

**TRANSKARACHI
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

	Note	Dec-31 2021 Rupees	June-30 2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	18,978,182	2,012,378
		18,978,182	2,012,378
Capital work in progress	6	2,478,488,250	1,164,376,675
CURRENT ASSETS			
Advances	7	1,050,000	1,050,000
Short term prepayments	8	-	555,929
Bank balances	9	74,394,769	191,297,872
		75,444,769	192,903,801
TOTAL ASSETS		2,572,911,201	1,359,292,854
EQUITY AND LIABILITIES			
Unrestricted fund		1,290,000	1,290,000
		1,290,000	1,290,000
NON CURRENT LIABILITIES			
Deferred grant	10	1,299,235,075	183,399,725
Deferred capital grant project design advance	11	1,166,500,675	1,166,500,675
		2,465,735,750	1,349,900,400
CURRENT LIABILITIES			
Accrued and other liabilities	12	105,885,451	8,102,453
TOTAL FUNDS AND LIABILITIES		2,572,911,201	1,359,292,853
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes from 1 to 21 form an integral part of the financial statements

CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



TRANSKARACHI
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Unrestricted Fund	Restricted Fund	Total
	General fund	Grant	
	-----Rupees-----		
Balance as at July 1, 2021	1,290,000	1,349,900,401	1,351,190,401
Surplus transferred from income and expenditure account			-
Transferred to Government of Sindh		(26,243,166)	(26,243,166)
Funds received/utilized during the year		1,226,348,918	1,226,348,918
Transferred to income and expenditure account	-	(84,270,403)	(84,270,403)
Balance as at December 31, 2021	1,290,000	2,465,735,750	2,467,025,750

The annexed notes from 1 to 21 form an integral part of these financial statements.




CHIEF EXECUTIVE OFFICER




CHIEF FINANCIAL OFFICER





TRANSKARACHI
INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Dec-31 2021 Rupees	Dec-31 2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	-	1,290,000
Adjustments for items not involving movement of funds:		
Depreciation	904,929	-
Surplus before working capital changes	904,929	1,290,000
Decrease / (Increase) in current assets		
Loans and advances	-	(1,050,000)
Short term prepayments	555,929	-
	555,929	(1,050,000)
Increase in current liabilities		
Accrued expenses	97,782,998	2,561,799
Cash generated from operations	99,243,856	2,801,799
Taxes paid	-	-
Net cash generated from operating activities	99,243,856	2,801,799
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(17,870,733)	-
Capital work in progress	(1,314,111,575)	-
Net cash used in investing activities	(1,331,982,308)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred capital grant	1,115,835,349	50,080,834
Net cash generated from financing activities	1,115,835,349	50,080,834
Net increase in cash and cash equivalents	(116,903,103)	52,882,633
Cash and cash equivalents at the beginning of the year	191,297,872	-
Cash and cash equivalents at the end of the year	74,394,769	52,882,633

The annexed notes from 1 to 21 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER







TRANSKARACHI
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

1 NATURE AND STATUS OF BUSINESS

Transkarachi "the Company" was incorporated on October 11, 2018 as a company limited by guarantee under section 42 of the Companies Act 2017. The primary objective is to carry out the project implementation, management and maintenance of Karachi Bus Rapid Transit Red Line Project assigned by Sindh Mass Transit Authority (SMTA) for the benefit of public at large.

The company is wholly owned by the Government of Sindh.

The registered office of the Company is situated at C-89, Block 2 , Clifton, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.
- Accounting Standard for Not for Profit Organizations (Accounting Standards for NPOs) issued by Institute of the Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017.

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

Where provisions of and directives issued under the Companies Act, 2017 differ form the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below. These financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.3 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.



2.4 Key judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies.

Judgments and estimates made by management that are significant to the unconsolidated financial statements are as follows:

- Depreciation method, useful lives and residual values of property and equipment (note 4)

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Effective in current year and are relevant to the Company

The company has adopted all the new standards and amendments to the following approved accounting standard as applicable in Pakistan which became effective during the current year.

Application of new standards, amendments and interpretations to published accounting and reporting standards

New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2021



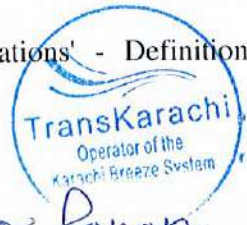
The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

**Effective date
(annual periods
beginning on or after)**

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.

Amendments to IFRS 3 'Business Combinations' - Definition of a business

January 01, 2020

Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform January 01, 2020

Amendments to IFRS 16 'Leases' - Covid - 19 related rent concessions June 01, 2020

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

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.

Interest Rate Benchmark Reform - Phase 2
(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) January 01, 2021

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework January 01, 2022

Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions April 01, 2021

**Effective date
(annual periods
beginning on or after)**

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current January 01, 2023

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies January 01, 2023

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates January 01, 2023

Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction January 01, 2023

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

January 01, 2022

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract

January 01, 2022

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property and equipment

All items of property, plant and equipment are initially recorded at cost.

Subsequent measurement

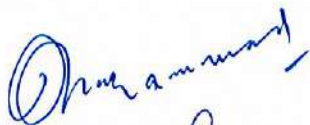


Property, plant and equipment are stated at cost less accumulated depreciation or impairment, if any. Major renewals and repairs are capitalized and the assets so replaced are retired. Minor renewals or replacement, maintenance and repairs are charged to income as and when incurred. Gains or losses on disposal of property, plant and equipment are accounted for as profit or loss for the year.

Depreciation

Depreciation is charged on the basis of written down value method whereby cost of an asset is written off at the rates given in note 4. Full month's depreciation is charged on addition, while no depreciation is charged in the month of disposal or deletion of assets.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

4.2 Impairment

The Company assesses at each date of statement of financial position whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income and expenditure account, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income.

4.3 Advances & Prepayments

These are recognized at cost, which is the fair value of the consideration given. An assessment is made at each date of statement of financial position to determine, whether there is an indication that a financial asset, or a group of financial assets, may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognized for the difference between the recoverable amount and the carrying value.

4.4 Cash and bank balances




Cash in hand and at bank are carried at nominal amount.

4.5 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, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting future cash flows at appropriate discount rate where ever required. Provisions are reviewed at each date of the statement of financial position and adjusted to reflect current best estimate.

4.6 Accrued and other liabilities

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

4.7 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks and short term highly liquid investments that are readily convertible into known amount of cash and having a maturity of less than three months.

4.8 Funds / grants

General fund

Surplus / (deficit) from unrestricted funds during the year / period is recognized in general fund.

Deferred grant / restricted fund

This grant / fund represents the grants / funds of non capital nature which is subject to the donors' imposed restrictions or that imposed future performance conditions. Initially these are recognized in the statement of financial position as deferred income at their receipt. Subsequently these are recognized in income and expenditure account to the extent of actual expenses incurred.

Judgment and estimates

Useful life of assets are estimated on regular basis for amortization of deferred capital grants over the useful life of the related assets.

4.9 Revenue recognition


Grants

Grants are recognized where there is reasonable assurance that the grants will be received and all attached conditions will be complied with.

Deferred grant / restricted fund

Deferred grants / restricted funds are recognized in the income and expenditure account to the extent of the actual expenditure incurred or when all the future performance conditions are met. Expenditure incurred against grants committed but not received, is recognized directly in income and expenditure account and reflected as a receivable from donors.

On 21/11/2017
Rukhsana Paracha



4.10 Taxation

In accordance with section 100C of the Income Tax Ordinance, 2001 (the Ordinance), the Company is 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 the Ordinance, subject to conditions as outlined in section 100C. Accordingly, no provision for tax, has been recognized in the financial statement of the Company.

The Company intended to claim tax credit equal to one hundred per cent of the tax payable under section 100C of the Income Tax Ordinance, 2001, including minimum tax and final taxes payable.

No provision for taxation has been made for the year in this financial statement based on section 100C of the Income Tax Ordinance, 2001.

4.11 Provident fund

The Company has contributory provident fund for its regular / contractual employees, contribution in respect of which is charged to income and expenditure for the year. Contribution is made by employees at the rate of 10% of the basic pay. The same amount is contributed by the Company

Financial liabilities

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


Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Derecognition

The financial assets are de-recognized when the Company loses control of the contractual right that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

On behalf of
Rubeen Raza



4.12 Offsetting of financial assets and financial liabilities


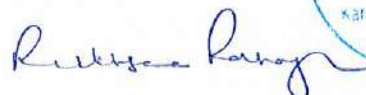

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

4.13 Foreign currency translation

Transactions in foreign currencies are converted into Pak Rupees at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date. Exchange gains and losses are included in the profit and loss account.

4.14 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which 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 the Company has a present legal or constructive 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 PROPERTY AND EQUIPMENT

	Cost			Rate %	Accumulated depreciation				Written down value as at Dec 31, 2021	
	As at Oct 01, 2021	Additions	Disposal		As at Dec 31, 2021	As at Oct 01, 2021	For the year	Adjustment		As at Dec 31, 2021
-----Rupees-----										
Owned assets										
Air Conditioners	210,508	1,301,057	-	1,511,565	30%	18,513	64,039	-	82,552	1,429,013
Office Equipments	2,507,632	2,650,894	-	5,158,526	30%	100,855	245,383	-	346,238	4,812,288
Computers & Equipments	544,250	-	-	544,250	20%	109,747	27,436	-	137,183	407,067
Vehicles	1,119,000	10,613,232	-	11,732,232	20%	255,684	282,907	-	538,591	11,193,641
Motor Bike	69,000	198,720	-	267,720	20%	76	8,015	-	8,091	259,629
Generator	524,708	-	-	524,708	20%	288	26,451	-	26,739	497,969
Furniture & Fixtures	525,000	-	-	525,000	20%	119,959	26,466	-	146,425	378,575
Total	5,500,098	14,763,903	-	20,264,001		605,122	680,697	-	1,285,819	18,978,182



Signature
Signature

	Note	Dec-31 2021 Rupees	June-30 2021 Rupees
6 CAPITAL WORK IN PROGRESS			
KBRT Redline Project Feasibility Analysis	6.1	1,164,376,675	1,164,376,675
Construction contracts	6.2	1,281,846,532	-
Consultancy contracts	6.3	31,797,043	-
Advance against vehicles		468,000	-
		<u>2,478,488,250</u>	<u>1,164,376,675</u>
6.1	This represents cost incurred on BRT Project Feasibility financed by Asian Development Bank as Project Design Advance (PDA) Loan whereas taxes and ancillary expenses were financed by Government of Sindh. The PDA loan related documentation was handed over to TransKarachi on August 08, 2020.		
6.2 Construction contracts			
Zahir Khan & Brothers - Lot 1	6.2.1	<u>1,281,846,532</u>	<u>-</u>
6.2.1	The contract, BRT Corridor and Buildings Construction Lot-1: Malir Halt Depot to Mausmiyat, was signed on 8th December 2021. Accepted contract value totals to Rs. 13,795,327,085 comprising of Phase 1 and Phase 2 of Rs. 12,818,465,318 and Rs. 976,861,766 respectively. Mobilization advance is 10% of Phase-1 value as per terms of the contract.		
6.3 Consultancy contracts			
Integrated Transport Planning Limited - PMCCB	6.3.1	<u>31,797,043</u>	<u>-</u>
6.3.1	This represents final payment of Rs. 31.79 Million (Equivalent to USD 180,380) against Project Management, Co-ordination and Capacity Building (PMCCB) contract.		
7 ADVANCES			
Security deposit - short term	7.1	<u>1,050,000</u>	<u>1,050,000</u>
7.1	This is rent security deposit against Transkarachi office at C-89, Block 2, Clifton, Karachi.		
8 SHORT TERM PREPAYMENTS			
Prepaid expenses	8.1	<u>-</u>	<u>555,929</u>
8.1	Office rent - 148,750		
Webhosting		-	163,144
Car rental		-	244,035
		<u>-</u>	<u>555,929</u>
9 BANK BALANCES			
Current accounts	9.1	<u>74,394,769</u>	<u>191,297,872</u>
9.1 Current accounts			
Asian Development Bank - RFA account		73,104,769	190,007,872
Transkarachi - Operations Account		1,290,000	1,290,000
		<u>74,394,769</u>	<u>191,297,872</u>

Mukhammad

Rudwan Danyar



	Note	Dec-31 2021 Rupees	June-30 2021 Rupees
10 DEFERRED CAPITAL GRANT			
Asian Development Bank	10.1	950,703,122	234,365,483
Asian Infrastructure Investment Bank	10.2	242,255,357	
Agence Française de Développement	10.3	267,755,922	
Government of Sindh	10.4	-	26,243,166
Cumulative funds utilized	10.5	(161,479,326)	(77,208,924)
		<u>1,299,235,075</u>	<u>183,399,725</u>

10.1 This includes the grant of Rupees 234.36 Million (Equivalent to USD 1,462,741) from Asian Development Bank (ADB) through government of Pakistan under the loan agreement Karachi Bus Rapid Transit Red Line Loan no. 3799-PAK. The main objective of the grant is to meet the capital and operational expenditures of the project.

10.2 This represents portion of AIBB against payment to Zahir Khan & Brothers as shown in Note 6.2.

10.3 This represents portion of AFD against payment to Zahir Khan & Brothers as shown in Note 6.3.

10.4 This represents the grant received from the government of Sindh.

10.5 This represents the amount spent on operational and administrative expenses of the Company.

11 DEFERRED GRANT PROJECT DESIGN ADVANCE (PDA)

Deferred Capital Grant Project Design Advance

Asian Development Bank	11.1	1,132,087,037	1,132,087,037
Government of Sindh	11.2	34,413,638	34,413,638
		<u>1,166,500,675</u>	<u>1,166,500,675</u>

11.1 This represents the grant of Rs. 1.13 Billion (Equivalent to USD 8,331,147) received from Asian Development Bank (ADB) through government of Pakistan under the loan agreement for Karachi Bus Rapid Transit Red Line Project no. 47279-003 vide Loan No: 6008 which became part of Loan No. 3799-PAK on June 19, 2020. The main objective of the grant was to meet the cost of Project Design Advance incurred by Project Implementation Unit (PIU) i.e Sindh Mass Transit Authority which was later on handed over to TransKarachi on August 08, 2020.

11.2 This represents the expenses incurred and taxes paid by government of Sindh on Project Design. The expenses were incurred by Project Implementation Unit (PIU) i.e Sindh Mass Transit Authority which was later on handed over to TransKarachi on August 08, 2020.





		Dec-31 2021	June-30 2021
	Note	Rupees	Rupees
11.3 GRANT RECONCILIATION			
Asian Development Bank			
Deferred Capital Grant	10.1	950,703,122	234,365,483
Project Design Grant	11.1	1,132,087,037	1,132,087,037
		2,082,790,159	1,366,452,520
Asian Infrastructure Investment Bank			
Agence Française de Développement	10.2	242,255,357	
Government of Sindh	10.3	267,755,922	
Government of Sindh			
Deferred Capital Grant	10.4	-	26,243,166
Project Design Grant	11.2	34,413,638	34,413,638
		34,413,638	60,656,804
Total Grants		2,627,215,076	1,427,109,324
Utilization of grant			
Cumulative expenses	10	(161,479,326)	(77,208,924)
Property and equipment	5	(18,978,182)	(2,012,378)
Capital work in progress	6	(2,478,488,250)	(1,164,376,675)
Advances	7	(1,050,000)	(1,050,000)
Short term prepayments	8	-	(555,929)
Accrued and other liabilities	12	105,885,451	8,102,453
		(2,554,110,307)	(1,237,101,453)
Unrestricted fund - Tender Income		1,290,000	1,290,000
Un-utilized grant represented by bank		74,394,769	191,297,872
12 ACCRUED AND OTHER LIABILITIES			
Provident funds payable		13,244,935	7,188,410
Accrued liabilities	12.1	4,946,692	514,875
Tax payable on behalf of others	12.2	87,294,656	-
Auditor's remuneration		399,168	399,168
		105,885,451	8,102,453
12.1 Accrued liabilities			
Telephone/Mobile charges		-	17,214
Electricity		-	1,628
Salaries and benefits		2,652,826	-
Rents		921,582	-
Suppliers		1,372,284	496,033
		4,946,692	514,875
12.2 Tax payable on behalf of others			
Zahir Khan & Brothers - Lot 1		83,320,025	-
Integrated Transport Planning Limited - PMCCB		3,974,631	-
		87,294,656	-

13 CONTINGENCIES AND COMMITMENTS

13.1 Commitments

The contract, BRT Corridor and Buildings Construction Lot-1: Malir Halt Depot to Mausmiyat, was signed on 8th December 2021. Accepted contract value totals to Rs. 13,795,327,085 comprising of Phase 1 and Phase 2 of Rs. 12,818,465,318 and Rs. 976,861,766 respectively. TransKarachi is committed to pay the accepted contract price as per terms of the contract.

The contract, BRT Corridor and Buildings Construction Lot-2: Mausmiyat to Numaish, was signed on January 04, 2022. Accepted contract value totals to Rs. 15,935,701,527 comprising of Phase 1 and Phase 2 of Rs. 14,724,136,887 and Rs. 1,211,564,640 respectively. TransKarachi is committed to pay the accepted contract price as per terms of the contract.

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The contract, Project Management and construction supervision, was signed on 23rd August 2021. The contract price comprises of USD and PKR components amounting to USD 2,703,104 and PKR 1,568,873,016. TransKarachi is committed to pay the USD and PKR components as per terms of the contract.

14 SALARIES, ALLOWANCES & OTHER BENEFITS

Salaries, allowances and other benefits for six months period ended Dec 31, 2021 includes an amount of Rs 6,056,525 (Dec 31, 2020: Rs. 1,467,046) in respect of Staff retirement benefits.

15 REPAIR AND MAINTENANCE

15.1 This represents the payment to M/S Afzal Associates for the civil and mechanical works of Transkarachi office (C-89, Block 2, Clifton, Karachi).

16 FINANCIAL INSTRUMENTS RELATED DISCLOSURES

16.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As of statement of financial position, the TransKarachi is exposed to foreign currency risk arising due to foreign exchange fluctuation on account of estimated borrowings against project amounting to USD 484 Million.

16.2 Liquidity risk

Liquidity risk is the risk that the TransKarachi will encounter difficulties in raising funds to meet commitments associated with financial instruments. The management believes that the TransKarachi is not exposed to any significant level of liquidity risk.

16.3 Concentration of 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. The TransKarachi is not exposed to any credit risk as the project is still in construction phase.

16.4 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the interest rates. The TransKarachi is not exposed to interest rate risk as repayment of loan is the responsibility of Government of Sindh

At the reporting date, the interest rate profile of the TransKarachi's significant financial assets is as follows:

Variable rate instruments

	Dec-31 2021 Rupees	June-30 2021 Rupees
Balances maintained with banks	<u>74,394,769</u>	<u>191,297,872</u>

The rates of interest have been disclosed in the respective notes to the financial statements.

16.5 Fair value of financial instruments

The carrying value of all the financial assets and financial liabilities are estimated to approximate their fair values.





17 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. However, no significant reclassification has been made during the year.

18 IMPACT OF COVID-19 ON FINANCIAL STATEMENTS

On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organization declared the COVID-19 outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is difficult to predict at this stage. As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the TransKarachi's financial statements.

	Dec-31 2021	June-30 2021
19 NUMBER OF EMPLOYEES		
Number of employees as at	36	20
Average number of employees during the year	28	10

20 DATE OF AUTHORIZATION FOR ISSUE

The Board of Directors of the TransKarachi authorized these financial statements for issue on _____.

21 GENERAL

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






CHIEF EXECUTIVE OFFICER





CHIEF FINANCIAL OFFICER




Member BAC.