

**SINDH INFRASTRUCTURE DEVELOPMENT
COMPANY LIMITED**

**FINANCIAL STATEMENTS WITH ACCOMPANYING
INFORMATION**

**FOR THE YEAR ENDED
30 JUNE 2024**

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 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or 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 2024 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

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

Our opinion on the financial statements of the Company 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 of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company for 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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company'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 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.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity 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), the SOE Act, 2023 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: 29 OCTOBER 2024
UDIN: AR202410045PXq3taAEV

SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	1,537,619	2,975,633
Right-of-use assets	5	24,618,024	-
		<u>26,155,643</u>	<u>2,975,633</u>
CURRENT ASSETS			
Due from Government	13	5,695,459	5,695,459
Investments	6	604,977,091	892,014,580
Deposit, prepayments and other receivables	7	2,613,688	10,200,074
Accrued interest income		138,053,445	137,287,595
Bank balances	8	2,250,828,914	1,713,430,975
		<u>3,002,168,597</u>	<u>2,758,628,683</u>
TOTAL ASSETS		<u>3,028,324,240</u>	<u>2,761,604,316</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 3,000,000 (2023: 3,000,000) ordinary shares of Rupees 100/- each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid-up share capital	9	200,000,000	200,000,000
Revenue reserves		<u>404,858,819</u>	<u>288,938,514</u>
TOTAL EQUITY		<u>604,858,819</u>	<u>488,938,514</u>
NON-CURRENT LIABILITIES			
Staff retirement benefits	10	29,431,869	19,083,669
Lease liability	12	16,525,009	-
		<u>45,956,878</u>	<u>19,083,669</u>
CURRENT LIABILITIES			
Trade and other payables	11	252,148,971	323,335,903
Current portion of lease liability	12	6,889,619	-
Due to Government	13	2,118,469,953	1,930,246,230
		<u>2,377,508,543</u>	<u>2,253,582,133</u>
TOTAL LIABILITIES		<u>2,423,465,421</u>	<u>2,272,665,802</u>
TOTAL EQUITY AND LIABILITIES		<u>3,028,324,240</u>	<u>2,761,604,316</u>
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes from 01 to 24 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 Rupees	2023 Rupees
Revenue from contract with customer		30,449,748	47,957,371
Administrative expenses	15	(249,859,719)	(183,253,937)
Operating loss		(219,409,971)	(135,296,566)
Other income	16	335,922,656	209,374,403
Finance cost	12	(592,380)	-
Profit before taxation		115,920,305	74,077,837
Taxation	17	-	-
Profit after taxation		115,920,305	74,077,837
Earnings per share - basic and diluted	18	57.96	37.04

The annexed notes from 01 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 Rupees	2023 Rupees
Profit after taxation		115,920,305	74,077,837
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		115,920,305	74,077,837

The annexed notes from 01 to 24 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Issued, subscribed and paid-up share capital	Unappropriated profit	Total equity
	Rupees	Rupees	Rupees
Balance as at 30 June 2022	200,000,000	214,860,677	414,860,677
Total comprehensive income for the year ended 30 June 2023			
Profit for the year	-	74,077,837	74,077,837
Other comprehensive income	-	-	-
	-	74,077,837	74,077,837
Balance as at 30 June 2023	200,000,000	288,938,514	488,938,514
Total comprehensive income for the year ended 30 June 2024			
Profit for the year	-	115,920,305	115,920,305
Other comprehensive income	-	-	-
	-	115,920,305	115,920,305
Balance as at 30 June 2024	200,000,000	404,858,819	604,858,819

The annexed notes from 01 to 24 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		115,920,305	74,077,837
Adjustments for non-cash items:			
Depreciation	15	3,223,146	2,558,938
Amortization of discount on market treasury bills		(114,011,814)	(37,415,563)
Interest income from savings accounts	16	(221,886,842)	(171,858,840)
Loss on disposal of operating fixed assets	15	-	787,500
Staff retirement benefits	10	10,583,110	7,052,345
Provision against doubtful receivables		-	-
Finance cost		592,380	-
Cash used in operations before working capital changes		(205,579,715)	(124,797,783)
Decrease / (increase) in current assets			
Advances, deposits, prepayments and other receivables		7,586,386	(993,240)
		7,586,386	(993,240)
(Decrease) / increase in current liabilities			
Trade and other payables		(71,186,932)	(59,512,874)
Due to Government		138,804,070	561,326,587
		67,617,138	501,813,713
Cash (used in) / generated from operations		(130,376,191)	376,022,690
Staff retirement benefits paid		(234,909)	(2,741,350)
Net cash (used in) / generated from operating activities		(130,611,100)	373,281,340
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(358,000)	-
Purchase of market treasury bills		(2,455,589,528)	(1,342,585,320)
Market treasury bills matured		2,894,044,787	500,000,000
Interest income received		233,134,689	124,029,721
Net cash generated from / (used in) investing activities		671,231,948	(718,555,599)
CASH FLOWS FROM FINANCING ACTIVITIES			
Down payment relating to lease		(3,222,909)	-
Net increase / (decrease) in cash and cash equivalents		537,397,939	(345,274,259)
Cash and cash equivalents at the beginning of the year		1,713,430,975	2,058,705,234
Cash and cash equivalents at the end of the year	8	2,250,828,914	1,713,430,975

The annexed notes from 01 to 24 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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.

The 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 the Company from 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.	Operations Control Centre	Garden Road, Karachi

1.2 Transfer of assets, liabilities along with business operations from Special Project Management Unit (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. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies information 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.

2.1 Bases of preparation

a) 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 and State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023).

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.

b) Accounting convention

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

c) 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:

Taxation

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.

Useful lives, pattern of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of the assets for possible impairments on an annual basis. If such indication exists assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

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.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate

disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Classification of investments

The management of the Company determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 "Financial Instruments".

d) 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 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement').
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income Taxes').
- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors').
- Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules.

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.

e) 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 2023 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.

f) Standards and amendments to published approved accounting standards that are effective in current year but not relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 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 2024. 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'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above standards and amendments are likely to have no significant impact on the financial statements.

g) 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 2024 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.

2.2 Property and equipment

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.

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. The company charges the depreciation on additions from the date when the asset is available for use and on deletions up to date when the asset is derecognized. 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.

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.

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.

2.3 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 statement of 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 presented net within other income / (other expenses) in the period in which it arises.

2.4 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. 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. Any gain or loss on derecognition is also included in statement profit or loss.

2.5 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.

2.6 Impairment of financial assets other than those due from the Government of Pakistan and investment in equity instruments

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.

2.7 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan include the expenditure incurred by the Company in respect of two projects i.e. "Interchange over Malir Link Road to M-9" and "Road over Malir Bund from Dada Bhoy town up to limits of PNS Mehran". SECP through SRO 67(I)/2023 dated 20 January 2023 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till financial year ending on or before 31 December 2024 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy:

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable.

The Company assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss.

2.8 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the 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.

2.9 Foreign currency transactions and translation

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.

2.10 Provisions

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

2.11 Contingent liabilities and assets

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized. A contingent liability is disclosed unless the possibility of an outflow is remote.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized. An asset remains contingent until such time as the inflow of economic benefits becomes virtually certain. When it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income is recognized in the financial statements in the period in which the change occurs (that is, when the future event occurs and confirms the asset's existence or, if earlier, when it becomes virtually certain that the future event will confirm the asset's existence and it is virtually certain that the asset will be realized).

Contingent liabilities and assets are generally estimated using:

- The single most likely outcome; or

A weighted average of all the possible outcomes (the 'expected value' method). This is likely to be the most appropriate method for a large population of similar claims, but can also be applied to a single obligation with various possible outcomes.

2.12 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.

2.13 Due to Government (Development & Operations fund)

Receipts in excess of cost incurred, 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, 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.

2.14 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.

2.15 Revenue from contract 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.

2.16 Interest Income

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.

2.17 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.

2.18 Right-of-use assets

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.

2.19 Lease liabilities

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 amortized 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. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Functional and presentation currency

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

3.2 Employee benefits

3.2.1 Provident fund

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 and company maintained a separate bank account for provident fund.

3.2.2 Compensated Absences

The Company's employees are entitled for annual accumulated compensated absences, which are encashed at the end of each year. The annual contract of the employees of the Company provides twenty four (24) casual and six (06) medical leaves. The provision is recognized on the basis of the sum of 50% of the basic salary of each employee multiplied by the un-utilized number of leaves available as at the year-end.

3.3 Share capital

Ordinary shares are classified as share capital.

3.4 Related party transactions

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

3.5 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.

3.6 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.

4. PROPERTY AND EQUIPMENT - OWNED

	Furniture, fixture & fittings	Computer equipment	Vehicles	Office equipment	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
As at 30 June 2023					
Cost	3,878,849	5,667,447	24,433,188	2,940,848	36,920,332
Accumulated depreciation	(3,336,977)	(4,818,204)	(23,808,732)	(1,980,786)	(33,944,699)
Net book value	541,872	849,243	624,456	960,062	2,975,633
Year ended 30 June 2024					
Opening net book value	541,872	849,243	624,456	960,062	2,975,633
Additions - at cost	-	358,000	-	-	358,000
Disposal	-	-	-	-	-
Depreciation charge	(261,121)	(606,682)	(624,449)	(303,762)	(1,796,014)
Closing net book value	280,751	600,561	7	656,300	1,537,619
As at 30 June 2024					
Cost	3,878,849	6,025,447	24,433,188	2,940,848	37,278,332
Accumulated depreciation	(3,598,098)	(5,424,886)	(24,433,181)	(2,284,548)	(35,740,713)
Net book value	280,751	600,561	7	656,300	1,537,619
Depreciation (% per annum)	15%	30%	15%	15%	
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
Year ended 30 June 2023					
Opening net book value	879,347	1,483,527	2,665,292	1,293,905	6,322,071
Additions - at cost	-	-	-	-	-
Disposal	-	-	-	-	-
Cost	-	-	(4,200,000)	-	(4,200,000)
Accumulated Depreciation	-	-	3,412,500	-	3,412,500
Net book value	-	-	(787,500)	-	(787,500)
Depreciation charge	(337,475)	(634,284)	(1,253,336)	(333,843)	(2,558,938)
Closing net book value	541,872	849,243	624,456	960,062	2,975,633
As at 30 June 2023					
Cost	3,878,849	5,667,447	24,433,188	2,940,848	36,920,332
Accumulated depreciation	(3,336,977)	(4,818,204)	(23,808,732)	(1,980,786)	(33,944,699)
Net book value	541,872	849,243	624,456	960,062	2,975,633
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.

4.2 As at 30 June 2024, the gross carrying amount (cost) of fully depreciated owned assets that are still in use is Rupees 30.987 million (2023: Rupees 24.675 million).

5. RIGHT-OF-USE ASSET - OFFICE BUILDING	Note	2024 Rupees	2023 Rupees
Cost		26,045,156	-
Accumulated depreciation		(1,427,132)	-
Net book value		<u>24,618,024</u>	<u>-</u>
Movement in right of use asset:			
Opening balance		-	-
Additions during the year		26,045,156	-
Depreciation for the year		(1,427,132)	-
Closing balance		<u>24,618,024</u>	<u>-</u>

The Company's right to use on premise represent office premise obtained under lease arrangement. The principal terms and conditions of these lease arrangement are as follows:

Office Premises	Lessor Name	Lease Start date	Lease Tenure	Annual increment in lease rentals
Office at 6th floor (Extension Block) of Bahria Complex Building IV.	Bahria Foundation	01-May-24	12 months extendable	10%

6. INVESTMENTS - Held to maturity

Market treasury bills:

Opening amortized value		892,014,580	-
Purchase during the year		2,455,589,528	1,342,585,320
Amortization of discount during the year		151,417,770	49,429,260
Less: Treasury bills matured during the year		(2,894,044,787)	(500,000,000)
Closing amortized value	5.1&5.2	<u>604,977,091</u>	<u>892,014,580</u>

6.1 These securities are held in Investor Portfolio Securities (IPS) account of National Bank of Pakistan and maintained with State Bank of Pakistan. These carry effective yield from 20.09% to 20.96% (2023: 21.99%) per annum and will mature by 20 February 2025. The face value of the above investments at 30 June 2024 amounted to Rupees 650 million (2023: Rupees 905 million).

6.2 This includes market treasury bills (MTB) at amortized cost of Rupees 97.312 million (2023: Rupees 362.014 million) having face value of Rupees 100 million (2023: Rupees 367.282 million) purchased from Fare Collections of Green Line BRTS.

7 DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit	7.1	1,700,000	1,700,000
Prepayments		913,688	8,400,074
Other receivable		-	100,000
Tender fee due from Government		<u>4,345,176</u>	<u>4,345,176</u>
		<u>6,958,864</u>	<u>14,545,250</u>

Less: Provision against doubtful receivable

Opening	(4,345,176)	(4,345,176)
Charge for the year	-	-
Closing	<u>(4,345,176)</u>	<u>(4,345,176)</u>
	<u>2,613,688</u>	<u>10,200,074</u>

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

8.	BANK BALANCES	Note	2024 Rupees	2023 Rupees
	Cash in hand		-	-
	Bank balances:			
	Current accounts		247,176,201	316,692,352
	Savings accounts	8.1, 8.2, 8.3 & 8.4	2,003,652,713	1,396,738,623
			<u>2,250,828,914</u>	<u>1,713,430,975</u>

8.1 It includes an amount of Rupees 26.891 million (2023: Rupees 17.680 million) deposited in a separate bank account maintained against provident fund.

8.2 These bank accounts carry profit at rates ranging from 18% to 20.5% (2023: 19.50% to 21.89%) per annum.

8.3 These balances include an amount of Rupees 790 million (2023: Rupees 720.824 million), which have been marked under lien against the letter of credit facility.

8.4 These bank accounts include BRTS fare collection account against green line amounting to Rupees 335.230 million (2023: Rupees 111.199 million) and BRTS fare collection account against orange line amounting to Rupees 30.156 million (2023: Rupees 12.386 million).

9. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Issued, subscribed and paid-up share capital

Number of shares			
2024	2023		
<u>2,000,000</u>	<u>2,000,000</u>	9.1 & 9.2	<u>200,000,000</u> <u>200,000,000</u>

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

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

10. STAFF RETIREMENT BENEFITS

Provident fund	10.1	<u>29,431,869</u>	<u>19,083,669</u>
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10.1 Movement in provident fund:

Balance as at 01 July:

Company's contribution	7,152,847	5,924,616
Employees' contribution	7,152,847	5,924,616
Accumulated profit	4,855,816	2,923,443
Loan balance	(77,841)	-
	<u>19,083,669</u>	<u>14,772,675</u>

During the year:

Company's contribution	3,411,882	2,307,063
Employees' contribution	3,411,882	2,307,063
Loan granted during the year	(1,634,865)	(116,760)
Loan recovered during the year	778,905	38,919
Interest income on bank deposits	4,615,305	2,399,299
Full & final settlements	(234,909)	(2,624,590)
	<u>10,348,200</u>	<u>4,310,994</u>

Balance as at 30 June	10.1.1	<u>29,431,869</u>	<u>19,083,669</u>
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- 10.1.1** 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.

11. TRADE AND OTHER PAYABLES		2024	2023
Accrued expenses		702,833	780,987
Retention money	11.1	247,112,201	320,893,366
Insurance claim payable	11.2	1,539,933	1,661,550
EOBI payable		78,720	-
Leave encashment payable	11.3	2,715,284	-
		252,148,971	323,335,903

- 11.1** Retention money represents the amounts retained from progress billings of contractors which will be paid on satisfaction of conditions specified in their respective contracts.

- 11.2** 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.

11.3 Movement in leave encashment	Note	Rupees	Rupees
Balance as at 01 July		-	-
Add: recognized during the year		2,715,284	-
Less: payment made during the year		-	-
Balance as at 30 June		2,715,284	-

12 LEASE LIABILITIES

Opening lease liability	-	-
Add: recognized during the year	22,822,248	-
Add: accretion of finance cost	592,380	-
Less: rentals paid during the year	-	-
Closing lease liability	23,414,628	-
Current portion of lease liability	6,889,619	-
Non-current portion of lease liability	16,525,009	-

- 12.1** This represents present value of lease commitments entered into with individual for office premises having a lease term of 3 years. When measuring lease liability for office premises, the Company used 3 year Pakistan investment bond rates for discounting future lease payments i.e. 16.62%.

- 12.2** The amount of future payments of the lease and the period in which these payments will become due are as follows:

	Minimum lease commitments	Future Finance Cost	Present value of minimum lease commitments
Not later than one year	9,991,018	3,101,399	6,889,619
Later than one year but not later than five years	18,789,562	2,264,553	16,525,009
	28,780,580	5,365,952	23,414,628

13. DUE TO / (FROM) GOVERNMENT

Due to Government	2,118,469,953	1,930,246,230
Due from Government	(5,695,459)	(5,695,459)
	2,112,774,494	1,924,550,771

	Note	2024 Rupees	2023 Rupees
Represented by:			
Projects related to development	13.1	229,856,822	230,303,861
Projects related to operations	13.2	1,882,917,672	1,694,246,910
		<u>2,112,774,494</u>	<u>1,924,550,771</u>

13.1 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):

- Green Line Bus Rapid Transport System (Green Line Infrastructure);
- Reconstruction of Manghopir road from Jam Chakro to Banaras 8.10 KM (Jam Chakro);
- Reconstruction of Manghopir road from Banaras Chowk to Nishtar road and Nishtar Road from Tin Hatti to Napier Road (Nishtar & Mangopir Road);
- Improvement / rehabilitation of different roads / streets including water and sewerage system in various districts under KMC (KMC);
- Construction of Flyover at Sakhi Hassan, Five Star and KDA Roundabout along Shershah Suri Road (Three Flyovers);
- Interchange over Malir Link Road to M-9; and
- 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:

Balance as at 01 July	230,303,861	206,772,512
Fund received during the year - net	582,319,904	1,012,008,841
Adjustment of advance to contractors against development cost for the year	-	72,064,146
Less: Development cost incurred during the year	(576,280,964)	(1,056,779,261)
Less: Service revenue recognized during the year	(6,485,979)	(3,762,377)
Balance as at 30 June	<u>229,856,822</u>	<u>230,303,861</u>

Represented by:

Funds received	13.3	32,377,864,148	31,795,544,244
Less: Projects' development cost incurred	13.3	(31,384,131,685)	(30,807,850,721)
Less: Company's establishment cost recognized	13.3	(298,472,167)	(291,986,188)
Less: Advance to contractors	13.3	(465,403,474)	(465,403,474)
		<u>229,856,822</u>	<u>230,303,861</u>

13.2 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):

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

Movement in balance due to /(from) government in respect of these projects is as under:		2024	2023
		Rupees	Rupees
Balance as at 01 July		1,694,246,910	1,144,437,975
Fund received during the year - net		2,046,389,949	2,756,499,444
Fare collected		678,398,996	641,337,669
Markup on investment - Market treasury bills		37,405,956	12,013,697
Bank profit - net		87,729,893	103,634,681
Adjustment of advance to contractors against development cost for the year		13,975,328	69,432,208
Less: Project cost incurred during the year		(2,651,265,591)	(2,988,913,770)
Less: Service revenue recognized during the year		(23,963,769)	(44,194,994)
Balance as at 30 June		<u>1,882,917,672</u>	<u>1,694,246,910</u>
Represented by:			
Funds received	13.4	14,708,153,726	12,661,763,777
Fare collection to date	13.4	1,556,593,426	878,194,430
Markup on investment - Market treasury bills	13.4	49,419,653	12,013,697
Bank profit (net) to date	13.4	215,375,638	127,645,745
Less: Projects' cost incurred	13.4	(14,373,582,998)	(11,722,317,407)
Less: Company's establishment cost recognized	13.4	(215,176,112)	(191,212,343)
Less: Advance to contractors	13.4	(57,865,661)	(71,840,989)
		<u>1,882,917,672</u>	<u>1,694,246,910</u>

13.3 The development projects current status and details are as under:

2024	On-Going Projects		Completed Projects					Total
	Green Line	Jam Chakro	Nishter / Mang Road	KMC	Three Flyovers	Interchange over Malir Link Road to M-9	Road over Malir Bund from Dada Bhoj Town upto limits of PNS Mehran	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Project development cost as per PC-I	24,408,512,255	3,147,412,000	1,981,060,000	1,000,000,000	2,911,448,150	1,872,780,295	43,213,829	35,364,426,529
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	3,190,472,000	2,013,800,000	1,011,000,000	2,950,951,597	1,891,671,690	44,036,950	35,705,989,064
Fund received upto	23,908,680,135	3,013,524,706	1,511,051,069	1,011,298,300	2,407,926,480	500,000,000	25,383,458	32,377,864,148
Development contract cost incurred to date:								
- Design and supervision	861,429,653	144,214,134	78,824,824	-	41,724,476	-	-	1,126,193,087
- Utilities relocation	759,062,246	43,088,010	29,582,000	-	27,080,661	-	-	858,812,917
- Track work and infrastructure development	21,369,944,552	2,789,196,120	1,378,243,399	1,000,000,000	2,306,887,200	500,000,000	25,383,458	29,369,654,729
- Land acquisition for project	29,470,952	-	-	-	-	-	-	29,470,952
	23,019,907,403	2,976,498,264	1,486,650,223	1,000,000,000	2,375,692,337	500,000,000	25,383,458	31,384,131,685
SIDCL establishment charges to date	184,420,004	40,721,715	24,569,134	11,000,000	32,234,143	5,043,676	483,495	298,472,167
Advance to contractors	465,403,474	-	-	-	-	-	-	465,403,474
Due to / (from) Government	238,949,254	(3,695,273)	(168,288)	298,300	-	(5,043,676)	(483,495)	229,856,822
Stage of completion (%)	94%	95%						
Method of stage of completion								

.....Cost-based input method.....

2023	On-Going Projects		Completed Projects					Total
	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 Bhoj Town upto limits of PNS Mehran	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Project development cost as per PC-I	24,408,512,255	3,147,412,000	1,981,060,000	1,000,000,000	2,911,448,150	1,872,780,295	43,213,829	35,364,426,529
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	3,190,472,000	2,013,800,000	1,011,000,000	2,950,951,597	1,891,671,690	44,036,950	35,705,989,064
Fund received upto	23,655,840,190	2,684,044,747	1,511,051,069	1,011,298,300	2,407,926,480	500,000,000	25,383,458	31,795,544,244
Development contract cost incurred to date:								
- Design and supervision	804,775,031	121,515,064	78,824,824	-	41,724,476	-	-	1,046,839,395
- Utilities relocation	759,062,246	43,088,010	29,582,000	-	27,080,661	-	-	858,812,917
- Track work and infrastructure development	21,179,998,169	2,482,215,231	1,378,243,399	1,000,000,000	2,306,887,200	500,000,000	25,383,458	28,872,727,457
- Land acquisition for project	29,470,952	-	-	-	-	-	-	29,470,952
	22,773,306,398	2,646,818,305	1,486,650,223	1,000,000,000	2,375,692,337	500,000,000	25,383,458	30,807,850,721
SIDCL establishment charges to date	182,444,403	36,211,337	24,569,134	11,000,000	32,234,143	5,043,676	483,495	291,986,188
Advance to contractors	465,403,474	-	-	-	-	-	-	465,403,474
Due to / (from) Government	234,685,915	1,015,105	(168,288)	298,300	-	(5,043,676)	(483,495)	230,303,861
Stage of completion (%)	93%	84%						
Method of stage of completion								

.....Cost-based input method.....

13.4 The operations projects current status and details are as under:

	On-Going Projects		Completed Project	Total
	Green Line Operations	Orange Line Operations	Fire Tender	
	Rupees	Rupees	Rupees	Rupees
Project development 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 2024				
Fund received upto date	10,956,064,511	1,920,486,349	1,831,602,866	14,708,153,726
Fare collected upto date	1,530,728,795	25,864,631	-	1,556,593,426
Markup on investment - Market treasury bills	49,419,653	-	-	49,419,653
Bank profit- net upto date	60,093,309	155,282,329	-	215,375,638
	12,596,306,268	2,101,633,309	1,831,602,866	16,529,542,443
Project cost incurred to date:				
Articulated buses / fire tender	4,601,868,120	836,935,321	1,814,312,866	7,253,116,307
IITS hardware & software	1,717,660,660	266,595,696	-	1,984,256,356
Station & OCC management	1,684,206,721	179,119,013	-	1,863,325,734
Clearing house	34,254,411	4,505,604	-	38,760,015
Bus operator	1,849,553,138	296,112,163	-	2,145,665,301
Infra maintenance	49,222,457	473,600	-	49,696,057
IITS maintenance	391,486,630	8,879,316	-	400,365,946
Operations charges	118,734,048	-	-	118,734,048
Consultancy charges	213,953,203	12,820,470	-	226,773,673
Insurance	275,006,393	17,883,168	-	292,889,561
	10,935,945,781	1,623,324,351	1,814,312,866	14,373,582,998
SIDCL's establishment charges incurred upto date	171,541,742	26,344,370	17,290,000	215,176,112
Advance to contractors paid upto date	56,091,283	1,774,378	-	57,865,661
Due to Government	1,432,727,462	450,190,210	-	1,882,917,672
----- Proportionate basis -----				
Method of revenue recognition				
As at 30 June 2023				
Fund received upto date	9,252,081,911	1,578,079,000	1,831,602,866	12,661,763,777
Fare collected upto date	866,519,199	11,675,231	-	878,194,430
Markup on investment - Market treasury bills	12,013,697	-	-	12,013,697
Bank profit- net	25,118,093	102,527,652	-	127,645,745
	10,155,732,900	1,692,281,883	1,831,602,866	13,679,617,649
Project cost incurred to date:				
Articulated buses / fire tender	4,525,254,884	822,827,148	1,800,337,538	7,148,419,570
IITS hardware & software	1,717,660,660	224,408,676	-	1,942,069,336
Station & OCC management	866,044,939	69,798,834	-	935,843,773
Clearing house	20,524,580	1,894,855	-	22,419,435
Bus operator	977,199,024	114,188,511	-	1,091,387,535
Infra maintenance	10,767,328	473,600	-	11,240,928
IITS maintenance	83,541,762	480,153	-	84,021,915
Operations charges	118,145,408	-	-	118,145,408
Consultancy charges	183,763,724	12,820,470	-	196,584,194
Insurance	162,823,827	9,361,486	-	172,185,313
	8,665,726,136	1,256,253,733	1,800,337,538	11,722,317,407
SIDCL's establishment charges incurred upto date	151,949,011	22,776,323	16,487,009	191,212,343
Advance to contractors paid upto date	56,091,283	1,774,378	13,975,328	71,840,989
Due to Government	1,281,966,470	411,477,449	802,991	1,694,246,910
----- Proportionate basis -----				
Method of revenue recognition				

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- a) A joint venture of Al-Noor Builders & Construction HUB (Private) Limited and Gul Construction ('Plaintiff') has filed 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 favorable outcome in the matter with no financial loss to the Company. In case of unfavorable outcome, the Company is not exposed to any financial risk as the loss will be born by the relevant project. Accordingly, no provisions have been accounted for in these financial statements.
- b) National Logistics Cell ('NLC') initiated the arbitration proceeding seeking to have compensation and damages for the loss of parts to escalators imported by it pursuant to a contract awarded to it. NLC also claimed compensation for damage which was caused to escalators whilst they were stored in anticipation of being installed at the Company's sites. During the prior year, NLC was granted arbitration award amounting to Rupees 346.946 million against the claims. The NLC has filed an arbitration petition in the Honorable District Court of Islamabad for passing decree in terms of arbitration award. The Honorable District Court of Islamabad passed an interim order for non-encashment of impugned guarantees till further orders. The matter is currently pending for hearing. NLC also filed an Application under Section 18 of the Arbitration Act, 1940. The hearing of applications fixed on 18 April, 2023 and an Order was passed wherein; (i) interim injunction was granted to the effect that further proceedings regarding encashment of impugned guarantees shall be held in abeyance till further orders and notices were issued. The Company in consultation with its legal advisor is confident of favorable outcome in the matter with no financial loss to the Company. In case of unfavorable outcome, the Company is not exposed to any financial risk as the loss will be born by the relevant project. Accordingly, no provisions have been accounted for in these financial statements.

14.2 Commitments

		2024 Rupees	2023 Rupees
Commitments to:			
-contractors	in PKR	<u>3,742,818,764</u>	<u>4,704,813,303</u>
-supplier of zhong tong buses	in USD	<u>2,208,600</u>	<u>2,208,600</u>

15. ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	15.1	179,681,985	124,020,615
Directors' meeting fee		5,208,000	4,920,000
Stationery, printing and publication		807,154	1,390,459
Newspapers and periodicals		55,275	9,215
Depreciation	4	1,796,014	2,558,938
Depreciation on right-of-use assets		1,427,132	-
Auditors' remuneration	15.2	594,000	594,000
Communication charges		2,151,728	1,572,694
Travelling and conveyance		4,356,371	2,345,883
Training expense		525,000	-
Advertisement		1,238,190	2,292,740
Utilities expense		920,431	1,106,862
Subscription fee		667,146	266,615
Repairs and maintenance		2,990,818	5,415,148
Rent, rates and taxes		7,170,090	7,952,027
Tax deducted at source - write-off		37,812,865	24,744,620
Insurance		908,976	803,453
Legal and professional charges		9,275	213,000
Bank charges		15,997	1,568
Miscellaneous expenses		1,523,272	2,258,600
Loss on disposal of operating assets		-	787,500
		<u>249,859,719</u>	<u>183,253,937</u>

- 15.1** This includes an amount of Rupees 3.412 million (2023: Rupees 2.307 million) and Rupees 2.715 million (2023: nil) representing the contribution made by the Company to the staff provident fund and the leave encashment to be paid to the employees respectively.

15.2 Auditors' remuneration	Note	2024 Rupees	2023 Rupees
Audit fee		500,000	500,000
Certification fee		50,000	50,000
		<u>550,000</u>	<u>550,000</u>
Sindh sales tax @ 8%		44,000	44,000
		<u>594,000</u>	<u>594,000</u>

16. OTHER INCOME

Income from financial assets:

-on savings account	309,616,735	275,493,521
-on market treasury bills	151,417,770	49,429,260
	<u>461,034,505</u>	<u>324,922,781</u>
Less: Interest income related to fare collection account	(87,729,893)	(103,634,681)
Amortization of discount related to fare collection account	(37,405,956)	(12,013,697)
	<u>335,898,656</u>	<u>209,274,403</u>

Income from non-financial assets:

Tender fee	24,000	100,000
	<u>335,922,656</u>	<u>209,374,403</u>

17. TAXATION

Income tax	-	-
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- 17.1** 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.

18. EARNINGS PER SHARE - BASIC AND DILUTED

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

Profit for the year (Rupees)	115,920,305	74,077,837
Weighted average number of ordinary shares (Number)	2,000,000	2,000,000
Earnings per share basic and diluted (Rupees)	57.96	37.04

19. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2024		
	Chief Executive Officer	Directors	Executives
	Rupees	Rupees	Rupees
Basic salary	1,192,784	-	119,404,941
Meeting fee	540,000	4,668,000	-
Others	287,287	-	3,565,371
Provident fund	-	-	3,030,853
Leave encashment	-	-	2,668,005
	<u>2,020,071</u>	<u>4,668,000</u>	<u>128,669,170</u>
Number of persons	1	13	35

	2023		
	Chief Executive Officer	Directors	Executives
	Rupees	Rupees	Rupees
Basic salary	1,408,172	-	63,986,695
Meeting fee	480,000	4,440,000	-
Others	33,225	-	3,436,850
Provident fund	-	-	1,984,493
Leave encashment	-	-	-
	<u>1,921,397</u>	<u>4,440,000</u>	<u>69,408,038</u>
Number of persons	<u>1</u>	<u>13</u>	<u>18</u>

19.1 Seven (07) executives are provided free use of the Company's cars including fuel and insurance.

19.2 Executive' means an employee, other than the chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

20. 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 17 and the balances outstanding at the year end are given below:

Relationship with the Company	Nature of transaction	2024 Rupees	2023 Rupees
Principal shareholder	Funds received during the year	2,286,302,504	3,184,525,285
Government of Sindh	Funds received during the year	342,407,349	583,983,000
Due from Government		5,695,459	5,695,459
Due to Government		(2,118,469,953)	(1,930,246,230)

Name of party	Basis of relationship	Percentage of shareholding
Government of Pakistan	Shareholding	99.99%

21. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

21.1 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.

(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.

(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's exposure to the risk of changes in market interest rate relates primarily to the following:

	2024 Rupees	2023 Rupees
Fixed rate instruments :		
Financial assets		
Market treasury bills (MTBs)	<u>604,977,091</u>	<u>892,014,580</u>
Floating rate instruments :		
Financial assets		
Bank balance - savings accounts	2,003,652,713	1,396,738,623
Financial liabilities	-	-

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not effect profit or loss of the Company.

Cashflow sensitivity analysis for floating rate instruments

As at 30 June 2024, 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 20.037 million (2023: Rupees 13.967 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:

	30 June 2024		30 June 2023	
	Financial Asset	Maximum Exposure	Financial Asset	Maximum Exposure
	Rupees	Rupees	Rupees	Rupees
Due from Government	5,695,459	5,695,459	5,695,459	5,695,459
Investment	604,977,091	604,977,091	892,014,580	892,014,580
Deposits and other receivable	6,045,176	1,700,000	6,145,176	1,800,000
Accrued interest income	138,053,445	138,053,445	137,287,595	137,287,595
Bank balances	2,250,828,914	2,250,828,914	1,713,430,975	1,713,430,975
	<u>3,005,600,085</u>	<u>3,001,254,909</u>	<u>2,754,573,785</u>	<u>2,750,228,609</u>

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			2024	2023
	Short Term	Long Term	Agency		
				Rupees	Rupees
United Bank Limited	A-1+	AAA	VIS	365,371,785	123,586,275
National Bank of Pakistan	A-1+	AAA	VIS	1,885,457,129	1,589,844,700

(c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations and commitments associated with financial instruments. The Company is not materially exposed to the liquidity risk majority of the obligations / commitments of the Company are short-term in nature and restricted to the extent of available liquidity.

The Company manages its liquidity risk by maintaining sufficient bank balance and investments. As at 30 June 2024, the Company had bank balances of Rupees 2,250.829 million (2023: Rupees 1,713.431 million) and investment of Rupees 604.977 million (2023: Rupees 892.015 million).

The following table analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

30 June 2024		Lease liability	Trade and other payables	Due to Government	Total
		Rupees	Rupees	Rupees	Rupees
Carrying Amount		23,414,628	249,354,967	2,118,469,953	2,391,239,548
Contractual Cash Flows:					
6 month or less		3,222,909	249,354,967	2,118,469,953	2,371,047,829
6 months to 12 months		6,768,109	-	-	6,768,109
More than 1 year		18,789,562	-	-	18,789,562
		28,780,580	249,354,967	2,118,469,953	2,396,605,500

30 June 2023		Lease liability	Trade and other payables	Due to Government	Total
		Rupees	Rupees	Rupees	Rupees
Carrying Amount		-	323,335,903	1,930,246,230	2,253,582,133
Contractual Cash Flows:					
6 month or less		-	323,335,903	1,930,246,230	2,253,582,133
6 months to 12 months		-	-	-	-
More than 1 year		-	-	-	-
		-	323,335,903	1,930,246,230	2,253,582,133

21.2 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.

21.3 Financial instruments by categories

	Amortized cost	
	2024 Rupees	2023 Rupees
Financial assets		
Due from Government	5,695,459	5,695,459
Investment	604,977,091	892,014,580
Deposits and other receivable	1,700,000	1,800,000
Accrued interest income	138,053,445	137,287,595
Bank balances	2,250,828,914	1,713,430,975
	<u>3,001,254,909</u>	<u>2,750,228,609</u>
Financial liabilities		
Lease liability	23,414,628	-
Trade and other payables	249,354,967	323,335,903
Due to Government	2,118,469,953	1,930,246,230
	<u>2,391,239,548</u>	<u>2,253,582,133</u>

21.4 Offsetting financial assets and liabilities

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

22. NUMBER OF EMPLOYEES

The number of employees during the year is as follows:

	2024		2023	
	At year end	Average	At year end	Average
Number of employees				
- Permanent	1	1	1	1
- Contractual	63	63	63	63

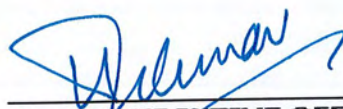
23. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 21st October, 2024 by the Board of Directors of the Company.

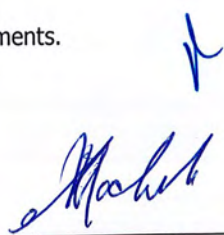
24. GENERAL

24.1 No reclassification / rearrangement of corresponding figures has been made in these financial statements.

24.2 Figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR