

TRANSKARACHI
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

		Mar-31	June-30
		2022	2021
	Note	Rupees	Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	4,089,163,208	1,166,389,054
		<u>4,089,163,208</u>	<u>1,166,389,054</u>
CURRENT ASSETS			
Deposits and Prepayments	5	1,993,807	1,605,929
Bank balances	6	392,055,996	191,297,872
		<u>394,049,803</u>	<u>192,903,801</u>
TOTAL ASSETS		<u><u>4,483,213,011</u></u>	<u><u>1,359,292,855</u></u>
FUNDS AND LIABILITIES			
Unrestricted fund		1,290,000	1,290,000
		<u>1,290,000</u>	<u>1,290,000</u>
RESTRICTED FUNDS			
Deferred capital grant	7	2,904,732,912	1,349,900,401
CURRENT LIABILITIES			
Accrued and other liabilities	8	1,577,190,099	8,102,454
TOTAL FUNDS AND LIABILITIES		<u><u>4,483,213,011</u></u>	<u><u>1,359,292,855</u></u>
CONTINGENCIES AND COMMITMENTS	9		

The annexed notes from 1 to 14 form an integral part of the financial statements



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**TRANSKARACHI
INTERIM STATEMENT OF INCOME AND EXPENDITURE
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	Nine months period ended March 31, 2022			Nine months period ended March 31, 2021			Quarter ended March 31, 2022			Quarter ended March 31, 2021		
	Restricted	Un-restricted	Total	Restricted	Un-restricted	Total	Restricted	Un-restricted	Total	Restricted	Un-restricted	Total
INCOME	Rupees											
Income recognized on deferred loan / restricted funds	133,784,584	-	133,784,584	47,246,632	-	47,246,632	49,514,181	-	49,514,181	23,877,409	-	23,877,409
Other income	-	-	-	-	350,000	350,000	-	350,000	-	-	-	-
	133,784,584	-	133,784,584	47,246,632	350,000	47,596,632	49,514,181	-	49,514,181	23,877,409	-	23,877,409
EXPENDITURE	Rupees											
Other Operational Expenses	10											
Staff salaries and other benefits	94,337,526	-	94,337,526	38,268,355	-	38,268,355	38,958,229	-	38,958,229	21,949,940	-	21,949,940
Legal and professional fees	1,159,184	-	1,159,184	12,000	-	12,000	367,100	-	367,100	12,000	-	12,000
Repairs and maintenance	15,968,398	-	15,968,398	-	-	-	1,793,713	-	1,793,713	-	-	-
Communication charges	209,409	-	209,409	-	-	-	109,476	-	109,476	-	-	-
Printing and stationery	679,235	-	679,235	-	-	-	48,687	-	48,687	-	-	-
Office expenses	395,624	-	395,624	113,610	-	113,610	390,814	-	390,814	113,610	-	113,610
Traveling, conveyance and entertainment	1,922,506	-	1,922,506	1,341,326	-	1,341,326	332,248	-	332,248	729,891	-	729,891
IT expenses	397,600	-	397,600	37,000	-	37,000	52,525	-	52,525	37,000	-	37,000
Utilities	483,581	-	483,581	-	-	-	333,870	-	333,870	-	-	-
Office rent	2,866,989	-	2,866,989	3,792,958	-	3,792,958	943,807	-	943,807	341,946	-	341,946
Advertisement expense	1,311,377	-	1,311,377	1,551,198	-	1,551,198	757,006	-	757,006	319,692	-	319,692
Postage expenses	432,993	-	432,993	5,185	-	5,185	13,850	-	13,850	5,185	-	5,185
Consultancy charges	149,874	-	149,874	-	-	-	149,874	-	149,874	-	-	-
Directors' fees	3,860,000	-	3,860,000	2,125,000	-	2,125,000	-	-	-	350,000	-	350,000
Car Rental	999,680	-	999,680	-	-	-	-	-	-	-	-	-
Insurance	1,555,131	-	1,555,131	-	-	-	-	-	-	-	-	-
Security Services	204,532	-	204,532	-	-	-	154,092	-	154,092	-	-	-
Office supplies	886,315	-	886,315	-	-	-	49,190	-	49,190	18,145	-	18,145
Compensation to Displaced Person	3,640,000	-	3,640,000	-	-	-	3,640,000	-	3,640,000	-	-	-
Depreciation	2,324,630	-	2,324,630	-	-	-	1,419,700	-	1,419,700	-	-	-
	133,784,584	-	133,784,584	47,246,632	350,000	47,596,632	49,514,181	-	49,514,181	23,877,409	-	23,877,409
SURPLUS FOR THE YEAR	-	-	-	-	-	-	-	-	-	-	-	-

The annexed notes from 1 to 14 form an integral part of the financial statements


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TRANSKARACHI
STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Unrestricted Fund	Restricted Fund	Total
	General fund	Grant	
-----Rupees-----			
Balance as at June 30, 2020 - (Audited)	-	-	-
Surplus transferred from income and expenditure account (restated)	1,290,000	-	1,290,000
Funds transferred from project design advance		1,166,500,675	1,166,500,675
Funds received during the year	-	260,608,649	260,608,649
Transfer from grant receivable		(2,481,460)	(2,481,460)
Transferred to income and expenditure account (restated)	-	(47,246,632)	(47,246,632)
Balance as at March 31, 2020 - (Un-audited)	1,290,000	1,377,381,232	1,378,671,232
Transferred to income and expenditure account	-	(27,480,831)	(27,480,831)
Balance as at June 30, 2021 - (Audited)	1,290,000	1,349,900,401	1,351,190,401
Transferred to Government of Sindh		(26,243,166)	(26,243,166)
Funds received/utilized during the year		1,714,860,261	1,714,860,261
Transferred to income and expenditure account	-	(133,784,584)	(133,784,584)
Balance as at March 31, 2022	1,290,000	2,904,732,912	2,906,022,912

The annexed notes from 1 to 14 form an integral part of the financial statements



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TRANSKARACHI
INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Mar-31 2022 Rupees	Mar-31 2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	-	1,290,000
Adjustments for items not involving movement of funds:		
Depreciation	2,324,630	-
Surplus before working capital changes	<u>2,324,630</u>	<u>1,290,000</u>
Decrease / (Increase) in current assets		
Loans and advances	<u>(387,878)</u>	<u>(1,050,000)</u>
	(387,878)	(1,050,000)
Increase in current liabilities		
Accrued expenses	<u>1,569,087,645</u>	<u>5,043,259</u>
Cash generated from operations	<u>1,571,024,397</u>	<u>5,283,259</u>
Taxes paid	-	-
Net cash generated from operating activities	<u>1,571,024,397</u>	<u>5,283,259</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(2,894,042,193)	-
Capital work in progress	(31,056,591)	-
Net cash used in investing activities	<u>(2,925,098,784)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred capital grant	<u>1,554,832,511</u>	<u>47,599,374</u>
Net cash generated from financing activities	<u>1,554,832,511</u>	<u>47,599,374</u>
Net increase in cash and cash equivalents	<u>200,758,124</u>	<u>52,882,633</u>
Cash and cash equivalents at the beginning of the year	<u>191,297,872</u>	<u>-</u>
Cash and cash equivalents at the end of the year	<u><u>392,055,996</u></u>	<u><u>52,882,633</u></u>

The annexed notes from 1 to 14 form an integral part of the financial statements



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TRANSKARACHI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

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 from 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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.

3.2 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.

3.3 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.

3.4 Cash and bank balances

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

3.5 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.

3.6 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.

3.7 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.

3.8 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.

3.9 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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.

3.14 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.

		Mar-31 2022 Rupees	June-30 2021 Rupees
4	PROPERTY AND EQUIPMENT		
	Operating fixed assets- owned	30,744,340	2,012,379
	Capital work in progress	4,058,418,868	1,164,376,675
		<u>4,089,163,208</u>	<u>1,166,389,054</u>
4.1	CAPITAL WORK IN PROGRESS		
	KBRT Redline Project Feasibility Analysis	1,164,376,675	1,164,376,675
	Construction contracts	2,754,260,221	-
	Consultancy contracts	127,614,441	-
	Advance against PABX	645,531	-
	Advance against vehicles	11,522,000	-
		<u>4,058,418,868</u>	<u>1,164,376,675</u>
4.1.1	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.		
4.1.2	Construction contracts		
	Zahir Khan & Brothers - Lot 1	1,281,846,532	-
	Main corridor (24.2 Km) and 2 Depots	1,472,413,689	-
		<u>2,754,260,221</u>	<u>-</u>
4.1.2.1	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.		
4.1.2.2	The contract, BRT Corridor and Buildings Construction Lot-2: Mausmiyat to Numaish, was signed on 4th January 2022. Accepted contract value totals to Rs. 15,935,701,526 comprising of Phase 1 and Phase 2 of Rs. 14,724,136,887 and Rs. 1,211,564,640 respectively. Mobilization advance is 10% of Phase-1 value as per terms of the contract.		
4.1.3	Consultancy contracts		
	Integrated Transport Planning Limited - PMCCB	35,470,392	-
	Minconsult - EA - CAC JV (PMCS)C	92,144,049	-
		<u>127,614,441</u>	<u>-</u>
4.1.3.1	This represents final payment of Rs. 31.79 Million (Equivalent to USD 180,380) against Project Management, Co-ordination and Capacity Building (PMCCB) contract.		
4.1.3.2	This represents payment against PMCS - Invoice 1 to 5 for the months from Sep 2021 to January 2022.		

		Mar-31 2022 Rupees	June-30 2021 Rupees
5 DEPOSITS AND PREPAYMENTS			
Security deposit	5.1	1,050,000	1,050,000
Prepayments	5.2	943,807	555,929
Security deposit - short term		<u>1,993,807</u>	<u>1,605,929</u>
5.1	This is rent security deposit against Transkarachi office at C-89, Block 2, Clifton, Karachi.		
5.2		943,807	148,750
Office rent		-	163,144
Webhosting		-	244,035
Car rental		<u>943,807</u>	<u>555,929</u>
6 BANK BALANCES			
Current accounts	6.1	<u>392,055,996</u>	<u>191,297,872</u>
6.1 Current accounts			
Asian Development Bank - RFA account		12,662,169	190,007,872
Government of Sindh - Assignment Account		378,103,827	-
Transkarachi - Operations Account		1,290,000	1,290,000
		<u>392,055,996</u>	<u>191,297,872</u>
7 DEFERRED CAPITAL GRANT			
Deferred grant	7.1	1,738,232,237	183,399,726
Deferred grant project design advance	7.2	1,166,500,675	1,166,500,675
		<u>2,904,732,912</u>	<u>1,349,900,401</u>
7.1 DEFERRED GRANT			
Asian Development Bank	7.1.1	969,795,464	234,365,483
Asian Infrastructure Investment Bank	7.1.2	242,255,358	-
Agence Française de Développement	7.1.3	267,755,922	-
Government of Sindh	7.1.4	469,419,000	26,243,166
Opening fund utilized	7.1.5	(77,208,923)	(2,481,460)
Cumulative funds utilized	7.1.5	(133,784,584)	(74,727,463)
		<u>1,738,232,237</u>	<u>183,399,726</u>
7.1.1	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.		
7.1.2	This represents portion of AIIB against payment to Zahir Khan & Brothers as shown in Note 6.2.		
7.1.3	This represents portion of AFD against payment to Zahir Khan & Brothers as shown in Note 6.3.		
7.1.4	This represents the grant received from the government of Sindh.		
7.1.5	This represents the amount spent on operational and administrative expenses of the Company.		

		Mar-31 2022	June-30 2021
	Note	Rupees	Rupees
7.2 DEFERRED GRANT PROJECT DESIGN ADVANCE (PDA)			
Deferred Capital Grant Project Design Advance			
Asian Development Bank	7.2.1	1,132,087,037	1,132,087,037
Government of Sindh	7.2.2	34,413,638	34,413,638
		<u>1,166,500,675</u>	<u>1,166,500,675</u>

7.2.1 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.

7.2.2 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.

7.3 GRANT RECONCILIATION

Asian Development Bank			
Deferred Capital Grant	7.1.1	969,795,464	234,365,483
Project Design Grant	7.2.1	1,132,087,037	1,132,087,037
		2,101,882,501	1,366,452,520
Asian Infrastructure Investment Bank	7.1.2	242,255,358	-
Agence Française de Développement	7.1.3	267,755,922	-
Government of Sindh			
Deferred Capital Grant	7.1.4	469,419,000	26,243,166
Project Design Grant	7.2.2	34,413,638	34,413,638
		<u>503,832,638</u>	<u>60,656,804</u>
Total Grants		3,115,726,419	1,427,109,324
Utilization of grant			
Cumulative expenses	7.1	(210,993,507)	(77,208,923)
Property and equipment	4	(4,089,163,208)	(1,166,389,054)
Advances	5	(1,993,807)	(1,605,929)
Accrued and other liabilities	8	1,577,190,099	8,102,454
		(2,724,960,423)	(1,237,101,452)
Unrestricted fund - Tender Income		1,290,000	1,290,000
Un-utilized grant represented by bank		<u>392,055,996</u>	<u>191,297,872</u>

8 ACCRUED AND OTHER LIABILITIES

CR3-AM Associates JV	8.1	1,369,344,730	-
Tax payable on behalf of others	8.2	112,607,898	-
EA Consulting (Pvt) Limited	8.3	41,395,310	-
Minconsult SDN BHD	8.3	20,325,822	-
Provident funds payable		17,360,947	7,188,410
Accrued liabilities	8.4	13,964,258	514,876
Creative Engineering Consultants (Pvt) Limited	8.3	1,791,966	-
Auditor's remuneration		399,168	399,168
		<u>1,577,190,099</u>	<u>8,102,454</u>

8.1 This represents payable against contract, BRT Corridor and Buildings Construction Lot-2: Mausmiyat to Numaish, which was signed on 4th January 2022.

8.3 This represents payable against PMCS contracts against invoices for the months of Sep 2021 to Jan 2022.

	Mar-31 2022 Rupees	June-30 2021 Rupees
8.2 Tax payable on behalf of others		
Income Tax Payable - Minconsult - EA - CEC JV	2,008,733	-
Sales Tax Payable - Minconsult - EA - CEC JV	7,530,207	-
Income Tax Payable - CR3-AM Associates JV	103,068,958	-
	112,607,898	-
8.4 Accrued liabilities		
Telephone/Mobile charges	81,023	17,214
Electricity	-	1,628
Salaries and benefits	10,424,325	-
Suppliers	166,410	496,034
Payable to Displaced Person	3,292,500	-
	13,964,258	514,876

9 CONTINGENCIES AND COMMITMENTS

9.1 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.

The contract, Project Management and construction supervision, was signed on 23rd August 2021. The contract price comprise 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.

10 SALARIES, ALLOWANCES & OTHER BENEFITS

Salaries, allowances and other benefits for six months period ended March 31, 2022 includes an amount of Rs 10,172,537 (Mar 31, 2021: Rs. 4,537,005) in respect of Staff retirement benefits.

11 FINANCIAL INSTRUMENTS RELATED DISCLOSURES

11.1 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 exposed to foreign currency risk arising due to foreign exchange fluctuation on account of estimated borrowings against project amounting to USD 484 Million.

11.2 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.

11.3 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.

11.4 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

	Mar-31 2022 Rupees	June-30 2021 Rupees
Balances maintained with banks	<u>392,055,996</u>	<u>191,297,872</u>

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

11.5 Fair value of financial instruments

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

12 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.

13 NUMBER OF EMPLOYEES

Number of employees as at	46	20
Average number of employees during the year	33	10

14 DATE OF AUTHORIZATION FOR ISSUE

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

GENERAL

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER