

**Sialkot Kharian Infrastructure Management
(Private) Limited**

FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

**To the members of Sialkot Kharian Infrastructure Management (Private) Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the annexed financial statements of Sialkot Kharian Infrastructure Management (Private) Limited (the Company"), which comprise the statement of financial position as at June 30, 2025, 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 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 purpose 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 cashflows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information as 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 Company's affairs as at June 30, 2025 and of the loss and other comprehensive loss, the changes in equity and its cashflows for the year then ended.

Basis of 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 *Auditors' 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.

Emphasis of Matter-Project realignment and restructuring

We draw attention to the note 1.1 of the financial statements, which describe realignment and restructuring of the project subject to the necessary approvals from the Government of Pakistan indicating that the project would not be completed within the timelines initially set out. Our report is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

Responsibilities of Management and the Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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. The Board of directors is responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

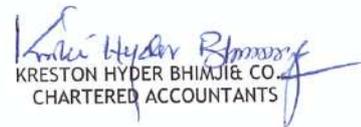
Report on Other Legal and Regulatory Requirements:

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) 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 auditors' report is Mr. Muhammad Ali, FCA.

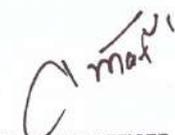
ISLAMABAD: August 29, 2025
UDIN: AR202510174goPRkjaL9


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

SIALKOT KHARIAN INFRASTRUCTURE MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	6,137,719	1,384,787
Concession work in progress	6	3,625,264,311	2,762,055,689
Advance against concession work in progress	7	4,529,953,149	4,694,295,310
Deferred tax asset	8	-	5,903,471
		8,161,355,179	7,463,639,257
CURRENT ASSETS			
Loans, advances and prepayments	9	3,969,938	5,000,145
Prepaid Asset	10	36,766,288	33,566,401
Cash and bank balances	11	76,509,423	708,112,470
		117,245,649	746,679,016
TOTAL ASSETS		8,278,600,828	8,210,318,273
EQUITY AND LIABILITIES			
Share capital and reserve			
Issued, subscribed and paid up capital	12	7,955,754,000	100,000
Share deposit money	13	44,246,000	7,955,654,035
Accumulated (loss)/ profit		(29,509,907)	27,839,564
		7,970,490,093	7,983,593,599
CURRENT LIABILITIES			
Trade and other payables	14	308,110,735	226,724,674
CONTINGENCIES AND COMMITMENTS			
	15		
TOTAL EQUITY AND LIABILITIES		8,278,600,828	8,210,318,273

The annexed notes from 1 to 28 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

SIALKOT KHARIAN INFRASTRUCTURE MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Revenue		-	-
Direct cost		-	-
Gross profit/(loss)		-	-
Administrative and general expenses	16	(71,102,604)	(68,556,471)
Other income	17	19,656,604	93,046,013
(Loss)/ profit before levies and income tax		(51,446,000)	24,489,542
Levies - IFRIC 21	18	-	-
(Loss)/ profit before income tax		(51,446,000)	24,489,542
Income tax	19	(5,903,471)	(6,977,716)
(Loss) / profit after levies and income tax		<u>(57,349,471)</u>	<u>17,511,826</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

SIALKOT KHARIAN INFRASTRUCTURE MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025

	<u>2025</u> Rupees	<u>2024</u> Rupees
(LOSS)/ PROFIT AFTER INCOME TAX	(57,349,471)	17,511,826
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR	<u><u>(57,349,471)</u></u>	<u><u>17,511,826</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

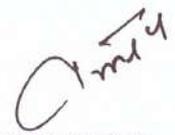
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DIRECTOR

SIALKOT KHARIAN INFRASTRUCTURE MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

Particulars	Share Capital	Share Deposit Money	Accumulated Profit/(loss)	Total
Balance as at July 01, 2023	100,000	7,498,654,035	10,327,738	7,509,081,773
Share deposit money received during the year	-	457,000,000	-	457,000,000
Other comprehensive income for the year	-	-	17,511,826	17,511,826
	-	457,000,000	17,511,826	474,511,826
Balance as at June 30, 2024	100,000	7,955,654,035	27,839,564	7,983,593,599
Share deposit money received during the year	-	44,245,965	-	44,245,965
Shares issued during the year	7,955,654,000	(7,955,654,000)	-	-
Other comprehensive loss for the year	-	-	(57,349,471)	(57,349,471)
	7,955,654,000	(7,911,408,035)	(57,349,471)	(13,103,506)
Balance as at June 30, 2025	7,955,754,000	44,246,000	(29,509,907)	7,970,490,093

The annexed notes from 1 to 28 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER



 DIRECTOR

SIALKOT KHARIAN INFRASTRUCTURE MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		(51,446,000)	24,489,542
(Loss)/ profit before levies and income tax			
Adjustments for non cash and other items:			
Depreciation	16	705,758	217,327
Advance against concession work in progress	7	164,342,161	683,983,169
		165,047,919	684,200,496
Operating profit before working capital changes			
Working capital changes			
(Increase) / decrease in current assets	9	1,030,172	(4,300,145)
Loans, advances and prepayments	14	81,386,061	101,885,891
Increase / (decrease) in current liabilities		82,416,233	97,585,746
Trade and other payables		196,018,152	806,275,784
Cash generated from operations	10	(3,199,887)	(13,956,902)
Income tax paid		192,818,265	792,318,882
Net cash generated from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Property and equipment acquired	5	(5,582,150)	(684,757)
Property and equipment disposal	6	123,460	-
Concession work in progress		(863,208,622)	(1,946,548,447)
		(868,667,312)	(1,947,233,204)
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Share deposit money received	13	44,246,000	457,000,000
		44,246,000	457,000,000
Net cash generated from financing activities		(631,603,047)	(697,914,322)
NET DECREASE IN CASH AND CASH EQUIVALENTS		708,112,470	1,406,026,792
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	11	76,509,423	708,112,470
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			

The annexed notes from 1 to 28 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER




DIRECTOR

SIALKOT KHARIAN INFRASTRUCTURE MANAGEMENT (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1 CORPORATE AND GENERAL INFORMATION

Sialkot Kharian Infrastructure Management (Private) Limited ("the Company") was incorporated in Pakistan on September 02, 2021 as a Private Limited Company under the Companies Act, 2017. The Company is a subsidiary of Frontier Works Organization (FWO). The registered office of the Company is situated at 509, Kashmir Road, R.A Bazar, Rawalpindi. The Company is principally formed for the purpose of construction, operation, maintenance and collection of toll of approximately 69 KM long, access controlled Motorway from the city of Sialkot (Sambrial) till the city of Kharian for the Concession period of 25 years on Build-Operate-Transfer (BOT) basis, pursuant to a Concession Agreement dated September 13, 2021 entered into between the National Highway Authority (NHA) and the Company. After the expiry of Concession period, concession asset will be transferred to the NHA. The branch office of the Company is located at Gracy Lines, Opposit Central Workshop, HQ 496 Engineering Group, Chaklala, Rawalpindi

- 1.1 As per Concession Agreement, the construction of the project would have been completed within two years but the project has been delayed due to realignment in the original planned pathway. National Highway Authority (NHA) was responsible for land clearance and ancillary works and to submit the plan with Indus River System Authority (IRSA) - major stakeholder. Consequently, No Objection Certificate (NOC) was not provided by IRSA for the commencement of work. According to IRSA, as per existing plans, the bridge over Chenab river would affect Head Marala and would ultimately affect the related irrigation system and may cause the risk of flood. The Irrigation department proposed alternate route from west of Sialkot Airport leading towards Shehbazpur bridge to Jalalpur Jattan.

Vide letter no. 2(97)-NHA/PPP/SKM/25-344 dated May 30, 2025, a revised financing structure has been approved by the NHA Executive Board and recommended for approval of Public Private Partnership Authority (P3A) Board to enable NHA to proceed further for revising PC-1 and signing an amendment to PPP Agreement to the tune of Rs. 81,062,081,961 for the restructuring for six lane Motorway instead of a four lane as originally planned. The revision in alignment of sections 1,2 and 3 (Chenab Bridge's sections) and the unprecedented hyperinflation had huge time and cost impact on the original financial model of the PPP agreement making the project as originally structured unviable therefore, restructuring of the project was essential. The fundamental design parameters of the project has been revised to cater for a six lane facility and a draft financial model prepared to restructure the project.

The provisional NOC has been issued by the IRSA vide letter no. 1006/47A dated June 22, 2023 and re-alignment of the project has been duly approved by the Central Development Working Party (CDWP). The Public Private Partnership Authority (P3A) has approved the revised financing structure, and the Company is hopeful for completion of remaining approvals and financial close in the ensuing months.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Accounting and Reporting Standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) 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), the provisions and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention on accrual basis of accounting except for cashflow information reported in the statement of cash flows.

2.3 Presentation and functional currency

These financial statements are prepared and presented in Pakistani Rupees which is Company's functional and presentation currency. All financial information presented in Pak Rupees have been rounded off to the nearest Rupee, unless otherwise stated.

Law

2.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of forming judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities. Significant areas requiring the use of management estimates in these financial statements are involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

	Note
Useful lives, residual values and depreciation method of property, plant and equipment	4.1
Impairment of non-financial assets	4.3
Estimation of provisions	4.4
Taxation	4.8
Impairment of financial assets	4.11
Contingencies and Commitments	4.12

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

Certain amendments and interpretations to IFRS are effective for accounting periods beginning on July 01, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

	Effective for the period beginning on or after
IAS-8 Amendments to IFRS 16, clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024
IFRS - 7 Amendments to IAS 7 and IFRS 7 'Supplier Finance Arrangements to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and IAS - 7 quantitative information about supplier finance arrangements.	January 1, 2024
IAS-1 Amendment to IAS 1 – Non-current liabilities with covenants and amendments regarding the classification of liabilities as current or non-current.	January 1, 2024

3.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective and have not been early adopted by the Company.

Standards, interpretations and amendments to approved accounting standards that are not yet effective and have not been early adopted by the Company.

	Effective for the period beginning on or after
IFRS-7 Amendments to IFRS-7 Financial Instruments Disclosures - Amendments regarding classification and measurement of Financial Instrument.	January 01, 2026
IFRS-9 Amendments to IFRS-9 Financial Instrument - Amendment regarding the classification and measurement of Financial Instrument.	January 01, 2026
IAS -17 Insurance Contracts - Amendments regarding the expiry date of the deferral approach.	January 01, 2026

ACAP

3.3 New Standards issued by IASB but not yet been notified / adopted by SECP

Other than aforesaid Standards, Interpretations and Amendments, International Accounting Standard Board (IASB) has also issued the following Standards and Interpretations, which have not been notified locally or declared exempt by the SECP as at June 30, 2025.

IFRS-1	First time adoption of International Financial Reporting Standard.
IFRS-18	Presentation and Disclosures in Financial Statements.
IFRS-19	Subsidiaries without Public Accountability Disclosures

4 MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Property and equipment

Owned

Measurement

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost in relation to property and equipment's comprises acquisition and other directly attributable costs.

Subsequent costs are included in the asset's carrying value or recognized as a separate assets; as appropriate; only when it is probable that future economic benefits associated with the item will flow towards the Company and cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss as and when incurred.

Depreciation

Depreciation on additions is charged to statement of profit or loss by applying the reducing balance method at the rates specified in note 5 to write off the depreciable amount of assets over their estimated useful lives. Full month depreciation is charged on additions if the asset is available for use in the first half of that month and no depreciation is charged for the month if deletion is made in the first half of that month.

Disposal

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount of the relevant assets. These are included in profit or loss.

Gain / loss on disposal of property and equipment is recognized in the statement of profit or loss during the period in which the asset is disposed of. Any gain or loss arising on derecognition of the asset is charged to "other income / loss" in the statement of profit or loss in the year the asset is derecognized. In case of the sale or retirement of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to the accumulated profit / (loss).

Judgment and estimates

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Residual values are determined by the management as the amount it expects it would receive currently for an item of property and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

The assets' residual values and estimated useful lives are reviewed for possible impairment at least annually to adjust the resultant significant impact on depreciation, if any. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

4.2 Concession work in progress

Concession work in progress is stated at cost less accumulated impairment losses, if any. Cost includes construction cost incurred on Sialkot Kharian Motorway Project.

Application of waiver of requirements of IFRIC 12 "Service Concession Arrangement"

In accordance with S.R.O 24(1)/2012, dated January 16, 2012, the Company has availed exemption granted by Securities and Exchange Commission of Pakistan (SECP) from requirements of IFRIC 12 while preparing these financial statements.

IFRIC 12 applies to public-to-private concession arrangements if the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price and the grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the engagement

Under the Company's Concession Agreement, IFRIC 12 would have required the Company not to recognize any infrastructure as part of its property and equipment's. The Company would have to account for its cost on construction and modernization of Sialkot Kharian Motorway, disclosed in the Note. 6 to the financial statements, as expenses in the statement of profit or loss by reference to the stage of completion. The Company would also have been required to recognize revenue for these services at its fair value, normally calculated on the basis of cost and generally applicable margin on similar services, against an intangible asset, representing a right to charge toll from users of Sialkot Kharian Motorway. Borrowings attributable to arrangement would also have been capitalized as part of intangible asset.

The Company, however has applied the waiver granted by SECP and is carrying the incurred cost of construction as concession work in progress which will be transferred to concession assets upon completion of Motorway. The Company will charge depreciation from the date of such transfer.

4.3 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

4.4 Provisions

Provisions are recognize when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.5 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash and bank balances.

4.6 Staff retirement benefits - Provident Fund

The Company's employees are entitled to a provident fund scheme which is operated by its Parent Company. Contributions to the fund are made monthly by the Company and the employees at the rate of 8% of the basic salary. The Company's contribution is recognized as an expense in the statement of profit or loss.

4.7 Trade and other payables

Liabilities for trade and other payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.8 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

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Current

The charge for current taxation is based on taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Deferred

Deferred taxation is provided on all temporary timing differences by using the financial position liability method.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantively enacted at the financial position date. Deferred tax is charged or credited in the statement of profit or loss, except where deferred tax arises on the items directly credited or charged to equity in which case it is included in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

Levy

Minimum Taxes (i.e. the amount in excess of Company corporate income tax) which are not adjustable against the future income tax liability and final tax, are classified as Levies and presented as an other operating expense in the statement of profit or loss.

Judgments and estimates

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

4.9 Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits, if any. Accumulated profits include all current and prior period profit / (loss).

4.10 Related party transactions

Transaction in relation to revenue, purchases and services with related parties are made at arm's length prices determined in accordance with the Company's policy.

4.11 Financial Instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

Initial recognition and measurement

All financial assets are initially measured at cost plus transaction costs that are directly attributable to its acquisition except for trade receivables. Trade receivables are initially measured at transaction price.

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Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Derecognition

Financial assets are derecognized when the contractual rights to receive cashflows from the assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss.

Financial liabilities**a) Initial recognition and measurement**

Financial liabilities are initially classified at amortized cost, such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc.

b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. Difference between carrying amount and consideration paid is recognized in the statement of profit or loss when the liabilities are derecognized.

Off-setting of financial assets and financial liabilities

A financial assets and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.12 Contingencies and Commitments

These are not accounted for in the financial statements unless these are actual liabilities and are only disclosed when:

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

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the Company. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the financial position date.

4.13 Other income - Income from bank deposits / investments

Markup/ return on bank deposits and investments is recognized using the effective interest rate method and is included in the statement of profit or loss.

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5. PROPERTY AND EQUIPMENT

PARTICULARS	Note	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION				Written Down Value as at June 30, 2025	
		As at July 01, 2024	Additions	Disposal	As at June 30, 2025	Rate	As at July 01, 2024	Charge for the year	Disposal		As at June 30, 2025
Owned											
Computer equipments		505,857	691,413	177,000	1,020,270	30%	100,409	190,875	53,540	237,744	782,526
Office equipments		73,000	-	-	73,000	10%	14,270	5,873	-	20,143	52,857
Furniture and fittings		918,200	263,290	-	1,181,490	10%	107,791	102,982	-	210,773	970,717
Vehicles		145,000	4,627,447	-	4,772,447	20%	34,800	406,028	-	440,828	4,331,619
Rupees		1,642,057	5,582,150	177,000	7,047,207		257,270	705,758	53,540	909,488	6,137,719

PARTICULARS	Note	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION				Written Down Value as at June 30, 2024	
		As at July 01, 2023	Additions	Disposal	As at June 30, 2024	Rate	As at July 01, 2023	Charge for the year	Disposal		As at June 30, 2024
Owned											
Computer equipments		186,000	319,857	-	505,857	30%	1,733	98,676	-	100,409	405,448
Office equipments		52,000	21,000	-	73,000	10%	9,300	4,970	-	14,270	58,730
Furniture and fittings		574,300	343,900	-	918,200	10%	21,660	86,131	-	107,791	810,409
Vehicles		145,000	-	-	145,000	20%	7,250	27,550	-	34,800	110,200
Rupees		957,300	684,757	-	1,642,057		39,943	217,327	-	257,270	1,384,787

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	Note	2025 Rupees	2024 Rupees
6 CONCESSION WORK IN PROGRESS			
Balance as on July 01,		2,762,055,689	815,507,242
Additions during the year:			
Earth work and allied activity		380,869,566	889,125,000
Major structure		223,002,463	446,258,206
Minor structure		73,300,812	425,457,015
Design and supervision consultancy - EPC		93,750,000	28,125,000
Markup over retention money payable		41,497,818	-
Insurance and others - Escalation		50,787,963	157,583,226
Balance as on June 30,	6.1	863,208,622	1,946,548,447
		<u>3,625,264,311</u>	<u>2,762,055,689</u>
6.1 The breakup of the above amounts is as under:			
Earth work and allied activity		1,462,172,860	1,081,303,294
Major structure		685,305,092	462,302,629
Minor structure		630,804,556	557,503,744
Design and supervision works - EPC		515,625,000	421,875,000
Escalation		208,371,188	157,583,225
Total as per IPCs		3,502,278,696	2,680,567,892
Preliminary design, survey and consultancy services		81,487,797	81,487,797
Markup over retention money payable		41,497,818	-
		<u>3,625,264,311</u>	<u>2,762,055,689</u>
7 ADVANCE AGAINST CONCESSION WORK IN PROGRESS			
Balance as on July 01		4,694,295,310	5,083,605,000
Adjustment during the year	7.1		
IPC-03		-	(162,300,014)
IPC-04		-	(227,009,676)
IPC-05		(164,342,161)	-
Balance as on June 30,		(164,342,161)	(389,309,690)
		<u>4,529,953,149</u>	<u>4,694,295,310</u>
7.1 Mobilization advance was extended to FWO (Related Party due to Parent Company). The advance amount is adjustable @ 20% of the IPC/ work done during the year. The advance is considered good and maximum aggregate amount outstanding at any time during the year is same as the above carrying amount of advance.			
8 DEFERRED TAXATION			
Deferred income tax liabilities in respect of taxable temporary differences:			
Accelerated tax depreciation and allowance of assets		-	93,126
Deferred income tax assets in respect of deductible temporary differences:			
Unused tax losses		-	(5,996,597)
Net deferred income tax asset as at June 30,		-	<u>(5,903,471)</u>
Deferred income tax recognized in statement of profit or loss			
Net deferred income tax asset as at July 01,		(5,903,471)	(5,936,867)
Net deferred income tax asset as at June 30,		-	(5,903,471)
Net deferred tax (income)/ expense for the year recognized in statement of profit or loss	19	<u>5,903,471</u>	<u>33,396</u>
Deferred tax asset amounting to Rs. 20,807,284 was not recognized in these financial statements as management has provided revised financial model 2025 for restructuring of project from which it is evident that there are no sufficient profits from the operations in the foreseeable future against which the Company can utilize the deferred tax asset.			
9 LOANS, ADVANCES AND PREPAYMENTS			
Advance to supplier	9.1	3,858,000	-
Loan to employees		68,653	518,653
Prepaid Insurance		43,285	-
Prepaid rent		-	673,750
Other receivables		-	3,807,742
		<u>3,969,938</u>	<u>5,000,145</u>
9.1 The Company has paid an amount of Rs. 3,858,000 to United Motors (Pvt) Limited for purchase of car for an employee of the Company as per entitlement at the time of booking of a car.			

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	Note	2025 Rupees	2024 Rupees
10 PREPAID ASSET-Advance tax			
Balance as on July 01,		33,566,401	26,553,819
Income tax withheld on bank profits		3,199,887	13,956,802
Provision for the year	19	-	(6,944,320)
Balance as on June 30,		<u>36,766,288</u>	<u>33,566,401</u>
11 CASH AND BANK BALANCES			
Cash in hand		89,352	452,408
Cash at bank - saving accounts(local currency)	11.1	76,420,071	707,660,062
		<u>76,509,423</u>	<u>708,112,470</u>
11.1 The saving accounts earns interest at floating rates based on daily bank deposit rates ranging from 6.00% to 9.25% (2024: 7% to 10%) per annum			
12 SHARE CAPITAL			
Authorized capital			
Balance as on June 30, (133,306,162 shares of Rs.100 each)		<u>13,330,616,200</u>	<u>13,330,616,200</u>
Vide clause 10.1.3 of Shareholder's Agreement, the company has ordinary shares of Class A and Class B. Class A shares are issued or to be issued to shareholders of the Company and Class B shares to NHA without entitlement of dividend.			
Issued, subscribed and paid up share capital			
		2025	2024
		Numbers	Numbers
		<u>79,557,540</u>	<u>1,000</u>
		Ordinary shares of Rs. 100 each, fully paid in cash	
	12.1	<u>7,955,754,000</u>	<u>100,000</u>
12.1 Balance as on July 01,		100,000	100,000
Transferred from share deposit money	13	7,955,654,000	-
Balance as on June 30,		<u>7,955,754,000</u>	<u>100,000</u>
12.2 The shareholders are entitled to cast vote proportionate to paid up value of shares carrying voting rights and have implied rights to appoint any person on the Board of Directors of the Company. All shares rank equally with regard to the Company's residual assets.			
12.3 Reconciliation of number of shares outstanding		Number	Number
Balance as on July 01,		1,000	1,000
Issued for cash		79,556,540	-
Balance as on June 30,		<u>79,557,540</u>	<u>1,000</u>
13 SHARE DEPOSIT MONEY			
Balance as on July 01,		7,955,654,035	7,498,654,035
Receipts during the year	13.1	44,245,965	457,000,000
Transferred to issued, subscribed and paid up share capital	12.1	(7,955,654,000)	-
Balance as on June 30,		<u>44,246,000</u>	<u>7,955,654,035</u>
13.1 This represents the amount received from Frontier Concession Works Organization(FWO), the Sponsor, on account of it's share towards capital of the Company.			
13.2 The Company have issued class A shares to FWO and class B shares to NHA as per funds received from them. The balance in this account is as under:			
-National Highway Authority (NHA)		4,000,000,000	4,000,000,000
-Frontier Works Organization (FWO)		4,000,000,000	3,955,754,035
		8,000,000,000	7,955,754,035
Less : Class A shares issued to FWO		(3,955,754,000)	(100,000)
: Class B shares issued to NHA		(4,000,000,000)	-
		<u>(7,955,754,000)</u>	<u>(100,000)</u>
Balance as on June 30,		<u>44,246,000</u>	<u>7,955,654,035</u>
14 TRADE AND OTHER PAYABLES			
Payable to FWO - Related party	14.1	84,911,454	84,943,194
Retention money payable	14.2	175,113,934	134,028,394
Markup over retention money payable	14.2	41,497,818	-
Withholding tax payable		344,913	2,067,764
Provident fund payable		1,950,918	2,261,980
Other payables		4,291,698	3,423,342
		<u>308,110,735</u>	<u>226,724,674</u>

	2025	2024
	Rupees	Rupees
14.1 FWO Current Account		
Balance as on July 01,	84,943,194	85,025,808
Addition during the year	617,926,675	1,165,268,830
Deletion during the year	(617,958,415)	(1,165,351,444)
Balance as on June 30,	<u>84,911,454</u>	<u>84,943,194</u>
14.2 As per agreement between SKIM (Pvt) Limited and Frontier Works Organisation (FWO), the retention money shall be deducted @ 5% of the contract price from 2nd interim payment and onwards. Retention money will be paid by Employer SKIM (Pvt) Limited to the Contractor (FWO) with a mark up of KIBOR + 0.75% on the amount of retention money. First half of retention money along with any return on investment and the accrued retention money mark up shall be paid to the EPC contractor, when the taking over certificate has been issued for the works and the works have passed all specified testing. Outstanding balance of retention money along with any return on investment and the accrued retention money mark up shall be paid to the EPC contractor after the expiry of Defect Notification period.		
15 CONTINGENCIES AND COMMITMENTS		
Contingencies:		
There are no material contingencies outstanding at the reporting date. (2024: Nil)		
Commitments:		
The Company has Commitment in respect of planning, construction and operation of Sialkot Kharian Motorway amounting to Rs. 27.32 billion (2024: Rs. 27.32 billion).		
16 ADMINISTRATIVE EXPENSES		
Salaries and benefits	24,919,203	22,240,579
Travelling and conveyance	3,466,171	2,055,867
Entertainment expenses	244,199	72,673
Repair and maintenance	175,376	112,000
Telephone expense	90,362	36,010
Insurance	16,107	-
Staff Welfare- Financial Assistance	200,000	150,000
Utilities	23,722	182,016
Legal and professional	16.1 39,552,081	40,242,745
Office rent	673,750	2,336,250
Office supplies	416,528	312,504
Postage and Courier	6,347	-
Auditors' remuneration	16.2 613,000	598,500
Depreciation	5 705,758	217,327
	<u>71,102,604</u>	<u>68,556,471</u>
16.1 Legal and professional		
Consultancy fee	(a) 26,465,776	39,363,805
SECP fee	21,305	2,025
Independent auditor verification charges	12,150,000	841,915
Audit Oversight Board fee	915,000	35,000
	<u>39,552,081</u>	<u>40,242,745</u>
(a) This represents amount charged by Associated Consultancy Center (ACC) for provision of consultancy services with respect to construction of project agreed in the Clause 5.7.1 of the PPP agreement.		
16.2 Auditors' remuneration		
Audit fee	520,000	510,000
Sales tax on services	78,000	76,500
Out of pocket expense	15,000	12,000
	<u>613,000</u>	<u>598,500</u>
17 OTHER INCOME		
Return on bank deposits	19,605,916	93,046,013
Gain on disposal of laptop and fixed office setup	50,688	-
	<u>19,656,604</u>	<u>93,046,013</u>
18 LEVIES - MINIMUM TAX		
Minimum tax	-	-
18.1 During the year, no levies have been recognized under IFRIC 21 as the Company has nil revenue/ turnover, consequently, the minimum tax (levies) is nil. The tax deducted on bank profits falls under the normal tax regime applicable to companies and is adjustable against future taxable income. Therefore, no levies have been recorded in these financial statements		

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19 TAXATION	Note	2025	2024
		Rupees	Rupees
Current:			
For the year		-	7,068,571
Prior year adjustment		-	(124,251)
Deferred:			
For the year	8	5,903,471	6,944,320
		<u>5,903,471</u>	<u>33,396</u>
		<u>5,903,471</u>	<u>6,977,716</u>

20 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND DIRECTORS

No honorarium or remuneration has been paid to Directors during the year. While Chief Executive Officer is being paid by Parent Company (FWO).

	Chief Executive Officer		Directors		Executives	
	2025	2024	2025	2024	2025	2024
Managerial remuneration	-	-	-	-	4,930,000	3,802,941
No. of persons	1	1	4	4	3	2

21 RELATED PARTY DISCLOSURE

Frontier Works Organisation (FWO) holds 49.72% Class A shares of the Company while NHA holds 50.28% Class B shares of the Company. FWO is parent company due to its controlling powers. All the subsidiaries and associates of FWO are the related parties of the Company. Other related parties include directors, minor shareholders, key management personnel and entities over which directors are able to exercise significant influence.

Details of transactions with related parties and balances with them are as follows:

Name of the party	Relationship	Nature of transaction	Note	2025	2024
			 Rupees	
Frontier Works Organization (FWO)	Parent Company	Retention money payable	14	175,113,934	134,028,394
Frontier Works Organization (FWO)	Parent Company	Payable for design, survey and consultancy services	14	84,911,454	84,943,194
Frontier Works Organization (FWO)	Parent Company	Equity Injection	13	44,245,965	457,000,000
Frontier Works Organization (FWO)	Parent Company	Mobilization advance	7	4,529,953,149	4,694,295,310
Frontier Works Organization (FWO)	Parent Company	Markup over retention money payable	14	41,497,818	-
EMASCO (Pvt) limited	Associated Company /Subsidiary of FWO	Vehicle acquired on rent		192,000	1,200,000

22 FINANCIAL RISK MANAGEMENT

The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management is carried out by the management of the Company. The management provides principles and guidelines for overall risk management, as well as policies covering specific areas.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to the changes in market conditions and the Company's activities.

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22.1 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial deficit for the other party by failing to discharge an obligation. Credit risk arises from deposits with banks.

	Note	2025 Rupees	2024 Rupees
Bank balances		<u>76,420,071</u>	<u>707,660,062</u>

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

	Rating Short term	Long term	Rating Agency	2025 Rupees	2024 Rupees
Faysal Bank Limited	A1+	AA+	PACRA	<u>76,420,071</u>	<u>707,660,062</u>

22.2 Liquidity risk

Liquidity risk represents the risk that the Company shall encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The management monitors the forecasts of the Company's cash and cash equivalent on the basis of expected cash flow. This is generally carried out in accordance with the practice and limits set by the Company. The Company holds Rs. 76 million in its bank accounts as on the reporting date. The table below analyses the Company's contractual liabilities into relevant maturity grouping based on the remaining period as at the reporting date to the contractual maturity date.

Trade and other payables

	Carrying Amount	Within 1 year	1-5 years	Total
		-----Rupees-----		
Year 2025	<u>305,814,904</u>	<u>305,814,904</u>	-	<u>305,814,904</u>
Year 2024	<u>222,394,930</u>	<u>222,394,930</u>	-	<u>222,394,930</u>

22.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of the 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 currency risk.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent of deposits with banks as reported below:

	Note	2025 Rupees	2024 Rupees
Financial assets			
Bank balances - saving accounts (local currency)	11	<u>76,420,071</u>	<u>707,660,062</u>
Cash flow sensitivity analysis for fixed rate instruments			

A change of 100 basis points in interest rates at the reporting date would have increased / decreased profits for the year by Rs. 0.764 million.

(c) Price risk

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 factor specific to the individual financial instrument or its issuer, or factor affecting all similar financial instrument traded in the market. The Company is not exposed to commodity and equity price risk.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates. As at June 30, 2025 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

The fair value of all financial assets and liabilities are not considered to be significantly different from their carrying values. The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (not market observable)

The Company is not exposed to fair value risk.

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22.4 Financial instruments by categories

June 30, 2025

Description	Interest / mark up bearing			Non interest / mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Sub Total	Maturity up to one year	Maturity after one year	Sub Total	
Rupees							
FINANCIAL ASSETS-at amortized cost							
Loan to employees	-	-	-	68,653	-	68,653	68,653
Cash and bank balances	76,420,071	-	76,420,071	89,352	-	89,352	76,509,423
	<u>76,420,071</u>	<u>-</u>	<u>76,420,071</u>	<u>158,005</u>	<u>-</u>	<u>158,005</u>	<u>76,578,076</u>
FINANCIAL LIABILITIES - at amortized cost							
Payable to FWO	-	-	-	84,911,454	-	84,911,454	84,911,454
Retention money payable	-	175,113,934	175,113,934	-	-	-	175,113,934
Markup over retention money payable	-	41,497,818	41,497,818	-	-	-	41,497,818
Other payables	-	-	-	4,291,698	-	4,291,698	4,291,698
	<u>-</u>	<u>216,611,752</u>	<u>216,611,752</u>	<u>89,203,152</u>	<u>-</u>	<u>89,203,152</u>	<u>305,814,904</u>

June 30, 2024

Description	Interest / mark up bearing			Non interest / mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Sub Total	Maturity up to one year	Maturity after one year	Sub Total	
Rupees							
FINANCIAL ASSETS-at amortized cost							
Loan to employees	-	-	-	518,653	-	518,653	518,653
Cash and bank balances	707,660,082	-	707,660,062	452,408	-	452,408	708,112,470
	<u>707,660,062</u>	<u>-</u>	<u>707,660,062</u>	<u>971,061</u>	<u>-</u>	<u>971,061</u>	<u>708,631,123</u>
FINANCIAL LIABILITIES - at amortized cost							
Payable to FWO	-	-	-	84,943,194	-	84,943,194	84,943,194
Retention money payable	-	134,028,394	134,028,394	-	-	-	134,028,394
Other payables	-	-	-	3,423,342	-	3,423,342	3,423,342
	<u>-</u>	<u>134,028,394</u>	<u>134,028,394</u>	<u>88,366,536</u>	<u>-</u>	<u>88,366,536</u>	<u>222,394,930</u>

23.4.1 There are no other categories of financial assets and financial liabilities at the reporting date.

23 CAPITAL RISK MANAGEMENT

While managing capital, the objectives of the Company are to ensure that it continues to meet the Going Concern assumption, enables shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth via maintaining optimal capital structure and keeping its finance cost low.

In line with industry norms, the Company monitors capital on the basis of its gearing ratio. This ratio is calculated as total borrowings divided by total capital employed. Total capital is calculated as equity, as shown in the statement of financial position, plus total borrowings. However, as on the reporting date, the Company is not geared.

24 APPLICATION OF IFRIC INTERPRETATION 12 "SERVICE CONCESSION ARRANGEMENTS"

Securities and Exchange Commission of Pakistan through its S.R.O NO 24 (I)/2012, dated 16 January 2012 has exempted the application of IFRIC 12- "Service Concession Arrangements", for Companies in Pakistan . Consequently, The Company is not required to account for its arrangement under Build, Operate and Transfer agreement for SKIM Motorway. If the Company was to follow IFRIC 12, the effect statements would have been as follows:

	2025 (Rupees)	2024 (Rupees)
Increase in profit after tax for the year	41,085,540	97,327,422
Recognition of intangible asset	862,796,344	2,043,875,869
Increase in taxation obligation	10,784,954	9,836,889

25 NUMBER OF EMPLOYEES

Number of contractual employees as at June 30,

Average number of employees during the year

	2025 Number	2024 Number
	<u>20</u>	<u>13</u>
	<u>17</u>	<u>14</u>

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26 CORRESPONDING FIGURES

Figures of the corresponding period have been rearranged and regrouped where necessary for comparison and better understanding. There is no material reclassification in these financial statements.

27 DATE OF AUTHORISATION FOR ISSUE

13 AUG 2025

These financial statements have been approved and authorized by the Board of Directors of the Company for issuance on _____.

28 GENERAL

Figures in these financial statements have been rounded off to the nearest rupee, while the figures of the corresponding period have been placed for comparison purposes and have not been rearranged and reclassified.



CHIEF EXECUTIVE OFFICER



DIRECTOR