Riaz Ahmad & Company
Chartered Accountants

SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

FOR THE YEAR ENDED 30 JUNE 2022

A member of Nexia International

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Sindh Infrastructure Development Company Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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

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

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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.

Other matter

The financial statement of the Company for the year ended 30 June 2021 were audited by another firm of chartered Accountants who has expressed an unmodified opinion thereon vide their report dated 28 October 2021.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit and loss, the statements of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Junaid Ashraf.

RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

Date: 28 October 2022
UDIN: AR2022100450Y3wJ9tz4

SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	**6,322,071**	10,281,441
CURRENT ASSETS			
Due from Government	10	**5,527,171**	5,240,389
Advances, deposits, prepayments and other receivables	5	**9,206,834**	18,525,128
Accrued mark up		**89,458,476**	90,963,044
Cash and bank balances	6	**2,058,705,234**	5,024,661,189
		2,162,897,715	5,139,389,750
TOTAL ASSETS		**2,169,219,786**	5,149,671,191
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
3,000,000 (2021: 3,000,000) ordinary shares of Rupees 100/- each		**300,000,000**	300,000,000
Issued, subscribed and paid-up share capital	7	**200,000,000**	200,000,000
Revenue reserves		**214,860,677**	95,661,982
TOTAL EQUITY		**414,860,677**	295,661,982
NON-CURRENT LIABILITIES			
Staff retirement benefit	8	**14,772,674**	12,492,503
CURRENT LIABILITIES			
Trade and other payables	9	**382,848,777**	632,772,884
Due to Government	10	**1,356,737,658**	4,208,743,822
		1,739,586,435	4,841,516,706
TOTAL LIABILITIES		**1,754,359,109**	4,854,009,209
TOTAL EQUITY AND LIABILITIES		**2,169,219,786**	5,149,671,191
CONTINGENCIES AND COMMITMENTS	11		

The annexed notes from 01 to 21 form an integral part of these financial statements.

These financial statements have been signed by two directors instead of chief executive officer and one director, as the position of chief executive officer is vacant at the time of approval of these financial statements.

Javed Kureishi
DIRECTOR

DIRECTOR

SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
Service revenue		**136,806,187**	42,982,982
Administrative expenses	12	**(180,372,787)**	(172,827,150)
Operating loss		**(43,566,600)**	(129,844,168)
Other income	13	**162,765,295**	139,553,165
Profit before taxation		**119,198,695**	9,708,997
Taxation	14	**-**	-
Profit after taxation		**119,198,695**	9,708,997
Earnings per share - basic and diluted	15	**59.6**	4.85

The annexed notes from 01 to 21 form an integral part of these financial statements.

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Javed Kureshi
DIRECTOR

DIRECTOR

SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
Profit after taxation		**119,198,695**	9,708,997
Other comprehensive income:			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**119,198,695**	9,708,997

The annexed notes from 01 to 21 form an integral part of these financial statements.

These financial statements have been signed by two directors instead of chief executive officer and one director, as the position of chief executive officer is vacant at the time of approval of these financial statements.

Javed Kureishi
DIRECTOR

DIRECTOR

SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Issued, subscribed and paid-up share capital	Unappropriated profit	Total equity
	Rupees	Rupees	Rupees
Balance as at 30 June 2020	**200,000,000**	**85,952,985**	**285,952,985**
Total comprehensive income for the year ended 30 June 2021			
Profit for the year	-	9,708,997	9,708,997
Other comprehensive income	-	-	-
	-	9,708,997	9,708,997
Balance as at 30 June 2021	**200,000,000**	**95,661,982**	**295,661,982**
Total comprehensive income for the year ended 30 June 2022			
Profit for the year	**-**	**119,198,695**	**119,198,695**
Other comprehensive income	-	-	-
	-	**119,198,695**	**119,198,695**
Balance as at 30 June 2022	**200,000,000**	**214,860,677**	**414,860,677**

The annexed notes from 01 to 21 form an integral part of these financial statements.

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Javed Kureshi
DIRECTOR

DIRECTOR

SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**119,198,695**	9,708,997
Adjustments for non-cash items:			
Depreciation	4	**5,680,858**	5,769,412
Interest income from saving account	13	**(161,858,795)**	(139,153,165)
Advance tax written off		-	4,257,692
Staff retirement benefit		**5,419,334**	3,747,687
Provision against doubtful receivables		**4,345,176**	-
Cash used in operations before working capital changes		**(27,214,732)**	(115,669,377)
Decrease/(increase) in current assets			
Advances, deposits, prepayments and other receivables		**4,973,118**	(7,759,086)
		4,973,118	(7,759,086)
(Decrease)/increase in current liabilities			
Trade and other payables		**(249,924,107)**	(920,725,290)
Due to Government		**(2,852,292,946)**	4,149,258,399
		(3,102,217,053)	3,228,533,109
Cash (used in)/generated from operations		**(3,124,458,667)**	3,105,104,646
Staff retirement benefits paid		**(3,139,163)**	(1,396,812)
Net cash (used in) / generated from operating activities		**(3,127,597,830)**	3,103,707,834
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		**(1,721,488)**	(1,719,467)
Interest income received during the year		**163,363,363**	92,524,519
Net cash inflow from investing activities		**161,641,875**	90,805,052
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net (decrease) / increase in cash and cash equivalents		**(2,965,955,955)**	3,194,512,886
Cash and cash equivalents at the beginning of the year		**5,024,661,189**	1,830,148,303
Cash and cash equivalents at the end of the year	6	**2,058,705,234**	5,024,661,189

The annexed notes from 01 to 21 form an integral part of these financial statements.

These financial statements have been signed by two directors instead of chief executive officer and one director, as the position of chief executive officer is vacant at the time of approval of these financial statements.

Javed Kureshi
DIRECTOR

DIRECTOR

1. THE COMPANY AND ITS OPERATIONS

The Sindh Infrastructure Development Company Limited ("the Company") is a public unlisted company incorporated under the repealed Companies Ordinance, 1984 (Now the Companies Act, 2017) on 02 June 2015. The Company has obtained certificate for commencement of business under section 146(2) of the repealed Companies Ordinance, 1984 on 23 November 2015.

Prime Minister of Pakistan instructed the Company vide letter No. PM Office U.O. No.1(120)/ESTAB/2019 dated 29 March 2019 to change the name of Karachi Infrastructure Development Company Limited to Sindh Infrastructure Development Company Limited. Accordingly, the Company has approved the alteration of Memorandum of Association and Article of Association by changing the name of Company and object clause through special resolution passed in the meeting held on 19 April 2019 which was subsequently ratified by SECP on 23 July 2019.

The principal object of the Company is to carry on the business of infrastructure and development, expansion and for planning, designing, implementation, construction and execution of infrastructure and development projects in the province of Sindh and its adjoining areas.

1.1 Geographical location and addresses of all business units are as follows:

Sr.	Office	Address
i.	Registered office	6th Floor, Extension Block, Bahria Complex IV, Gizri, Karachi
ii.	Site office - 1	Deputy Commissioner Office, North Nazimabad, Karachi
iii.	Site office - 2	Governor House, Karachi
iv.	Operations Control Centre	Garden Road, Karachi

1.2 Transfer of assets, liabilities along with business operations from SPMU to the Company

During the year ended 30 June 2016, Government of Pakistan (GoP) Ministry of Communications issued instructions regarding transfer of Special Project Management Unit (SPMU) into the Company. The instructions required transferring of assets, liabilities, employees and business operations of the unit to the Company with the objective to takeover and execute the 'Bus Rapid Transport System (BRTS)' project of Government of Pakistan. The asset & liability transferred from SPMU are accounted for at Rupee 1 in the books of accounts of the Company at the time of transfer.

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; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, unless otherwise specifically stated.

2.3 Functional and presentation currency

These financial statements are prepared in Pakistani Rupees which is also the Company's functional currency.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan and the Companies Act, 2017, requires management the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continuously evaluated and are based on historical experience including expectation of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. The areas where required assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

	Note
- Depreciation on property and equipment	3.1
- Impairment of financial assets	3.6b(i)
- Allowance for expected credit losses	3.8
- Provisions	3.13
- Impairment of non-financial assets	3.15

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

2.5 New and Amended Standards / Interpretations and Forthcoming Requirements

a) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2021:

- Amendments to IFRS 16 'Leases' – Covid-19 related rent concessions extended beyond 30 June 2021.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

b) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2021 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

c) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2022 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

- IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 01 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The above amendments and improvements do not have a material impact on the financial statements.

d) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and equipment

Recognition

These are stated at cost less accumulated depreciation and impairments, if any. Cost of property and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. Major renewals and improvements are capitalized while normal replacements, repairs and maintenance are charged to statement of profit or loss.

Depreciation

Depreciation on property and equipment is charged to statement of profit or loss applying the straight-line method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 4. Depreciation on additions and disposals during the year is charged from the month of addition to the month of disposal. When parts of an item of asset have different useful lives, they are accounted for as separate item in property and equipment. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of property and equipment are determined by comparing proceeds with the carrying amount. These are taken to the statement of profit or loss currently.

3.2 Right of Use Asset

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Payment associated with short term leases are recognized as expense in statement of profit or loss.

The principal terms and conditions of the lease arrangements entered into by the Company and outstanding at year end are as follows:

Office Premises	Lessor Name	Lease Start Date	Lease Tenure	Renewal
6th Floor, Extension Block, Bahria Complex-II, M.T Khan Road Karachi	Bahria Foundation	02 April 2021	12 Months	Mutual Consent

3.3 Lease Liability

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

3.4 Employee benefit

The Company operates an unfunded provident fund scheme covering all its employees who are eligible. Equal monthly contributions are made both by the Company and employees at the rate of 3 percent of the basic salary to the fund. The Company's contributions to the fund are charged to statement of profit or loss.

3.5 Income tax

The Company has been allotted Free Tax Number from Federal Board of Revenue (FBR) whereby the income of the Company is exempt from tax under Section 49 of the Income Tax Ordinance, 2001. Therefore, no provision for taxation has been made in these financial statements and as a result temporary differences do not arise and deferred tax is not recorded.

3.6 IFRS 9 "Financial instruments"

Investments and other financial assets

a) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in statement of profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in the statement of profit or loss and other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in the statement of profit or loss and other comprehensive income and presented net within other income / (other expenses) in the period in which it arises.

Financial liabilities

Classification and measurement

Financial liabilities are classified as measured at amortized cost or 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 or loss and other comprehensive income. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss and other comprehensive income. Any gain or loss on de-recognition is also included in profit or loss.

i) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

ii) De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the unconsolidated financial statements when there is a legally enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

3.8 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company applies the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables are grouped based on days overdue.

3.9 Share capital

Ordinary shares are classified as share capital.

3.10 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost.

3.11 Due to Government (Development & Operations Fund)

Receipts in excess of cost incurred and advances to contractors on government projects assigned to the Company for execution and recognized service revenue on government projects are classified as due to government under current liabilities.

Receipts short of cost incurred and advances to contractors on government projects assigned to the Company for execution and recognized service revenue on government projects are classified as due from government under current assets.

3.12 Revenue from contracts with customers

Revenue is recognized in accordance with "IFRS 15 – Revenue from contracts with customers".

Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

Rendering of services

Service revenue in respect of execution of government development projects is recognized by reference to the stage of completion of the respective projects using the cost-based input method. The stage of completion is measured by reference to the contract costs (inputs) incurred up to the reporting date as a percentage of total expected inputs for each contract.

Service revenue in respect of management of the operations of the government projects is recognized on a proportionate basis over a period of service agreement.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

3.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.14 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the statement of profit or loss.

3.15 Impairment of Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

3.16 Earnings per share - Basic and Diluted

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated if there is any potential dilutive effect on the Company's reported net profit or loss.

3.17 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3.18 Related party transactions

All related party transactions are made on terms equivalent to those that prevail in arm's length transactions.

4. PROPERTY AND EQUIPMENT - OWNED

	Furniture, fixture & fittings	Computer equipment	Vehicles	Office equipment	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
As at 30 June 2021					
Cost	**3,878,849**	**4,431,947**	**28,633,188**	**2,454,860**	**39,398,844**
Accumulated depreciation	**(2,433,348)**	**(3,235,285)**	**(22,236,690)**	**(1,212,080)**	**(29,117,403)**
Net book value	**1,445,501**	**1,196,662**	**6,396,498**	**1,242,780**	**10,281,441**
Year ended 30 June 2022					
Opening net book value	**1,445,501**	**1,196,662**	**6,396,498**	**1,242,780**	**10,281,441**
Additions - at cost	-	**1,235,500**	-	**485,988**	**1,721,488**
Disposal	-	-	-	-	-
Depreciation charge	**(566,154)**	**(948,635)**	**(3,731,206)**	**(434,863)**	**(5,680,858)**
Closing net book value	**879,347**	**1,483,527**	**2,665,292**	**1,293,905**	**6,322,071**
As at 30 June 2022					
Cost	**3,878,849**	**5,667,447**	**28,633,188**	**2,940,848**	**41,120,332**
Accumulated depreciation	**(2,999,502)**	**(4,183,920)**	**(25,967,896)**	**(1,646,943)**	**(34,798,261)**
Net book value	**879,347**	**1,483,527**	**2,665,292**	**1,293,905**	**6,322,071**
As at 30 June 2020					
Cost	3,620,486	3,674,943	28,633,188	1,750,760	37,679,377
Accumulated depreciation	(1,867,371)	(2,624,966)	(17,941,712)	(913,942)	(23,347,991)
Net book value	1,753,115	1,049,977	10,691,476	836,818	14,331,386
Year ended 30 June 2021					
Opening net book value	1,753,115	1,049,977	10,691,476	836,818	14,331,386
Additions - at cost	258,363	757,004	-	704,100	1,719,467
Disposal	-	-	-	-	-
Depreciation charge	(565,977)	(610,319)	(4,294,978)	(298,138)	(5,769,412)
Closing net book value	1,445,501	1,196,662	6,396,498	1,242,780	10,281,441
As at 30 June 2021					
Cost	3,878,849	4,431,947	28,633,188	2,454,860	39,398,844
Accumulated depreciation	(2,433,348)	(3,235,285)	(22,236,690)	(1,212,080)	(29,117,403)
Net book value	1,445,501	1,196,662	6,396,498	1,242,780	10,281,441
Depreciation (% per annum)	**15%**	**30%**	**15%**	**15%**	

4.1 Property and equipment includes assets transferred from Special Project Management Unit (SPMU) accounted for at Rupee 1.

5. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2022 Rupees	2021 Rupees
Security deposit	5.1	**1,700,000**	700,000
Advance against vehicles		-	6,850,000
Prepayments		**7,166,834**	6,629,951
Other receivable		**340,000**	-
Tender fee due from Government		**4,345,176**	4,345,177
		13,552,010	**18,525,128**
Less: Provision against doubtful receivable			
Opening		-	-
Charge for the year		**(4,345,176)**	-
Closing		**(4,345,176)**	-
		9,206,834	18,525,128

5.1 It represents an amount paid as security deposit to Pakistan State Oil Company Limited against issuance of fuel cards.

		Note	2022 Rupees	2021 Rupees
6.	**CASH AND BANK BALANCES**			
	Cash in hand		**239,872**	250,000
	Bank Balances:			
	Current accounts		**381,243,069**	623,060,062
	Saving accounts	6.1, 6.2 & 6.3	**1,677,222,293**	4,401,351,127
			2,058,705,234	5,024,661,189

6.1 It includes an amount of Rupees 14.094 million (2021: Rupees 12.135 million) deposited in a separate bank account maintained against provident fund.

6.2 These bank accounts carry profit at rates 10.75% (2021: 5.5%) per annum.

6.3 These bank accounts include Net Cash margin against LC amounting to Rupees 686.651 million (2021: Rupees 3,183.852 million).

7. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Authorised Share Capital

Number of shares 2022	Number of shares 2021			2022 Rupees	2021 Rupees
3,000,000	3,000,000	Ordinary shares of Rupees 100/- each.		**300,000,000**	300,000,000

Issued, Subscribed and Paid-Up Share Capital

Number of shares 2022	Number of shares 2021	Note	2022 Rupees	2021 Rupees
2,000,000	2,000,000	7.1 & 7.2	**200,000,000**	200,000,000

7.1 Ordinary shares of Rupees 100/- each fully paid in cash.

7.2 These ordinary shares are beneficially owned by Government of Pakistan through Secretary of Ministry of Finance and by nominee directors.

8. STAFF RETIREMENT BENEFIT

	Note	2022 Rupees	2021 Rupees
Provident fund balance	8.1	**14,772,674**	12,492,503

8.1 Movement in provident fund balance:

	Note	2022 Rupees	2021 Rupees
Balance as at 01 July:			
Company's contribution		**5,039,720**	4,026,145
Employees' contribution		**5,039,720**	4,026,145
Accumulated profit		**2,413,063**	2,089,338
		12,492,503	10,141,628
During the year:			
Company's contribution		**2,181,674**	1,516,130
Employees' contribution		**2,181,674**	1,516,130
Loan granted during the year		**-**	(140,000)
Loan recovered during the year		**40,000**	114,840
Interest income on bank deposits		**1,067,362**	600,587
Full & final settlements		**(3,139,163)**	(1,256,812)
Adjustment		**(51,376)**	-
		2,280,171	2,350,875
Balance as at 30 June	8.1.1	**14,772,674**	12,492,503

8.1.1 The balance of provident fund have been maintained in a separate special bank account in accordance with provisions of Section 218 of the Companies Act, 2017 and rules formulated for this purpose.

9. TRADE AND OTHER PAYABLES

	Note	2022 Rupees	2021 Rupees
Accrued expenses		**860,246**	733,693
Retention money	9.1	**380,335,881**	631,227,691
Tender fee payable		**-**	811,500
Insurance claim payable	9.2	**1,292,319**	-
Payable to contractor		**360,332**	-
		382,848,778	632,772,884

9.1 Retention money represents the amounts retained from progress billings of contractors which will be paid on satisfaction of conditions specified.

9.2 This relates to insurance claim payable to Al-Haj Bus Company (Private) Limited (Local agent in Pakistan) of Zhongtong Bus Holding Company Limited (Supplier) as per bus supply contract.

10. DUE TO / (FROM) GOVERNMENT

	Note	2022 Rupees	2021 Rupees
Due to Government		**1,356,737,658**	4,208,743,822
Due from Government		**(5,527,171)**	(5,240,389)
		1,351,210,487	4,203,503,433
Represented by:			
Projects related to development	10.1	**206,772,512**	327,118,731
Projects related to operations	10.2	**1,144,437,975**	3,876,384,702
		1,351,210,487	4,203,503,433

10.1 Projects related to development

Due to Government under development projects represents the balance of government projects being executed by the Company on behalf of Government of Pakistan and Government of Sindh. As at the reporting date, the Company has been entrusted to execute the following projects in consideration of establishment charges (agency fee):

(a) Green Line Bus Rapid Transport System (Green Line Infrastructure);
(b) Reconstruction of Mangopir Road from Jam Chakro to Banaras 8.10 KM (Jam Chakro);
(c) Reconstruction of Mango Pir Road from Banaras Chowk to Nishtar Road and Nishtar Road from Tin Hatti to Napier Road (Nishtar & Mangopir Road);
(d) Improvement / rehabilitation of different roads / streets including water and sewerage system in
(e) Construction of Flyover at Sakhi Hassan, Five Star and KDA Roundabout along Shershah Suri Road (Three Flyovers);
(f) Interchange over Malir Link Road to M-9; and
(g) Road over Malir Bund from Dada Bhoy Town upto limits of PNS Mehran.

Movement in balance due to / from government in respect of these projects is as under:

	2022	2021
Balance as at 01 July	**327,118,731**	45,919,195
Fund received during the year - net	**2,275,235,195**	2,979,740,088
Adjustment of advance to contractors against development cost for the year	**(20,746,957)**	(456,834,379)
Less: Development cost incurred during the year	**(2,350,944,798)**	(2,219,149,852)
Less: Service revenue recognized during the year	**(23,889,659)**	(22,556,321)
Balance as at 30 June	**206,772,512**	327,118,731

Represented by:	Note	2022 Rupees	2021 Rupees
Funds received	10.3	**30,783,535,403**	28,508,300,208
Less: Projects' development cost incurred	10.3	**(29,751,071,460)**	(27,400,126,662)
Less: Company's establishment cost recognized	10.3	**(288,223,811)**	(264,334,152)
Less: Advance to contractors	10.3	**(537,467,620)**	(516,720,663)
		206,772,512	327,118,731

10.2 Projects related to operations

Due to Government under operational projects represents the balance of government projects being managed by the Company on behalf of Government of Pakistan and Government of Sindh. As at the reporting date, the Company has been entrusted to manage the following projects in consideration of establishment charges (agency fee):

(a) Operationalization of Green Line Bus Rapid Transport System (Green Line Operations);
(b) Operationalization of Orange Line Bus Rapid Transport System (Orange Line Operations);
(c) Rehabilitation / upgradation of existing fire station of Karachi Metropolitan Corporation (Fire Tender);

(a) Operationalization of Green Line Bus Rapid Transport System (Green Line Operations);

Agreement name	Company's obligations	Tenure
Operationalization of Green Line BRTS and installation of integrated intelligent transport support system equipment	- Procurement of 80 Articulated Diesel-Hybrid Buses. - Installation of Integrated intelligent transport system equipment's at the OCC building, Bus Depot and BRTS Stations. - Hiring of Bus operators, station managers, janitorial services and security services - Upkeep the system under conventional procurement mode. - Collection of fare revenues and other revenues from bus operations.	3 years

(b) Operationalization of Orange Line Bus Rapid Transport System (Orange Line Operations);

Agreement name	Company's obligations	Tenure
Operationalization of Orange Line Bus Rapid Transport System (Orange Line Operations)	- Procurement of Fleet/Buses. - Installation of Integrated intelligent transport system equipments at the OCC building, Bus Depot and BRTS Stations. - Hiring of Bus operators, station managers, janitorial services and security services - Upkeep the system under conventional procurement mode. - Collection of fare revenues and other revenues from bus operations.	3 years

(c) Rehabilitation/Upgradation of existing fire fighting system of KMC;

Agreement	Company's obligations	Tenure
Rehabilitation/Upgradation of existing fire fighting system of KMC.	The obligation of SIDCL is to upgrade the existing fire fighting system and the project is designed in that way which provide Multipurpose fire-fighting & rescue vehicle provision for Rapid Intervention which also ensuring the unit is manoeuvrable and enter in narrow streets of Karachi.	3 years

		2022 Rupees	2021 Rupees
Movement in balance due to / from government in respect of these projects is as under:			
Balance as at 01 July		**3,876,384,702**	8,325,839
Fund received during the year - net		**3,075,456,924**	5,337,807,409
Fare collected		**236,856,761**	-
Bank profit - net		**24,011,064**	-
Adjustment of advance to contractors against development cost for the year		**72,130,398**	(213,403,595)
Less: Project cost incurred during the year		**(6,027,485,347)**	(1,235,918,290)
Less: Service revenue recognized during the year		**(112,916,527)**	(20,426,661)
Balance as at 30 June		**1,144,437,975**	3,876,384,702
Represented by:			
Funds received	10.4	**9,905,264,333**	6,829,807,409
Fare collection to date	10.4	**236,856,761**	-
Bank profit (net) to date	10.4	**24,011,064**	-
Less: Projects' cost incurred	10.4	**(8,733,403,637)**	(2,705,918,290)
Less: Company's establishment cost recognized	10.4	**(147,017,349)**	(34,100,822)
Less: Advance to contractors	10.4	**(141,273,197)**	(213,403,595)
		1,144,437,975	3,876,384,702

10.3 The projects current status and details are as under:

2022	Projects related to development							
	Green Line Infrastructure	**Jam Chakro**	**Nishter / Mang Road**	**KMC**	**Three Flyovers**	**Interchange over Malir Link Road to M-9**	**Road over Malir Bund from Dada Bhoy Town upto limits of PNS Mehran**	**Total**
	Rupees	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**
Project development cost as per PC-I	**24,408,512,255**	**2,514,940,000**	**1,981,060,000**	**1,000,000,000**	**2,911,448,150**	**1,872,780,295**	**43,213,829**	**34,731,954,529**
SIDCL establishment charges as per PC-I	**195,544,572**	**43,060,000**	**32,740,000**	**11,000,000**	**39,503,447**	**18,891,395**	**823,121**	**341,562,535**
Total project cost as per PC-I	**24,604,056,827**	**2,558,000,000**	**2,013,800,000**	**1,011,000,000**	**2,950,951,597**	**1,891,671,690**	**44,036,950**	**35,073,517,064**
Fund received upto	**23,070,728,254**	**2,267,330,747**	**1,500,868,164**	**1,011,298,300**	**2,407,926,480**	**500,000,000**	**25,383,458**	**30,783,535,403**
Development contract cost incurred to date:								
- Design and supervision	**772,789,109**	**99,031,883**	**78,824,824**	-	**41,724,476**	-	-	**992,370,292**
- Utilities relocation	**759,062,246**	**43,088,010**	**29,582,000**	-	**27,080,661**	-	-	**858,812,917**
- Track work and infrastructure development	**20,639,145,881**	**2,030,940,266**	**1,368,060,494**	**1,000,000,000**	**2,306,887,200**	**500,000,000**	**25,383,458**	**27,870,417,299**
- Operational cost	-	-	-	-	-	-	-	-
- Land acquisition for project	**29,470,952**	-	-	-	-	-	-	**29,470,952**
	22,200,468,188	**2,173,060,159**	**1,476,467,318**	**1,000,000,000**	**2,375,692,337**	**500,000,000**	**25,383,458**	**29,751,071,460**
SIDCL establishment charges to date	**177,855,209**	**37,206,442**	**24,400,846**	**11,000,000**	**32,234,143**	**5,043,676**	**483,495**	**288,223,811**
Advance to contractors	**480,403,474**	**57,064,146**	-		-	-	-	**537,467,620**
Due to / (from) Government	**212,001,383**	-	-	**298,300**	-	**(5,043,676)**	**(483,495)**	**206,772,512**
Stage of completion (%)	**91%**	**86%**	**75%**	**100%**	**82%**	**27%**	**59%**	
Method of stage of completion			***..........Cost-based input method..........***					

2021	Projects related to development							
	Green Line	**Jam Chakro**	**Nishter / Mang Road**	**KMC**	**Three Flyovers**	**Interchange over Malir Link Road to M-9**	**Road over Malir Bund from Dada Bhoy Town upto limits of PNS Mehran**	**Total**
	Rupees	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**
Project development cost as per PC-I	24,408,512,255	2,514,940,000	1,981,060,000	1,000,000,000	2,911,448,150	1,872,780,295	43,213,829	34,731,954,529
SIDCL establishment charges as per PC-I	195,544,572	43,060,000	32,740,000	11,000,000	39,503,447	18,891,395	823,121	341,562,535
Total project cost as per PC-I	24,604,056,827	2,558,000,000	2,013,800,000	1,011,000,000	2,950,951,597	1,891,671,690	44,036,950	35,073,517,064
Fund received upto	21,277,315,617	1,878,483,947	1,422,948,453	1,011,298,300	2,407,926,480	500,000,000	10,327,411	28,508,300,208
Development contract cost incurred to date:								
- Design and supervision	721,706,103	70,834,258	78,824,824	-	41,724,476	-	-	913,089,661
- Utilities relocation	759,062,246	43,088,010	29,582,000	-	27,080,661	-	-	858,812,917
- Track work and infrastructure development	18,897,212,184	1,594,185,554	1,290,140,783	1,000,000,000	2,306,887,200	500,000,000	10,327,411	25,598,753,132
- Operational cost	-	-	-	-	-	-	-	-
- Land acquisition for project	29,470,952	-	-	-	-	-	-	29,470,952
	20,407,451,485	1,708,107,822	1,398,547,607	1,000,000,000	2,375,692,337	500,000,000	10,327,411	27,400,126,662
SIDCL establishment charges to date	163,490,766	29,255,748	23,113,105	11,000,000	32,234,143	5,043,676	196,713	264,334,152
Advance to contractors	383,570,982	133,149,681	-	-	-	-	-	516,720,663
Due to / (from) Government	322,802,384	7,970,696	1,287,741	298,300	-	(5,043,676)	(196,713)	327,118,731
Stage of completion (%)	84%	68%	71%	100%	82%	27%	24%	
Method of stage of completion			***..........Cost-based input method..........***					

10.4 The projects current status and details are as under:

	Projects related to operations			TOTAL
	Green Line Operations	Orange Line Operations	Fire Tender	
	Rupees	Rupees	Rupees	
Project cost as per PC-I	**10,753,268,000**	**2,089,502,552**	**1,858,710,000**	**14,701,480,552**
SIDCL establishment charges as per PC-I	**202,892,000**	**30,934,010**	**17,290,000**	**251,116,010**
Total project cost as per PC-I	**10,956,160,000**	**2,120,436,562**	**1,876,000,000**	**14,952,596,562**
As at 30 June 2022				
Fund received upto date	**7,121,491,451**	**994,096,000**	**1,789,676,882**	**9,905,264,333**
Fare collected upto date	**236,856,761**	**-**	**-**	**236,856,761**
Bank profit- net	**2,638,229**	**21,372,835**	**-**	**24,011,064**
	7,360,986,441	**1,015,468,835**	**1,789,676,882**	**10,166,132,158**
Project cost incurred to date:				
Articulated buses / fire tender	**4,447,574,902**	**703,188,538**	**1,772,386,882**	**6,923,150,322**
IITS hardware & software	**905,221,928**	**-**	**-**	**905,221,928**
Station & OCC management	**281,056,786**	**2,570,368**	**-**	**283,627,154**
Clearing house	**7,020,679**	**-**	**-**	**7,020,679**
Bus operator	**214,567,618**	**-**	**-**	**214,567,618**
Infra maintenance	**5,028,305**	**-**	**-**	**5,028,305**
IITS maintenance	**28,732,991**	**-**	**-**	**28,732,991**
Operations charges	**117,555,359**	**-**	**-**	**117,555,359**
Consultancy charges	**139,152,556**	**-**	**-**	**139,152,556**
Insurance	**106,732,544**	**2,614,181**	**-**	**109,346,725**
	6,252,643,668	**708,373,087**	**1,772,386,882**	**8,733,403,637**
SIDCL's establishment charges incurred upto date	**116,466,569**	**14,063,771**	**16,487,009**	**147,017,349**
Advance to contractors paid upto date	**112,175,084**	**29,098,113**	**-**	**141,273,197**
Due to Government	**879,701,120**	**263,933,864**	**802,991**	**1,144,437,975**
Method of revenue recognition	***--------------- Proportionate basis --------------------***			
As at 30 June 2021				
Fund received upto date	4,453,034,527	587,096,000	1,789,676,882	6,829,807,409
Project cost incurred to date:				
Articulated buses / fire tender	885,973,760	-	1,772,386,882	2,658,360,642
Consultancy charges	47,557,648	-	-	47,557,648
	933,531,408	-	1,772,386,882	2,705,918,290
SIDCL's establishment charges incurred upto date	17,613,813	-	16,487,009	34,100,822
Advance to contractors paid upto date	213,403,595	-	-	213,403,595
Method of revenue recognition	*--------------- Proportionate basis -------------------*			
Due to Government	3,288,485,711	587,096,000	802,991	3,876,384,702

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

a) A joint venture of Al-Noor Builders & Construction HUB (Private) Limited and Gul Construction ('Plaintiff') has filled an appeal against the Company vide Suit No. 1056 dated 11 May 2018 in the Honorable High Court of Sindh against the disqualification from the tender process at the stage of technical evaluation. The tender was issued for construction of common corridor and underground facility at Numaish M.A Jinnah Road, contract package No. KAR/BRTS/GL16. The Plaintiff is seeking an injunction against opening of finance bid of successful bidder. No injunction has been granted by the honorable court till reporting date and suit is currently ending at the stage of hearing of applications. The plaintiff has also prayed for damage of Rupees 50 million. The Company in consultation with its legal advisor is confident of favourable outcome in the matter with no financial loss to the Company. Accordingly no provision has been accounted for in these financial statement.

b) National Logistics Cell ('NLC') has initiated the arbitration proceeding seeking to have compensation and damages of Rupees 329.6 million imposed on the Company for the loss of parts to escalators imported by it pursuant to a contract awarded to it. NLC has also claimed compensation for damage which was caused to escalators whilst they were stored in anticipation of being installed at the Company's sites. The management of the Company is vigorously contend the matter and confident about favourable outcome with no financial loss to the Company. Accordingly no provision has been accounted for in these financial statement.

11.2 Commitments	**Note**	**2022 Rupees**	**2021 Rupees**
Commitments to contractors		**6,597,844,214**	2,459,242,578

12. ADMINISTRATIVE EXPENSES

	Note	2022	2021
Salaries, wages and benefits	12.1	**114,324,550**	99,006,830
Directors' meeting fee		**7,140,000**	9,110,774
Stationery, printing and publication		**1,075,129**	725,402
Newspapers and periodicals		**9,941**	25,870
Depreciation	4	**5,680,858**	5,769,412
Auditors' remuneration	12.2	**594,000**	585,000
Communication charges		**1,952,609**	1,586,041
Travelling and conveyance		**1,272,737**	1,531,230
Advertisement		**2,346,975**	7,559,309
Utilities expense		**809,453**	689,892
Subscription fee		**53,381**	165,837
Repairs and maintenance		**3,014,400**	4,678,898
Rent, rate and taxes		**35,055,882**	24,752,082
Insurance		**388,220**	9,856,089
Law charges		**937,500**	5,205,000
Bank charges		**525**	525
Miscellaneous expenses		**1,371,451**	1,578,959
Provision against doubtful receivables		**4,345,176**	-
		180,372,787	172,827,150

12.1 This includes an amount of Rupees 2.177 million (2021: Rupees 1.517 million) representing the contribution made by the Company to the staff provident fund.

12.2	Auditors' remuneration	Note	2022 Rupees	2021 Rupees
	Riaz Ahmad and Company, Chartered Accountants:			
	Audit fee		**500,000**	-
	Certification fee		**50,000**	-
	Sindh sales tax		**44,000**	-
			594,000	-
	Baker Tilly Mehmood Idrees Qamar, Chartered Accountants:			
	Audit fee		-	500,000
	Out of pocket expenses		-	41,667
	Sindh sales tax		-	43,333
			-	585,000
			594,000	585,000

13. OTHER INCOME

	2022	2021
Income from financial assets		
Interest income from saving account	**161,858,795**	139,153,165
Income from assets other than financial assets		
Other income	**906,500**	400,000
	162,765,295	139,553,165

14. TAXATION

Current tax	-	-

14.1 The Federal Board of Revenue (FBR) has allotted Free Tax Number (FTN) to the Company under Section 49 of the Income Tax Ordinance, 2001 whereby the income of the Company is exempt from tax. Therefore, no provision for taxation has been made in these financial statements and as a result temporary differences do not arise and deferred tax is not recorded.

15. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on basic earnings per share which is based on:

	2022	2021
Profit for the year **(Rupees)**	**119,198,695**	9,708,997
Weighted average number of ordinary shares **(Number)**	**2,000,000**	2,000,000
Earnings per share basic and diluted **(Rupees)**	**59.6**	4.85

16. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2022		
	Chief Executive Officer	**Directors**	**Executives**
	Rupees	**Rupees**	**Rupees**
Salary	**12,193,548**	-	**56,151,751**
Utilities	-	-	**489,690**
Meeting fee	**720,000**	**7,080,000**	
Other allowances	-	-	**1,272,737**
	12,913,548	**7,080,000**	**57,914,178**
Number of persons	**1**	**14**	**17**

	2021		
	Chief Executive Officer	Directors	Executives
	Rupees	Rupees	Rupees
Salary	4,003,225	-	48,413,301
Utilities	55,000	-	431,942
Meeting fee	1,080,000	8,400,000	-
Others	82,500	-	717,373
	5,220,725	8,400,000	49,562,616
Number of persons	1	15	19

16.1 Certain executives of the Company are provided with Company maintained vehicles.

17. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of principal shareholder (Government of Pakistan), Government of Sindh, directors, key management personnel, entities over which the directors are able to exercise influence. Transactions with related parties other than those disclosed in Note 16 and the balances outstanding at the year end are given below:

Relationship with the Company	Nature of transaction	2022 Rupees	2021 Rupees
Principal shareholder	Fund received during the year	**4,943,692,119**	7,427,039,715
Government of Sindh	Fund received during the year	**407,000,000**	891,096,000
Due from Government		**5,527,171**	5,240,389
Due to Government		**(1,356,737,658)**	(4,208,743,822)
Principal shareholder	Tender fee due from Government	-	4,345,177

Name of party	Basis of relationship	Percentage of shareholding
Government of Pakistan	Shareholding	100%

18. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

18.1 Financial risk factors

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

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, credit risk and liquidity risk.

(a) Market risk

(i) 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 arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to this risk because there were no receivables and payables in any foreign currency as at the reporting date.

No foreign currency transactions were carried out during the year. Therefore, no currency risk exist at the statement of financial position.

Sensitivity analysis

Sensitivity analysis of functional currency at reporting date is not required due to nil foreign currency nominated financial assets and liabilities at the reporting date.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to this risk.

Sensitivity analysis

Sensitivity analysis of functional currency at reporting date is not required due to nil foreign currency nominated financial assets and liabilities at the reporting date.

(iii) Interest rate risk

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

The Company has no significant long-term interest-bearing assets. As there is no borrowings of the Company so there is no interest rate exposure to the Company.

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

	2022 Rupees	2021 Rupees
Fixed rate instruments :		
Financial assets	-	-
Floating rate instruments :		
Financial assets		
Bank balance - saving accounts	**1,677,222,293**	4,401,351,127
Financial liabilities	-	-

Fair value sensitivity analysis for variable rate instruments

As at 30 June 2022, if market interest rates had been 1% higher / lower with all other variables held constant, post-tax profit for the year would have been higher / lower by Rupees 16.781 million (2021: Rupees 44.022 million).

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Due from Government	**5,527,171**	5,240,389
Deposits and other receivable	**2,040,000**	5,045,177
Accrued mark up	**89,458,476**	90,963,044
Bank balances	**2,058,465,362**	5,024,411,189
	2,155,491,009	5,125,659,799

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

Banks	Rating				
	Short Term	Long Term	Agency		
National Bank of Pakistan	A-1+	AAA	VIS	**2,058,465,362**	5,024,411,189

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient bank balance. At 30 June 2022, the Company had cash and bank balances of Rupees 2,058.705 million (2021: Rupees 5,024.661 million). Following are the contractual maturities of financial liabilities. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities	Trade and other payables	Due to Government	Total
	Rupees	**Rupees**	**Rupees**
As at 30 June 2022			
Carrying Amount	**382,848,777**	**1,356,737,658**	**1,739,586,435**
Contractual Cash Flows:			
6 month or less	**382,848,777**	**1,356,737,658**	**1,739,586,435**
6 months to 12 months	-	-	-
More than 1 year	-	-	-
	382,848,777	**1,356,737,658**	**1,739,586,435**

Contractual maturities of financial liabilities	Trade and other payables	Due to Government	Total
	Rupees	**Rupees**	**Rupees**
As at 30 June 2021			
Carrying Amount	632,772,884	4,208,743,822	4,841,516,706
Contractual Cash Flows:			
6 month or less	632,772,884	4,208,743,822	4,841,516,706
6 months to 12 months	-	-	-
More than 1 year	-	-	-
	632,772,884	4,208,743,822	4,841,516,706

18.2 Recognized fair value measurements

(a) Financial Assets

Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no financial asset and financial liability to be reported under above levels as the carrying amounts of all financial assets and financial liabilities presented in these financial statements are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value.

(b) Non-Financial Assets

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

18.3 Financial instruments by categories

	Amortized cost	
Financial assets	**2022 Rupees**	**2021 Rupees**
Due from Government	**5,527,171**	5,240,389
Deposits and other receivable	**2,040,000**	5,045,177
Accrued mark up	**89,458,476**	90,963,044
Cash and bank balances	**2,058,705,234**	5,024,661,189
	2,155,730,881	5,125,909,799

	Amortized cost	
Financial liabilities	**2022 Rupees**	**2021 Rupees**
Trade and other payables	**382,848,777**	632,772,884
Due to Government	**1,356,737,658**	4,208,743,822
	1,739,586,435	4,841,516,706

18.4 Off setting financial assets and liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

19. NUMBER OF EMPLOYEES

The number of employees during the year is as follows:

	2022		2021	
	At year end	Average	At year end	Average
Number of employees				
- Permanent	**1**	**1**	1	1
- Contractual	**67**	**65**	62	53

20. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 13 OCT 2022 by the Board of Directors of the Company.

21. GENERAL

21.1 Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification or rearrangement of corresponding figures has been made in these financial statements except for the change in nomenclature of Government Development Fund and the followings reclassifications:

From	To	Amount Rupees
Due to Government	Due from Government	5,240,389
Salaries, wages and benefits	Directors' meeting fee	9,110,774

21.2 Figures have been rounded off to the nearest Rupee.

- These financial statements have been signed by two directors instead of chief executive officer and one director, as the position of chief executive officer is vacant at the time of approval of these financial statements.

Javed Qureshi
DIRECTOR

DIRECTOR