

Riaz Ahmad & Company  
Chartered Accountants

**PAKISTAN INFRASTRUCTURE  
DEVELOPMENT COMPANY LIMITED**

**FINANCIAL STATEMENTS WITH ACCOMPANYING  
INFORMATION**

**FOR THE YEAR ENDED  
30 JUNE 2025**

## INDEPENDENT AUDITOR'S REPORT

**To the members of Pakistan Infrastructure Development Company Limited {Formerly Sindh Infrastructure Development Company Limited}**

**Report on the Audit of the Financial Statements**

### Opinion

We have audited the annexed financial statements of Pakistan Infrastructure Development Company Limited {Formerly Sindh Infrastructure Development Company Limited} ("the Company"), which comprise the statement of financial position as at 30 June 2025, 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 2025 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: 07 OCTOBER 2025**  
**UDIN: AR202510045yYzLXxTbU**

**PAKISTAN INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**{FORMERLY SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED}**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

	Note	2025 Rupees	2024 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	1,261,687	1,537,619
Right-of-use asset	5	16,227,114	24,618,024
Long term deposit	6	1,700,000	1,700,000
		<u>19,188,801</u>	<u>27,855,643</u>
<b>CURRENT ASSETS</b>			
Due from Government	14	4,382,166	9,390,732
Short term investment	7	-	604,977,091
Prepayments and other receivable	8	1,836,558	913,688
Accrued interest income		85,081,525	138,053,445
Bank balances	9	30,012,242,822	2,250,828,914
		<u>30,103,543,071</u>	<u>3,004,163,870</u>
<b>TOTAL ASSETS</b>		<u><b>30,122,731,872</b></u>	<u><b>3,032,019,513</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 3,000,000 (2024: 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	10	200,000,000	200,000,000
<b>Revenue reserve</b>			
Unappropriated profit		<u>982,810,653</u>	<u>404,858,819</u>
<b>TOTAL EQUITY</b>		<u><b>1,182,810,653</b></u>	<u><b>604,858,819</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Staff retirement benefit	11	36,673,111	29,431,869
Lease liability	13	-	16,525,009
		<u>36,673,111</u>	<u>45,956,878</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payable	12	156,133,711	252,148,971
Current portion of lease liability	13	10,130,991	6,889,619
Due to Government	14	28,736,983,406	2,122,165,226
		<u>28,903,248,108</u>	<u>2,381,203,816</u>
<b>TOTAL LIABILITIES</b>		<u><b>28,939,921,219</b></u>	<u><b>2,427,160,694</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>30,122,731,872</b></u>	<u><b>3,032,019,513</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	15		

The annexed notes from 01 to 26 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**

**PAKISTAN INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**{FORMERLY SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED}**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Rupees	2024 Rupees
Revenue from contract with customers	16	652,358,447	30,449,748
Administrative expenses	17	(302,334,804)	(249,859,719)
Allowance for expected credit loss	14.2	(11,716,607)	-
<b>Operating profit / (loss)</b>		<b>338,307,036</b>	<b>(219,409,971)</b>
Other income	18	242,884,978	335,922,656
Finance cost	13	(3,240,180)	(592,380)
<b>Profit before taxation</b>		<b>577,951,834</b>	<b>115,920,305</b>
Taxation	19	-	-
<b>Profit after taxation</b>		<b>577,951,834</b>	<b>115,920,305</b>
<b>Earnings per share - basic and diluted</b>	20	<b>288.98</b>	<b>57.96</b>

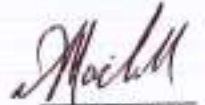
The annexed notes from 01 to 26 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

**PAKISTAN INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**{FORMERLY SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED}**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Rupees	2024 Rupees
<b>Profit after taxation</b>		577,951,834	115,920,305
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
<b>Other comprehensive income for the year</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>577,951,834</b>	<b>115,920,305</b>

The annexed notes from 01 to 26 form an integral part of these financial statements.

  
 CHIEF EXECUTIVE OFFICER

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR

**PAKISTAN INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**{FORMERLY SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED}**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Issued, subscribed and paid-up share capital	Revenue Reserve	Total
	Rupees	Unappropriated profit Rupees	
<b>Balance as at 30 June 2023</b>	200,000,000	288,938,514	488,938,514
<b>Total comprehensive income for the year ended 30 June 2023</b>			
Profit for the year ended 30 June 2024	-	115,920,305	115,920,305
Other comprehensive income	-	-	-
	-	115,920,305	115,920,305
<b>Balance as at 30 June 2024</b>	<b>200,000,000</b>	<b>404,858,819</b>	<b>604,858,819</b>
<b>Total comprehensive income for the year ended 30 June 2025</b>			
Profit for the year ended 30 June 2025	-	577,951,834	577,951,834
Other comprehensive income	-	-	-
	-	577,951,834	577,951,834
<b>Balance as at 30 June 2025</b>	<b>200,000,000</b>	<b>982,810,653</b>	<b>1,182,810,653</b>

The annexed notes from 01 to 26 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

**PAKISTAN INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**{FORMERLY SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED}**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Rupees	2024 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		577,951,834	115,920,305
<b>Adjustments for non-cash items:</b>			
Depreciation on property and equipment	17	710,057	1,796,014
Depreciation on right-of-use asset	17	8,840,144	1,427,132
Allowance for expected credit loss	14.2	11,716,607	-
Amortization of discount on market treasury bills		(42,335,285)	(114,011,813)
Return on bank deposits	18	(194,375,395)	(217,271,537)
Provision for staff retirement benefits	11	8,187,838	6,823,764
Finance cost	13	3,240,180	592,380
<b>Net cash generated from / (used in) operating activities before working capital changes</b>		<b>373,935,980</b>	<b>(204,723,755)</b>
<b>WORKING CAPITAL CHANGES</b>			
<b>(Decrease) / increase in current assets</b>			
Prepayments and other receivable		(922,870)	7,586,386
		(922,870)	7,586,386
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payable		(96,015,260)	(71,186,932)
Due to Government		26,556,002,862	138,804,070
		26,459,987,602	67,617,138
<b>Net cash generated from / (used in) operations</b>		<b>26,833,000,712</b>	<b>(129,520,231)</b>
Payment made against staff retirement benefits		(4,742,344)	(1,090,869)
<b>Net cash generated from / (used in) operating activities</b>		<b>26,828,258,368</b>	<b>(130,611,100)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(434,125)	(358,000)
Short term investment made in market treasury bills (MTB's)		-	(2,455,589,528)
Proceeds on maturity of market treasury bills (MTB's)		650,000,000	2,894,044,787
Profit received on bank deposits		300,562,716	233,134,689
<b>Net cash generated from investing activities</b>		<b>950,128,591</b>	<b>671,231,948</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment against lease liability	13	(13,732,872)	(2,630,529)
Finance cost paid		(3,240,180)	(592,380)
<b>Net cash used in financing activities</b>		<b>(16,973,052)</b>	<b>(3,222,909)</b>
<b>Net increase in cash and cash equivalents</b>		<b>27,761,413,908</b>	<b>537,397,939</b>
Cash and cash equivalents at the beginning of the year		2,250,828,914	1,713,430,975
<b>Cash and cash equivalents at the end of the year</b>	9	<b>30,012,242,822</b>	<b>2,250,828,914</b>

The annexed notes from 01 to 26 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**

**PAKISTAN INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**  
**{FORMERLY SINDH INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED}**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**1. THE COMPANY AND ITS OPERATIONS**

The Pakistan Infrastructure Development Company Limited {Formerly 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.2193/PSPM/2022 dated 1<sup>st</sup> August 2023 to change the name of the Company from Sindh Infrastructure Development Company Limited to Pakistan 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 06 August 2024 which was subsequently ratified by SECP on 06 November 2024.

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 whole country including Gilgit Baltistan (GB) Azad Jammu and Kashmir (AJK).

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

SR. NO	OFFICE	ADDRESS
1	Registered Office	6th Floor, Extension Block, Bahria Complex IV, Gizri, 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 Basis 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.

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 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 judgement in the process of applying the Company's accounting policies. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements are:

##### **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 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".

Estimates and judgements are continually evaluated and adjusted based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There have been no critical judgements made by the Company's management in applying the accounting policies that would have significant effect on the amounts recognised in the financial statements except as stated below.

**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 2024:

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.
- Amendments to IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback.
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants.
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised 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 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.

**f) Standards, amendments and improvements to published approved accounting standards that are not yet effective but relevant to the Company**

Following standards, amendments and improvements to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2025 or later periods:

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

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'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that are useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that are useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 1 July 2027.

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.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' regarding the classification and measurement of financial instruments (effective for annual periods beginning on or after 01 January 2026). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

- IFRS 1 *First-time Adoption of International Financial Reporting Standards*;
- IFRS 7 *Financial Instruments: Disclosures* and its accompanying *Guidance on implementing IFRS 7*;
- IFRS 9 *Financial Instruments*;
- IFRS 10 *Consolidated Financial Statements*; and
- IAS 7 *Statement of Cash flows*.

The above standards, amendments and improvements 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 2025 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.

#### h) **Applicability of SOE Act, 2023**

The Company, being a public sector company as defined in Section 2(54) of the Companies Act, 2017, falls within the scope of the State-Owned Enterprises (Governance and Operations) Act, 2023 ("SOE Act") under Section 3, which required all SOE's to prepare their financial statements following the requirement of International Financial Reporting Standards.

Section 25(2) of the SOE Act states:

*"The financial statements must be prepared in accordance with International Financial Reporting Standards and the financial statements together with the notes to them must include all information that is necessary to ensure that the financial statements give a true and fair view of the financial position of the state-owned enterprise and the group consisting of the state-owned enterprise and its subsidiaries: **Provided** that where a state-owned enterprise is not following the International Financial Reporting Standards at the time of coming into effect of this Act, the Board shall ensure compliance with this provision within a period **of three years** from coming into effect of this Act."*

Further, ICAP Circular No. 3/2025 issued pursuant to clarification from the Finance Division, Government of Pakistan confirms that this requirement applies to all public sector companies within the SOE Act's scope, and that "IFRS as notified by SECP" or the use of SECP-granted exemptions will not be permissible for financial statements issued after 30 January 2026.

## 2.2 **Property and equipment**

### **Initial recognition**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure incurred that is directly attributable to the acquisition of the asset. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition.

### **Depreciation**

Depreciation on property and equipment is charged to statement of profit or loss applying the straight-line method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 4. 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**

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.

## De-recognition

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

### 2.3 Right-of-use asset

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

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

### 2.4 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.

## 2.5 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 de-recognition is also included in statement profit or loss.

## 2.6 De-recognition of financial assets and financial liabilities

### 1. 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.

## **2. 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.

### **2.7 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.

### **2.8 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 Bhoj town up to limits of PNS Mehran". SECP through S.R.O. 1784(I)/2024 dated 11 November 2024 has notified that, in respect of companies holding financial assets due directly or ultimately due from the Government of Pakistan in respect of inter-corporate circular debt, till the financial year ending on or before 31 December 2025 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.

## 2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

## 2.10 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

## 2.11 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.

## 2.12 Deposits and prepayments

Deposits include long-term amounts paid as security deposits which do not have a fixed repayment date. These are measured at cost, being the amount paid on initial recognition, as their fair value is not considered to be materially different from cost. Short-term deposits are classified as current assets, while long-term deposits are classified as non-current assets based on their recoverability period. Prepayments represent amounts paid in advance for goods and services to be received in future periods and are recognized as assets, expensed systematically over the period to which they relate in accordance with the matching principle.

## 2.13 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.

## 2.14 Share capital

Ordinary shares are classified as share capital.

## **2.15 Staff retirement benefits**

### **a) 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.

### **b) Compensated absences**

The Company's employees are entitled for accumulated compensated absences, which are en-cashed at the time of retirement. The annual contract of the employees of the Company provides twelve (12) casual and twelve (12) medical leaves. The provision is recognized on the basis of the sum of 50% of the basic salary of each employee.

## **2.16 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.

## **2.17 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.

## **2.18 Due to / (From) Government (Development and 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.

## **2.19 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.

## **2.20 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.

## **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 Related party transactions**

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

### **3.3 Earnings per share – Basic and Diluted**

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

### **3.4 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.

### **3.5 Contingent assets**

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

### **3.6 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.

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4. PROPERTY AND EQUIPMENT

	Furniture, fixtures and fittings	Computer equipment	Vehicles	Office equipment	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
<b>As at 30 June 2024</b>					
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)
<b>Net book value</b>	<b>280,751</b>	<b>600,561</b>	<b>7</b>	<b>656,300</b>	<b>1,537,619</b>
<b>Year ended 30 June 2025</b>					
Opening net book value	280,751	600,561	7	656,300	1,537,619
Additions - at cost	-	-	-	434,125	434,125
Disposal	-	-	-	-	-
Depreciation charged	(133,971)	(358,861)	-	(217,225)	(710,057)
<b>Closing net book value</b>	<b>146,780</b>	<b>241,700</b>	<b>7</b>	<b>873,200</b>	<b>1,261,687</b>
<b>As at 30 June 2025</b>					
Cost	3,878,849	6,025,447	24,433,188	3,374,973	37,712,457
Accumulated depreciation	(3,732,069)	(5,783,747)	(24,433,181)	(2,501,773)	(36,450,770)
<b>Closing net book value</b>	<b>146,780</b>	<b>241,700</b>	<b>7</b>	<b>873,200</b>	<b>1,261,687</b>
Annual rate of depreciation (%)	<b>15%</b>	<b>30%</b>	<b>15%</b>	<b>15%</b>	
<b>As at 30 June 2023</b>					
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)
<b>Net book value</b>	<b>541,872</b>	<b>849,243</b>	<b>624,456</b>	<b>960,062</b>	<b>2,975,633</b>
<b>Year ended 30 June 2024</b>					
Opening net book value	541,872	849,243	624,456	960,062	2,975,633
Additions - at cost	-	358,000	-	-	358,000
Disposal	-	-	-	-	-
Depreciation charged	(261,121)	(606,682)	(624,449)	(303,762)	(1,796,014)
<b>Closing net book value</b>	<b>280,751</b>	<b>600,561</b>	<b>7</b>	<b>656,300</b>	<b>1,537,619</b>
<b>As at 30 June 2024</b>					
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)
<b>Net book value</b>	<b>280,751</b>	<b>600,561</b>	<b>7</b>	<b>656,300</b>	<b>1,537,619</b>
Annual rate of depreciation (%)	<b>15%</b>	<b>30%</b>	<b>15%</b>	<b>15%</b>	

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

4.2	The cost of fully depreciated assets that are still in Company's use is as follows:	Note	2025 Rupees	2024 Rupees
	Furniture, fixtures and fittings		3,110,937	2,599,437
	Computer equipment		5,547,947	3,674,947
	Vehicles		24,433,188	24,433,188
	Office equipment		1,637,380	1,637,380
			<b>34,729,452</b>	<b>32,344,952</b>

5. RIGHT-OF-USE ASSET	Note	2025 Rupees	2024 Rupees
Balance at the beginning of the year		24,618,024	-
Additions during the year		-	26,045,156
Impact of re-assessment during the year		449,235	-
Depreciation charged during the year		(8,840,144)	(1,427,132)
Balance at the end of the year		<u>16,227,115</u>	<u>24,618,024</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, Gizri Karachi	Bahria Foundation	1-May-25	12 months extendable	10%

6. LONG TERM DEPOSIT	Note	2025 Rupees	2024 Rupees
Security deposit	6.1	<u>1,700,000</u>	<u>1,700,000</u>

6.1 This represents security deposit held with Pakistan State Oil Company Limited against Issuance of fuel cards. The security deposit is non-interest bearing.

#### 7. SHORT TERM INVESTMENT

Market treasury bills		<u>-</u>	<u>604,977,091</u>
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#### 7.1. Movement in short term investments:

Balance at the beginning of the year		604,977,091	892,014,580
Investment made during the year		-	2,455,589,528
Amortization of discount		45,022,909	151,417,770
Investment matured during the year		(650,000,000)	(2,894,044,787)
Balance at the end of the year	7.2 & 7.3	<u>-</u>	<u>604,977,091</u>

7.2 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 Nil (2024: 20.09% to 20.96%) per annum.

7.3 This includes market treasury bills (MTB) at amortized cost of Rupees Nil (2024: Rupees 97.312 million) having face value of Rupees Nil (2024: Rupees 100.000 million) purchased from Fare Collections of Green Line BRTS.

#### 8. PREPAYMENTS AND OTHER RECEIVABLE

##### Un-secured

-Prepayments	8.1	1,836,558	913,688
-Tender fee due from Government		-	-
		<u>1,836,558</u>	<u>913,688</u>

#### 8.1 Tender fee due from Government

Considered doubtful		4,345,176	4,345,176
Less Provision for doubtful debt		(4,345,176)	(4,345,176)
		<u>-</u>	<u>-</u>

9.	BANK BALANCES	Note	2025 Rupees	2024 Rupees
	-Current accounts		27,639,202,657	247,176,201
	-Savings accounts	9.1, 9.2, 9.3 & 9.4	2,373,040,165	2,003,652,713
			<u>30,012,242,822</u>	<u>2,250,828,914</u>
9.1	The balance includes an amount of Rupees 35.334 million (2024: Rupees 26.891 million) maintained in a separate bank account in respect of the provident fund.			
9.2	These bank accounts carries markup at a rate ranging from 9.5% to 9.73% (2024: 18% to 20.5%) per annum on outstanding balances			
9.3	These balances include an amount of Rupees 979.771 million (2024: Rupees 790 million), which have been marked under lien against the letter of credit facility.			
9.4	These bank accounts include BRTS fare collection account against green line amounting to Rupees 238.56 million (2024: Rupees 335.230 million) and BRTS fare collection account against orange line amounting to Rupees 43.469 million (2024: Rupees 30.156 million).			
10.	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>			
	<b>2025</b>	<b>2024</b>		
	<b>Number of Shares</b>			
	<u>2,000,000</u>	<u>2,000,000</u>	10.1 & 10.2	<u>200,000,000</u> <u>200,000,000</u>
10.1	Ordinary shares of Rupees 100/- each fully paid in cash.			
10.2	These ordinary shares are beneficially owned by Government of Pakistan through Secretary of Ministry of Finance and by nominee directors.			
11.	<b>STAFF RETIREMENT BENEFIT</b>			
	Provident fund	11.1	<u>36,673,111</u>	<u>29,431,869</u>
11.1	<b>Movement in provident fund:</b>			
	<b>Balance at the beginning of the year</b>			
	Employer's contribution		10,564,729	7,152,847
	Employees' contribution		10,564,729	7,152,847
	Accumulated profit		9,471,121	4,855,816
	Loan balance		<u>(1,168,710)</u>	<u>(77,841)</u>
			29,431,869	19,083,669
	<b>During the year:</b>			
	Employer's contribution		4,093,919	3,411,882
	Employees' contribution		4,093,919	3,411,882
	Loan granted during the year		(1,687,574)	(1,634,865)
	Loan recovered during the year		2,013,225	778,905
	Interest income on bank deposits		3,795,748	4,615,305
	Full and final settlements		<u>(5,067,995)</u>	<u>(234,909)</u>
			<u>7,241,242</u>	<u>10,348,200</u>
	<b>Balance at the end of the year</b>	11.2	<u>36,673,111</u>	<u>29,431,869</u>
11.2	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.			

12. TRADE AND OTHER PAYABLE	Note	2025 Rupees	2024 Rupees
Accrued expenses		700,000	702,833
Retention money	12.1	146,638,262	247,112,201
Insurance claim payable	12.2	5,685,613	1,539,933
EOBI payable		-	78,720
Leave encashment payable	12.3	3,109,836	2,715,284
		<u>156,133,711</u>	<u>252,148,971</u>

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

12.2 This represents insurance claim payable to Daewoo Express, local agent of Zhongtong Bus Holding Company Limited, against amounts recoverable from National Insurance Company, wherein the Company acts solely as an intermediary.

### 12.3 Movement in leave encashment

Balance at the beginning of the year	2,715,284	-
Recognized during the year	3,109,836	2,715,284
Payment made during the year	(2,715,284)	-
Balance at the end of the year	<u>3,109,836</u>	<u>2,715,284</u>

## 13 LEASE LIABILITY

Balance at the beginning of the year	23,414,628	-
Addition during the year	-	22,822,248
Impact of re-assessment during the year	449,235	-
Accretion of interest	3,240,180	592,380
Rentals paid during the year	(16,973,052)	-
Balance at the end of the year	<u>10,130,991</u>	<u>23,414,628</u>
Current portion of lease liability	<u>10,130,991</u>	<u>(6,889,619)</u>
Non-current portion of lease liability	-	<u>16,525,009</u>

13.1 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%.

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

	2025		
	Minimum lease commitments	Future Finance Cost	Present value of minimum lease commitments
Not later than one year	11,624,894	1,493,903	10,130,991
Later than one year but not later than five years	-	-	-
	<u>11,624,894</u>	<u>1,493,903</u>	<u>10,130,991</u>

	2024		
	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
	<u>28,780,580</u>	<u>5,365,952</u>	<u>23,414,628</u>

14.	DUE TO / (FROM) GOVERNMENT	Note	2025 Rupees	2024 Rupees
	Due to Government		28,736,983,406	2,122,165,226
	Due from Government	14.1	(4,382,166)	(9,390,732)
			<u>28,732,601,240</u>	<u>2,112,774,494</u>
<b>14.1</b>	<b>DUE FROM GOVERNMENT</b>			
	Due from Government		16,098,773	9,390,732
	Less: Allowance for expected credit loss	14.2	(11,716,607)	-
			<u>4,382,166</u>	<u>9,390,732</u>
<b>14.2</b>	<b>Movement in allowance for expected credit loss:</b>			
	Balance at beginning of the year		-	-
	Recognized during the year		11,716,607	-
	Balance at end of the year		<u>11,716,607</u>	<u>-</u>
<b>14.3</b>	As at 30 June, aging analysis of balance due from Government is as follows:			
	1 to 6 months		10,403,314	3,695,273
	6 months to 1 year		-	-
	More than 1 year		5,695,459	5,695,459
			<u>16,098,773</u>	<u>9,390,732</u>

**14.3.1** The maximum aggregate amount due from Government at the end of any month during the year was Rupees 16.099 million (2024: 13.086 million).

**Represented by:**

Projects related to development	14.4	27,550,240,861	229,856,822
Projects related to operations	14.5	1,170,643,772	1,882,917,672
Provision for expected credit loss	14.2	11,716,607	-
		<u>28,732,601,240</u>	<u>2,112,774,494</u>

**14.4 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 Karachi Metropolitan Corporation (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 Bhoj Town upto limits of PNS Mehran.
- 12 PSDP Projects Transferred to PIDCL
- SAP 2025-2026 Projects
- SAP Scheme Projects
- PSDP Karachi Package
- PSDP Hyderabad Package

Movement in balance due to / (from) government in respect of infrastructure projects is as under:	Note	2025 Rupees	2024 Rupees
Balance at the beginning of the year		229,856,822	230,303,861
Fund received during the year - net		28,940,310,698	582,319,904
Adjustment of advance to contractors against development cost for the year		(380,402,002)	-
Less: Development cost incurred during the year		(859,261,224)	(576,280,964)
Less: Service revenue recognized during the year		(380,263,433)	(6,485,979)
Balance at the end of the year		<u>27,550,240,861</u>	<u>229,856,822</u>

**Represented by:**

Funds received	14.6	61,318,174,846	32,377,864,148
Less: Projects' development cost incurred	14.6	(32,243,392,909)	(31,384,131,685)
Less: Company's establishment cost recognized	14.6	(678,735,600)	(298,472,167)
Less: Advance to contractors	14.6	(845,805,476)	(465,403,474)
		<u>27,550,240,861</u>	<u>229,856,822</u>

**14.5 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	<ul style="list-style-type: none"> <li>- Procurement of 80 Articulated Diesel-Hybrid Buses.</li> <li>- Installation of Integrated intelligent transport system equipment's at the OCC building, Bus Depot and BRTS Stations.</li> <li>- Hiring of Bus operators, station managers, janitorial services and security services</li> <li>- Upkeep the system under conventional procurement mode.</li> <li>- Collection of fare revenues and other revenues from bus operations.</li> </ul>	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)	<ul style="list-style-type: none"> <li>- Procurement of Fleet/Buses.</li> <li>- Installation of Integrated intelligent transport system equipments at the OCC building, Bus Depot and BRTS Stations.</li> <li>- Hiring of Bus operators, station managers, janitorial services and security services</li> <li>- Upkeep the system under conventional procurement mode.</li> <li>- Collection of fare revenues and other revenues from bus operations.</li> </ul>	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 PIDCL 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 operational projects is as under:**

Note	2025 Rupees	2024 Rupees
Balance at the beginning of the year	1,882,917,672	1,694,246,910
Fund received during the year - net	1,046,550,000	2,046,389,949
Fare collected	746,356,113	678,398,996
Markup on investment - Market treasury bills	2,687,624	37,405,956
Bank profit - net	23,963,738	87,729,893
Adjustment of advance to contractors against development cost for the year	-	13,975,328
Less: Project cost incurred during the year	(2,259,736,361)	(2,651,265,591)
Less: Service revenue recognized during the year	(272,095,014)	(23,963,769)
Balance at the end of the year	<u>1,170,643,772</u>	<u>1,882,917,672</u>

**Represented by:**

Funds received	14.7	15,754,703,726	14,708,153,726
Fare collection to date	14.7	2,302,949,539	1,556,593,426
Markup on investment - Market treasury bills	14.7	52,107,277	49,419,653
Bank profit (net) to date	14.7	239,339,376	215,375,638
Less: Projects' cost incurred	14.7	(16,633,319,359)	(14,373,582,998)
Less: Company's establishment cost recognized	14.7	(487,271,126)	(215,176,112)
Less: Advance to contractors	14.7	(57,865,661)	(57,865,661)
		<u>1,170,643,772</u>	<u>1,882,917,672</u>

14.6. The development projects current status and details are as under

2025	On-Going Project		New Projects				Handover / Completed Projects						Total
	Green Line	13 PSDP On-Going Transferred Projects	22 SAP Projects 2024-25	PSDP Karachi Package	PSDP Hyderabad Package	SAP Project KPC	Jinn Chakro	Mahira / Mang Road	KPC	Three Flyers	Interchange over M-9	Road over M-9 from Dada Bhai Town up to limits of PNS Malir	
	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann
Project development cost as per PC-I	20,620,120,689	11,647,026,000	3,360,000,000	15,000,000,000	5,000,000,000	2,150,000,000	1,147,412,000	1,981,066,000	1,000,000,000	2,911,448,150	1,872,780,295	43,233,829	78,723,700,983
Expenditure up to 30 June 2024	-	(5,530,266,000)	-	-	-	-	-	-	-	-	-	-	(5,530,266,000)
PC-I balance PSDP	20,620,120,689	5,117,770,000	3,360,000,000	15,000,000,000	5,000,000,000	2,150,000,000	1,147,412,000	1,981,066,000	1,000,000,000	2,911,448,150	1,872,780,295	43,233,829	73,202,434,983
Project development cost as per PC-I	20,620,120,689	5,744,026,399	3,360,000,000	15,000,000,000	5,000,000,000	2,150,000,000	1,147,412,000	1,981,066,000	1,000,000,000	2,911,448,150	1,872,780,295	43,233,829	73,830,004,383
RDG establishment charges as per PC-I	666,920,026	373,360,639	-	-	-	-	43,066,010	32,740,000	11,000,000	39,503,443	18,991,395	823,121	1,188,289,589
Total project cost as per PC-I	29,287,040,715	6,117,370,999	3,360,000,000	15,000,000,000	5,000,000,000	2,150,000,000	1,190,478,000	2,013,806,000	1,011,000,000	2,950,951,593	1,891,771,690	44,056,950	74,018,293,972
Fund received up to	24,938,680,125	280,270,898	5,360,000,000	15,000,000,000	5,000,000,000	2,150,000,000	1,183,044,706	1,511,051,069	1,011,288,300	2,407,926,680	500,000,000	25,363,458	61,318,174,646
Development contract cost incurred to date													
- Design and supervision	871,438,848	-	-	-	-	-	154,707,008	78,824,878	-	41,724,479	-	-	1,146,984,593
- Utilities relocation	759,662,246	-	-	-	-	-	43,066,010	29,582,000	-	37,080,663	-	-	858,812,917
- Track work and infrastructure development	21,779,596,333	288,500,343	30,888,887	-	-	-	3,848,742,798	1,779,343,399	1,000,000,000	1,306,087,200	500,000,000	25,383,458	30,288,214,087
- Land acquisition for project	28,478,862	-	-	-	-	-	-	-	-	-	-	-	28,478,862
	23,439,783,178	288,500,343	30,888,887	-	-	-	1,148,517,614	1,488,686,228	1,000,000,000	1,375,662,337	500,000,000	25,383,458	32,243,352,909
RDG establishment charges to date	946,104,080	18,153,522	-	-	-	-	43,066,010	34,569,134	11,000,000	32,204,143	1,043,878	483,489	678,736,600
Advance to contractors	845,805,476	-	-	-	-	-	-	-	-	-	-	-	845,805,476
Due to / (from) Government	76,967,884	(4,283,166)	3,328,133,443	15,000,000,000	5,000,000,000	2,130,000,000	(6,021,140)	(166,286)	298,300	-	(3,983,676)	(483,489)	23,550,240,861
Stage of completion (%)	21.90%	4.33%	0.39%	0.00%	0.00%	0.00%	99.97%						

Method of stage of completion

Cost-based input method

2026	On-Going Projects		PSDP On-Going Transferred Projects	New Projects			Completed Projects						Total
	Green Line	Jinn Chakro		SAP Projects 2024-25	PSDP Karachi Package	PSDP Hyderabad Package	SAP Project 2025-26 KPC	Mahira / Mang Road	KPC	Three Flyers	Interchange over M-9	Road over M-9 from Dada Bhai Town up to limits of PNS Malir	
	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann	Rs/ann
Project development cost as per PC-I	24,438,512,191	5,147,412,000	-	-	-	-	1,981,066,000	1,000,000,000	2,511,448,150	1,872,780,295	43,213,829	-	38,369,426,529
RDG establishment charges as per PC-I	205,544,172	43,860,000	-	-	-	-	32,740,000	11,000,000	39,503,443	18,991,395	823,121	-	341,562,526
Total project cost as per PC-I	24,644,056,363	5,191,272,000	-	-	-	-	2,013,806,000	1,011,000,000	2,550,951,593	1,891,771,690	44,036,950	-	38,710,989,054
Fund received up to	23,508,680,125	3,023,824,706	-	-	-	-	1,511,051,069	1,011,288,300	2,407,926,680	190,000,000	25,363,458	-	32,577,894,149
Development contract cost incurred to date													
- Design and supervision	861,439,623	144,214,234	-	-	-	-	78,824,878	-	41,724,479	-	-	-	1,126,193,607
- Utilities relocation	759,662,246	43,088,618	-	-	-	-	43,066,010	29,582,000	37,080,663	-	-	-	858,812,917
- Track work and infrastructure development	21,389,596,552	2,789,196,128	-	-	-	-	1,379,243,399	1,000,000,000	1,306,087,200	500,000,000	25,383,458	-	28,389,664,729
- Land acquisition for project	28,478,862	-	-	-	-	-	-	-	-	-	-	-	28,478,862
	23,019,587,403	2,876,498,164	-	-	-	-	1,460,550,222	1,000,000,000	1,375,662,337	500,000,000	25,383,458	-	31,384,131,685
RDG establishment charges to date	384,420,084	46,701,702	-	-	-	-	34,569,134	11,000,000	32,204,143	1,043,878	483,489	-	298,472,167
Advance to contractors	483,403,474	-	-	-	-	-	-	-	-	-	-	-	483,403,474
Due to / (from) Government	238,969,254	(3,665,273)	-	-	-	-	(166,286)	298,300	-	(3,983,676)	(483,489)	-	239,556,822
Stage of completion (%)	94%	55%											

Method of stage of completion

Cost-based input method

14.7 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	
Project development cost as per PC-I	13,014,020,000	3,058,473,804	1,858,710,000	17,931,203,804
Expenditure upto 30-June-2024	-	-	-	-
PC-I Cost for PIDCL	13,014,020,000	3,058,473,804	1,858,710,000	17,931,203,804
Project development cost as per PC-I	13,014,020,000	3,058,473,804	-	16,072,493,804
PIDCL establishment charges as per PC-I	488,690,000	30,934,010	17,290,000	536,914,010
Total project cost as per PC-I	13,502,710,000	3,089,407,814	17,290,000	16,609,407,814
<b>As at 30 June 2025</b>				
Fund received upto date	12,002,614,511	1,920,486,349	1,831,602,866	15,754,703,726
Fare collected upto date	2,259,798,377	43,151,162	-	2,302,949,539
Markup on investment - Market treasury bills	52,107,277	-	-	52,107,277
Bank profit- net upto date	61,415,606	177,923,770	-	239,339,376
	14,375,935,771	2,141,561,281	1,831,602,866	18,349,099,918
Project cost incurred to date:				
Articulated buses / fire tender	4,650,246,903	850,261,418	1,814,312,866	7,314,821,187
IITS hardware & software	1,717,660,660	266,595,696	-	1,984,256,356
Station & OCC management	2,284,298,974	272,308,521	-	2,556,607,495
Clearing house	46,888,737	6,481,604	-	53,370,341
Bus operator	2,713,082,333	455,445,394	-	3,168,527,727
Infra maintenance	66,122,535	940,194	-	67,062,729
IITS maintenance	747,206,233	15,756,170	-	762,962,403
Operations charges	118,734,048	-	-	118,734,048
Consultancy charges	242,408,163	16,184,221	-	258,592,384
Insurance	292,020,168	21,851,030	-	313,871,198
Integration of Green and Orange Line BRTS	-	34,513,491	-	34,513,491
Accrued Expense	-	-	-	-
	12,878,668,754	1,940,337,739	1,814,312,866	16,633,319,359
PIDCL's establishment charges incurred upto date	442,110,556	27,870,570	17,290,000	487,271,126
Advance to contractors paid upto date	56,091,283	1,774,378	-	57,865,661
Due to Government	999,065,178	171,578,504	-	1,170,643,722
Method of revenue recognition	----- Proportionate basis -----			
<b>As at 30 June 2024</b>				
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	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
PIDCL'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
Method of revenue recognition	----- Proportionate basis -----			

## 15. CONTINGENCIES AND COMMITMENTS

### 15.1 Contingencies

#### Litigation and Arbitration Matters (Contractual Disputes):

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal Parties	Date Instituted
a) Arbitration Tribunal at Karachi / District Court Islamabad	<p>National Logistics Cell Engineers (NLC) has filed arbitration claims against Pakistan Infrastructure Development Company Limited (Formerly Sindh Infrastructure Development Company Limited) ('The Company') in relation to the GL-20 project, seeking financial claim of Rupees 1,197.316 million along with markup at KIBOR + 2% and declaration that the termination of contract was wrongful.</p> <p>The Company has lodged counterclaims includes liquidated damages of Rupees 512.851 million for delay in works; Rupees 13.4 million for delay in submission of programme of works, refund of mobilisation advance Rupees 325.358 million, estimated project cost Rupees 4,299.934 million and loss of revenue Rupees 2,194.709 million.</p> <p>The matter is presently at evidence stage before the Arbitration Tribunal and is fixed for 04 and 05 September 2025 for recording of evidence and final arguments. Meanwhile, NLC has also filed Arbitration Petition No. NIL/2023 before the District Court Islamabad for passing of decree in terms of the arbitration award amounting to Rupees 346.946 million, wherein an interim injunction has been granted restraining encashment of impugned guarantees. The case is next fixed for hearing on 17 September 2025.</p> <p>Based on the advice of the Company's legal counsel, the management is confident that the outcome of the above matters will be in its favour and, accordingly, no provision has been made in these financial statements.</p>	The Company and National Logistics Cell Engineers (NLC)	2023
b) District Courts of Sindh	<p>M/s Insaf &amp; Brothers (Plaintiff) has filed Suit No. 1566/2024 against the Federation of Pakistan, Pakistan Infrastructure Development Company Limited (formerly Sindh Infrastructure Development Company Limited), and the Bank of Punjab (Defendants) seeking declaration and injunction in relation to project works. The Plaintiff also prayed for restraint against encashment of bank guarantee. The Court granted interim relief restraining Defendant No. 3 (Bank of Punjab) from encashing the bank guarantee. The matter was last fixed for hearing on 15 August 2025 (adjourned due to strike) and is next tentatively fixed for 6 September 2025.</p>	The Company and M/s Insaf & Brothers	2024

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal Parties	Date Instituted
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Based on the advice of the Company's legal counsel, the management is confident that the outcome of the above matters will be in its favour and, accordingly, no provision has been made in these financial statements.

15.2 Commitments	Note	2025 Rupees	2024 Rupees
Commitments to:			
-Contractors in PKR		<u>8,494,504,346</u>	<u>3,742,818,764</u>
-Supplier of zhong tong buses in USD		<u>2,208,600</u>	<u>2,208,600</u>
<b>16. REVENUE FROM CONTRACT WITH CUSTOMERS</b>			
<b>Government Infrastructure Development Projects</b>			
-Green Line Infrastructure		361,784,586	1,975,602
-Jam Chakro		<u>2,326,325</u>	<u>4,510,378</u>
-PSDP Transferred Projects		<u>16,152,522</u>	-
		<u>380,263,433</u>	<u>6,485,980</u>
<b>Operational Projects</b>			
-Green Line		270,568,814	19,592,731
-Orange Line		<u>1,526,200</u>	<u>3,568,046</u>
-Fire Tender		-	<u>802,991</u>
		<u>272,095,014</u>	<u>23,963,768</u>
		<u>652,358,447</u>	<u>30,449,748</u>
<b>16.1 Timing of revenue recognition - net</b>			
At point in time		121,265,330	3,461,159
Over the time		<u>531,093,117</u>	<u>26,988,589</u>
		<u>652,358,447</u>	<u>30,449,748</u>

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17. ADMINISTRATIVE EXPENSES	Note	2025 Rupees	2024 Rupees
Salaries, wages and benefits	17.1	205,523,093	179,681,985
Directors' meeting fee		7,740,000	5,208,000
Stationery, printing and publication		1,037,287	807,154
Newspapers and periodicals		32,590	55,275
Depreciation on property and equipment	4	710,057	1,796,014
Depreciation on right-of-use assets	5	8,840,144	1,427,132
Auditors' remuneration	17.2	700,000	594,000
Communication charges		2,255,954	2,151,728
Travelling and conveyance		4,766,479	4,356,371
Training expense		210,000	525,000
Advertisement		704,472	1,238,190
Utilities expense		1,283,021	920,431
Subscription fee		294,112	667,146
Repairs and maintenance		5,619,537	2,990,818
Rent, rates and taxes		352,808	7,170,090
Tax deducted at source - write-off		58,294,223	37,812,865
Insurance		457,801	908,976
Legal and professional charges		1,350,025	9,275
Bank charges		2,520	15,997
Miscellaneous expenses		2,160,681	1,523,272
		<b>302,334,804</b>	<b>249,859,719</b>

**17.1** This includes an amount of Rupees 4.094 million (2024: Rupees 3.412 million) and Rupees 3.109 million (2024: 2.715 million) representing the contribution made by the Company to the staff provident fund and the leave encashment to be paid to the employees respectively.

**17.2 Auditors' remuneration**

Audit fee	648,148	500,000
Certification fee	-	50,000
	<b>648,148</b>	<b>550,000</b>
Sindh sales tax @ 8%	51,852	44,000
	<b>700,000</b>	<b>594,000</b>

**18. OTHER INCOME**

**Income from financial assets:**

Return on bank deposits	198,171,143	309,616,735
Interest income on provident fund	3,795,748	4,615,305
Market treasury bills	45,022,909	151,417,770
	<b>246,989,800</b>	<b>465,649,810</b>
Less: Interest income related to fare collection account	-	(87,729,893)
Interest income related to provident fund	(3,795,748)	(4,615,305)
Amortization of discount related to fare collection account	(2,687,624)	(37,405,956)
	<b>240,506,428</b>	<b>335,898,656</b>

**Income from non-financial assets:**

Tender fee	2,378,550	24,000
	<b>242,884,978</b>	<b>335,922,656</b>

**19. TAXATION**

Income tax	-	-
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19.1 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.

20. EARNINGS PER SHARE - BASIC AND DILUTED	2025	2024
Profit for the year (Rupees)	<u>577,951,834</u>	<u>115,920,305</u>
Weighted average number of outstanding shares at year end	<u>2,000,000</u>	<u>2,000,000</u>
Earnings per share basic and diluted (Rupees)	<u>288.98</u>	<u>57.96</u>

20.1 Diluted earnings per share has not been presented as the Company did not have any potential dilutive instrument in issue as at 30 June 2025, which would have any effect on the earnings per share.

21. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2025		
	Chief Executive Officer	Directors	Executives
	Rupees	Rupees	Rupees
Basic salary	3,189,010	-	123,933,558
Meeting fee	558,000	7,560,000	-
Others	606,697	-	2,203,780
Staff retirement benefit	-	-	3,021,091
Leave encashment	-	-	3,109,836
	<u>4,353,707</u>	<u>7,560,000</u>	<u>132,268,265</u>
Number of persons	<u>1</u>	<u>13</u>	<u>34</u>
	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
Staff retirement benefit	-	-	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	<u>1</u>	<u>13</u>	<u>18</u>

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

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

22. 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 21 and the balances outstanding at the year end are given below:

Relationship with the Company	Nature of transaction	2025 Rupees	2024 Rupees
Principal shareholder	Funds received during the year	29,986,860,698	2,286,302,504
Government of Sindh	Funds received during the year	-	342,407,349
Due from Government		16,098,773	9,390,732
Due to Government		(28,736,983,406)	(2,122,165,226)
Name of party	Basis of relationship	Percentage of shareholding	
Government of Pakistan	Shareholding	99.99%	

## 23. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### 23.1 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:

Fixed rate instruments :	2025 Rupees	2024 Rupees
<b>Financial assets</b>		
Market treasury bills (MTBs)		604,977,091
<b>Financial liabilities</b>		
Lease liability	10,130,991	23,414,628

	2025 Rupees	2024 Rupees
<b>Floating rate instruments :</b>		
<b>Financial assets</b>	<u>2,373,040,165</u>	<u>2,003,652,713</u>
Bank balance - savings accounts		
<b>Financial liabilities</b>	<u>-</u>	<u>-</u>
	<u>2,383,171,156</u>	<u>2,632,044,432</u>

#### 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 2025, 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 23.730 million (2024: Rupees 20.037 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 2025		30 June 2024	
	Financial Assets	Maximum Exposure	Financial Assets	Maximum Exposure
	Rupees	Rupees	Rupees	Rupees
Due from Government	16,098,773	4,382,166	9,390,732	9,390,732
Short term investment	-	-	604,977,091	604,977,091
Prepayments and other receivable	6,045,176	1,700,000	6,045,176	1,700,000
Accrued interest income	85,081,525	85,081,525	138,053,445	138,053,445
Bank balances	30,012,242,822	30,012,242,822	2,250,828,914	2,250,828,914
	<u>30,119,468,296</u>	<u>30,103,406,513</u>	<u>3,009,295,358</u>	<u>3,004,950,182</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			2025	2024
	Short Term	Long Term	Agency	Rupees	Rupees
United Bank Limited	A1+	AAA	VIS	<u>282,029,373</u>	<u>365,371,785</u>
National Bank of Pakistan	A1+	AAA	VIS	<u>29,730,213,449</u>	<u>1,885,457,129</u>

#### (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 2025, the Company had bank balances of Rupees 30,012.243 million (2024: Rupees 2,250.829 million) and investment of Rupees Nil (2024: Rupees 604.977 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 2025			
	Lease liability	Trade and other payables	Due to Government	Total
	Rupees	Rupees	Rupees	Rupees
Carrying Amount	<u>10,130,991</u>	<u>153,023,875</u>	<u>28,736,983,406</u>	<u>28,900,138,272</u>
Contractual Cash Flows:				
6 month or less	6,404,966	153,023,875	28,736,983,406	28,896,412,247
6 months to 12 months	10,568,086	-	-	10,568,086
More than 1 year	-	-	-	-
	<u>16,973,052</u>	<u>153,023,875</u>	<u>28,736,983,406</u>	<u>28,906,980,333</u>

	30 June 2024			
	Lease liability	Trade and other payables	Due to Government	Total
	Rupees	Rupees	Rupees	Rupees
Carrying Amount	<u>23,414,628</u>	<u>249,354,967</u>	<u>2,122,165,226</u>	<u>2,394,934,821</u>
Contractual Cash Flows:				
6 month or less	3,222,909	249,354,967	2,122,165,226	2,374,743,102
6 months to 12 months	6,768,109	-	-	6,768,109
More than 1 year	18,789,562	-	-	18,789,562
	<u>28,780,580</u>	<u>249,354,967</u>	<u>2,122,165,226</u>	<u>2,400,300,773</u>

## 23.2 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.

**23.3 Financial instruments by categories**

	Amortized cost	
	2025 Rupees	2024 Rupees
<b>Financial assets</b>		
Due from Government	4,382,166	9,390,732
Short term investment	-	604,977,091
Long term deposit	1,700,000	1,700,000
Accrued interest income	85,081,525	138,053,445
Bank balances	<u>30,012,242,822</u>	<u>2,250,828,914</u>
	<u>30,103,406,513</u>	<u>3,004,950,182</u>
<b>Financial liabilities</b>		
Lease liability	10,130,991	23,414,628
Trade and other payable	153,023,875	249,354,967
Due to Government	<u>28,736,983,406</u>	<u>2,122,165,226</u>
	<u>28,900,138,272</u>	<u>2,394,934,821</u>

**23.4 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.

**24. NUMBER OF EMPLOYEES**

The number of employees during the year is as follows:

	2025		2024	
	At year end	Average	At year end	Average
Number of employees				
- Permanent	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
- Contractual	<u>63</u>	<u>63</u>	<u>63</u>	<u>63</u>

**25. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were approved and authorized for issue on 06<sup>th</sup> Oct 2025 by the Board of Directors of the Company.

**26. CORRESPONDING FIGURES**

**26.1** The corresponding figures have been re-arranged and re-classified to ensure a more appropriate presentation and comparison. The re-classification made in these financial statements is as follows:

From	To	Note	Amount (Rupees)
Prepayments and other receivable	Long term deposit (on face of balance sheet)	6	<u>1,700,000</u>
Due to Government	Due From Government	14.6	<u>3,695,273</u>

26.2 Figures have been rounded off to the nearest Rupee.

Y

  
 CHIEF EXECUTIVE OFFICER

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR