PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY

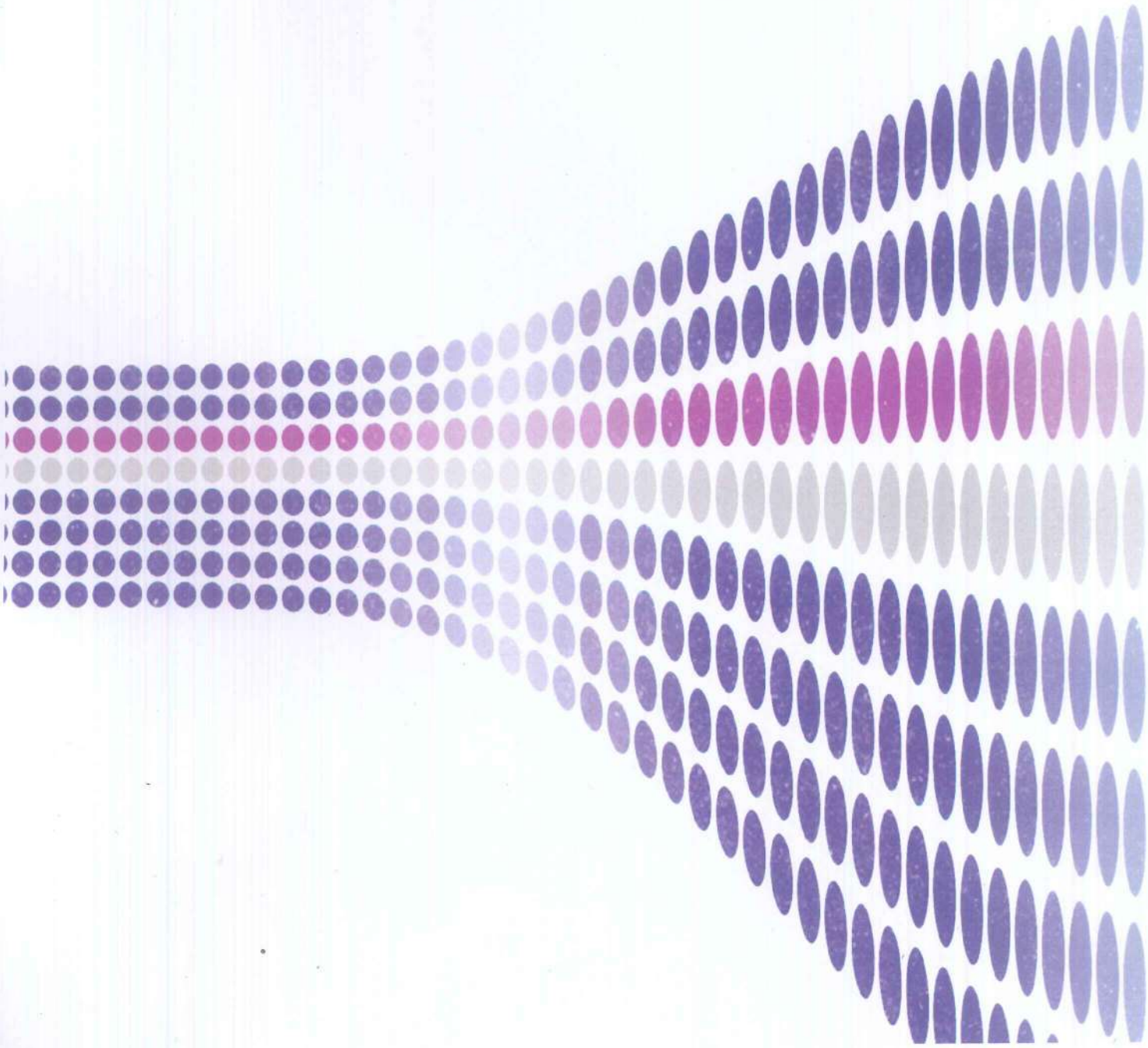
Financial Statements

For the year ended June 30, 2026

Grant Thornton

Grant Thornton Anjum Rahman

Chartered Accountants



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INDEPENDENT AUDITOR'S REPORT

To the members of the
Public Private Partnership Support Facility

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Public Private Partnership Support Facility** (the Company), which comprise the statement of financial position as at **June 30, 2026** and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a 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 income and expenditure, the statement of comprehensive income, the statement of changes in equity, 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 June 30, 2026 and of the deficit and 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 Directors Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statement, 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 the 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 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

a) proper books of accounts 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 income and expenditure, the statement of comprehensive income, the statement of changes in equity, 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;

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

Other Matter

The annual financial statements of the company for the year ended June 30, 2025 were audited by another firm of Chartered Accountants ,whose audit report date October 03, 2025 expressed an unmodified opinion on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz**

Chartered Accountants

Karachi
Date: October 06, 2026

UDIN: AR202610154MEU5us4XR

Public Private Partnership Support Facility

Financial Statements

For the year ended June 30, 2026

PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	4,417,378	6,928,321
Right-of-use asset	6	14,340,367	12,532,640
Long term deposits	7	787,668	787,668
Long term investments	8	225,499,999	433,514,712
		245,045,412	453,763,341
CURRENT ASSETS			
Accrued markup		9,261,068	11,548,252
Loans, advances and prepayments	9	235,491	245,210
Advance income tax	10	28,070,974	25,806,915
Current portion of long term investments	8	219,846,370	159,877,905
Short term investments	11	100,187,108	-
Cash and bank balances	12	33,694,022	18,205,307
		391,295,033	215,683,589
TOTAL ASSETS		636,340,445	669,446,930
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
55,000,000 (2025: 55,000,000) ordinary shares of Rupees 10 each		550,000,000	550,000,000
Issued, subscribed and paid up share capital	14	550,000,000	550,000,000
Accumulated surplus		59,209,435	101,128,798
TOTAL EQUITY		609,209,435	651,128,798
NON-CURRENT LIABILITY			
Lease liability	15	12,742,341	10,145,154
CURRENT LIABILITIES			
Current portion of lease liability	15	3,540,159	2,591,469
Other payables	16	10,848,510	5,581,509
		14,388,669	8,172,978
TOTAL LIABILITIES		27,131,010	18,318,132
CONTINGENCIES AND COMMITMENTS	17		
TOTAL EQUITY AND LIABILITIES		636,340,445	669,446,930

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

Director

PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Income		-	-
Operational expenses	18	(54,147,696)	(42,645,364)
Administrative expenses	19	(51,684,308)	(45,907,253)
Finance cost	15	(1,925,732)	(2,010,236)
Total expenditure		(107,757,736)	(90,562,853)
Other income	20	65,838,373	100,750,172
(Deficit) / surplus before levy and income tax		(41,919,363)	10,187,319
Levy and income tax	21	-	-
(Deficit) / surplus after levy and income tax		(41,919,363)	10,187,319

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

Director

PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
(Deficit) / surplus after levy and income tax	(41,919,363)	10,187,319
Other comprehensive income		
Items that will not be reclassified subsequently to the statement of income and expenditure	-	-
Items that may be reclassified subsequently to the statement of income and expenditure	-	-
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	(41,919,363)	10,187,319

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

Director

PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	Share capital	Accumulated surplus	Total
	Rupees	Rupees	Rupees
Balance as at 30 June 2024	550,000,000	90,941,479	640,941,479
Surplus after levy and income tax	-	10,187,319	10,187,319
Other comprehensive income	-	-	-
Total comprehensive income	-	10,187,319	10,187,319
Balance as at 30 June 2025	**550,000,000**	**101,128,798**	**651,128,798**
Deficit after levy and income tax	-	(41,919,363)	(41,919,363)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(41,919,363)	(41,919,363)
Balance as at 30 June 2026	**550,000,000**	**59,209,435**	**609,209,435**

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

Director

PUBLIC PRIVATE PARTNERSHIP SUPPORT FACILITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / surplus before levy and income tax		(41,919,363)	10,187,319
Adjustments for non-cash items and items presented separately:			
Depreciation on property and equipment		2,565,442	3,117,287
Depreciation on right-of-use asset		4,261,883	3,269,384
Finance cost		1,925,732	2,010,236
Return on bank deposits		(2,744,808)	(7,226,313)
Return on market treasury bills		(10,361,411)	(18,693,810)
Return on Pakistan investment bonds		(52,732,154)	(74,544,901)
Gain on disposal of property and equipment		-	(283,648)
Amortization of discount on long term investments		-	(16,731,181)
Cash used in operations before working capital changes		(99,004,679)	(98,895,627)
Working capital changes			
Decrease / (Increase) in loans, advances and prepayments		9,719	(64,864)
Increase in other payables		5,267,001	2,338,528
		5,276,720	2,273,664
Cash used in operations		(93,727,959)	(96,621,963)
Income tax paid		(2,264,059)	(129,117)
Net cash used in operating activities		(95,992,018)	(96,751,080)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(54,500)	(5,308,200)
Proceeds from disposal of property and equipment		-	283,648
Increase in long term deposits		-	-
Investments made in market treasury bills		(256,470,961)	-
Proceeds on maturity of market treasury bills		256,470,961	209,306,190
Profit received on market treasury bills		10,361,411	18,693,810
Investments made in Pakistan investment bonds		-	(417,597,480)
Proceeds on maturity of Pakistan investment bonds		160,000,000	189,977,500
Profit received on Pakistan investment bonds		42,699,327	68,026,682
Profit received on bank deposits		3,111,068	7,228,959
Net cash generated from investing activities		216,117,306	70,611,109
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment against lease liability		(2,523,733)	(1,908,623)
Finance cost paid		(1,925,732)	(2,010,236)
Net cash used in financing activities		(4,449,465)	(3,918,859)
Net increase / (decrease) in cash and cash equivalents		115,675,823	(30,058,830)
Cash and cash equivalents at the beginning of the year		18,205,307	48,264,137
Cash and cash equivalents at the end of the year	13	133,881,130	18,205,307

The annexed notes 1 to 27 form an integral part of these financial statements.

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Chief Executive Officer

Director

1 THE COMPANY AND ITS OPERATIONS

Public Private Partnership Support Facility ("the Company") was incorporated in Pakistan on 29 Decemeber 2019 as a public company limited by guarantee and having share capital, under section 42 of the Companies Act, 2017.

The principal activity of the company is to finance, manage and monitor the risks on projects initiated under the Sindh Public Private Partnership Act, 2010 (the Act) and to render advisory and technical assistance to Government of Sindh for any project initiated under the act.

The Company is wholly owned and controlled by the Government of Sindh.

The registered office of the Company is situated at Second Floor, Imperial Court (Old Block), Dr Ziauddin Ahmed Road, Karachi, in the province of Sindh.

2 BASIS OF PREPARATION

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

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 Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

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

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS or the Accounting Standard for NPOs, 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, except for certain items as disclosed in the relevant accounting policies below.

c) Key judgments and estimates

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods effective.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

a)Property and equipment(Note 3.3)
b)Right-of-use asset(Note 3.4)
c)Lease liability(Note 3.5)
d)Taxation and levy(Note 3.12)
e)Employees' benefits obligation(Note 3.14)
f)Provision(Note 3.18)

2.2 New and amended standards and interpretations

2.2.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026.

There were certain amendments to accounting and reporting standards which became effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the company's operation or did not have significant impact on the financial statements other than certain additional disclosures.

2.2.2 **New accounting standards, amendments and interpretations that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual reporting periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 1, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 1, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'	January 1, 2026
Amendments regarding translations to a hyperinflationary presentation currency.	
IFRS 17 'Insurance Contracts'	January 1, 2026
IFRS 18 'Presentation and Disclosures in Financial Statements' (including consequential amendments to IFRS 8 'Operating Segments')	January 1, 2026
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 1, 2026

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property and equipment

Initial recognition

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

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 assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

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. All other repair and maintenance costs are charged to statement of income and expenditure during the period in which they are incurred.

Depreciation

Depreciation on additions is charged from the date the asset is available for use till the date asset is disposed off. Depreciation is charged to statement of income and expenditure 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 5. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of income and expenditure in the period the asset is de-recognized.

3.2 Right-of-use-asset

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of 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 shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

3.3 Lease Liability

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

Lease liabilities are measured at 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 income and expenditure if the carrying amount of the right-of-use asset is fully written down.

3.4 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 income and expenditure), 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 income and expenditure 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 income and expenditure, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through income and expenditure are expensed in income and expenditure.

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

Debt

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 income and expenditure 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 income and expenditure.

Fair value through other comprehensive income

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 income and expenditure. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to income and expenditure 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 income and expenditure.

Fair value through statement of income and expenditure

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

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to income and expenditure. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through income and expenditure

Changes in the fair value of equity investments at fair value through income and expenditure are recognized in other income / (other expenses) in the statement of income and expenditure as applicable.

Dividends from such investments continue to be recognized in income and expenditure as other income when the Company's right to receive payments is established.

3.5 Financial liabilities – classification and measurement

Financial liabilities are classified as measured at amortized cost or fair value through income and expenditure. A financial liability is classified as at fair value through income and expenditure if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at fair value through income and expenditure are measured at fair value and net gains and losses, including any interest expense, are recognized in income and expenditure. 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 income and expenditure. Any gain or loss on de-recognition is also included in income and expenditure.

3.6 De-recognition of financial assets and financial liabilities

a) Financial assets

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

b) Financial liabilities

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

3.7 Impairment

a) Financial assets

The Company recognizes a loss allowance for expected credit loss "ECL" on trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

b) Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the statement of profit or loss, for the amount by which the asset's carrying exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount. An impairment loss is reversed only 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 no impairment loss had been recognized.

3.8 Deposits

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.

3.9 Loan, advances and prepayments

Loans to employees have been granted for personal use as per human resource policy. These interest-free loans are repayable in monthly installments over a period of 1 to 6 months. Advances are recognized at nominal amount which is the fair value of considerations to be received in future. 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.

3.10 Taxation and levy

Current

Provision for current tax and levies is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. The charge for current tax also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax base. Deferred tax liabilities are recognized for all taxable temporary differences. The Company recognizes deferred tax asset on all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which these deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of income and expenditure, except where deferred tax arises on the items credited or charged to comprehensive income or directly to the equity, in which case it is adjusted in statement of comprehensive income or statement of changes in equity.

The Company, being a Non-Profit Organization under Section 2(36)(c), is entitled to a 100% tax credit under Section 100C of the Income Tax Ordinance, 2001; accordingly, no current or deferred tax has been recognized.

3.11 Cash and cash equivalent

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand and balances with banks and market treasury bills with maturity upto three months.

3.12 Employees' benefits obligation

The Company provides Voluntary Pension Scheme (VPS) facility covering all its employees who are eligible. Equal monthly contributions are made both by the Company and employees at the rate of 10 percent of the basic salary to the Voluntary Pension Scheme (VPS). The Company's contributions to the VPS are charged to the income and expenditure account. Contributions to VPS discharge the obligation of the Company in all respect.

3.13 Other payables

Liabilities for other payables are initially recognized at fair value plus directly attributable cost. These are subsequently measured at amortized cost.

3.14 Revenue recognition

i. Grant

Government grants are recognized at the fair value of the asset received or receivable.

A grant without specified future performance conditions is recognized in income when the right to receive the grant is established. A grant that imposes specified future performance conditions is recognized in income when all those conditions are met and there is a reasonable assurance that the grant will be received.

Further, the Company does not recognize those forms of government assistance for which a reasonable value cannot be placed on them.

ii. Services

Revenue from services rendered is recognized as and when the services are rendered.

The Company is entrusted with the functions to manage and monitor the projects initiated under the Sindh Public Private Partnership Act, 2010 (the Act) and to render advisory and technical assistance to Government of Sindh for any project initiated under the Act.

iii. Interest income

Markup / Return / Interest on savings accounts and on investments are recognized on a time proportion basis using the effective interest rate method. Where debt securities are purchased at a premium or discount, such premium or discount is amortized through the Income and Expenditure account over the remaining period of maturity.

3.15 Finance cost

Finance cost is charged to statement of profit or loss in the year in which it is incurred.

3.16 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions is reviewed at each reporting date and adjusted to reflect current best estimate.

3.17 Related party transactions

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

4 SUMMARY OF OTHER ACCOUNTING POLICIES

4.1 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rupees, unless otherwise stated.

4.2 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees (functional currency and presentation currency) using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to statement of income and expenditure currently.

4.3 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.

4.4 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.

4.5 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.

4.6 Share capital

Ordinary shares are classified as equity.

5 PROPERTY AND EQUIPMENT

	2026				
	Furniture and fixture	Office equipment	Computer equipment	Vehicles	Total
	---Rupees---				
Cost					
As at July 1st, 2025	5,138,447	5,806,310	5,542,618	89,000	16,576,375
Additions	-	54,500	-	-	54,500
As at June 30, 2026	5,138,447	5,860,810	5,542,618	89,000	16,630,875
Accumulated Depriciation					
As at July 1st, 2025	2,311,744	5,346,349	1,900,962	89,000	9,648,055
For the period	513,845	313,487	1,738,110	-	2,565,442
Accumulated Depriciation on Disposal	-	-	-	-	-
As at June 30, 2026	2,825,589	5,659,836	3,639,072	89,000	12,213,497
Written Down Value as at June 30, 2026	2,312,858	200,974	1,903,546	-	4,417,378

	2025				
	Furniture and fixture	Office equipment	Computer equipment	Vehicles	Total
	---Rupees---				
Cost					
As at July 1st, 2024	5,138,447	5,560,110	2,055,618	2,911,960	15,666,135
Additions	-	246,200	5,062,000	-	5,308,200
Disposal	-	-	(1,575,000)	(2,822,960)	(4,397,960)
As at June 30, 2025	5,138,447	5,806,310	5,542,618	89,000	16,576,375
Accumulated Depriciation					
As at July 1st, 2024	1,797,899	4,423,488	1,815,775	2,891,565	10,928,727
For the period	513,844	922,861	1,660,187	20,395	3,117,287
Accumulated Depriciation on Disposal	-	-	(1,575,000)	(2,822,960)	(4,397,960)
As at June 30, 2025	2,311,743	5,346,349	1,900,962	89,000	9,648,054
Written Down Value as at June 30, 2025	2,826,704	459,961	3,641,656	-	6,928,321
Depreciation rate (straight-line method)	10%	25%	33%	25%	

5.1 The cost of fully depreciated assets that are still in the Company's use is as follows:

	2026	2025
	---Rupees---	
Computer equipment	275,619	100,620
Office equipment	5,560,111	4,062,111
Vehicles	89,000	89,000
	5,924,730	4,251,731

6 RIGHT-OF-USE ASSET

	Note	2026	2025
		Rupees	
Balance at the beginning of the year		12,532,640	15,802,024
Modification of lease		6,069,610	
Additions during the year		-	-
Depreciation charged for the year		(4,261,883)	(3,269,384)
Balance at the end of the year		14,340,367	12,532,640
Depreciation rate (straight-line method)		20%	20%

6.1 The Company's right-of-use asset represents office premises obtained under a lease agreement. The principal terms and conditions of the lease arrangement are as follows:

Office premises	Lessor name	Lease start date	Lease tenure
Second Floor, Imperial Court, Dr Ziauddin Ahmed Road, Karachi	Muhammad Usman Hajrabi Trust	10 May 2024	11 months, renewable

7 LONG TERM DEPOSITS

	Note	2026	2025
		Rupees	
Pakistan State Oil		765,968	765,968
Pakistan Telecommunication Limited		17,500	17,500
Nordica Health Products (Private) Limited		4,200	4,200
		787,668	787,668

7.1 These long term deposits are non-interest bearing.

8 LONG TERM INVESTMENTS

	Note	2026	2025
		Rupees	
Carried at amortized cost:			
Pakistan investment bonds	8.1	445,346,369	593,392,617
Less: current portion shown under current assets		(219,846,370)	(159,877,905)
Non-current portion		225,499,999	433,514,712

8.1 Movement in long term investments during the year is as follows:

	2026	2025
	Rupees	
Balance at the beginning of the year	593,392,617	349,041,456
Investment made during the year	-	417,597,480
Investment matured during the year	(160,000,000)	(189,977,500)
Amortization of discount	11,953,752	16,731,181
Balance at the end of the year	445,346,369	593,392,617

8.2 These represent Government of Pakistan investment bonds held in the Investor Portfolio Securities (IPS) account maintained with the National Bank of Pakistan. These bonds carry effective yields ranging from 10.82% to 16.90% per annum (2025: 10% to 23% per annum).

9 LOANS, ADVANCES AND PREPAYMENTS

	Note	2026	2025
		Rupees	
Advances to employees - unsecured	9.1	70,132	97,536
Advances to suppliers - unsecured		70,524	19,845
Prepaid insurance		94,835	127,829
		235,491	245,210

9.1 This loan is interest-free and have been provided to an employee for personal use as per human resource policy. These loans are repayable in equal monthly installments over a period ranging from 1 to 6 months.

10 ADVANCE INCOME TAX

	Note	2026	2025
		----------Rupees----------	
Balance at the beginning of the year		25,806,915	25,677,798
Provision for tax for the year	21	-	-
Tax deducted at source during the year		2,264,059	129,117
Balance at the end of the year		28,070,974	25,806,915

11 SHORT TERM INVESTMENTS

Market treasury bills - at amortized cost	11.1	100,187,108	-
		100,187,108	-

11.1 Movement in short term investments during the year is as follows:

Balance at the beginning of the year	-	209,306,190
Investment made during the year	356,465,697	-
Investment matured during the year	(266,640,000)	(228,000,000)
Amortization of discount	10,361,411	18,693,810
Balance at the end of the year	100,187,108	-

12 CASH AND BANK BALANCES

Cash in hand		13,150	20,521
Savings accounts	12.1	33,680,872	18,184,786
		33,694,022	18,205,307

12.1 This includes balances held with Sindh Bank Limited, a related party, and with National Bank of Pakistan, carrying markup at rates ranging from 11.5% to 12.5% per annum (2025: 9.5% to 20.5% per annum).

13 CASH AND CASH EQUIVALENTS

	Note	2026	2025
		----------Rupees----------	
Cash and bank balances	12	33,694,022	18,205,307
Short term investment (T-Bills)	11	100,187,108	-
		133,881,130	18,205,307

14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	2026	2025	2026	2025
	--------Number of shares--------		----------Rupees----------	
Ordinary shares of Rupees 10 each fully paid in cash	55,000,000	55,000,000	550,000,000	550,000,000

14.1 As at 30 June 2026, 54,999,994 (2025: 54,999,994) ordinary shares of Rupees 10 each fully paid in cash are held by the Government of Sindh and 6 (2025: 6) shares of Rupees 10 each fully paid in cash are held by nominees.

15 LEASE LIABILITY

	Note	2026	2025
		----------Rupees----------	
Balance at the beginning of the year		12,736,623	14,645,246
Lease Modification		6,069,610	-
Accretion of interest		1,925,732	2,010,236
Lease rentals paid during the year		(4,449,465)	(3,918,859)
Balance at the end of the year		16,282,500	12,736,623
Current portion shown under current liabilities	15.2	(3,540,159)	(2,591,469)
Non-current portion		12,742,341	10,145,154

15.1 This represents the present value of lease commitments entered into for office premises. In measuring the lease liability the Company used the 1 year kibor rate of 11.29% per annum for discounting future lease payments.

15.2 The maturity analysis of the lease liability is as follows:

	Minimum lease commitments	Financial charges for future periods	Present value of minimum lease commitments
2026			
Less than one year	5,086,788	1,546,629	3,540,159
Later than one year but not later than five years	14,217,852	1,475,511	12,742,341
	19,304,640	3,022,140	16,282,500
2025			
Less than one year	4,232,367	1,640,898	2,591,469
Later than one year but not later than five years	11,829,700	1,684,546	10,145,154
	16,062,067	3,325,444	12,736,623

16 OTHER PAYABLES

	Note	2026	2025
		----------Rupees----------	
Accounts and consultancy payable		3,317,321	1,512,752
Leave encashment		3,163,708	-
Withholding tax payable		-	964,147
EOBI payable		28,800	28,860
Utilities payable		52,617	541,799
SECP fee payable		-	200,025
Audit fee payable		569,250	445,500
Directors' fee payable		800,000	480,000
Performance security payable		916,814	1,408,426
Payable to Government of Sindh	16.1	2,000,000	-
		10,848,510	5,581,509

16.1 This represents an amount payable to the Government of Sindh, the holding entity, in respect of the advertisement undertaken during the year.

17 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2026 Nil (2025: Nil).

18 OPERATIONAL EXPENSES

	Note	2026	2025
		----------Rupees----------	
Salaries, wages and other benefits	18.1	50,934,993	39,741,740
Insurance expense	18.2	2,037,179	1,688,605
Utilities		821,044	799,613
Communication expense		189,262	183,154
Miscellaneous		165,218	232,252
		54,147,696	42,645,364

18.1 This includes an amount of Rupees 2.309 million (2025: Rupees 2.070 million) in respect of the contribution to the employee retirement benefit scheme, and remuneration of the Chief Executive Officer and executives, who are related parties.

18.2 This includes the operational share of the insurance premium paid to Sindh Insurance Limited, a related party Rupees 1.803 million (2025: Rupees 1.520 million).

19 ADMINISTRATIVE EXPENSES

	Note	2026	2025
		----------Rupees----------	
Salaries, wages and other benefits	19.1	27,426,534	27,169,541
Insurance expense	19.2	1,096,943	1,154,419
Utilities		442,101	546,658
Communication expense		101,910	138,771
Advertisement expense	19.4	2,000,000	-
Training and development		217,225	253,035
Fees and subscription		131,665	400,656
Printing and stationery		222,058	221,128
Repairs and maintenance		651,520	1,015,756
Office supplies		286,624	278,875
Depreciation on property and equipment	5	2,565,442	3,117,287
Depreciation on right-of-use asset	6	4,261,883	3,269,384
Legal and professional charges		1,443,750	2,501,552
Internal audit fee		5,798,748	-
Auditors' remuneration	19.3	569,250	445,500
Directors meeting fee		3,520,000	4,880,000
Travelling expense		859,691	355,911
Miscellaneous		88,964	158,780
		51,684,308	45,907,253

19.1 This includes an amount of Rupees 1.265 million (2025: Rupees 1.298 million) in respect of the contribution to Provident fund.

19.2 This includes the administrative share of the insurance premium paid to Sindh Insurance Limited, a related party Rupeees 0.971 million (2025: Rupees 1.030 million).

19.3 Auditors' remuneration

	Note	2026	2025
		----------Rupees----------	
Audit fee		410,000	346,500
Certification fee		40,000	30,000
Out of pocket expenses		45,000	36,000
Sales tax		74,250	33,000
		569,250	445,500

19.4 Advertisement expense represents the cost of an advertisement undertaken during the year, the corresponding liability for which is payable to the Government of Sindh.

20 OTHER INCOME

	Note	2026	2025
		----------Rupees----------	
Income from financial assets:			
Return on bank deposits	20.1	2,744,808	7,226,313
Return on market treasury bills		10,361,411	18,693,810
Return on Pakistan investment bonds		52,732,154	74,544,901
		65,838,373	100,465,024
Income from non-financial assets:			
Gain on disposal of property and equipment		-	283,648
Tender fee		-	1,500
		65,838,373	100,750,172

20.1 This represents profit earned on savings accounts maintained with Sindh Bank Limited, amoutnting Rs 1.247 million a related party, and with National Bank of Pakistan.

21 LEVY AND INCOME TAX

The Company is recognized as a "Non-Profit Organization" under section 2(36)(c) of the Income Tax Ordinance, 2001, whereby the income of the Company is subject to a 100% tax credit in terms of section 100C of the Income Tax Ordinance, 2001. Accordingly, no provision for current tax has been made during the year and, as a result, temporary differences do not arise and deferred tax is not recorded.

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, EXECUTIVES AND DIRECTORS

	Chief Executive Officer		Executives		Directors	
	2026	2025	2026	2025	2026	2025
	Rupees		Rupees		Rupees	
Managerial remuneration	4,708,632	556,935	32,623,068	28,491,529	-	-
House rent allowance	2,117,058	250,405	29,618,209	12,810,145	-	-
Utilities allowance	474,516	56,125	3,287,592	2,871,239	-	-
Contribution to employee retirement benefit scheme	235,431	55,693	3,081,338	2,849,151	-	-
Meeting fee	-	-	-	-	3,520,000	4,880,000
	7,535,637	919,158	68,610,207	47,022,064	3,520,000	4,880,000
Number of persons	1	1	8	6	7	7

22.1 As per the Companies Act 2017, "Executive" means an employee, other than the chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

23 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Government of Sindh and its associates, Chief Executive Officer, Directors and other key management personnel. Transactions with related parties other then those disclosed elsewhere in the financial statements, including the note 22, are as follows.

	Note	2026	2025
		----------Rupees----------	
Government of Sindh - holding entity			
Advertisement campaign cost charged during the year		2,000,000	-
Sindh Bank Limited - entity under common control			
Return on savings accounts earned during the year		1,247,533	-
Bank balances held at the year end		7,063,313	5,840,330
Sindh Insurance Limited - entity under common control			
Insurance premium charged during the year		2,775,301	2,550,000
Key management personnel			
Contribution to employee retirement benefit scheme		3,574,000	2,904,844
Directors remuneration		3,520,000	4,880,000

24 FINANCIAL RISK MANAGEMENT

24.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate 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, interest rate 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 currency risk.

(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 instrument traded in the market. The Company has invested in debt securities however the Company is not exposed to commodity price 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 interest rate risk arises from investments in Pakistan Investment Bonds, Market treasury bills and bank balances in savings accounts. Financial instruments at variable rate expose the company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

As at reporting date, the interest profile of the Company's significant interest bearing financial instruments was:

	Note	2026	2025
		----------Rupees----------	
Fixed rate instruments			
Financial assets - long term investments		445,346,369	593,392,617
Financial assets - short term investments		100,187,108	-
Financial liability - lease liability		(16,282,500)	(12,736,623)
Net exposure		529,250,977	580,655,994
Floating rate instruments			
Financial assets - bank balances in savings accounts		33,680,872	18,184,786
Net exposure		33,680,872	18,184,786

Fair value sensitivity analysis for fixed rate instruments

As at 30 June 2026, if market interest rates had been 1% higher / lower with all other variables held constant, (loss)/ profit for the year would have been higher / lower by Rupees 3.20 million (2025: Rupees 0.127 million).

Cash flow sensitivity analysis for floating rate instruments

As at 30 June 2026, if market interest rates had been 1% higher / lower with all other variables held constant, profit for the year would have been higher / lower by Rupees 2.55 million (2025: Rupees 6.12 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. Credit risk of the Company arises from deposits with banks and others, accrued mark up and advances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	2026	2025
		----------Rupees----------	
Long term deposits		787,668	787,668
Long term investments		225,499,999	433,514,712
Accrued markup		9,261,068	11,548,252
Advances to employees		70,132	97,536
Current portion of long term investments		219,846,370	159,877,905
Short term investments		100,187,108	-
Bank balances		33,680,872	18,184,786
		589,333,217	624,010,859

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:

Bank	Short term rating	Long term rating	Rating agency	2026	2025
				----------Rupees----------	
Sindh Bank Limited	A1+	AA	VIS	7,063,313	5,840,330
National Bank of Pakistan	A1+	AAA	PACRA	26,617,559	12,344,456

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) **Liquidity risk**

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

The Company manages liquidity risk by maintaining sufficient bank balances and other liquid assets. At 30 June 2026, the Company had Rupees 33.73 million (2025: Rupees 18.20 million) cash and bank balance and Rupees 535 million (2025: Rupees 593 million) investment in Pakistan investment bonds and Market treasury bills. Following are the contractual maturities of the financial liabilities. The amount disclosed in the table are undiscounted cash flows:

2026	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	More than one year
Lease liability	16,282,500	16,282,500	1,770,080	1,770,080	12,742,341
Other payables	10,848,510	10,848,510	10,848,510	-	-
	27,131,010	27,131,010	12,618,590	1,770,080	12,742,341
	Carrying amount	**Contractual cash flows**	**6 months or less**	**6 to 12 months**	**More than one year**
2025					
Lease liability	12,736,623	16,062,067	2,116,184	2,116,184	11,829,700
Other payables	5,581,509	5,581,509	5,581,509	-	-
	18,318,132	21,643,576	7,697,693	2,116,184	11,829,700

24.2 Fair values of financial asset and liabilities

a) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

b) **Fair value estimation**

The Company discloses the financial instruments carried at fair value in the statement of financial position in accordance with the following fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., derived from prices).

- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2026, the Company does not have any financial instruments carried at fair value

24.3 Financial instruments by categories

	2026	2025
	----------Rupees----------	
Financial assets - at amortized cost		
Long term deposits	787,668	787,668
Long term investments	225,499,999	433,514,712
Accrued markup	9,261,068	11,548,252
Advances to employees	70,132	97,536
Current portion of long term investments	219,846,370	159,877,905
Short term investments	100,187,108	-
Cash and bank balances	33,694,022	18,205,307
	589,346,367	624,031,380

	2026	2025
	----------Rupees----------	
Financial liabilities as per statement of financial position		
Lease liability	16,282,500	12,736,623
Other payables	10,848,510	5,581,509
	27,131,010	18,318,132

24.4 As at reporting date, there were no financial assets or liabilities that were being carried at fair value through income and expenditure or fair value through other comprehensive income.

25 NUMBER OF EMPLOYEES

	2026	2025
Number of employees as at 30 June	13	13
Average number of employees during the year	13	13

26 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 02 OCT 2026 by the Board of Directors of the Company.

27 GENERAL

Figures have been rounded off to the nearest Rupee, unless otherwise stated.

Chief Executive Officer

Director