Riaz Ahmad & Company
Chartered Accountants

Karachi Infrastructure Development Company Limited

Financial Statements With Accompanying Information

For The Year Ended 30 June 2017

A member of
Nexia
International

Riaz Ahmad & Company
Chartered Accountants

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of KARACHI INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED ("the Company") as at 30 June 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the repealed Companies Ordinance, 1984;

(b) in our opinion:

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the Company's business; and

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, 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 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

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

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Muhammad Waqas

Date: 30 October 2017

KARACHI

DIRECTORS' REPORT

The Board of Directors of your company is hereby pleased to present the audited financial statements together with the Auditor's Report thereon of your Company for the year ended 30 June 2017.

THE COMPANY AND ITS OPERATIONS

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 developments in Karachi and any other areas.

The Prime Minister of Pakistan, during a high level meeting in Karachi on July 10, 2014, announced to provide infrastructure component to launch the BRT Green Line project on modern lines to alleviate the serve traffic congestion problems in the city and to improve the quality of life of the daily commuters by improving the existing transport system.

The project is to be undertaken by Government of Pakistan / Ministry of Communications as a high priority project as determined by Japan International Cooperation Agency (JICA) in their Feasibility Study conducted for Karachi Transportation Improvement Project (KTIP, 2030) in December, 2012.

For execution of the priority PSDP project on fast track basis, Karachi Infrastructure Development Company Limited (KIDCL) was incorporated under Companies Ordinance, 1984 on 2nd June 2015.

OPERATING RESULTS

The summarized financial result for the year ended 30th June 2017 are as under:

Financial result

Particulars	For the Financial Year ended 30th June 2017
Net Profit For The Period	43,159,170
Earnings per share – basic & diluted	21.58

During the year, the company has a net profit of Rs. 43,159,170. Total contract revenues for the period ended 30th June 2017 are Rs. 4,463,933,171 and profit earned from bank deposits are 66,198,387.

GENERAL

The Board of Directors wishes to express its pleasure and gratefulness to the shareholders for their continued support and to all the employees for their ongoing dedication and commitment to the Company.

CODE OF CORPORATE GOVERNANCE

The Directors of KIDCL are fully aware of their responsibilities under the Code of Corporate Governance under instructions from the Securities & Exchange Commission of Pakistan. We are taking all the necessary steps to ensure Good Corporate Governance in our Company as required by the Code.

As a part of the compliance of the Code, we confirm the following:

a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

b) Proper books of account of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

e) The system of internal control is sound in design and is being effectively implemented and monitored.

f) The Company has the ability to continue as a going concern.

g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h) We have an Internal Audit Committee, the members of which are amongst from the Board of Directors.

i) We are preparing and will be circulated, a Statement of Ethics and Business Strategy, among directors and employees.

j) The Board of Directors have prepared and adopted a mission statement and a statement of overall corporate strategy.

k) As required by the Code of Corporate Governance, we have included the following information in this report:

- Statement of pattern of shareholding has been given separately.
- Statement of shares held by associated undertakings and related persons.
- Statement of the Board meetings held during the year and attendance by each director has been given separately.
- Key operating and financial statistics for the last year 2016-17 in summarized form is given below.

KEY FINANCIAL DATA

Particular	For the year 2016-17
Share Capital	200,000,000
Reserve	39,602,030
Accumulated profit	43,159,170
Long term liabilities	2,357,068
Current Liability	2,228,148,090
Total Equity & Liability	**2,470,107,188**
Operating Fixed Assets	22,845,858
Current assets	2,447,261,330
Total Assets	**2,470,107,188**
Contract Revenue	4,463,933,171
Cost of Contract	(4,428,841,704)
Administrative & Other Expenses	(58,130,684)
Other Income	66,198,387
Profit Before Taxation	**43,159,170**
Profit After Taxation	**43,159,170**

PATTERN OF SHAREHOLDING

The Pattern of shareholding as at 30 June 2017 is as follows:

Name of Share Holder	Occupation (Directorship of Company if any)	Shares held (with distinctive Nos) or percentage of interest held
Government of Pakistan through Dr. Waqar Masood	Federal Government / Ministry of Communications	1,999,993 (One Million Nine Hundred Ninety Nine Thousand Ninety Three Only)
Dr. Shahid Mehmood	Government Servant / Non-Executive Director	1 (One)
Mr. Muhammad Siddique Memon	Government Servant / Non-Executive Director	1 (One)
Mr. Salueh Ahmed Faruqui	Government Servant / Chief Executive Officer	1 (One)
Lt. Gen ® Shahid Niaz	Independent Director	1 (One)
Dr Sarosh Hashmat Lodhi	Prof. NED University / Non-Executive Director	1 (One)
Mr. Arif Hassan	Architect / Independent Director	1 (One)
Dr. Noman Ahmed	Professor/ Chairmen, Dept. of Architecture & Planning, NED University Karachi / Non-Executive Director	1 (One)

DIRECTORS MEETING

During the year four meetings of the board of Directors including Annual General Meeting were held, Attendance by each director is as follows:

Name of Share Holder	Designation	No of meetings Attend	No of meetings Attend Through Proxies
Mr. Khalid Masood Chaudhary	Ex Secretary Communications / Chairman BOD	3	0
Mr. Shahid Ashraf Tarar	Ex Secretary Communications / Chairman BOD	1	0
Dr. Waqar Masood Khan	Ex-Secretary Finance / Non-Executive Director	0	4
Mr. Ejaz Munir	Ex Additional Secretary, Prime Minister Officer / Non-Executive Director	4	0
Mr. Rizwan Memon	Chief Secretary Sindh / Ex Non-Executive Director	1	0
Mr. Salueh Ahmed Faruqui	Chief Executive Officer / Executive Director	4	0
Mr. Muhammad Siddique Memon	Ex-Chief Secretary Sindh / Non-Executive Director	2	0
Mr. Tuaha Ahmed Faruqi	Ex-Secretary Transport Department, Sindh / Non-Executive Director	3	1
Mr. Yousuf Naseem Khokhar	Ex Secretary Planning, Development & Reform / Non-Executive Director	2	0
Mr. Ejaz Ahmed Khan	Commissioner Karachi / Non-Executive Director	2	1

Lt. Gen ® Shahid Niaz	Independent Director	2	0
Dr. Sarosh Hashmat Lodhi	Dean & Prof. NED University / Non-Executive Director	2	0
Mr. Arif Hassan	Architect / Independent Director	3	0
Dr. Noman Ahmed	Professor / Chairman, Dept. of Architecture & Planning, NED University Karachi / Non-Executive Director	4	0

MAJOR PROCURMENTS

For Execution of Green Line BRTS project, significant contracts have been awarded during the financial year 2015-16 & 2016-17, under compliance to Public Procurement Rules, 2004 of Public Procurement Regulatory Authority (PPRA), which has been verified by Technical and Bid Evolution Committee and approved through recommendations of Procurement Committee. Both committees have been formed under the supervision of BODs and subsequently all the procurements have been approved through Board of Directors. Major Contracts awarded during the financial year 2015-16 & 2016-17 are as follows:

Contractor Name	Contract Packages	Amount of Contract (Rs.)
M/S Hasni Builders & Malik Company (JV) Including VOs	KAR/BRTS/GL/UT-01	207,089,913
M/s CRFG-Matracon (JV) including VOs	KAR/BRTS/GL-01	1,873,292,038
M/s Ch. Abdul .Latif & Sons	KAR/BRTS/GL-02	1,218,167,629
M/s Agha Construction Company	KAR/BRTS/GL-03	921,491,284
M/s. USMANI RELIABLE (JV)	KAR/BRTS/GL-04	1,978,097,725
M/s NPI Construction Engineering	KAR/BRTS/GL-05	1,945,186,801
M/s. USMANI RELIABLE (JV)	KAR/BRTS/GL-06	1,991,560,000
M/s Zahir Khan & Brothers	KAR/BRTS/GL-07	1,480,740,000
M/s Shams & Zain Meo Rajpoot Construction Company	KAR/BRTS/GL-08	599,710,000
M/s SMK Construction Co	KAR/BRTS/GL-09	235,070,000
M/s Greeves Pakistan (Pvt) Ltd	KAR/BRTS/GL-10	401,740,000
M/s National Logistic Cell (NLC)	KAR/BRTS/GL-11	1,071,120,000
M/s Qaim Khani Brothers-Package-01	KAR/BRTS/GL-14	100,000,000
M/s GQS Contractor-Package-02	KAR/BRTS/GL-14	100,000,000

Furthermore, contract packages KAR/BRTS/GL-12 and KAR/BRTS/GL-13 bidding process have been started. Bid Evaluation Reports have been approved by the Procurement Committee of the BOD and recommended for placing it before the BOD in its upcoming session to accord approval to the same.

EXTENSION OF GREEN LINE BRTS PROJECT

Prime Minister of Pakistan during formal inauguration of Green Line BRTS project in Karachi, on 26th February, 2016 announced extension of Green Line BRTS from Surjani to Central Business District (CBD) which was previously planned from Surjani to Gurumandar. Feasibility study of extended route is being carried out with the consultation of several stakeholders that include but not limited to Government of Sindh, KMC, Independent Architects, Civil Society, Project Consultants etc.

ACKNOWLEDGEMENT

Your Directors record with appreciation, the efforts of the Company's managers and employees who have worked to meet the target of business plans. Your Directors also extend their appreciation to the Company's bankers, Government of Pakistan, regulators and others for the cooperation extended by them during the year.

For and on behalf of the Board

Chief Financial Officer	**Chairman BOD KIDCL**

Karachi: Dated: 30 October, 2017

KARACHI INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017 Rupees	2016 Rupees
ASSETS			
Non-current assets			
Property and equipment	3	22,845,858	19,653,790
Total non-current assets		**22,845,858**	**19,653,790**
Current assets			
Advances to sub contractors	4	1,147,144,065	440,901,059
Deposits and prepayments	5	5,605,735	1,451,290
Accrued interest on bank deposits		27,687,820	24,964,070
Cash and bank balances	6	1,266,823,710	1,331,395,198
Total current assets		**2,447,261,330**	**1,798,711,617**
Total assets		**2,470,107,188**	**1,818,365,407**
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
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
Reserves		39,602,030	(3,557,140)
Total equity		**239,602,030**	**196,442,860**
Non-current liabilities			
Staff retirement benefit	8	2,357,068	755,844
Total non-current liabilities		**2,357,068**	**755,844**
Current liabilities			
Trade and other payables	9	360,771,251	57,535,235
Due to customer for contract work	10	1,867,376,839	1,563,631,468
Total current liabilities		**2,228,148,090**	**1,621,166,703**
Contingencies and commitments	11		
Total equity and liabilities		**2,470,107,188**	**1,818,365,407**

The annexed notes from 1 to 25 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

KARACHI INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 Rupees	FOR THE PERIOD FROM 02 JUNE 2015 TO 30 JUNE 2016 Rupees
Contract revenue	12	4,463,933,171	812,862,949
Cost of construction contract	13	(4,428,841,704)	(806,016,257)
Net contract profit		35,091,467	6,846,692
Administrative expenses	14	(58,126,836)	(46,710,421)
Other operating expenses	15	(3,848)	(3,430)
Operating loss		(23,039,217)	(39,867,159)
Other income	16	66,198,387	36,310,019
Profit / (loss) before taxation		43,159,170	(3,557,140)
Taxation	17	-	-
Profit / (loss) after taxation		43,159,170	(3,557,140)
Earnings / (loss) per share - basic and diluted	18	21.58	(1.65)

The annexed notes from 1 to 25 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

KARACHI INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	2017	FOR THE PERIOD FROM 02 JUNE 2015 TO 30 JUNE 2016
	Rupees	Rupees
PROFIT / (LOSS) AFTER TAXATION	43,159,170	(3,557,140)
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 / period	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR / PERIOD	43,159,170	(3,557,140)

The annexed notes from 1 to 25 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

KARACHI INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 Rupees	FOR THE PERIOD FROM 02 JUNE 2015 TO 30 JUNE 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		43,159,170	(3,557,140)
Adjustments for non-cash items:			
Depreciation		3,643,146	3,056,832
Interest income from saving account		(65,401,387)	(35,373,657)
Operating loss before working capital changes		(18,599,071)	(35,873,965)
Working capital changes			
Increase in current assets			
Increase in advances to sub contractors		(706,243,006)	(440,901,059)
Increase in deposits and prepayments		(4,154,445)	(1,451,290)
		(710,397,451)	(442,352,349)
Increase in current liabilities			
Increase in trade and other payables		303,236,016	57,535,235
Increase in due to customer for contract work		303,745,371	1,563,631,468
		606,981,387	1,621,166,703
Cash (used in) / flow from operating activities after working capital		(103,416,064)	1,178,814,354
Net increase in staff retirement benefit		1,601,224	755,844
Net cash (used in) / flow from operating activities		(120,413,911)	1,143,696,233
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(6,835,214)	(22,710,622)
Interest income received		62,677,637	10,409,587
Net cash flow from / (used in) investing activities		55,842,423	(12,301,035)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital		-	200,000,000
Net cash flow from financing activities		-	200,000,000
Net (decrease) / increase in cash and cash equivalents		(64,571,488)	1,331,395,198
Cash and cash equivalents at the beginning of the year / period		1,331,395,198	-
Cash and cash equivalents at the end of the year / period	6	1,266,823,710	1,331,395,198

The annexed notes from 1 to 25 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

KARACHI INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Share Capital	Revenue Reserves	
	Issued, subscribed and paid-up capital	Un-appropriated profit / (loss)	Total
	Rupees	Rupees	Rupees
Balance as at 02 June 2015	-	-	-
Issue of ordinary shares during the period	200,000,000	-	200,000,000
Comprehensive loss for the period			
Loss for the period	-	(3,557,140)	(3,557,140)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(3,557,140)	(3,557,140)
Balance as at 30 June 2016	**200,000,000**	**(3,557,140)**	**196,442,860**
Comprehensive income for the year			
Profit for the year	-	43,159,170	43,159,170
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	43,159,170	43,159,170
Balance as at 30 June 2017	**200,000,000**	**39,602,030**	**239,602,030**

The annexed notes from 1 to 25 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | **DIRECTOR**

KARACHI INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. THE COMPANY AND ITS OPERATIONS

The Karachi Infrastructure Development Company Limited ("the Company") is a public unlisted company incorporated under the repealed Companies Ordinance, 1984 (Now 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 registered office of the Company is situated at 6th Floor, Extension Block, Bahria Complex IV, Gizri, Karachi. 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 Karachi and any other areas.

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

During the preceding 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. The objective of the Company is to take over and execute 'the Greenline Bus Rapid Transport System (BRTS)' project of Government of Pakistan.

2. 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.

2.1 Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on 30 May 2017. SECP vide its Circular 17 of 2017 and its press release dated 20 July 2017 has clarified that the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures about Company's operations and has also enhanced the definition of related parties.

b. **Accounting Convention**

These financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair value or amortized cost as applicable.

The financial statements have been prepared following the accrual basis of accounting except for the cash flow information.

c. **Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan and the repealed Companies Ordinance, 1984, 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:

a)	Depreciation on property and equipments	(Note 2.3)
b)	Contract revenue	(Note 2.11)
c)	Recoverable amount of the assets	(Note 2.7)
d)	Provision for doubtful debts / bad debts	{Note 2.9(a)}

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.

d. **Amendments to published approved accounting standards that are effective in current year and are relevant to the Company**

The following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2016:

IAS 1 (Amendments) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2016). Amendments have been made to address perceived impediments to preparers exercising their judgment in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality consideration do apply; clarification that the list of the line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

The application of the above amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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

There are other amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2016 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, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2017 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 replaces IAS 11 'Construction Contracts', IAS 18 'Revenue', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC 31' Revenue-Barter Transactions Involving Advertising Services. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17 'Leases', IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases–Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018). IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation is not expected to have a material impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Company's financial statements.

IAS 12 (Amendments), 'Income Taxes' (effective for annual periods beginning on or after 01 January 2017). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have impact on Company's financial statements.

On 8 December 2016, IASB issued Annual Improvements to IFRSs: 2014 – 2016 Cycle, incorporating amendments to three IFRSs more specifically in IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures'. These amendments are effective for annual periods beginning on or after 01 January 2017 and 01 January 2018 respectively. These amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

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 2017 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 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 profit and loss account.

2.3 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.

2.4 Property and equipments

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 profit and loss account.

Depreciation

Depreciation on property and equipment is charged to profit and loss account 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 3. 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 profit and loss account currently.

2.5 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.

2.6 Trade and other receivables

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

2.7 Share capital

Ordinary shares are classified as share capital.

2.8 Trade and other payables

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

2.9 Due from / to customers for construction works

Costs incurred and recognized profits less recognized losses in excess of progress billings on incomplete construction projects are classified as due from customers for construction work under current assets. Progress billings in excess of cost incurred and recognized profits less recognized losses on incomplete contraction projects are classified as due to customers for construction work under current liabilities. Progress billings are amounts billed / received, whichever is higher, under a construction contract.

2.10 Construction costs

Contract costs include all direct material, labor costs, equipment and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. Provision is made for losses incurred or foreseen in bringing the contract to completion as soon as they become apparent. Contract costs are recognized when incurred.

2.11 Revenue recognition

Revenue from different sources is recognized as under:

Contract revenue

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

The Company uses the percentage of "completion method" to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract.

Variations in contracts work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Other revenue

Profit on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

Tender fee is recognized on receipt basis.

2.12 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 balance sheet date and adjusted to reflect current best estimate.

2.13 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 balance sheet 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 profit and loss account.

2.14 Financial instruments

Financial instruments carried on the balance sheet include advances to sub-contractors, deposits, accrued interest on bank deposits, cash and bank balances, trade and other payables and due to customers for contract work etc. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are initially measured at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

2.15 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet 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 profit and loss account. 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 profit and loss account.

2.16 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal 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.

2.17 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 is calculated if there is any potential dilutive effect on the Company's reported net profit or loss.

2.18 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.

2.19 Related party transactions

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

3. PROPERTY AND EQUIPMENT	Note	2017 Rupees	2016 Rupees
Property and equipment	3.1	22,845,858	19,653,790

3.1 Property and equipment

	2017				
	Furniture, fixture & fittings	Computer equipment	Vehicles	Office equipment	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
As at 01 July 2016					
Cost	1,818,996	1,817,058	18,188,688	885,880	22,710,622
Accumulated depreciation	(166,872)	(452,772)	(2,374,023)	(63,165)	(3,056,832)
Written down value (WDV)	**1,652,124**	**1,364,286**	**15,814,665**	**822,715**	**19,653,790**
Year ended 30 June 2017					
Opening WDV	1,652,124	1,364,286	15,814,665	822,715	19,653,790
Additions during the year	289,440	301,274	6,244,500	-	6,835,214
Depreciation for the year	(302,279)	(472,730)	(2,735,255)	(132,882)	(3,643,146)
Closing WDV	**1,639,285**	**1,192,830**	**19,323,910**	**689,833**	**22,845,858**
As at 30 June 2017					
Cost	2,108,436	2,118,332	24,433,188	885,880	29,545,836
Accumulated depreciation	(469,151)	(925,502)	(5,109,278)	(196,047)	(6,699,978)
Written down value	**1,639,285**	**1,192,830**	**19,323,910**	**689,833**	**22,845,858**
Rate	30%	15%	15%	15%	

	2016				
	Furniture, fixture & fittings	Computer equipment	Vehicles	Office equipment	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Year ended 30 June 2016					
Opening WDV	-	-	-	-	-
Additions during the year	1,818,996	1,817,058	18,188,688	885,880	22,710,622
Depreciation for the year	(166,872)	(452,772)	(2,374,023)	(63,165)	(3,056,832)
Closing WDV	**1,652,124**	**1,364,286**	**15,814,665**	**822,715**	**19,653,790**
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Cost	1,818,996	1,817,058	18,188,688	885,880	22,710,622
Accumulated depreciation	(166,872)	(452,772)	(2,374,023)	(63,165)	(3,056,832)
Written down value	**1,652,124**	**1,364,286**	**15,814,665**	**822,715**	**19,653,790**
Rate	30%	15%	15%	15%	

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

4.	ADVANCES TO SUB CONTRACTORS - considered good	Note	2017 Rupees	2016 Rupees
	CRFG - MATRACON JV	4.1	126,467,995	257,042,127
	CH. A. Latif and Sons (Private) Limited	4.2	44,078,139	80,228,824
	Agha Construction Company	4.3	12,398,734	103,630,108
	Usmani Reliable JV	4.4	426,799,292	-
	Zahir Khan and Brothers	4.5	139,610,330	-
	Shams and Zain Meo Rajpoot Construction Company	4.6	85,756,582	-
	SMK Construction Company	4.7	33,460,694	-
	Greeves (Private) Limited	4.8	74,347,799	-
	NLC Engineers	4.9	204,224,500	-
			1,147,144,065	440,901,059

4.1 This represents the mobilization advance being the 15 percent of contract value paid to CRFG - MATRACON Joint Venture (JV) under contract awarded for construction of RCC Elevated Section from Nazimabad Chowrangi to Guru Mandir via Contract Package No. KAR/BRTS/GL/01. This advance is adjustable against five consecutive Interim Payment Certificates (IPCs) starting from third IPC in equal instalments.

4.2 This represents the mobilization advance being the 15 percent of contract value paid to CH. A. Latif and Sons (Private) Limited under contract awarded for construction of Section from Nagan Chowrangi to Nazimabad Chowrangi via Contract Package No. KAR/BRTS/GL/02. This advance is adjustable against five consecutive Interim Payment Certificates (IPCs) starting from third IPC in equal instalments.

4.3 This represents the mobilization advance being the 15 percent of contract value paid to Agha Construction Company under contract awarded for construction of Board Office Interchange via Contract Package No. KAR/BRTS/GL/03. This advance is adjustable against five consecutive Interim Payment Certificates (IPCs) starting from third IPC in equal instalments.

4.4 This represents the mobilization advance being the 15 percent of contract value paid to Usmani Reliable Joint Venture (JV) under contracts awarded for construction of RCC Elevated Section from 2 Minute Chowrangi to Nagan Chowrangi via Contract Package No. KAR/BRTS/GL/04 and for construction of Stations Type A, B and E via Contract Package No. KAR/BRTS/GL/06. These advances are adjustable against five consecutive Interim Payment Certificates (IPCs) starting from third IPC in equal instalments.

Subsequently addendum to the contracts with all of the above contractors were signed on 28 April 2017, pursuant to which adjustment of remaining mobilization advance shall be from IPCs proportionate to remaining amount of contract. Futher, the adjustment shall commence from second IPC.

4.5 This represents the mobilization advance being the 15 percent of contract value paid to Zahir Khan & Brothers under contract awarded for construction of Stations Type C and D via Contract Package No. KAR/BRTS/GL/07. Adjustment of advance shall be made from Interim Payment Certificate (IPCs) proportionate to the amount of the Contract starting from second IPC.

4.6 This represents the mobilization advance being the 15 percent of contract value paid to Shams & Zain Meo Rajpoot Construction Company under contract awarded for construction of Bus Depot for BRTS Green Line at Surjani Town via Contract Package No. KAR/BRTS/GL/08. Adjustment of advance shall be made from Interim Payment Certificate (IPCs) proportionate to the amount of the Contract starting from second IPC.

4.7 This represents the mobilization advance being the 15 percent of contract value paid to SMK Construction Company under contract awarded for construction of Operations Command and Control Building Package via Contract Package No. KAR/BRTS/GL/09. Adjustment of advance shall be made from Interim Payment Certificate (IPCs) proportionate to the amount of the Contract starting from second IPC.

4.8 This represents the mobilization advance being the 20 percent of contract value paid to Greeves Pakistan (Private) Limited under contract awarded for execution of Vertical Transportation Works (Elevator Works) from KESC Power House Chowrangi, Surjani to Municipal Park, Saddar Karachi via Contract Package No. KAR/BRTS/GL/10. Adjustment of advance shall be made from Interim Payment Certificate (IPCs) proportionate to the amount of the Contract starting from second IPC.

4.9 This represents the mobilization advance being the 15 percent of contract value paid to NLC Engineers under contract awarded for execution of Vertical Transportation Works (Escalator Works) from KESC Power House Chowrangi, Surjani to Municipal Park, Saddar Karachi via Contract Package No. KAR/BRTS/GL/11. Adjustment of advance shall be made from Interim Payment Certificate (IPCs) proportionate to the amount of the Contract starting from second IPC.

		2017	2016
5. DEPOSITS AND PREPAYMENTS		**Rupees**	**Rupees**
Security deposit	5.1	200,000	200,000
Prepayments		5,405,735	1,251,290
		5,605,735	**1,451,290**

5.1 It represents an amount paid as security deposit to Pakistan State Oil for issuance of fuel card / cards.

6. CASH AND BANK BALANCES

Cash at bank - saving account	**1,266,823,710**	**1,331,395,198**

6.1 It includes an amount of Rupees 2.324 million deposited in a separate bank account maintained against provident fund.

6.2 These bank accounts carry profit at rates ranging from 4.75% to 5.50% (2016: 4.75% to 5.50)% per annum.

7. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2017	2016			
(Number of shares)				
2,000,000	2,000,000	Ordinary shares of Rs.100 each fully	**200,000,000**	**200,000,000**

7.1 Movement during the year

2,000,000	-	Opening balance	200,000,000	-
-	2,000,000	Issued ordinary shares during the year / period for Rupees 100 each fully paid in cash.	-	200,000,000
2,000,000	**2,000,000**		**200,000,000**	**200,000,000**

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

8. STAFF RETIREMENT BENEFIT

Provident fund balance	**2,357,068**	**755,844**

9. TRADE AND OTHER PAYABLES

Accrued expenses		929,469	801,489
Retention money	9.1	330,380,886	56,629,645
Withholding income tax payable		29,361,945	2,271
Withholding general sales tax payable		98,951	101,830
		360,771,251	**57,535,235**

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

10. DUE TO CUSTOMER FOR CONTRACT WORK	2017 Rupees	2016 Rupees
Cost incurred	5,234,857,961	806,016,257
Recognized profit	41,938,159	6,846,692
	5,276,796,120	812,862,949
Less: Progress billings	(7,144,172,959)	(2,376,494,417)
	(1,867,376,839)	**(1,563,631,468)**

10.1		
Due from customer for contract work	-	-
Due to customer for contract work	1,867,376,839	1,563,631,468
	1,867,376,839	1,563,631,468

11. CONTINGENCIES AND COMMITMENTS

11.1 There were no contingencies of the Company as at 30 June 2017.

11.2 Commitments

Pursuant to the directions of Honorable Sindh High Court ("the Court") under petition No. D-4119 of 2017 filed by the residents of Surjani Town, the Company has committed to develop sports facility / athletic field on 2 acres of land in Sector 4, ST-11 and cricket stadium on 4.5 acres of land earmarked by the Karachi Development Authority in Sector 13 of Sujani Town. The Company estimated the cost of Rupees 50 million for construction of the said facilities.

12. CONTRACT REVENUE RECOGNIZED		2017 Rupees	FOR THE PERIOD FROM 02 JUNE 2015 TO 30 JUNE Rupees
Construction contracts:			
Revenue from contract in progress	12.1	**4,463,933,171**	**812,862,949**

12.1 This represents 21.45% work completed during the year (2016: 4.55%) of Green Line Bus Rapid Transit System Karachi Construction Contract between the Company and Government of Pakistan (Customer). The total price of the contract is Rupees 24.604 billion under revised approved PC-1.

13. COST OF CONSTRUCTION CONTRACT		
Design and supervision	166,649,097	65,231,591
Utilities relocation	207,774,829	253,184,294
Track work and infrastructure development	4,044,074,226	487,600,372
Land acquisition for project	10,343,552	-
	4,428,841,704	**806,016,257**

13.1 Construction contract is in process as at 30 June 2017.

			2017	PERIOD FROM 02 JUNE 2015 TO 30 JUNE 2016
14.	**ADMINISTRATIVE EXPENSES**		**Rupees**	**Rupees**
	Salaries, wages and benefits	14.1	37,817,842	28,292,108
	Stationery, printing and publication		357,404	302,895
	Newspapers and periodicals		16,672	12,395
	Depreciation	3.1	3,643,146	3,056,832
	Auditors' remuneration	14.2	654,000	695,000
	Communication charges		1,170,549	794,756
	Travelling and conveyance		2,150,497	3,748,633
	Advertisement		3,079,393	4,114,417
	Utilities expense		1,405,184	956,014
	Repairs and maintenance		2,063,803	1,308,845
	Rent expense		3,804,745	1,797,792
	Insurance		1,088,717	592,947
	Conveyance charges		14,000	30,000
	Miscellaneous expenses		860,884	1,007,787
			58,126,836	**46,710,421**

14.1 This includes an amount of Rupees 0.779 million (2016: Rupees 0.450 million) representing the contribution made by the Company to the Staff Provident Fund.

14.2 Auditors' remuneration

Audit fee	600,000	600,000
Tax services	54,000	-
Other certification charges	-	95,000
	654,000	**695,000**

15. OTHER OPERATING EXPENSES

Bank charges	**3,848**	**3,430**

16. OTHER INCOME

Income from financial assets		
Interest income from saving account	65,401,387	35,373,657
Income from assets other than financial assets		
Tender fee income	797,000	936,362
	66,198,387	**36,310,019**

17. TAXATION

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 / (LOSS) PER SHARE - BASIC AND DILUTED	**2017**	**2016**
There is no dilutive effect on basic earnings / (loss) per share which is based on:		
Profit / (loss) for the year / period **(Rupees)**	**43,159,170**	**(3,557,140)**
Weighted average number of ordinary shares **(Number)**	**2,000,000**	**2,158,904**
Earnings / (loss) per share basic and diluted **(Rupees)**	**21.58**	**(1.65)**

22. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

22.1 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 balance sheet date.

No foreign currency transactions were carried out during the year. Therefore, no currency risk exist at the balance sheet.

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 balance sheet 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 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 balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:

	2017 Rupees	2016 Rupees
Fixed rate instruments :		
Financial assets		
Cash at bank - saving account	1,266,823,710	1,331,395,198
Floating rate instruments :		
Financial assets	-	-
Financial liabilities	-	-

(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:

	2017 Rupees	2016 Rupees
Advances to sub contractors	1,147,144,065	440,901,059
Cash at bank - saving account	1,266,823,710	1,331,395,198
	2,413,967,775	**1,772,296,257**

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	2017 Rupees	2016 Rupees
National Bank of Pakistan	A1+	AAA	JCR-VIS	1,266,823,710	1,331,395,198

(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 2017, the Company had bank balances of Rupees 1,266,823,710 (2016: Rupees 1,331,395,198). Following are the contractual maturities of financial liabilities. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2017

	Carrying Amount	Contractual Cash Flows	6 month or less	6 months to 12 months	More than 1 year
Trade and other payables	331,310,355	331,310,355	331,310,355	-	-
Due to customer for contract work	1,867,376,839	1,867,376,839	1,867,376,839	-	-
	2,198,687,194	**2,198,687,194**	**2,198,687,194**	-	-

Contractual maturities of financial liabilities as at 30 June 2016

	Carrying Amount	Contractual Cash Flows	6 month or less	6 months to 12 months	More than 1 year
Trade and other payables	57,431,134	57,431,134	57,431,134	-	-
Due to customer for contract work	1,563,631,468	1,563,631,468	1,563,631,468	-	-
	1,621,062,602	**1,621,062,602**	**1,621,062,602**	-	-

22.2 Fair values of financial assets and liabilities

The carrying value of all the financial instruments reflected in the financial statements approximate their fair values.

22.3 Financial instruments by categories

As at 30 June 2017 **Assets as per balance sheet**	Loans and receivables Rupees	Total Rupees
Advances to sub contractors	1,147,144,065	1,147,144,065
Cash and bank balances	1,266,823,710	1,266,823,710
	2,413,967,775	**2,413,967,775**

	Financial liabilities at amortized cost
	Rupees
Trade and other payables	331,310,355
Due to customer for contract work	1,867,376,839
	2,198,687,194

	Loans and receivables	Total
As at 30 June 2016	Rupees	Rupees
Assets as per balance sheet		
Advances to sub contractors	440,901,059	440,901,059
Cash and bank balances	1,331,395,198	1,331,395,198
	1,772,296,257	1,772,296,257

	Financial liabilities at amortized cost
	Rupees
Trade and other payables	57,431,134
Due to customer for contract work	1,563,631,468
	1,621,062,602

22.4 Off setting financial assets and liabilities

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

23. NUMBER OF EMPLOYEES

The number of employees during the year / period is as follows:

	2017		2016	
	At year end	Average	At period end	Average
Number of employees	38	36	29	27

24. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 30 OCT 2017 by the Board of Directors of the Company.

25. GENERAL

25.1 There are no corresponding figures as these financial statements have been prepared since the incorporation of the Company.

25.2 Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR