BAHAWALPUR WASTE MANAGEMENT COMPANY

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Bahawalpur Waste Management Company

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Bahawalpur Waste Management Company** (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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 funds and the statement of cash flows together with the notes forming part thereof confirm with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 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, 2025 and of the income / (loss), the other comprehensive income / (loss), the changes in fund 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.2 in the financial statements, which indicates that accumulated losses of the company are Rs. 1,539.14 million. These events or conditions, along with other matters set forth in note 2 indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for 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 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. 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 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 is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017;

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 and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

The engagement partner on the audit resulting in this independent auditor's report is Arqum Naveed.

Muniff Ziauddin & Co
Chartered Accountants
Lahore
Date: 11 MAR 2026

UDIN: AR202510123rvoCTaAeu

BAHAWALPUR WASTE MANAGEMENT COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees (Restated)	2023 Rupees (Restated)
ASSETS				
Non-current assets				
Property and equipment	6	**226,675,468**	102,881,064	122,376,630
Intangible assets	7	**310,333**	387,916	286,170
Long term deposits	8	**115,190**	115,190	115,190
Total non-current assets		**227,100,991**	103,384,170	122,777,990
Current assets				
Advances and other receivables	9	**491,016,009**	1,282,703	1,981,406
Due from the Government	10	**9,126,446**	8,489,228	7,905,841
Advance income tax		**17,439,953**	637,218	583,387
Stores and spares	11	**19,192,379**	5,774,921	13,387,708
Cash and bank balances	12	**4,197,685,843**	61,654,429	63,634,553
Total current assets		**4,734,460,630**	77,838,499	87,492,895
Total assets		**4,961,561,621**	181,222,669	210,270,885
FUND AND LIABILITIES				
Fund				
General fund		**(1,539,136,340)**	(1,539,136,340)	(1,090,621,088)
LIABILITIES				
Non-current liabilities				
Deferred grants	13	**3,761,659,389**	366,186,798	264,173,336
Long-term financing	14	**810,387,702**	506,177,784	474,973,221
Total non-current liabilities		**4,572,047,091**	872,364,582	739,146,557
Current liabilities				
Trade and other payables	15	**1,194,416,627**	170,622,094	91,745,416
Current portion of long term financing	14	**734,234,243**	677,372,333	470,000,000
Total current liabilities		**1,928,650,870**	847,994,427	561,745,416
Total fund and liabilities		**4,961,561,621**	181,222,669	210,270,885
Contingencies and commitments	16			

The annexed notes, from 1 to 33, form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

BAHAWALPUR WASTE MANAGEMENT COMPANY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees (Restated)
Income			
Amortization of grant	17	5,076,857,135	320,603,643
Income from services	18	8,188,997	7,113,510
Expenditure			
Direct expenses	19	(4,909,739,632)	(542,336,263)
Administrative expenses	20	(106,353,696)	(100,168,503)
Finance cost and other charges	21	(160,298,397)	(112,209,683)
		(5,176,391,725)	(754,714,449)
Other operating expenses	22	(27,027,573)	(26,192,149)
Other income	23	118,373,166	4,674,193
Surplus / (deficit) before income tax and levies		-	(448,515,252)
Levies		-	-
Surplus / (deficit) before income tax		-	(448,515,252)
Taxation	24	-	-
Surplus / (deficit) for the year		-	(448,515,252)

The annexed notes, from 1 to 33, form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

BAHAWALPUR WASTE MANAGEMENT COMPANY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025 Rupees	2024 Rupees (Restated)
Surplus / (deficit) for the year	-	(448,515,252)
Other comprehensive income / (loss) for the year:		
Items that may be subsequently reclassified to income and expenditure	-	-
Items that will not be subsequently reclassified to income and expenditure	-	-
Total comprehensive income / (loss) for the year	-	(448,515,252)

The annexed notes, from 1 to 33, form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

BAHAWALPUR WASTE MANAGEMENT COMPANY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund Rupees
Balance as at June 30, 2023	(1,120,162,162)
Effect of restatement	29,541,074
Balance as at June 30, 2023 - Restated	(1,090,621,088)
Balance as at July 01, 2023 - Restated	(1,090,621,088)
Surplus / (deficit) for the year	(448,515,252)
Other comprehensive income / (loss)	-
Balance as at June 30, 2024 - Restated	(1,539,136,340)
Balance as at July 1, 2024 - Restated	**(1,539,136,340)**
Surplus / (deficit) for the year	-
Other comprehensive income / (loss)	-
Balance as at June 30, 2025	**(1,539,136,340)**

The annexed notes, from 1 to 33, form an integral part of these financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

BAHAWALPUR WASTE MANAGEMENT COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus / (deficit) before income tax		-	(448,515,252)
Adjustments for non-cash and other items:			
Depreciation	6	20,394,191	19,495,566
Amortization of intangible assets	7	77,583	98,154
Amortization of grant relating to subsidized loan	17.1	(126,018,955)	(100,259,700)
Unwinding of long term financing	21	160,280,908	112,168,972
		54,733,727	31,502,992
Changes in working capital:			
(Increase) / Decrease in advances and other receivables		(489,733,306)	698,703
(Increase) / Decrease in stores and spares		(13,417,458)	7,612,786
Increase / (Decrease) in trade and other payables		1,023,794,533	59,912,765
		520,643,769	68,224,254
Cash generated from / (used in) operations		575,377,496	(348,788,006)
Income tax paid (including advance tax deducted at source)		(17,439,953)	(637,218)
Net cash generated from / (used in) operating activities		557,937,543	(349,425,224)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment	6	(144,188,595)	-
Payment for acquisition of intangible assets	7	-	(199,900)
Net cash generated from / (used in) investing activities		(144,188,595)	(199,900)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing received	14	3,725,071,466	350,000,000
Long-term financing repaid		(2,789,000)	(2,355,000)
Net cash generated from / (used in) financing activities		3,722,282,466	347,645,000
Net (decrease) / increase in cash and cash equivalents		4,136,031,414	(1,980,124)
Cash and cash equivalents at the beginning of year		61,654,429	63,634,553
Cash and cash equivalents at the end of the year	12	4,197,685,843	61,654,429

The annexed notes, from 1 to 33, form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

1 COMPANY AND ITS OPERATIONS

1.1 Bahawalpur Waste Management Company (BWMC) ("the Company") was incorporated in Pakistan as a limited by guarantee Company under section 42 of the repealed Companies Ordinance 1984, (now the Companies Act, 2017) on July 13, 2013 and is registered as a non profit organization. The principal activity of the Company is to administer, co-ordinate, supervise, provide guideline for smooth functioning and undertake / engage in provision of solid waste management services for citizens of Bahawalpur City. The Company is domiciled in Pakistan and its registered office is situated at Tehsil Municipal Administration Bahawalpur (TMA) Bahawalpur City, Pakistan.

Subsequent to its incorporation, the Company entered into Service and Asset Management Agreement (SAMA) with TMA for a period of 20 years to enable the Company to carry out its objectives. In accordance with the terms of the agreement, TMA had transferred its certain assets, employees, operations and all movable and immovable property against lease money of Rs 100,000 for the period of operating lease. No other charges in respect of these assets are payable; however if an asset is scraped and sold by the Company, the amount realized shall be paid to the TMA.

1.2 Going concern

During the year, the Company had incurred no deficit (2024: Rs. 448.5 million) and at the reporting date, its general funds amounts to Rs.1,539.1 million (2024: Rs. 1,539.1 million). These conditions may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may not be able to realize its assets and discharge its liabilities in the normal course of business. However, the management of the Company expects continuity of the financial support from the Government of Punjab (GoPb), and further during the year, the Company has received grant of Rs. 8,293 million out of which the Company has utilized an amount of Rs. 4,876.3 million and the balance remains available for future operations. Accordingly, these financial statements are prepared on a going concern basis and do not include any adjustments relating to the realization of its assets and liquidation of any liabilities that might be necessary for the Company to be able to continue as a going concern.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards comprise of International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board (IASB) and accounting standards for Not for Profit Organizations issued by ICAP as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail.

3 BASIS OF PREPARATION

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise stated in the relevant accounting policies.

3.2 Functional and presentation currency

Items included in these financial statements are measured using the currency of primary economic environment in which the Company operates. These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional and presentation currency.

3.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relates primarily to:

- Useful lives, residual values and depreciation method of property and equipment - Note 4.1
- Useful lives, residual values and amortization method of intangibles- Note 4.2
- Stores and spares - Note 4.3
- Trade and other payables - Note 4.4
- Estimation of provisions - Note 4.5
- Revenue recognition - Note 4.6
- Government grants - Note 4.7
- Provision for taxation - Note 4.8
- Impairment of financial assets - Note 4.11.1
- Impairment of non-financial assets - Note 4.11.2
- Employee benefits - Note 4.13
- Contingent liability - Note 4.14

3.4 New or amendments to existing standards and interpretations

3.4.1 New standards, interpretations and amendments applicable to the financial statements for the current year

There are amendments to accounting and reporting standards that are mandatory for accounting periods beginning on or after July 01, 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

3.4.2 Standards, interpretations and amendments to published accounting and reporting standard that are not yet effective

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

- Final amendments were issued to IFRS 9 and IFRS 7 addressing the classification and measurement of financial instruments. These amendments aim to improve the consistency and clarity of how financial assets and liabilities are classified and measured under IFRS. Key changes include additional guidance on the assessment of contractual cash flow characteristics, clarification on derecognition criteria, and updates to the disclosure requirements in IFRS 7 to reflect these changes. The amendments are effective for annual reporting periods beginning on or after January 01, 2026.

- Lack of exchangeability (Amendments to IAS 21) effective for annual periods beginning on or after January 01, 2025. The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

- Amendments were made to the SASB Standards to enhance their international applicability. These changes aim to make the sustainability disclosure framework more globally relevant and consistent across jurisdictions. The amendments support improved integration with broader ESG reporting practices, making the standards more useful for entities operating in diverse regulatory environments. The revised standards become effective for reporting periods beginning on or after January 01, 2025.

- IFRS 18 Presentation and Disclosure in Financial Statements effective for annual periods beginning on or after January 01, 2027. The new Standard, IFRS 18 Presentation and Disclosure in Financial Statements, will give investors more transparent and comparable information about companies' financial performance, thereby enabling better investment decisions. It will affect all companies using IFRS Accounting Standards. IFRS 18 introduces three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit. The improved structure and new subtotals will give investors a consistent starting point for analyzing companies' performance and make it easier to compare companies.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the asset can be measured reliably. Major renewals and improvements are capitalized. All repairs and maintenance costs are charged to the statement income and expenditure when these are incurred.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date the asset is classified as held for sale in accordance with IFRS-5 and the date that the asset is derecognised.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of asset (calculated as the difference between net disposal proceeds and carrying amount of asset) is included in statement of income and expenditure in the year the asset is derecognized.

4.2 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprises purchase price, non-refundable taxes on purchases and other directly attributable expenditure relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the date, at which these assets are available for use, using the straight line method, whereby the cost of intangible asset is amortized over its useful life. The useful life and amortization method are reviewed and adjusted, if appropriate at each reporting date.

4.3 Stores and spares

These are valued at lower of cost and net realizable value except for items in transit, which are valued at invoice price and related direct expenses incurred upto the date of statement of financial position. Cost of an item is determined on First in First out (FIFO) basis. For items which are slow moving, provision is made for excess of their book values over their estimated net realizable values.

4.4 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of consideration to be paid in future for goods and services.

4.5 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. However, provisions are reviewed at each year end and adjusted, if any, to reflect the current best estimates.

4.6 Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each customer, the Company: identifies the contract; identifies the performance obligations in the contract; determines the transaction price which takes into account, estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct goods or services to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods promised.

Services

Income from services is recognized based on agreements with customers. Revenue is recorded when or as the company fulfills its performance obligation by delivering the promised service. A service is considered delivered when the customer gains control over it. The company satisfies its performance obligation over time.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

4.7 Government grants

Income related to grants are accounted for in accordance with the requirement of IAS-20 "Accounting for Government Grants and Disclosure of Government Assistance". i.e. Grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

- When the grant relates to expense item, it is recognized as income over the period necessary to match the grant on systematic basis to the cost that is intended to compensate.

- When loans or similar assistance are provided by Government or related institutions with an interest free or interest rate below the current applicable market rate, the effect of this favorable interest is recorded as additional Government grant.

- When the grant relates to an asset, it is recognized as deferred income and charged to the income over the expected useful life of the related assets.

4.8 Taxation

Current tax

Provision for current taxation is based on taxable income at the current rates of taxation after considering rebates and tax credits available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior periods which arise from assessment framed / finalized during the period, if any.

Deferred tax

Deferred tax is provided using the statement of financial position method for all temporary differences at the date of statement of financial position between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses/credits can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the date of statement of financial position. Deferred tax is charged or credited to the statement of income and expenditure, except in the case of items credited or charged to equity or other comprehensive income in which case it is included in equity or statement of comprehensive income.

Minimum tax levies

The Company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21 / IAS 37.

4.9 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand and cash at bank in current and saving accounts.

4.10 Financial instruments

4.10.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

4.10.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets comprises of long term deposits, and advances and other receivables.

Amortized cost

A financial asset is measured at amortized cost if it meets both of following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment. Interest income, foreign exchange gains and losses and impairment are recognized in statement of income & expenditure. Any gain or loss on derecognition is recognized in statement of income and expenditure.

Financial assets measured at amortized cost comprise of cash and bank balances and other receivables.

Debt instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of income and expenditure. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of income and expenditure. However, the Company has no such instrument at the date of statement of financial position.

Equity instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair values. Dividends are recognized as income in statement of income and expenditure unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to statement of income and expenditure. However, the Company has no such instrument at the date of statement of financial position.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortised cost or at FVOCI, as described above, are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of income and expenditure. However, the Company has no such instrument at the date of statement of financial position.

Financial assets – business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of 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 derecognition is also recognized in statement of income and expenditure.

Financial liabilities comprise of trade and other payables and long term financing.

4.10.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial 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 in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of income and expenditure.

4.10.4 Offsetting of financial

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4.11 Impairment

4.11.1 Financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost; and
- debt investments measured at FVOCI.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the followings, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4.11.2 Non-financial assets

The carrying amount of the Company's non-financial assets other than inventories 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. 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 is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment are recognized in statement of income and expenditure. Impairment recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a 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 any, if no impairment had been recognized.

4.12 Related parties transactions

Transactions in relation to services acquired and provided with related parties are made at arm's length and priced at comparable uncontrolled market price determined as per the Company's policy.

4.13 Employee benefits

4.13.1 Employee cost for the year

Salaries, wages and other benefits are accrued in the period in which the associated services are rendered by employees of the Company and measured on an undiscounted basis. The accounting policy for employee retirement benefits is described below.

4.13.2 Employee retirement benefits

Leave encashment

All regular employees of the company are entitled to 30 days annual paid leaves during a year. All leaves will be calculated on the basis of fiscal year and may be carried forward to the maximum of one year.

Provident fund

Company operates an employees provident fund scheme for its eligible employees. Equal monthly contribution at the rate of 10% of basic pay are made both by the Company and employees to the fund. Investments in collective investment schemes, listed equity and listed debt securities out of provident fund/trust have been made in accordance with the provisions of section 218 of the Act and the Rules formulated for this purpose.

Company has provident fund scheme for its eligible (regular) employees. As per this scheme, equally monthly contributions are made by the Company and employees at 10 percent of basic salary.

4.14 Contingent liability

Contingent liability is disclosed when:

- There is possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

- There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5 RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

During the year, the following error has been identified in the prior year financial statements:

The Company had obtained loans from the Government of Punjab during the prior years at a subsidized interest rate of 0.25% per annum. However, the Company had incorrectly calculated the fair value of the loan, the related deferred grant, and the associated interest thereon. In line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the correction has been accounted for retrospectively, and the comparative figures in these financial statements have been restated accordingly.

The following adjustments have been recorded:

	June 30, 2023	Increase / (decrease)	June 30, 2023 (Restated)
	Rupees		
Impact on the Statement of Changes in Fund:			
Balance as at June 30, 2023	(1,120,162,162)	29,541,074	(1,090,621,088)
Impact on the Statement of Financial Position:			
Deferred grants	259,870,094	4,303,242	264,173,336
Long-term financing	978,817,537	(33,844,316)	944,973,221

	June 30, 2024	Increase / (decrease)	June 30, 2024 (Restated)
	Rupees		
Impact on the Statement of Changes in Fund:			
Balance as at June 30, 2024	(1,556,768,143)	17,631,803	(1,539,136,340)
Impact on the Statement of Financial Position:			
Grant available for utilization	376,248,888	(10,062,090)	366,186,798
Interest payable	-	18,963,915	18,963,915
Long-term financing	1,210,083,743	(26,533,626)	1,183,550,117
Impact on Statement of Income and Expenditure:			
Amortization of grant	303,358,344	17,245,299	320,603,643
Finance cost and other charges	(83,055,112)	(29,154,571)	(112,209,683)

6 PROPERTY AND EQUIPMENT

PARTICULARS	COMPUTER AND ACCESSORIES	WASTE EQUIPMENT	FURNITURE AND FIXTURES	VEHICLES	OFFICE EQUIPMENT	MOBILES	TOTAL
	Rupees						
As at June 30, 2023							
Cost	7,315,308	57,444,562	3,325,182	212,113,799	6,829,069	1,836,093	288,864,013
Accumulated depreciation	(4,924,362)	(24,036,736)	(2,513,351)	(128,907,897)	(4,804,471)	(1,300,566)	(166,487,383)
Closing-net book value	2,390,946	33,407,826	811,831	83,205,902	2,024,598	535,527	122,376,630
Year ended June 30, 2024							
Opening-net book value	2,390,946	33,407,826	811,831	83,205,902	2,024,598	535,527	122,376,630
Additions	-	-	-	-	-	-	-
Depreciation charge for the year	(723,039)	(5,455,243)	(163,715)	(12,480,885)	(404,920)	(267,764)	(19,495,566)
Closing-net book value	1,667,907	27,952,583	648,116	70,725,017	1,619,678	267,763	102,881,064
As at June 30, 2024							
Cost	7,315,308	57,444,562	3,325,182	212,113,799	6,829,069	1,836,093	288,864,013
Accumulated depreciation	(5,647,401)	(29,491,979)	(2,677,066)	(141,388,782)	(5,209,391)	(1,568,330)	(185,982,949)
Closing-net book value	1,667,907	27,952,583	648,116	70,725,017	1,619,678	267,763	102,881,064
Year ended June 30, 2025							
Opening-net book value	**1,667,907**	**27,952,583**	**648,116**	**70,725,017**	**1,619,678**	**267,763**	**102,881,064**
Additions	**29,323,242**	**46,647,625**	**2,330,706**	**56,055,191**	**5,414,831**	**4,417,000**	**144,188,595**
Depreciation charge for the year	**(1,205,271)**	**(6,222,518)**	**(168,503)**	**(12,183,270)**	**(414,190)**	**(200,439)**	**(20,394,191)**
Closing-net book value	**29,785,878**	**68,377,690**	**2,810,319**	**114,596,938**	**6,620,319**	**4,484,324**	**226,675,468**
As at June 30, 2025							
Cost	**36,638,550**	**104,092,187**	**5,655,888**	**268,168,990**	**12,243,900**	**6,253,093**	**433,052,608**
Accumulated depreciation	**(6,852,672)**	**(35,714,497)**	**(2,845,569)**	**(153,572,052)**	**(5,623,581)**	**(1,768,769)**	**(206,377,140)**
Closing-net book value	**29,785,878**	**68,377,690**	**2,810,319**	**114,596,938**	**6,620,319**	**4,484,324**	**226,675,468**
Depreciation Rate (%)	**30**	**15**	**20**	**15**	**20**	**50**	

		Note	2025 Rupees	2024 Rupees
6.1	**Depreciation charge for the year has been allocated as follows:**			
	Direct expenses	19	18,405,788	17,936,129
	Administrative expenses	20	1,988,403	1,559,437
			20,394,191	19,495,566

7 INTANGIBLE ASSETS

	2025	2024
Cost		
Opening balance	1,862,194	1,662,294
Additions	-	199,900
Closing balance	1,862,194	1,862,194
Accumulated amortization		
Opening balance	1,474,278	1,376,124
Amortization for the year	77,583	98,154
Closing balance	1,551,861	1,474,278
Net book value	310,333	387,916
Amortization rate	5 years	5 years

8 LONG TERM DEPOSITS

It includes security deposits to MEPCO and Telenor Pakistan (Private) Limited.

9	ADVANCES AND OTHER RECEIVABLES	Note	2025 Rupees	2024 Rupees
	Mobillization advances	9.1	488,433,375	-
	Prepaid insurance		-	601,646
	Receivable against services	9.2	2,582,634	681,057
			491,016,009	1,282,703

9.1 This represents advances given by the Company to contractors for the execution of cleaning and sanitation services. These advances are in accordance with the terms of the respective contracts to facilitate the timely commencement and continuity of services and are subsequently adjusted against certified bills upon completion or progress of the contracted services.

9.2 This represents amount receivable against cleaning services provided to various government and semi government departments.

10	DUE FROM THE GOVERNMENT	Note	2025 Rupees	2024 Rupees
	Income tax refundable	10.1	9,126,446	8,489,228.00

10.1 This includes amount of Rs. 4,298,601 (2024: Rs. 4,298,601) recovered by Federal Board of Revenue (FBR) by attachment of bank account under section 161/205 of Income Tax Ordinance, 2001. The Company filed appeal before learned Commissioner Inland Revenue (Appeals) against the said order. The CIR (appeals) has annuled the order of FBR.

11	STORES AND SPARES	2025 Rupees	2024 Rupees
	Stores and spares - Workshop	12,774,451	3,992,752
	Stores and spares - Head Office	6,417,928	1,782,169
		19,192,379	5,774,921

12	CASH AND BANK BALANCES	Note	2025 Rupees	2024 Rupees
	Cash in hand		-	-
	Bank balance - local currency:			
	Current account		22,159,116	12,274,178
	Saving account	12.1	4,175,526,727	49,380,251
			4,197,685,843	61,654,429

12.1 These saving accounts carry mark-up at the rates ranging from 8.2% to 15% (2024: 3.1% to 8.2%) per annum.

		Note	2025 Rupees	2024 Rupees (Restated)
13	**DEFERRED GRANTS**			
	Opening balance		366,186,798	259,870,094
	Effect of restatement		-	4,303,242
	Restated opening balance		366,186,798	264,173,336
	Add: Grant received during the year	13.1	8,293,005,918	220,343,943
	Add: Effect of present value on long-term subsidized loan		179,323,808	202,273,162
	Less: Amortized during the year	17	(5,076,857,135)	(320,603,643)
	Closing balance		3,761,659,389	366,186,798
13.1	**Grant received during the year**			
	Grant received from Government of Punjab	13.1.1	8,421,796,178	144,000,000
	Grant received from Municipal Corporation Ahmedpur East		71,297,252	76,343,943
			8,493,093,430	220,343,943

13.1.1 During the year, the Company received grants from the Government of Punjab under the Suthra Punjab Project under which the Company will operate on divisional level. The increase in grant receipts corresponds with the Company's transition to district level operations in line with the approved operational framework of the Project. These grants are intended to support the Company's operational and administrative activities.

		Note	2025 Rupees	2024 Rupees (Restated)
14	**LONG-TERM FINANCING**			
	Loan from Government of Punjab (GoP) - secured	14.1	810,387,702	506,177,784
14.1	**Movement of long-term financing is as follows:**			
	Opening balance		1,183,550,117	978,817,537
	Effect of restatement		-	(33,844,316)
	Restated opening balance		1,183,550,117	944,973,221
	Add: Received during the year		420,000,000	350,000,000
	Add: Interest expense for the year		123,184,636	93,205,058
	Less: Transferred to deferred grant	13	(179,323,808)	(202,273,162)
	Less: Repayments made during the year		(2,789,000)	(2,355,000)
			1,544,621,945	1,183,550,117
	Current portion of long-term financing		(734,234,243)	(677,372,333)
	Closing balance		810,387,702	506,177,784

14.2 Details of loan received by the Company is as follows:

	Year of Loan	Interest Rate	Amount
	Year ended	%	Rupees
Loan 1	June 30, 2018	0.25	150,000,000
Loan 2	June 30, 2019	0.25	149,860,000
Loan 3	June 30, 2020	0.25	149,527,000
Loan 4	June 30, 2021	0.25	209,065,000
Loan 5	June 30, 2022	0.25	260,777,000
Loan 6	June 30, 2023	0.25	283,441,000
Loan 7	June 30, 2024	0.25	347,644,000
Loan 8	June 30, 2025	0.25	417,211,000
			1,967,525,000

		Note	2025 Rupees	2024 Rupees (Restated)
15	**TRADE AND OTHER PAYABLES**			
	Creditors		**830,948,102**	671,546
	Withholding tax payable		**94,270,690**	9,736
	Penalty payable	**15.2**	**71,203,284**	44,175,710
	Interest payable		**56,060,187**	18,963,915
	Accrued liabilities		**48,038,423**	75,395
	Provident fund payable - related party	**15.1**	**47,851,506**	47,851,506
	Salary and benefits payable		**22,990,745**	46,149,530
	Tender securities payable		**21,109,690**	11,224,756
	Audit fee payable		**1,944,000**	1,500,000
			1,194,416,627	170,622,094

15.1 The provident fund operated by Bahawalpur Waste Management Company (BWMC) is unrecognised and maintained in a savings account with the Bank of Punjab (BOP). Advances to employees against the Provident Fund are disbursed from this account, and interest is earned on the balance. However, all provident fund related transactions, including disbursements and recoveries, are routed through the company's payables.

.2 This represents penalty payable by the Company on non-payment of long-term financing as per repayment schedule. As per the long-term finance agreement, penalty on the default at the rate of 4% per annum shall be paid by the Company.

16 CONTIGENCIES AND COMMITMENTS

16.1 Contingencies

There are no material contingencies outstanding as at the reporting date (2024: Nil).

16.2 Commitments

As referred in note 1.2. the Company has entered into operating lease agreement amounting to Rs. 100,000 for the period of 20 years with TMA Bahawalpur, which falls due as under:

	2025 Rupees	2024 Rupees
Within 1 year	**5,000**	5,000
Later than 1 year but less than 5 years	**20,000**	20,000
Above 5 years	**15,000**	20,000
	40,000	45,000

		Note	2025 Rupees	2024 Rupees (Restated)
17	**AMORTIZATION OF GRANT**			
	Amortization of grants related to income	**17.1 & 17.2**	**5,076,857,135**	320,603,643

.1 Break up of amortization of grant

	2025	2024
Amortization of grants received from Government of Punjab	**4,879,096,928**	144,000,000
Amortization of grants received from Municipal Corporation for revenue expenditure	**71,297,252**	76,343,943
Amortization of grant relating to subsidized loan	**126,018,955**	100,259,700
	5,076,413,135	320,603,643

17.2 Amortization of grant covers the following:

	2025	2024
Expenses	**4,950,394,180**	220,343,943
Amortization of grant relating to subsidized loan	**126,018,955**	100,259,700
	5,076,413,135	320,603,643

		2025	2024
23	**OTHER INCOME**	**Rupees**	Rupees
	Profit on deposit accounts	**116,436,625**	3,890,236
	Issuance of bid documents	**1,280,000**	170,000
	Sundry income	**618,214**	571,289
	Miscellaneous income	**38,327**	42,668
		118,373,166	4,674,193

24 TAXATION

The Company has obtained the status of "Non Profit Organization" under Section 2 (36) of the Income Tax Ordinance, 2001. Hence according to Section 100C of the Income Tax Ordinance 2001, the Company would be allowed a tax credit equal to one hundred per cent of the tax payable, including minimum tax and final tax payable under any of the provisions of that Ordinance. Therefore, no provision for taxation and deferred tax has been recorded in these financial statements.

25 FINANCIAL RISK MANAGEMENT

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of fund. The Company's risk management policies are established to identify and analyze the risks faced by the Company, set appropriate risk limits, controls, monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Company's activities.

25.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises principally from loans, advances and bank balances. The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements.

The maximum exposure to credit risk at the reporting date is:

	2025 Rupees	2024 Rupees
Receivable against services	**2,582,634**	681,057
Bank balances	**4,197,685,843**	61,654,429
	4,200,268,477	62,335,486

The Company monitors the credit quality of the financial assets with reference to the historical performance of such assets and available external credit ratings.

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

Banks	**Ratings**		**Rating agency**	**2025 Rupees**	2024 Rupees
	Short term	**Long term**			
The Bank of Punjab	**A1+**	**AA+**	**PACRA**	**4,197,685,843**	61,654,429
National Bank of Pakistan	**A1+**	**AAA**	**PACRA**	**-**	-

25.2 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 and the availability of funding through an adequate amount of committed credit facilities. The Company intends to manage liquidity risk by maintaining sufficient cash and the availability of funding through grants received from the Government of Punjab. The management believes that its liquidity risk is low subject to proper cash flow management and contingent planning for meeting delays in release of grants. The table below analyses the Company's financial liabilities into relevant maturity based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

	Carrying amount	**Contractual cash flow**	**Less than 1 year**	**Between 1 and 5 year**	**Over 5 years**
	---------- Rupees ----------				
2025					
Trade and other payables	**1,215,463,372**	**(1,215,463,372)**	**1,215,463,372**	**-**	**-**
Long-term financing	**1,544,621,945**	**(1,544,621,945)**	**810,387,702**	**734,234,243**	**-**
Total	**2,760,085,317**	**(2,760,085,317)**	**2,025,851,074**	**734,234,243**	**-**
2024					
Trade and other payables	58,121,229	(58,121,229)	58,121,229	-	-
Long-term financing	1,210,083,743	(1,210,083,743)	532,711,410	677,372,333	-
Total	1,268,204,972	(1,268,204,972)	590,832,639	677,372,333	-

25.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest/mark up 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 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.

Monetary items, including financial assets and financial liabilities, denominated in currency other than functional currency of the Company are periodically restated to Pak rupee equivalent and the associated gain or loss is taken to income and expenditure account.

The Company is not currently exposed to any currency risk.

b) Interest / Markup rate risk

Interest/Mark up 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/mark up rates . The Company is exposed to markup/interest rate risk to the extent of deposits with banks only.

At the reporting date, the variable markup rate profile of the Company's significant interest bearing financial instruments was as follows:

	2025 Rupees	2024 Rupees
Variable rate instruments		
Bank balances	**4,197,685,843**	61,654,429
Fixed rate instruments		
Long term financing	**810,387,702**	506,177,784

Cash flow sensitivity analysis for variable rates

A change of 100 basis points in interest/markup rates at the reporting date would have increased / decreased surplus before tax for the year by the amounts shown below. This analysis assumes that all other variables remain constant.

	Increase Rupees	(Decrease) Rupees
As at June 30, 2025		
Cash flow sensitivity-variable rate financial liabilities	**41,976,858**	**3,812,312**
As at June 30, 2024		
Cash flow sensitivity-variable rate financial liabilities	616,544	636,346

25.4 Financial instruments by category

	2025 Rupees	2024 Rupees
Financial assets at amortised cost		
Receivable against services	**2,582,634**	681,057
Cash and bank balances	**4,197,685,843**	61,654,429
	4,200,268,477	62,335,486
Financial liabilities at amortised cost		
Trade and other payables	**1,215,463,372**	58,121,229
Long term financing	**1,544,621,945**	1,210,083,743
	2,760,085,317	1,268,204,972

25.5 Fair value of financial assets and liabilities

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. 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.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

31 CORRESPONDING FIGURES

The corresponding figures are reclassified, whenever considered necessary to reflect more appropriate presentation of the events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. During the year following reclassification have been made.

Description	Reclassified from	Reclassified to	2024
Advances and other	Advance against insurance	Prepaid insurance	601,646
Grants	Grant available for utilization	Deferred grants	366,186,798

32 GENERAL

Figures have been rounded off to the nearest Rupee.

33 DATE OF AUTHORIZATION

These financial statements were approved and authorized for issue by the Board of Directors of the Company in their meeting held on 07-03-2026

Chief Executive Officer

Chief Financial Officer

Director