for his introspective and prudent approach and excellent leadership qualities. He has a diversified professional experience of over 34 years in the field of financial services, accounting, audit, business consultancy and taxation. During his professional career, he served various organizations at senior management positions and his last employment was as chief operating officer of a financial institution. He also represented the ICSP on the Board of Pakistan Institute of Corporate Governance as a director. Since 19 years, he is running a Chartered Accountant firm as proprietor.



THE COUNCIL PROFILE

MR. ABDUL REHMAN

VICE PRESIDENT

Mr. Abdul Rehman is currently serving the Institute as Vice President and Chairman Examination & Education Committee. He is a fellow member of the Institute of Corporate Secretaries of Pakistan and a fellow member of the Institute of Cost and Management Accountant of Pakistan. He has over 33 years rich experience in the fields of financial management, financial and cost accounting, budgeting, corporate finance, taxation, secretarial matters, project management and Internal Audit. His exposure encompasses the manufacturing, trading and service sectors, mainly automotive, engineering, Leasing, Modaraba. Real Estate and modern chain of stores. He has worked in his professional career at senior management positions as CFO GM Finance, Company Secretary, GM Projects, Chief Internal, Auditor and Business Analyst, GM Real Estate and Corporate Affairs. Presently, he is engaged in providing selective corporate advisory and management consulting services.

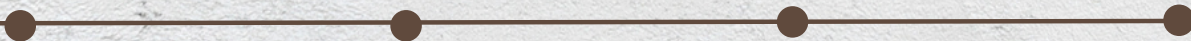
THE COUNCIL PROFILE



MR. MUHAMMAD AHMED

VICE PRESIDENT

Mr. Muhammad Ahmed is a fellow member of the Institute of Corporate Secretaries of Pakistan. He is serving the National Council of ICSP since many years. At present he is the Vice President of the ICSP. He has a vast experience of corporate and consumer financing with different financial organizations. He worked at senior positions at leasing financial institution. After acquiring rich experience of 21 years, he established his own financial consultancy & construction business. Before electing as member of the National Council, he has also served the ICSP as a member of Karachi Branch Council for about six years.



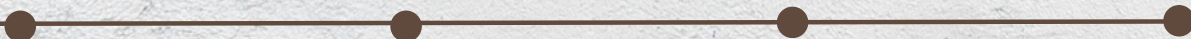
THE COUNCIL PROFILE



SYED MAQSOOD AHMAD

SECRETARY

Syed Maqsood Ahmad is a fellow member of the Institute of Corporate Secretaries of Pakistan. He became the member of the Institute in the year 1999. He is serving the Institute since many years and at present, he is serving as secretary. By profession, he is a Lawyer and is the member of the Sindh Bar Council, Karachi Bar Association and Sindh High Court Bar Association. He has worked in different senior management positions with reputable national and multinational organizations. He has served ICSP as deputy chairman of Branch Council and member of the National Council. He has established a law firm and providing legal, Corporate, IPR and Allied services.



THE COUNCIL PROFILE



MR. SALMAN AHMED

TREASURER

Mr. Salman Ahmed is the fellow member of the Institute and has been serving it in different capacities since many years. He became member of the Institute in the year 2001. In 2012, he was elected as a member Karachi Branch Council and since 2015 he has been a member of the National Council. In 2017, he was also entrusted with the responsibility of the Institute's accounting & financial reporting function, as its treasurer. He is also a fellow member of the Institute of Chartered Accountants of Pakistan (ICAP), a Certified Information Systems Auditor (CISA) and a Certified Internal Auditor (CIA). He has been serving the corporate sector for almost two decade in the fields of accounting, finance, audit MIS and corporate affairs. His professional experience encircles different listed unlisted, multinational and local companies operating in Textile, Leasing, Packaging, Engineering and Retail sectors, presently, he is associated with a large scale company, operating in steel & alloy sector.

THE COUNCIL PROFILE



ZAFAR MUMTAZ

MEMBER

Mr. Zafar Mumtaz Burney Became member of the Institute in the year 1992. He holds the Fellow membership of ICSP, ICMAP, & PIPFA. His working experience of over 41 years include exposure of legal affairs, banking operation, audit and accounts. He has worked in Allied Bank Ltd. and NDFC, leading bank and DFI, respectively of the country. Presently he is working with Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants in the capacity of Director, Audit & Assurance.



THE COUNCIL PROFILE



MR. SHAMIM AKHTER

MEMBER

S. Shamim Akhter is the member of the Institute of Corporate Secretaries of Pakistan (ICSP). He has served the Institute in the capacity of Secretary for many years and presently, he is a member of National Council, he has also been a member and chairman of the Karachi Branch Council of the Institute during 2001-2014. He is a fellow member of the Institute of Corporate Secretaries of Pakistan and Fellow member of the Pakistan Institute of public Finance Accountants (PIPFA). S. Shamim Akhter is a bachelor of law and a member of Sindh and Karachi Bar Councils. He has over 31 years' experience in the field of corporate laws, finance, accounting, tax and auditing. After serving a reputable firm of Chartered Accountants in the capacity of Audit Manager for 20 years, he has established his own consulting firm.



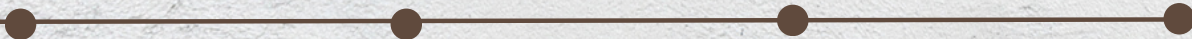
THE COUNCIL PROFILE



MR. SAQUIB JAWED

MEMBER

Mr. Saquib Jawed is serving the Council since many years. He is a fellow member of the Institute of Corporate Secretaries of Pakistan and a fellow member of Pakistan Institute of Public Finance Accountants (PIPFA). He has also served the ICSP as Chairman Karachi Branch Council. He is a hardworking professional and during his professional career, he had worked for different renowned organizations in various capacities engaged in the fields of textiles, pharmaceutical, trading, duty free shops etc. He has a vast experience in the fields of finance, taxation, auditing and accounting. At present, he is working for a media group i.e as Chief Financial Officer.





THE COUNCIL PROFILE

**MR. MUHAMMAD JAVED
ANSARI**

MEMBER

Mr. Muhammad Javed Ansari is a fellow member of the Institute of Corporate Secretaries of Pakistan (ICSP). He is a fellow member of the Institute of Cost and Management Accountants of Pakistan (ICMAP) and fellow member of the Pakistan Institute of Public Finance Accountants (PIPFA). He has diversified professional experience of over 20 years in the fields of secretarial practice, finance/accounts, audit and taxation. During his professional career, he served various organization at middle management to senior management positions. Presently, he is serving as Company Secretary in PNSC, a public sector organization. He is serving the Institue since many years as a member of the National Council and prior to that he served as Secretar y Of Karachi branch council.

THE COUNCIL PROFILE



MR. NADEEM AKHTER

MEMBER

Mr. Nadeem Akhter is a fellow member of the Institute of Cost & Management Accountants of Pakistan and fellow member of the Institute of Corporate Secretaries of Pakistan. He served for more than 18 years on senior positions in various multinational and national organizations including rich experience of almost eight years in insurance industry. He is serving the Institute since many years as a member of the National Council.



THE COUNCIL PROFILE



MR. TAHIR MEHMOOD

MEMBER

Mr. Tahir Mehmood is a fellow member of the Institute of Corporate Secretaries of Pakistan (ICSP) since 2012. Before elected as National Council member, he has also served as Member of the Karachi Branch Council of ICSP. He is a fellow member of Institute of Chartered Secretary & Managers and Member of Institute of Certified Internal Control Auditor. Academically, he is having Master Degree in Commerce and LLB in Law. He has diversified professional experience of over 21 years in the field of secretarial practice and legal consultancy. During his professional career, he has served various organization at middle management to senior management positions. Presently he is serving as Company Secretary BRR Guardian Modaraba managed by BRR Investments (Private) Limited, listed on Karachi Stock Exchange in Pakistan.



THE COUNCIL PROFILE

MS. NUSRAT LATIF

MEMBER

Ms. Nusrat Latif is a fellow member of the Institute of Corporate Secretaries of Pakistan (ICSP) since 2016. Before elected as National Council member, she has also been serving as Member of the Karachi Branch Council of ICSP in 2015. She has academic qualification with B.COM, M. A. Economics and LLB and has diversified professional experience of over 13 years in the field of corporate advisory and secretarial practice. She is associated with Moore Shekha Mufti, Chartered Accountants in its Corporate Advisor Services Segment since April 2009 till date. Presently, she is serving as Executive Director Corporate Advisory Services in Moore Shekha Mufti, Chartered Accountants.



Notice of Annual General Meeting

The 49th Annual General Meeting of The Institute of Corporate Secretaries of Pakistan will be held at Registered office at 71-C/1 21st Commercial Street Phase-II EXT, Defence, Karachi on Friday, October 27, 2023 at 6:30 PM.

AGENDA

1. To confirm the minutes of the 48th Annual General Meeting held on October 28th, 2022. .
2. To review & adopt the Annual Report of the Council and Audited Financial Statements of the Institute along with Auditors' Report for the year ended 30th June 2023.
3. To appoint the auditors for the next year, i.e. 2023-24. Being eligible, the present auditors, viz M/s. Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants have consented to be appointed for the next term.
4. To elect 12 members of National Council for three years and elect 05 members of Karachi Branch Council for one year.
5. Any other business with the permission of the Chair

By Order of the Council



Syed Maqsood Ahmad

Secretary

Karachi

September 22, 2023

Note:

Only those members, whose annual subscription for 2023-24 is paid by October 20, 2023 shall be eligible to contest and vote. Members, who seek to contest the election, may file their nomination papers at Registered Office of the Institute on or before October 19, 2023 up to 4:00 pm (Format of nomination paper is enclosed). Voting shall be in person and Licentiate members are not eligible to contest or vote

SCHEDULE FOR ELECTION OF NATIONAL COUNCIL/KARACHI BRANCH COUNCIL

| S. No. | Task | Target Date |
|--------|--|---|
| 1 | List of members open for inspection. | 20-10-2023 (between 10:00-12:30 pm) |
| 2 | Last date for filing of nomination papers | 20-10-2023 (till 4:00 pm) |
| 3 | Scrutiny of nomination papers in presence of candidates at the Registered Office of the Institute. | 23-10-2023 (between 04:00-06:00 pm) |
| 4 | Filing of appeals, if any, against the rejection of nomination papers. | 24-10-2023 (between 10:00 am to 1:00 pm) |
| 5 | Election Commissioner to hear the appeals and announce the final list of the candidates. | 25-10-2023 |
| 6 | AGM | 27-10-2023 |
| 7 | Election of National Council and Karachi Branch Council | END OF AGM |

Note:

- At the time of filing of nomination paper, the members Contesting for National Council shall pay a fee of Rs. 1000 and Karachi Branch Council shall pay a fee of Rs. 500
- Only those Members, whose annual subscription for 2023-2024 is paid by October 20, 2023 shall be eligible to contest or cast votes.
- Only a fellow member can contest for National Council election while for Karachi Branch Council both fellow or associate member contest.

Nomination Form

The Secretary,
The Institute of Corporate Secretaries of
Pakistan
71-C/1 21 st Commercial Street
Phase-II D.HA
Karachi.

Dear Sir,

I hereby propose Mr./Ms./Mrs. _____ S/o. D/o W/o. _____ a
member of the Institute of Corporate Secretaries of Pakistan (Membership No. _____) for
the forthcoming election of the National Council/Karachi Branch Council scheduled to be
held on October 27, 2023

Signature _____

Name: _____

Membership No: _____

Dated: _____

I _____ S/o. D/o. W/o. a _____
member of the Institute of Corporate Secretaries of Pakistan (Membership No.)
hereby second the above proposal.

Signature _____

Name: _____

Membership No: _____

Dated: _____

I _____ S/o. D/o. W/o. _____
(Membership No. _____) hereby give my consent to contest as a candidate for the
above election.

Signature _____

Dated: _____

This nomination form should reach to the above address on or before October 20, 2023 (at
the latest 4 pm) in the sealed envelope marked as: NOMINATION PAPER FOR
NATIONAL COUNCIL/ KARACHI BRANCH COUNCIL ELECTION.

Undertaking

(By the Candidate)

I _____ Membership
No. _____ a candidate for the election of National Council/
Karachi Branch Council hereby undertake on oath that I will abide by the election rules
of the Institute of Corporate Secretaries of Pakistan and the directives of the Council on
election in the letter and spirit, particularly the following:

- i) I will refrain from canvassing in any form or shape directly or indirectly through any person including friend(s), relative(s), supporter(s) and agent(s)
- ii) I will neither form group nor panel overtly or covertly on any basis nor will be a member of such group or panel.
- iii) I will not influence any member to vote for me or any other candidate through pamphlet(s), brochure(s), card(s) or by other means of communication.

Signature _____

Date of Membership _____

CNIC _____

Email address _____

Phone/Cell Nos. _____

PRESIDENT'S REVIEW



First of all, I bow before Almighty Allah for offering me once again the opportunity to serve the Institute in the capacity of President. I am also thankful to the office bearers and members of the National Council of the Institute on trusting me and for their confidence.

I would like to take this opportunity to inform the members that by the grace of Allah Almighty, The Institute has purchased the new building comprising ground plus four floors at 71-C/1, situated at main 21st Commercial Street, Phase-II, extension, DHA, Karachi and thereby achieving the long awaited desire of having Institute's own building where coaching classes and other events may be conducted in order to enhance the Institutes activities.

As we are living in complex times and a stressful socio-economic environment, the financial year 2023 has been very harsh due to recession and also major increase in inflation rate that halted economic activities at global scale. The institute being an educational institution was also critically affected due to this. Right from the beginning of my tenure, we have faced numerous challenges for the survival of the Institute. However, we have been trying our level best to cope up with these challenges.

As compared to last year, the secretariat performance has been improved on a fast track. So we hope to see activities taking place at a faster pace in the coming year. It is an accepted fact that in today's fast paced and constantly changing global environment, only those organizations endure and grow which not only keep on moving forward but transform, adapt and evolve proactively in line with modern technological and professional global trends. However, it was a challenge for us as our competitors, being resourceful through allocating huge budgets and using modern marketing techniques but the Council with its persistent policies and aggressive efforts has achieved enhancement in financial performance and profitability.

The interaction with the members have substantially increased and we hope to further improve it by arranging various seminars and workshops with an experienced and new generation of deliverers. We are also looking forward to conduct on-line training programs for our members and students. During this tenure of the present council, we have been regularly conducting various activities to attract our students.

We have envisioned that our profession and qualification should be widely recognized locally and internationally. The institute's branding and recognition initiatives remained the foremost priority in order to create an impact both locally and globally. We are already in close contact with international institutes of company secretarial profession for their accreditation. This will allow institutes to recognize each other's members and get exemptions available to students on equivalent basis. ICSP shall continue to focus on effective implementation of marketing strategies for its stakeholders by employing various marketing techniques such as active presence of ICSP on the social media and through presentations to various institutions.

It is pertinent to mention that to accomplish great things, we must not only act, but also dream; not only plan, but also believe and therefore, I believe that soon our dreams will come true and with the grace of Almighty, we will be flourishing our institute with more members coming in and other matters just as planned strategically.

The Institute realizes the importance of values and ethics being critical attributes for a profession. It upholds excellence in core competencies of the profession adding value to the corporate world promoting corporate governance in line with the international best practices.

The seminars and workshop activity had been discontinued since last few years, I have taken a note and advised the current council members to recommence the same and also to organize workshop/conference on Corporate Law, Secretarial Practice, Good Corporate Governance locally and in collaboration with international institutes for the promotion of secretarial profession in Pakistan in general and creation of opportunities for our members as well as students in particular.

I assure you that the present Council is striving, in spite of the challenges, to make your institute an e-institute where all respective procedures will be transformed into a fast, unified and simple process with minimum human involvement. Looking forward, I have observed that our Institute is becoming the only authorized and recognized body that is capable of producing potential company secretaries in Pakistan.


ICSP has always emphasized on the professional development, positive engagement with the professional development, imparting leadership skills in corporate sector. The Council has performed its diligent responsibility of introduction and implementation of growth-oriented policies and there after vigilant supervision of management.

I would like to express my esteemed gratitude to the honorable Council members, specially, to both the vice presidents, office bearers and members of committees who always worked hard with great devotion for the success and prosperity of the Institute. They have been the guiding beacons for us in attaining the professional development. I would like to express my gratitude for the confidence they've reposed on us and to take forward their vision and ideas. The relentless support shown towards our professional interest has been tremendous important to us. I would also like to extend my appreciation and sincere thanks to our visionary past president, Syed Shakeel Ur Rehman for making time for us whenever we approached him, and for helping strengthen the Institute and the profession through his devoted support and professional contribution.

Institute's finances were prudently managed with effective oversight of the Council members who diligently provided their services.

I assure you that our greatest aim is to make this institute the Center of Professional Excellence and a benchmark for Good Corporate Governance which we intend to accomplish in forthcoming years.

I, hereby, would like to conclude my review and impart future outlined plans that will solidify the pillars of our forward-thinking strategy which is focused on institutional excellence, attracting students for attaining a successful career and adding great value-based services to the Corporate Sector. May Allah provide us with the wisdom needed to realize our collective vision.



Mohammed Zaki

President

September 22, 2023

Report of the Council

The Council of the Institute of Corporate Secretaries of Pakistan takes pleasure in presenting its 49th Annual Report along with Audited Financial Statements of the Institute for the year ended June 30, 2023.

PURCHASING OF NEW BUILDING AT DHA

The Council of the Institute is pleased to inform the members that The Institute has purchased the new building comprising ground plus four floors at 71-C/1, situated at main 21 st Commercial Street, Phase-II, extension, DHA, Karachi and thereby accomplishing the dream of having a property at proper place where the Institute may conduct coaching classes and other activities apart of image building of the Institute.

GOVERNANCE

The Institute is committed to demonstrate professional experience by imparting quality education and aligning competency level to its students and members. As per consistent practice and in accordance with the provisions of clause 26 of the Article of Association of the Institute, the council is composed of twelve elected members, which runs the day to day affairs through five office bearers elected by them for each year.



OFFICE BEARERS

The five-office bearers for the year are as under: -

- | | |
|-----------------------|------------------|
| 1. Mr. Mohammed Zaki | (President) |
| 2. Mr. Abdul Rehman | (Vice President) |
| 3. Mr. Muhammad Ahmed | (Vice President) |
| 4. Syed Maqsood Ahmed | (Secretary) |
| 5. Mr. Salman Ahmed | (Treasurer) |

Karachi Branch Council

For the year required nomination were not received for forming the Karachi Branch Council hence, the Karachi Branch Council was not in placed.

STANDING AND OTHER COMMITTEES

The following Committees were constituted for the year . The name of chairman of each Committee is mentioned against each:

| Name of committee | Chairman |
|--|-------------------------|
| 1. Executive Committee | Mr. Mohammed Zaki |
| 2. Examination and Education Committee | Mr. Abdul Rehman |
| 3. Audit Committee | Mr. Tahir Mehmood |
| 4. Seminar & Publication Committee | Ms. Nusrat Latif |
| 5. Building Committee | Syed Shakeel –Ur-Rehman |

STATISTICS OF THE COUNCIL MEETINGS

During the period from July 2022 till June 2023, eight meetings of the National Council were held which have following statistics.

| NAME | DESIGNATION | MEETING HELD | MEETING ATTENDED |
|---------------------------|----------------|--------------|------------------|
| Mr. Mohammed Zaki | President | 8 | 7 |
| Syed Shakeel-Ur-Rehman | Past President | 8 | 6 |
| Mr. Abdul Rehman | Vice President | 8 | 7 |
| Mr. Muhammad Ahmed | Vice President | 8 | 6 |
| Syed Maqsood Ahmad | Secretary | 8 | 8 |
| Mr. Salman Ahmed | Treasurer | 8 | 4 |
| S. Shamim Akhter | Member | 8 | 3 |
| Mr. Zafar M. Burney | Member | 8 | 6 |
| Mr. Saquib Jawed | Member | 8 | 0 |
| Mr. Nadeem Akhtar | Member | 8 | 5 |
| Mr. Muhammad Javed Ansari | Member | 8 | 2 |
| Ms Nusrat Latif | Member | 8 | 4 |
| Mr. Tahir Mehmood | Member | 8 | 5 |

EDUCATION AND EXAMINATION

The Institute is primarily focused for providing Company Secretaries in the country who act as a backbone in bringing the excellence and good governance in Corporate Sector.

Every year examinations of the Institute are conducted in the month of January and July simultaneously in Karachi, Lahore and Islamabad.

There passing ratio of part or final qualified has been increased as compared to last year. However, it is important to mention that our focus has been on quality rather than increasing the strength of students and qualified.

The applicability of Corporate Governance regulations coupled with good practices is indispensable for the development for the secretarial profession in Pakistan.

Besides, for those companies where Corporate Governance is not applicable by law, jobs for Company Secretaries are not created rather they are shared as an additional responsibility with finance. The following students were declared passed in final examination during year 2022-23, as stated below.

| |
|--------------------------|
| 1 – Muhammad Awais Faizi |
| 2 – Waqar Ahmed Siddiqui |
| 3 – Ashraf |
| 4 – Mustaqeem |
| 5- Jawwad Mirza |
| 6- Misbah Abad |
| 7- Saleem Ahmed Shezad |
| 8- Aneela Naz |
| 9- Muhammad Waqas Khan |

FINANCIAL PERFORMANCE

The year ended up with a net surplus of Rs.28.85m as compared to Rs.20.49m last year. The financial position of the Institute will further improve in the coming years that will result in acceleration of revenues. As mentioned above, The Institute also purchased a new building in DHA Karachi, which will indeed boost your Institute's corporate image and a worthwhile addition to Institute's assets.

MEMBERSHIP

The qualified members of the Institute is standing with a total strength of 1045 members, which includes 49 licentiates, 591 associate and 405 fellow members.

MARKETING

The Institute is continuously striving for forming and implementing an aggressive marketing strategy and mechanism so that the students base can be expanded especially in corporate sector where diversity of intake seems to be captured through modern channels of communications like Facebook, Twitter, LinkedIn, Instagram and other social media forums which increase the outreach to students and members. We are pleased to inform our members that we have also started to circulate newsletters to our valued members.

AUDITORS

Being eligible, the present auditors, M/s. Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants have consented to be appointed for the next term.

JOB PLACEMENT ACTIVITIES

This activity to help our students and our members seeking job and companies looking for professionals has remained very low rather than stagnant.

ACKNOWLEDGEMENTS

The Council sincerely express its appreciation to its all members especially those who have served in any capacity or contributed in any activity of the Institute. The Council would also like to thank the Securities & Exchange Commission of Pakistan for its continued support.

The Council would also like to extend their gratitude to the Institute of Cost and Management Accountants of Pakistan for its continued support and providing facilities to hold examinations in Lahore and Islamabad. The Council appreciates the support and guidance of the past presidents for the active role guidance and support. The Council also expresses its appreciation to the staff of the Institute for their hard work and dedication.

By the order of the Council



Syed Maqsood Ahmad

Secretary

Karachi
September 22, 2023

New Associate Members

The Following member was admitted as Associate Member during 2022-2023

Saad Manzoor Bhatti

A-925

Interloop Limited
Manager Taxation



The Following members were admitted as Fellowship Members during 2022-2023

Waheed Ashraf

F-402

Service Industries
Company Secretary



Muhammad Shoaib

F-403

Sindh Microfinance Bank
President & CEO.



Muhammad ImtiazUddin

F-404

ARY Communication Ltd.
Deputy General Manager F



New Fellowship Members

The Following member was admitted as Associate Member during 2022-2023

Syed Salman Hassan

F-405

Quaid-e-Azam Thermal Power (Pvt)Ltd.
Company Secretary



2023 **FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE INSTITUTE OF CORPORATE SECRETARIES OF
PAKISTAN**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **The Institute of Corporate Secretaries of Pakistan** (the Institute), which comprise the statement of financial position as at June 30, 2023, and the statement of comprehensive income, the statement of cash flows, the statement of changes in fund, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of cash flows and the statement of changes in fund together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Institute's affairs as at June 30, 2023 and of the surplus 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 Institute in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent



With the Financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Council 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Council are responsible for overseeing the Institute's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the over ride 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 Institute'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 Institute's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute 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.

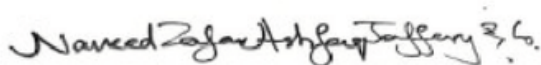
We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Institute as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of comprehensive income, the statement of changes in fund 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 Institute's business;
- d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is **Azeem H Siddiqui - FCA**



Chartered Accountants

Karachi:

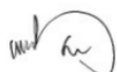
Dated: 30/09/2023

UDIN: AR202310232B1f7jwXFt

The Institute of Corporate Secretaries of Pakistan
Statement of Financial Position
As at June 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|---|------|--------------------|--------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property and equipment | 4 | 8,269,128 | 5,700,358 |
| Investment property | 5 | 1,707,958 | 2,002,100 |
| Long term deposits | 6 | 10,000 | 10,000 |
| | | 9,987,086 | 7,712,458 |
| CURRENT ASSETS | | | |
| Advances, prepayments and other receivables | 7 | 42,052,577 | 12,552,479 |
| Short term investments | 8 | 32,000,000 | 84,000,000 |
| Cash and bank balances | 9 | 56,950,496 | 6,918,654 |
| | | 131,003,073 | 103,471,133 |
| TOTAL ASSETS | | 140,990,159 | 111,183,591 |
| LESS: LIABILITIES | | | |
| NON CURRENT LIABILITIES | | 419,782 | |
| Deferred liability - gratuity | 10 | 419,782 | 331,949 |
| Long term deposit | 11 | 5,400,000 | 5,400,000 |
| CURRENT LIABILITIES | | | |
| Accrued expenses | | 1,217,622 | 349,672 |
| Advances, deposits and other payables | 12 | 1,054,450 | 1,054,450 |
| | | 2,272,072 | 1,404,122 |
| TOTAL LIABILITIES | | 8,091,854 | 7,136,071 |
| NET ASSETS | | 132,898,305 | 104,047,520 |
| REPRESENTED BY | | | |
| General fund | 13 | 132,789,005 | 103,938,220 |
| Other funds | 14 | 109,300 | 109,300 |
| | | 132,898,305 | 104,047,520 |
| CONTINGENCIES AND COMMITMENTS | 15 | - | - |

The annexed notes from 1 to 24 form an integral part of these financial statements.



President



Treasurer



Vice President

The Institute of Corporate Secretaries of Pakistan
Statement of Comprehensive Income
For the year ended June 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|--|------|-------------------|-------------------|
| INCOME | | | |
| Subscriptions and fees | 16 | 761,100 | 813,750 |
| Rental income | | 20,733,810 | 18,698,022 |
| Return on investments and accounts | 17 | 13,575,494 | 5,328,882 |
| Other income | 18 | 23,610 | 25,300 |
| | | 35,094,014 | 24,865,954 |
| EXPENDITURE | | | |
| Salaries, allowances and benefits | 19 | 3,357,413 | 2,474,600 |
| Printing, stationery and publications | | 364,749 | 73,790 |
| Depreciation on fixed assets | 4.1 | 489,444 | 328,047 |
| Utilities | | 272,893 | 126,758 |
| Repairs and maintenance | | 319,700 | 28,070 |
| Examination expenses | | 192,750 | 186,900 |
| Communication, postage and periodicals | | 190,776 | 286,634 |
| Depreciation on investment property | 5.1 | 294,142 | 294,142 |
| Legal and professional fees | | 63,540 | 60,000 |
| Audit fee | | 43,200 | 43,200 |
| Subscriptions and fees | | 150,000 | 157,500 |
| Travelling and conveyance | | 31,322 | 27,119 |
| Rent, rates and taxes | | 87,000 | 87,000 |
| Other expenditure | 20 | 386,300 | 206,996 |
| | | 6,243,229 | 4,380,756 |
| Excess of revenue over expenditure for the year | | 28,850,785 | 20,485,198 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 28,850,785 | 20,485,198 |
| Attributable to: | | | |
| General fund | | | |
| Other funds | | | |

The annexed notes from 1 to 24 form an integral part of these financial statements.



President



Treasurer



Vice President

The Institute of Corporate Secretaries of Pakistan
Statment of Cash Flows
For the year ended June 30, 2023

| | Note | 2023 Rupees | 2022 Rupees |
|---|------|--------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Excess of revenue over expenditure | | 28,850,785 | 20,485,198 |
| Adjustments for non cash charges: | | | |
| Depreciation on fixed assets | 4.1 | 489,444 | 328,047 |
| Depreciation on investment property | 5.1 | 294,142 | 294,142 |
| Retirement benefits | | 87,833 | 66,667 |
| Cash flow from operating activities before working capital changes | | 29,722,204 | 21,174,054 |
| Working capital changes | | | |
| decrease/ (Increase) in working capital | | | |
| Advances, prepayments and other receivables | | (29,500,098) | 533,227 |
| Increase /(Decrease) in accrued expenses | | 867,950 | 130,200 |
| Advances, deposits and other payables | | - | - |
| | | (28,632,148) | 663,427 |
| Retirement benefits paid | | - | (250,000) |
| Net cash generated from operating activities | | 1,090,056 | 21,587,481 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions to property and equipment | | (3,058,214) | (65,600) |
| Net cash (used in) investing activities | | (3,058,214) | (65,600) |
| Net increase in cash and cash equivalents | | (1,968,158) | 21,521,881 |
| Cash and cash equivalents at the beginning of the year | | 90,918,654 | 69,396,773 |
| Cash and cash equivalents at the end of the year | 21 | 88,950,496 | 90,918,654 |

The annexed notes from 1 to 24 form an integral part of these financial statements.



President



Treasurer



Vice President

The Institute of Corporate Secretaries of Pakistan
Statement of Changes in Fund
For the year ended June 30, 2023

| | <u>General Fund</u> | <u>Other Funds</u> | <u>Total</u> |
|--|---------------------------|-----------------------|---------------------------|
| | ----- Rupees ----- | | |
| Balance as on July 1, 2021 | 83,453,022 | 109,300 | 83,562,322 |
| Excess of revenue over expenditure for the year ended June 30, 2022 | 20,485,198 | - | 20,485,198 |
| Balance as on June 30, 2022 | <u>103,938,220</u> | <u>109,300</u> | <u>104,047,520</u> |
| Excess of revenue over expenditure for the year ended June 30, 2023 | 28,850,785 | - | 28,850,785 |
| Balance as on June 30, 2023 | <u><u>132,789,005</u></u> | <u><u>109,300</u></u> | <u><u>132,898,305</u></u> |

The annexed notes from 1 to 24 form an integral part of these financial statements.



President



Treasurer



Vice President

The Institute of Corporate Secretaries of Pakistan
Notes to the Financial Statements
For the year ended June 30, 2023

STATUS AND ACTIVITIES

The Institute of Corporate Secretaries of Pakistan ("the Institute") is a company limited by Guarantee, incorporated in November 22, 1973 in Pakistan under the repealed Companies Act, 1913 (now Companies Act, 2017).

The principal activity of the Institute is the promotion and education of company secretaries and administrators in the country.

The registered office of the Institute is located at 683-C, Allama Iqbal Road, Block 2, PECHS, Karachi-75400.

BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as notified under the Companies Act 2017 (the Act) by SECP and the requirements of the Fifth schedule of the Companies Act 2017. Whenever, the requirements of the Act or directives issued by SECP differs with the requirement of IFRS, the requirements of the Act or the directives will prevail.

After due consideration of the available choices in the selection of an appropriate accounting & reporting framework, as provided through notification SRO 1092 (I)/ 2018 dated September 03, 2018, the Council of the Institute has preferred and formally adopted the International Financial Reporting Standards as notified under the Companies Act 2017 by SECP over the other alternates, which are the IFRS for SME issued by the International Accounting Standards Board and the Accounting Standards for Non Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

The financial statements have been prepared using an accrual basis of accounting except for cash flow statement which is prepared using cash basis.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the company's functional and presentation currency and figures are rounded to the nearest rupee.

2.4 Use of estimates and judgments

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

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

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Property and equipment (Note 5.1)
- Provision (Note 5.5)
- Taxation (Note 5.8)

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

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

- 2.5.2** Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

| Standard or Interpretation | | Effective Date - Annual Periods Beginning on or After |
|----------------------------|--|--|
| IAS 1 | Presentation of Financial Statements [Amendments] | January 1, 2023 |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors [Amendments] | January 1, 2023 |
| IAS 12 | Income Taxes [Amendments] | January 1, 2023 |
| IFRS 4 | Insurance Contracts (Amendments) | January 1, 2023 |
| IAS 37 | Statement of Cash Flows (Amendments) | January 1, 2023 |
| IFRS 7 | Financial Instruments | January 1, 2023 |
| IFRS 16 | Leases [Amendments] | January 1, 2024 |

- 2.5.3** The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

- 2.5.4** Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2023;

IFRS 1 First-time Adoption of International Financial Reporting Standards
 IFRS 17 Insurance Contracts
 IFRIC 12 Service Concession Arrangement

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Staff retirement benefits

The institute operates an unfunded Gratuity scheme for all its eligible employees. The employees become eligible to gratuity entitlement after having rendered more than two years of their employment service to the Institute. The gratuity entitlement is equivalent to twenty days gross salary for each completed year of service, after initial completion of two years' service.

3.2 Property and equipment

- Operating fixed assets except capital work-in-progress are stated at cost less accumulated depreciation and impairment losses, if any. Capital work-in-progress are stated at cost accumulated to the balance sheet date.
- Depreciation is charged to income on reducing balance method at the rates indicated in note 4.1 of the financial statements. Depreciation on additions to operating fixed assets is charged from the month in which an item is acquired or capitalized while no depreciation is charged for the month in which the item is disposed off.
- Normal repairs and maintenance are charged to income and expenditure account
- Residual values, if not insignificant are reassessed annually.
- Where the carrying amount of assets exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.
- Gains or losses on sale of fixed assets are included in income and expenditure.

3.2.1 Right -of-use asset

The right-of-use asset is initially measured based on the initial measurement of lease liability, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently measured at cost model. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

3.3 Investment properties

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

The depreciation is charged to the statement of profit and loss applying the straight line method at the rate specified in note 5.1 to the financial statements. Depreciation on additions is charged from the month in which the asset is put to use and on deletion upto the month immediately preceding the deletions.

3.4 Revenue recognition

- Income from examination fees is recognised in the period in which examination is conducted.
- Income from seminars and magazine publications is recognized on accrual basis.
- Income from subscription is recognized on receipt of subscription on a prudence basis and donation is recognized on receipt basis.
- Profit on investments is accrued on the basis of effective yield on respective investments.
- Interest on PLS Saving account is recognized on accrual basis taking into account applicable rate of return.
- Rental income from property is recognized in revenue and expenditure account on a straight line basis over the term of the lease. Lease incentives granted are recognized as an integral part of total rental income, over the term of the lease. It also include the value received on account of utilization of facilities.

3.5 Receivables

These are stated at cost less impairment losses, if any. Balances, which are considered irrecoverable, are written off.

3.6 Payables

Liabilities and other amounts payable are recognized and 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 Institute.

3.7 Borrowings

Borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

3.8 Advances, prepayments and other receivables

These are carried at fair value of the consideration to be received in future. An estimated provision is made against amounts considered doubtful of recovery whereas, amount considered irrecoverable are written off.

3.9 Financial assets

3.9.1 Classification and initial measurement

The Company classifies its financial assets in the following three categories:

- (a) financial assets measured at amortized cost.
- (b) fair value through other comprehensive income (FVOCI);
- (c) fair value through profit or loss (FVTPL); and

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when either:

- (a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- (b) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company to at initial recognition.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

3.9.2 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the profit and loss account.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognised in

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit and loss account.

3.9.3 Impairment

The carrying value of the Institute's financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized if carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the revenue and expenditure account.

3.9.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Modaraba has transferred substantially all risks and rewards of ownership.

3.10 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss account.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.11 Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount of the asset. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

3.12 Long term deposits

These are stated at cost which represents the fair value of consideration given.

3.13 Provisions

Provisions are recognized when the institute has a present legal or constructive obligation as a result of past events, 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 of the amount of the obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with the banks and certificate of investment with maturity of three months or less.

3.15 Offsetting

A financial asset and a financial liability are off set and the net amount is reported in the balance sheet where there is a legally enforceable right to set off the recognized amounts and the Institute intends to either settle on a net basis or to realize the asset and settle the liability simultaneously.

| | Note | 2023 Rupees | 2022 Rupees |
|------------------------|-------------------------------|------------------|------------------|
| 4 | PROPERTY AND EQUIPMENT | | |
| Property and equipment | 4.1 | <u>8,269,128</u> | <u>5,700,358</u> |

4.1

| PROPERTY AND EQUIPMENT | | | | | | | | | | | |
|------------------------|---------------------|-----------|-----------|-----------|---------------------|--------------------------|--------------|-------------|---------------------|------------------------------------|------|
| 2023 | | | | | | | | | | | |
| Particulars | Cost | | | | | Accumulated depreciation | | | | Net book value as at June 30, 2023 | Rate |
| | As at July 01, 2022 | Additions | Transfers | Disposals | As at June 30, 2023 | As at July 01, 2022 | For the year | On disposal | As at June 30, 2023 | | |
| Owned | | | | | | | | | | | |
| Building | 10,865,400 | 2,607,844 | - | - | 13,473,244 | 5,566,616 | 395,331 | | 5,961,947 | 7,511,297 | 5% |
| Furniture and fixture | 370,652 | 307,000 | - | - | 677,652 | 296,435 | 38,122 | | 334,557 | 343,095 | 10% |
| Office equipments | 209,781 | 134,050 | - | - | 343,831 | 70,193 | 27,364 | | 97,557 | 246,274 | 10% |
| Library books | 73,452 | - | - | - | 73,452 | 71,230 | 444 | | 71,674 | 1,778 | 20% |
| Computers | 394,805 | 5,500 | - | - | 400,305 | 313,448 | 17,371 | | 330,819 | 69,486 | 20% |
| Fax machine | 11,000 | - | - | - | 11,000 | 10,899 | 20 | | 10,919 | 81 | 20% |
| Electrical equipment | 164,916 | 3,820 | - | - | 168,736 | 113,109 | 5,563 | | 118,672 | 50,064 | 10% |
| CCTV Camera | 92,131 | - | - | - | 92,131 | 41,036 | 5,110 | | 46,146 | 45,985 | 10% |
| Franking machine | 28,000 | - | - | - | 28,000 | 26,813 | 119 | | 26,932 | 1,068 | 10% |
| Total | 12,210,137 | 3,058,214 | - | - | 15,268,351 | 6,509,779 | 489,444 | - | 6,999,223 | 8,269,128 | |
| 2022 | | | | | | | | | | | |
| Particulars | Cost | | | | | Accumulated depreciation | | | | Net book value as at June 30, 2022 | Rate |
| | As at July 01, 2021 | Additions | Transfers | Disposals | As at June 30, 2022 | As at July 01, 2021 | For the year | On disposal | As at June 30, 2022 | | |
| Owned | | | | | | | | | | | |
| Building | 10,865,400 | - | - | - | 10,865,400 | 5,287,733 | 278,883 | - | 5,566,616 | 5,298,784 | 5% |
| Furniture and fixtures | 370,652 | 0 | - | - | 370,652 | 288,189 | 8,246 | - | 296,435 | 74,217 | 10% |
| Office equipments | 195,181 | 14,600 | - | - | 209,781 | 55,479 | 14,714 | - | 70,193 | 139,588 | 10% |
| Library books | 73,452 | - | - | - | 73,452 | 70,674 | 556 | - | 71,230 | 2,222 | 20% |
| Computers | 343,805 | 51,000 | - | - | 394,805 | 299,390 | 14,058 | - | 313,448 | 81,357 | 20% |
| Fax machine | 11,000 | - | - | - | 11,000 | 10,874 | 25 | - | 10,899 | 101 | 20% |
| Electrical equipment | 164,916 | - | - | - | 164,916 | 107,353 | 5,756 | - | 113,109 | 51,807 | 10% |
| CCTV Camera | 92,131 | - | - | - | 92,131 | 35,359 | 5,677 | - | 41,036 | 51,095 | 10% |
| Franking machine | 28,000 | - | - | - | 28,000 | 26,681 | 132 | - | 26,813 | 1,187 | 10% |
| 2022 | 12,144,537 | 65,600 | - | - | 12,210,137 | 6,181,732 | 328,047 | - | 6,509,779 | 5,700,358 | |

| | Note | 2023 Rupees | 2022 Rupees |
|---------------------|----------------------------|------------------|------------------|
| 5 | INVESTMENT PROPERTY | | |
| Investment Property | 5.1 | <u>1,707,958</u> | <u>2,002,100</u> |

5.1

| Investment Property | | | | | | | | | | |
|-----------------------------|---------------------|-----------|-----------|---------------------|---------------------|--------------|-------------|---------------------|------------------------------------|------|
| Particulars | Cost | | | | Depreciation | | | | Net book value as at June 30, 2023 | Rate |
| | As at July 01, 2022 | Additions | Disposals | As at June 30, 2023 | As at July 01, 2022 | For the year | On disposal | As at June 30, 2023 | | |
| Investment property | | | | | | | | | | |
| Land-leasehold | 33,000 | - | - | 33,000 | - | - | - | - | 33,000 | 0% |
| Building on lease hold land | 5,882,830 | - | - | 5,882,830 | 3,913,730 | 294,142 | - | 4,207,872 | 1,674,958 | 5% |
| 2023 | 5,915,830 | - | - | 5,915,830 | 3,619,588 | 294,142 | - | 4,207,872 | 1,707,958 | |
| Particulars | Cost | | | | Depreciation | | | | Net book value as at June 30, 2022 | Rate |
| | As at July 01, 2021 | Additions | Disposals | As at June 30, 2022 | As at July 01, 2021 | For the year | On disposal | As at June 30, 2022 | | |
| Investment property | | | | | | | | | | |
| Land-leasehold | 33,000 | - | - | 33,000 | - | - | - | - | 33,000 | 0% |
| Building on lease hold land | 5,882,830 | - | - | 5,882,830 | 3,619,588 | 294,142 | - | 3,913,730 | 1,969,100 | 5% |
| 2022 | 5,915,830 | - | - | 5,915,830 | 3,619,588 | 294,142 | - | 3,913,730 | 2,002,100 | |

5.2 Leasehold land represents an amenity plot situated at Block 1, KDA Scheme 5, Clifton, Karachi and the building thereon represents ground plus one floor. Both land and building, having a total carrying value of Rs. 1,707,958 (2022: Rs. 2,002,100), are in the name of M/s Memon Welfare Societv.

5.3 The valuation of property was carried out by a professional firm of surveyors and valuers. As per their report dated July 29, 2022, the fair value and forced sales value of the property were Rs. 473,118,000/- and Rs.378,495,000/- respectively.

5.4 **Particulars of Immovable investment property:**

| Particulars | Location | Total Area / Covered Area |
|----------------------------|---|---------------------------|
| Leasehold land | Plot No.ST-8/D, main Shahrah-e-Bedil Block-I, Clifton, Karachi | 1,098 Square Yard |
| Building on leasehold land | Plot No.ST-8/D, main Shahrah-e-Bedil Block-I, Clifton, Karachi | 12,653 Square Feet |

There has been no material change in the valuation of properties as internally assessed by management of the Institute.

| | Note | 2023 Rupees | 2022 Rupees |
|--|------|-------------------|-------------------|
| 6 LONG TERM DEPOSIT | | | |
| Security deposit | | <u>10,000</u> | <u>10,000</u> |
| 6.1 This represents the security deposits of PTCL telephone lines in use of the Institute. The amount was deposited through demand notes to install the phones. | | | |
| 7 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Advances: | | | |
| Advance income tax | | 4,299,665 | 2,457,148 |
| Security deposit | | 6,000 | 6,000 |
| Advance against property | | 25,000,000 | - |
| Advance against salaries | | 58,150 | 4,500 |
| Advance against expenses | | - | 9,874 |
| Prepayments | | 79,695 | 46,095 |
| Other receivables | | | |
| Rent receivable | | 12,231,164 | 8,997,354 |
| Mark-up receivable | | 314,672 | 968,277 |
| Other receivables | | 63,231 | 63,231 |
| | | <u>42,052,577</u> | <u>12,552,479</u> |
| 8 SHORT TERM INVESTMENT | | | |
| Certificates of investment | 8.1 | <u>32,000,000</u> | <u>84,000,000</u> |
| | | <u>32,000,000</u> | <u>84,000,000</u> |
| 8.1 This represents amount invested in certificates of investment for a period of three months. The average return on this investment is 18% p.a. (2022 : 7% p.a). | | | |
| 9 CASH AND BANK BALANCES | | | |
| Cash in hand | | 26,503 | 19,835 |
| Cash at banks -in current account | | 1,031,022 | 3,157,921 |
| Cash at banks -in saving account | 9.1 | <u>55,892,971</u> | <u>3,740,898</u> |
| | | <u>56,950,496</u> | <u>6,918,654</u> |
| 9.1 The rate of return on saving account ranges from 6.0% to 7.0% p.a. (2022 : from 4.0% to 5.0% p.a) | | | |

| | | 2023 | 2022 |
|---|---|--------------------|--------------------|
| | Note | Rupees | Rupees |
| 10 DEFFERD LIABILITY | | | |
| Gratuity | | | |
| Balance as at July 01 | | 331,949 | 515,282 |
| Add: Provided for the period | | 87,833 | 66,667 |
| Less: paid | | - | (250,000) |
| Balance as at June 30 | | <u>419,782</u> | <u>331,949</u> |
| 10.1 | Acturial valuation of Gratuity not taken place because entity falls below required minimum number of employees are below 10 | | |
| 11 LONG TERM DEPOSIT | 10.1 | <u>5,400,000</u> | <u>5,400,000</u> |
| 11.1 | This represents security deposit received from a tenant on account of premises rented out for five years. | | |
| 12 ADVANCES, DEPOSITS AND OTHER PAYABLES | | | |
| Deposit | 11.1 | 900,000 | 900,000 |
| Examination fee | | 29,050 | 29,050 |
| Subscriptions and fees | | 125,400 | 125,400 |
| | | <u>1,054,450</u> | <u>1,054,450</u> |
| 12.1 | This represents security deposit received from an Ex-tenant on account of premises rented out. | | |
| 13 GENERAL FUND | | | |
| Balance brought forward | | 103,938,220 | 83,453,022 |
| Surplus for the year | | 28,850,785 | 20,485,198 |
| | | <u>132,789,005</u> | <u>103,938,220</u> |
| 14 OTHER FUNDS | | | |
| Rao N.S. Khan Medal Fund | | 84,300 | 84,300 |
| Benevolent fund | | 25,000 | 25,000 |
| | | <u>109,300</u> | <u>109,300</u> |
| 15 CONTINGENCIES AND COMMITMENTS | | | |
| | There were no contingencies and commitments as at June 30, 2023 (2022: Nil) | | |
| 16 SUBSCRIPTIONS AND FEES | | | |
| Members' registration fees | | 5,000 | 23,000 |
| Members' annual subscriptions | | 259,000 | 318,950 |
| Students' registration fees | | 38,000 | 37,000 |
| Students' annual subscriptions | | 34,900 | 46,900 |
| Examination fees | | 232,000 | 183,600 |
| Exemption fees | | 192,200 | 204,300 |
| | | <u>761,100</u> | <u>813,750</u> |
| 17 RETURN ON INVESTMENT | | | |
| Profit on certificates of investment | | 10,388,006 | 5,265,905 |
| Profit on savings accounts | | 3,187,488 | 62,977 |
| | | <u>13,575,494</u> | <u>5,328,882</u> |

| | | | 2023 | 2022 |
|-----------|---|------|-------------------|-------------------|
| | | Note | Rupees | Rupees |
| 18 | OTHER INCOME | | | |
| | Miscellaneous | | 23,610 | 25,300 |
| | | | <u>23,610</u> | <u>25,300</u> |
| 19 | SALARIES, ALLOWNCES AND OTHER BENEFITS | | | |
| | Salaries and allowances | | 3,269,580 | 2,407,933 |
| | Retirement benefits | | 87,833 | 66,667 |
| | | | <u>3,357,413</u> | <u>2,474,600</u> |
| 20 | OTHER EXPENDITURES | | | |
| | Bank charges | | 800 | 339 |
| | Entertainment | | 164,782 | 71,123 |
| | Miscellaneous expenses | | 220,718 | 135,534 |
| | | | <u>386,300</u> | <u>206,996</u> |
| 21 | CASH AND CASH EQUIVALENTS | | | |
| | Cash and bank balances | 9 | 56,950,496 | 6,918,654 |
| | Short term investment | 8 | 32,000,000 | 84,000,000 |
| | | | <u>88,950,496</u> | <u>90,918,654</u> |

22 FINANCIAL RISK MANAGEMENT

The Council of the Institute has overall responsibility for the establishment and oversight of the Institute's risk management framework. The Institute has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

22.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. 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 ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Institute arises principally from the short term advances & receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. Cash is held only with reputable bank with high quality credit worthiness.

The maximum exposure to credit risk at the reporting date is as follows:

| | 2023 Rupees | 2022 Rupees |
|---|------------------------------|------------------------------|
| Long term deposits | 10,000 | 10,000 |
| Advances, prepayments and other receivables | 37,673,217 | 10,034,862 |
| Short term investments | 32,000,000 | 84,000,000 |
| Bank balances | 56,923,993 | 6,898,819 |
| | 126,607,210 | 100,943,681 |

None of the above balances are past due or impaired.

The credit quality of the Institute bank balance maintained with a bank assessed by an external credit rating entity is as follows:

| | Rating agency | Rating | |
|---|---------------|------------|-----------|
| | | Short term | Long term |
| MCB Islamic bank Limited | PACRA | A1 | A |
| Bank Al Habib Limited | PACRA | A1+ | AAA |
| Allied Bank Limited | PACRA | A1+ | AAA |
| Faysal Bank Limited | PACRA | A1+ | AA |
| Meezan Bank Limited | VIS | A-1+ | AAA |
| Bank Islamic Pakistan | PACRA | A1 | AA- |
| Pak Oman Investment Company (Private) Limited | VIS | A-1+ | AA+ |

22.2 Liquidity risk

Liquidity risk is the risk that the Institute will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Institute could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Institute is of the view that it is not exposed to any significant liquidity risk. The following are the contractual maturities of financial liabilities:

| 2023 | | | | | |
|---------------------------------------|------------------|------------------------|--------------------|----------------------|-------------------|
| | Carrying amount | Contractual cash flows | Six months or less | Six to twelve months | One to five years |
| | -----Rs----- | | | | |
| Financial liabilities | | | | | |
| Accrued expenses | 1,217,622 | 1,217,622 | 1,217,622 | - | - |
| Long term deposits | 5,400,000 | 5,400,000 | - | - | 5,400,000 |
| Advances, deposits and other payables | 1,054,450 | 1,054,450 | 1,054,450 | - | - |
| | <u>7,672,072</u> | <u>7,672,072</u> | <u>2,272,072</u> | <u>-</u> | <u>5,400,000</u> |
| 2022 | | | | | |
| | Carrying amount | Contractual cash flows | Six months or less | Six to twelve months | One to five years |
| | -----Rs----- | | | | |
| Financial liabilities | | | | | |
| Accrued expenses | 349,672 | 349,672 | 349,672 | - | - |
| Long term deposits | 5,400,000 | 5,400,000 | - | - | 5,400,000 |
| Advances, deposits and other payables | 1,054,450 | 1,054,450 | 1,054,450 | - | - |
| | <u>6,804,122</u> | <u>6,804,122</u> | <u>1,404,122</u> | <u>-</u> | <u>5,400,000</u> |

22.3 Market risk

Market risk is the risk that the value of the financial instruments may fluctuate as a result of changes in interest rates or the market price may change due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Having no interest based financial asset / liability, the Institute is not exposed to any interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rate. In view of balances in current accounts no interest rate exposure arises.

22.3.1 Cash flow sensitivity analysis for variable rate instruments

There would have been no effect in the statement of comprehensive income for the year ended June 30, 2023 and the Institute's funds as of June 30, 2023 due to change in interest rates applicable on its financial assets. Same stands true for corresponding figures as well.

Funds held in banks can be withdrawn on demand.

22.4 Fair value of financial assets and liabilities

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The Company uses the following fair value hierarchy to classify financial instruments measured at fair value:

Level 1: quoted (unadjusted) prices in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

No investment is made by the company and hence not applicable.

22.4.1 Financial instruments by categories

| 2023 | | | | |
|---|--------------------|----------|----------|-----------------------|
| Rupees | | | | |
| As at June 30, 2023 | Ammortized Cost | FVOCI | FVTPL | Total |
| Financial assets as per balance sheet date | | | | |
| | | | | - |
| Long term deposits | 10,000 | - | - | 10,000 |
| Advances, prepayments and other receivables | 92,062,451 | - | - | 92,062,451 |
| Short term investments | 1,950,221 | - | - | 1,950,221 |
| Bank balances | 36,973,772 | - | - | 36,973,772 |
| | <u>130,996,444</u> | <u>-</u> | <u>-</u> | <u>130,996,444</u> |
| As at June 30, 2023 | | | | Financial |
| Financial liabilities as per balance sheet | | | | liabilities at |
| | | | | amortized cost |
| Long term deposit | | | | 5,400,000 |
| Accrued expenses | | | | 436,672 |
| Advances, deposits and other payables | | | | <u>1,054,450</u> |
| | | | | <u>6,891,122</u> |

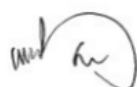
| 2022 | | | | |
|---|--|-----------------------|-----------------------|-----------------------|
| Rupees | | | | |
| As at June 30, 2022 | Asset at fair value through profit and | Loans and receivables | Other financial asset | Total |
| Financial assets as per balance sheet date | | | | |
| Long term deposits | 10,000 | 11,507,205 | - | 11,517,205 |
| Advances, prepayments and other receivables | 12,552,479 | 1,935,635 | - | 14,488,114 |
| Short term investments | 84,000,000 | - | - | 84,000,000 |
| Bank balances | 6,898,819 | - | 6,376,610 | 13,275,429 |
| | <u>96,562,479</u> | <u>13,442,840</u> | <u>6,376,610</u> | <u>123,280,748</u> |
| As at June 30, 2022 | | | | Financial |
| Financial liabilities as per balance sheet | | | | liabilities at |
| | | | | amortized cost |
| Long term deposit | | | | 5,400,000 |
| Accrued expenses | | | | 349,672 |
| Advances, deposits and other payables | | | | <u>1,054,450</u> |
| | | | | <u>6,804,122</u> |

23 NUMBER OF EMPLOYEES

The total number of employees of the Institute as at June 30, 2023 were 4 (2022: 4).

24 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Council Members meeting held on September 22, 2023



President



Treasurer



Vice President

INSTITUTE OF CORPORATE SECRETARIES OF PAKISTAN

ICSP REGISTERED OFFICE



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