

**IBEX CONSTRUCTION (PRIVATE) LIMITED**  
**INDEPENDENT AUDITORS' REPORT AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF IBEX CONSTRUCTION (PRIVATE) LIMITED

#### Report on the Audit of the Financial Statements

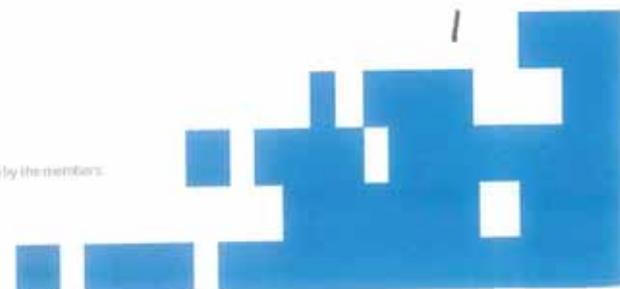
#### Opinion

We have audited the annexed financial statements of IBEX Construction (Private) Limited (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the total comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### **Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and the State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act 2023) 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.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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



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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on Other Legal and Regulatory Requirements**

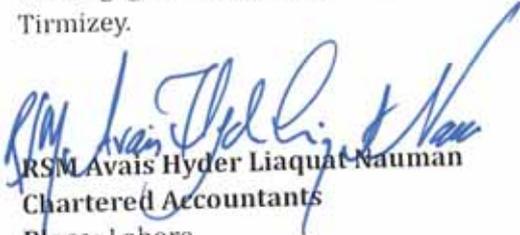
Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and the SOE Act 2023 are in agreement with the books of account and returns;

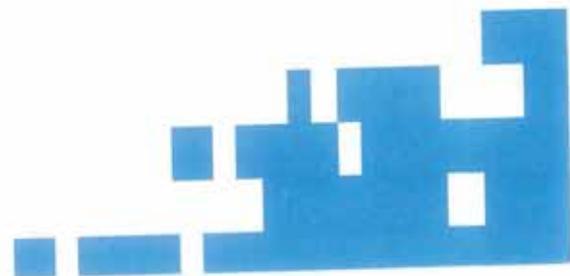


- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Syed Ali Adnan Tirmizey.



RSM Avasi Hyder Liaquat Nauman  
Chartered Accountants  
Place: Lahore  
Date: November 13, 2025  
UDIN: AR202510193mGEcLDW7w





# IBEX CONSTRUCTION (PVT) LTD

## DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Directors of the Company are pleased to present the 20<sup>th</sup> Annual Report of IBEX Construction (Private) Limited along with the Audited Financial Statements and Auditor's Report thereon for the Financial Year ended June 30, 2025.

### Project Overview / State of Affairs

IBEX Construction (Private) Limited (the Company) is a Private Limited Company incorporated in Pakistan on January 04, 2006, under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is principally involved in the business to develop, construct, build, erect, demolish, alter, modify or do any work on Build, Operate & Transfer (BOT) basis in connection with housing schemes, buildings, roads, bridges, tunnels, power plants, irrigation, improvements and power supply works or any other structural or architectural work for such purpose. The Registered Office of the Company is situated at Old Toll Plaza Building, 11-KM Shiekhupura Road, Sharif Park, Kot Abdul Malik, Lahore in the Province of Punjab.

The Company Operates Lakpass Tunnel Project relating to Operations and Management of Lakpass Tunnel which is situated at National Highway N25 about 27 kilometers from Quetta, in the Province of Balochistan and two other projects relating to the Construction, Improvements and Recarpeting of Roads at the Engineers Cooperative Housing Society (ECHS project) and Westridge Residential Area (WRA project) in Rawalpindi, in the Province of Punjab. The Operations of other projects have been suspended since long. Significant terms of the Concession Agreement to Operate and Manage the Lakpass Tunnel are as under:

- The Company can levy, demand and collect tolls in accordance with the Concession Agreement.
- The Concession Period may be extended by mutual written agreement.
- The Company shall make all suitable arrangements necessary for installations relating to Operations and Maintenance of the Project.
- The Company shall keep proper books of records and accounts in accordance with generally accepted accounting principles and standard in Pakistan consistently applied.
- The Concession Agreement can be terminated on various grounds including default to lenders, failure to carry out periodic maintenance and structural overlays, liquidation of the Company, failure to keep proper books of account, charge of tolls in excess of agreement.
- At the end of the Concession Period, the Company shall transfer to the Government, all immovable and moveable assets.
- Lenders Rights & Security will remain un-affected by the transfer to the Government.
- The Company shall design, engineer, finance, construct, equip, operate, maintain, and transfer the project in accordance with the agreement and all applicable laws of Pakistan.
- There has been no change in the business of the Company during the Financial Year ended June 30, 2025.



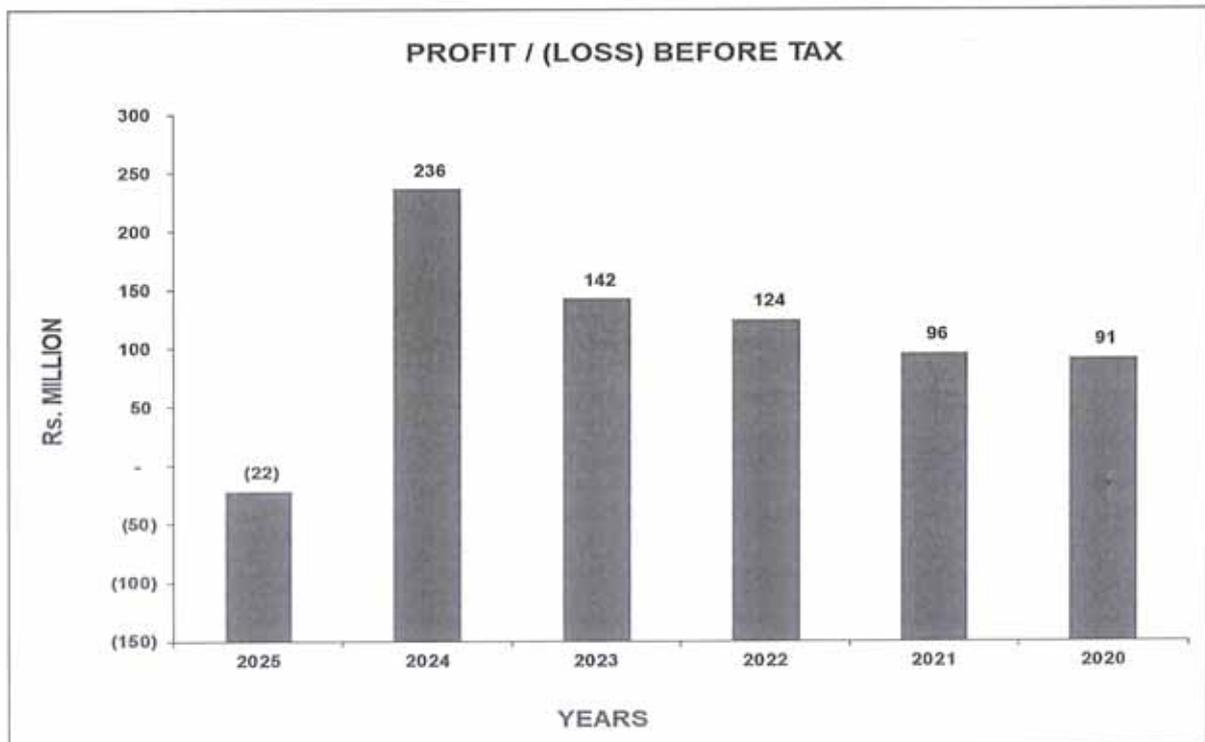
# IBEX CONSTRUCTION (PVT) LTD

## Financial Performance Summary

The key data on the Operating and Financial Performance of the Company for the Financial Year ended June 30, 2025 with comparative position of last six year's performance are as under: -

Particulars	30 June-25 Rs Mn	30 June-24 Rs Mn	30 June-23 Rs Mn	30 June-22 Rs Mn	30 June-21 Rs Mn	30 June-20 Rs Mn
<b>Gross Revenue</b>	<b>324.38</b>	<b>448.07</b>	<b>295.67</b>	<b>268.78</b>	<b>295.58</b>	<b>227.82</b>
Operating expenses	311.13	185.03	128.41	121.26	183.26	118.12
Provision for Restoration of Carriageway	20.77	18.69	16.78	15.03	13.42	-
Administrative expenses	14.26	8.39	8.26	7.99	3.27	5.68
Finance Cost	0.00	0.00	0.00	0.00	0.01	12.76
<b>Profit / (Loss) before taxation</b>	<b>(21.79)</b>	<b>235.95</b>	<b>142.21</b>	<b>124.50</b>	<b>95.63</b>	<b>91.26</b>
Taxation	(3.53)	31.02	48.24	35.35	27.75	28.76
<b>Profit / (Loss) for the year</b>	<b>(18.26)</b>	<b>204.93</b>	<b>93.97</b>	<b>89.14</b>	<b>67.88</b>	<b>62.50</b>

The following graph describes the six years summary of Profit / (Loss) before tax.



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# IBEX CONSTRUCTION (PVT) LTD

## Appropriations

The Company is running in Loss as there is unappropriated Loss of Rs 2,223,917/- as on June 30, 2025, thus there was no appropriation made.

## Board of Directors and Key Managerial Personnel

The number of board meeting held during the year ended as on June 30, 2025 and attended by the Board of Directors of the Company as follows: -

Ser #	Name of Director	Designation	Total Meeting Attended
1	Abdul Sami	Non-Executive Director – Chairman	-
2	Muhammad Waseem Riaz	Non-Executive Director - CEO	5
3	Fazal E Rahim Afridi	Non-Executive Director	5

As on June 30, 2025, following are the Key Managerial Personnel (KMPs) of the Company: -

Ser #	Name of Director	Designation
1	Amjad Farooq Amjad	Chief Operating Officer
2	Jahangir Saleem	Chief Financial Officer & Company Secretary

## Remuneration Policy of Non-Executive Directors

The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time. Remuneration paid to the Non-Executive and Independent Directors, whose details are included in Note 4.13 & 20 of the Financial Statement.

## Audit Reports and External Auditors

### Audit Reports

The Auditors' Report is enclosed with the Financial Statements in this Annual Report.

### Statutory Auditors

The Auditors M/s RSM Avais Hyder Liaquat Nauman Chartered Accountants, Lahore will retire at the conclusion of the upcoming Annual General Meeting of the Company and the Board of Directors have recommended the re-appointment of M/s RSM Avais Hyder Liaquat Nauman Chartered Accountants, as Statutory Auditors of the Company for the Financial Year 2025-26.

The Report of the Statutory Auditors along with notes to schedules is enclosed to this report. M/s RSM Avais Hyder Liaquat Nauman Chartered Accountants, has been a satisfactory firm under the Quality Control Review (QCR) Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP.



# IBEX CONSTRUCTION (PVT) LTD

M/s RSM Avais Hyder Liaquat Nauman Chartered Accountants, have indicated their willingness to continue as Auditors.

## Material Changes and Commitments

No material changes in the Financials or Commitments during the Financial Year ended June 30, 2025.

## Deposits

As on June 30, 2025, the Company has not accepted any deposits from the public.

## Dividend

The Board of Directors of the Company have not recommended any dividend on equity shares of the Company during the Financial Year ended June 30, 2025.

## Loans, Guarantees, Securities and Investments

The Company has not made any Investment, given Guarantee and Securities during the Financial Year ended June 30, 2025.

## Subsidiary/ Joint Venture/ Associate Companies

The Company is a wholly owned subsidiary of M/s Frontier Works Organization (FWO) ('the Parent').

## Share Capital

The Authorized Share Capital of the Company is Rs 450,000,000/- divided into 45,000,000/- number of equity shares of Rs 10/- each and Paid-up Share Capital of Rs 450,000,000/- divided into 45,000,000/- number of equity shares of Rs 10/- each.

## Secretarial Standards

The Company has complied with the applicable provisions of Secretarial Standards issued by SECP.

## Related Party Transactions

All related party transactions are carried out on arm's length basis which were reviewed and approved by the Board of Directors of the Company. Company has fully complied with the best practices on transfer pricing as contained in the Act and Rules. Related Party Transactions whose details are included in Note 4.13 & 20 of the Financial Statement.

## Technology

The Company has already installed ETTM System (Electronic Traffic and Toll Management) which eliminates the significant risk in the toll collection as compared manually toll collection. There are 8-lanes which are being controlled through ETTM system. Management has now installed Closed Circuit Cameras to observe the traffic.



## Human Resource Management

Human resource of the company is given the highest value. Accordingly, the company's focus remains on employee's development coupled with improving the ambience through regular reviews and refinements of processes and the work environment, thereby ensuring its dynamism and robustness and keeping the spirit of its key guiding principles and policies.

## Statement of Internal Control

Internal Controls contribute to the effective management by the Both Company's Board of Directors and management. While the Board recognizes its responsibility as envisaged in the relevant regulations, the management of company ensures the establishment and maintenance of adequate and effective systems of internal controls in compliance with external laws and regulations and consistent with the Company's own internal policies. It is also responsible to assess the effectiveness of internal controls and report on them to the Board.

## Financial Risk Management

The Board of Directors does not foresee any major threat / risk to the business of the Company. Details of the Company's Financial Risk Management policies and objectives in respect of its use of financial instruments are included in Note 22 to the Financial Statements together with a description of its exposure, including its exposure to market risk, credit risk and liquidity risk.

## Qualification, Reservation or Adverse Remarks in the Auditor's Report

There are no Qualification, reservation or adverse remarks in the Auditor's Report for the Financial Year ended June 30, 2025.

## Particulars of Employees

As on June 30, 2025, the Company has 7 Employees whose details are included in Note 21 of the Financial Statement.

## Acknowledgements

The Board of Directors would like to take this opportunity to express their deep appreciation of the commitment, loyalty and dedication of the employees.

For and on behalf of the Board of Directors



Chief Executive Officer



Chief Financial Officer



Director

**IBEX CONSTRUCTION (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	5	25,329,364	2,332,740
Concession intangible assets	6	297,253,738	344,354,638
Other intangible assets	7	14,083	15,648
Long term deposits	8	886,200	886,200
		<u>323,483,385</u>	<u>347,589,226</u>
<b>CURRENT ASSETS</b>			
Amount due from customer - net	9	-	-
Advances and other receivables	10	43,860,324	85,069,339
Cash and bank balances	11	216,446,917	203,841,837
		<u>260,307,241</u>	<u>288,911,176</u>
		<u>583,790,626</u>	<u>636,500,402</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVE</b>			
Authorized share capital	12	<u>450,000,000</u>	<u>450,000,000</u>
Issued, subscribed and paid up capital	12	450,000,000	450,000,000
Accumulated (loss)/profit		<u>(2,223,917)</u>	<u>16,032,169</u>
		447,776,083	466,032,169
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liability	13	<u>33,002,849</u>	<u>49,303,121</u>
Provision for restoration of the Lakpass Tunnel	14	<u>84,696,597</u>	<u>63,921,959</u>
		117,699,446	113,225,080
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	<u>8,334,040</u>	<u>10,748,163</u>
Provision for taxation - Income tax		<u>9,981,057</u>	<u>46,494,990</u>
		18,315,097	57,243,153
		<u>583,790,626</u>	<u>636,500,402</u>

*The annexed notes form an integral part of these financial statements.*

  
 CHIEF EXECUTIVE OFFICER

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR

**IBEX CONSTRUCTION (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
Income from operations - toll receipts		296,576,167	271,647,750
Other income	16	27,803,435	176,419,494
		<u>324,379,602</u>	<u>448,067,244</u>
Operating expenses	17	(311,132,640)	(188,924,851)
Provision for restoration of the Lakpass Tunnel	14	(20,774,638)	(18,694,158)
Administrative and general expenses	18	(14,262,720)	(4,502,685)
		<u>(346,169,998)</u>	<u>(212,121,694)</u>
(Loss)/profit for the year before taxation		<u>(21,790,396)</u>	<u>235,945,550</u>
Provision for taxation	19	3,534,310	(31,015,520)
(Loss)/profit for the year		<u>(18,256,086)</u>	<u>204,930,030</u>
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		<u>(18,256,086)</u>	<u>204,930,030</u>

*The annexed notes form an integral part of these financial statements.*



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

**IBEX CONSTRUCTION (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Issued, subscribed and paid up capital	Accumulated (loss)/profit	Total
	Rupees	Rupees	Rupees
Balance as at July 01, 2023	450,000,000	(62,897,861)	387,102,139
Transaction with owners recognised			
Dividend paid	-	(126,000,000)	(126,000,000)
Total comprehensive income for the year			
Profit for the year	-	204,930,030	204,930,030
Other comprehensive income for the year	-	-	-
	-	204,930,030	204,930,030
Balance as at June 30, 2024	450,000,000	16,032,169	466,032,169
Total comprehensive loss for the year			
loss for the year	-	(18,256,086)	(18,256,086)
Other comprehensive income for the year	-	-	-
	-	(18,256,086)	(18,256,086)
Balance as at June 30, 2025	450,000,000	(2,223,917)	447,776,083

*The annexed notes form an integral part of these financial statements.*



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

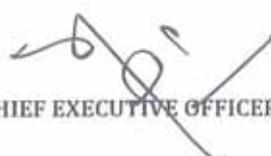


DIRECTOR

**IBEX CONSTRUCTION (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
<b>a) Cash flows from operating activities</b>			
(Loss)/profit for the year before taxation		(21,790,396)	235,945,550
Adjustments for:			
Depreciation on property and equipment	18	3,697,376	412,398
Amortization on intangible assets	17 & 18	47,102,465	47,102,638
Profit on bank deposits	16	(22,428,551)	(41,039,912)
Gain on sale of fixed asset	16	-	(134,529,520)
Provision for restoration of the Lakpass Tunnel	14	20,774,638	18,694,158
		49,145,928	(109,360,238)
Operating cash flows before working capital changes		27,355,532	126,585,312
Working capital changes:			
(Increase)/decrease in current assets:			
Advances and other receivables		5,850,626	(23,252,784)
(Decrease) in current liabilities:			
Trade and other payables		(2,414,123)	(3,807,429)
		3,436,503	(27,060,213)
Cash generated from operations		30,792,035	99,525,099
Income tax paid		(13,921,506)	(54,198,077)
Net cash generated from operating activities		16,870,529	45,327,022
<b>b) Cash flows from investing activities</b>			
Purchase of Property, plant and equipment		(26,694,000)	-
Net receipt of sale of fixed asset		-	164,529,520
Receipt of profit on bank deposits		22,428,551	41,039,912
Net cash (used in)/generated from investing activities		(4,265,449)	205,569,432
<b>c) Cash flows from financing activities</b>			
Dividend paid		-	(126,000,000)
Net cash used in financing activities		-	(126,000,000)
Net increase in			
cash and cash equivalents during the year (a + b + c)		12,605,080	124,896,454
Cash and cash equivalents at the beginning of the year		203,841,837	78,945,383
Cash and cash equivalents at the end of the year		216,446,917	203,841,837

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

  
 CHIEF EXECUTIVE OFFICER

  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR

**IBEX CONSTRUCTION (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**1 CORPORATE AND GENERAL INFORMATION**

**1.1** IBEX Construction (Private) Limited (the Company) is a Private Limited Company incorporated in Pakistan on January 04, 2006, under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is principally involved in the business to develop, construct, build, erect, demolish, alter, modify or do any work on Build Operate Transfer (BOT) basis in connection with housing schemes, buildings, roads, bridges, tunnels, power plants, irrigation, improvements and power supply works or any other structural or architectural work for such purpose. The registered office of the Company is situated at Old Toll Plaza Building, 11-KM Shiekhupura Road, Sharif Park, Kot Abdul Malik, Lahore in the Province of Punjab.

**1.2** The Company is a wholly owned subsidiary of M/s Frontier Works Organization (FWO) ('the Parent').

**1.3** The Company operates Lakpass Tunnel Project relating to operations and management of Lakpass Tunnel which is situated at National Highway N25 about 27 kilometres from Quetta, in the province of Baluchistan and two other projects relating to the construction, improvements and recarpeting of roads at the Engineers Cooperative Housing Society (ECHS project) and Westridge Residential Area (WRA project) in Rawalpindi, in the province of Punjab. The operations of other projects have been suspended since long. Significant terms of the concession agreement to operate and manage the Lakpass Tunnel are as under:

- The Company can levy, demand and collect tolls in accordance with the agreement.
- The Concession years may be extended by mutual written agreement.
- The Company shall make all suitable arrangements necessary for installations relating to operations and maintenance of the project.
- The Company shall keep proper books of records and accounts in accordance with generally accepted accounting principles and standard in Pakistan consistently applied.
- The Concession can be terminated on various grounds including default to lenders, failure to carry out periodic maintenance and structural overlays, liquidation of the Company, failure to keep proper books of account, charge of tolls in excess of agreement.
- If the Company defaults on its loans and is unable to rectify the same, then the Government may terminate the Concession and give possession of the Project to the lenders.
- At the end of the expiry year, the Company shall transfer to the Government, all immovable and moveable assets.
- Lenders rights & security will remain un-affected by the transfer to the Government.
- The Company shall design, engineer, finance, construct, equip, operate, maintain, and transfer the project in accordance with the agreement and all applicable laws of Pakistan.

**IBEX CONSTRUCTION (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2 STATEMENT OF COMPLIANCE**

**2.1 Basis of preparation**

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:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, 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.

**2.3 Functional and presentation currency**

These financial statements have been presented in Pakistani Rupee which is the Company's functional and presentation currency.

**2.4 Key judgements and estimates**

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

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

The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Provision for current and deferred taxation
- Residual values, rates of depreciation and useful lives of depreciable assets
- Useful life and amortization rate of intangible assets
- Provisions for restoration of Lakpass Tunnel.
- Provision for doubtful balances

**IBEX CONSTRUCTION (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**3 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS**

**3.1 Standards, amendments to standards and interpretations becoming effective in current year**

The following standards, amendments to standards and interpretations have been published and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2024 and therefore, have been applied in preparing these financial statements:

**i. IAS 1 – Presentation of Financial Statements**

The IASB has issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The IASB has further modified the requirements introduced by 'Classification of Liabilities as Current or Non-current' on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

These amendments are to be applied retrospectively in accordance with IAS 8. Application of these amendments have no significant impact on the Company's financial statements.

**3.2 Standards, amendments to standards and interpretations becoming effective in the current year but not relevant**

There are certain new standards, amendments to standards and interpretations that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2024 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.



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**3.3 Standards, amendments to standards and interpretations becoming effective in future**

The following standards, amendments to standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after the effective dates specified therein:

**i. IFRS 7 — Financial Instruments: Disclosures and IFRS 9 — Financial Instruments**

**A** The IASB has issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'. The amendments are as under:

**Derecognition of a financial liability settled through electronic transfer**

- The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

- Classification of financial assets:

**Contractual terms that are consistent with a basic lending arrangement**

- The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Assets with non-recourse features**

- The amendments enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

**Contractually linked instruments**

- The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments and provide an example. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

- Disclosures:

**Investments in equity instruments designated at fair value through other comprehensive income**

- The requirements in IFRS 7 are amended for disclosures that an entity provides in respect of these investments. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

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**Contractual terms that could change the timing or amount of contractual cash flows**

- The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.

Application of these amendments have no significant impact on the Company's financial statements.

**3.4 Standards, amendments to standards and interpretations becoming effective in future periods but not relevant**

There are certain new standards, amendments to standards and interpretations that are effective from different future periods as specified therein, but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

**3.5 Standards issued by IASB but not applicable in Pakistan**

Following new standards have been issued by IASB which are not yet notified by the SECP for the purpose of applicability in Pakistan:

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

**4 MATERIAL ACCOUNTING POLICY INFORMATION**

**4.1 Property and equipment**

These are stated at cost less accumulated depreciation and accumulated impairment loss, if any, except freehold land, which is stated at cost less impairment in value, if any.

Depreciation is charged to statement of profit or loss using reducing balance method at the rates specified in relevant note to the financial statements. Depreciation on additions is charged from the month in which the asset is available for use while no depreciation is charged for the month in which an asset is disposed off. Assets residual values, useful lives and depreciation rates are reviewed, and adjusted, if appropriate at each reporting date.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred, while major renewals and improvements are capitalized. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

**4.2 Intangible assets**

**4.2.1 Concession intangible assets**

Concession intangible assets correspond to the right of the concession holder to bill users of a public service in return for construction services provided by it to the concession grantor under public service contracts in accordance with IFRIC 12 - Service Concession Arrangement.

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The concession intangible asset is recognized at construction cost of the concession infrastructure less amortization and impairment, if any. It is amortized over the Concession Agreement term in accordance with an appropriate method reflecting the rate of consumption of the concession asset's economic benefits as from the date the infrastructure is brought in to service.

**4.2.2 Other Intangible assets**

Expenditure incurred to acquire computer software are capitalized as intangible assets and stated at cost, which comprises purchase price, non refundable purchase taxes and the directly attributable expenditures in relation to their implementation and customization. These are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangibles with finite useful lives are amortized over useful economic life at rates specified in Note 7 to these financial statement using reducing balance method and assessed for impairment whenever there is indication that the intangible asset may be impaired. In respect of additions and deletions of intangible assets during the period, amortization is charged from the month of acquisition and up to the month preceding the deletion, respectively.

**4.3 Impairment of non-financial assets**

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized, as an expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a pre tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets for which the estimate of future cash flows have not been adjusted. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized previously. Reversal of an impairment loss is recognized immediately in the statement of profit or loss.

**4.4 Financial instruments**

**4.4.1 Financial assets**

**Initial measurement**

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.



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A financial asset is initially measured at fair value plus transaction costs that are directly attributable to its acquisition, except FVTPL which is measured at fair value.

**Subsequent measurement**

The subsequent measurement of financial assets depends on their classification, as follows:

**Debt Investments at FVOCI**

These assets are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

**Equity Investments at FVOCI**

These assets are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income and are never reclassified to the statement of profit or loss. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

**Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest markup or dividend income, are recognized in the statement of profit or loss.

**Financial assets measured at amortized cost**

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

**Non-derivative financial assets**

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalents.

**Derecognition**

The Company derecognizes the financial assets when the contractual rights to the cash flows from the assets expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred assets.



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**4.4.2 Financial liabilities**

**Initial recognition**

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs.

**Subsequent measurement**

The subsequent measurement of financial liabilities depends on their classification, as follows:

**Fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

**Other financial liabilities**

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate of amortization process.

**Derecognition**

The Company derecognizes financial liabilities when and only when the Company's obligations are discharged, cancelled or expire.

**4.4.3 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

**4.4.4 Impairment of financial assets**

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, 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 balance 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.



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Loss allowances for receivables are always measured at an amount equal to lifetime ECLs. 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 year of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month 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 year if the expected life of the instrument is less than 12 months). The maximum year considered when estimating ECLs is the maximum contractual year over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortized 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 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.

**4.5 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts.

**4.6 Loans, advances and other receivables**

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

**4.7 Trade and other payables**

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 goods and services received, whether or not billed to the Company.

**4.8 Defined contribution plan - provident fund**

The Company operates a provident fund for all its permanent employees. Equal monthly contributions are made to the fund both by the Company and the employees. All permanent employees are eligible to opt for provident fund. Obligation for contributions to defined contribution plan is recognised as an expense in the statement of profit or loss as and when incurred.



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**4.9 Revenue recognition**

Revenue is recognized 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 this purpose, the Company:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration, if any, and the time value of money;
- allocates the transaction price to the separate performance obligations, if applicable, on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer of control of the goods or services promised to the customer.

Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Company generates its revenue principally by toll collection which generally include a single performance obligation. Revenue is recognized on the following basis:

- Toll collection income is recognized at a point in time on issuance of toll tickets and smart cards.
- Revenue from rendering of project services is recognised when the company satisfies the performance obligation overtime generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.
- Profit on bank deposits is recognized on time proportionate basis.

**4.10 Taxation**

**4.10.1 Current tax**

Provision of current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits and tax rebates available under the law.

**4.10.2 Deferred tax**

Deferred tax is provided using the liability method for all temporary differences at the reporting date 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 ,carry forward tax losses and unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.



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Deferred tax is charged or credited in the income statement, except in case of items credited or charged to equity in which case it is included in equity.

**4.11 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the year in which they are incurred.

**4.12 Provisions**

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

**4.13 Related party transactions**

Transactions with related parties are carried out on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price methods which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer un-related to the seller. Transactions other than at arms length are approved by the Board on proper justification. Company maintained cars are provided to directors.



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5	PROPERTY AND EQUIPMENT	Freehold land	Furniture and fixtures	Machinery and equipment	Computer equipment	Office equipment	Vehicles	Total
		Rupees						
At July 01, 2023								
	Cost	30,000,000	859,945	6,038,831	626,132	1,932,214	11,689,861	51,146,983
	Accumulated depreciation	-	(778,689)	(4,967,562)	(621,943)	(1,128,910)	(10,604,741)	(18,401,845)
	Net book value	30,000,000	81,256	1,071,269	4,189	503,304	1,085,120	32,745,138
Year ended June 30, 2024								
	Opening net book value	30,000,000	81,256	1,071,269	4,189	503,304	1,085,120	32,745,138
	Disposal	(30,000,000)	-	-	-	-	-	(30,000,000)
	Depreciation charge	-	(12,188)	(160,690)	(1,256)	(75,496)	(162,768)	(412,398)
	Closing net book value	-	69,068	910,579	2,933	427,808	922,352	2,332,740
As at June 30, 2024								
	Cost	-	859,945	6,038,831	626,132	1,932,214	11,689,861	21,146,983
	Accumulated depreciation	-	(790,877)	(5,128,252)	(623,199)	(1,504,406)	(10,767,509)	(18,814,243)
	Net book value	-	69,068	910,579	2,933	427,808	922,352	2,332,740
Year ended June 30, 2025								
	Opening net book value	-	69,068	910,579	2,933	427,808	922,352	2,332,740
	Additions	-	-	-	-	-	26,694,000	26,694,000
	Depreciation charge	-	(10,359)	(136,586)	(879)	(64,170)	(3,485,382)	(3,697,376)
	Closing net book value	-	58,709	773,993	2,054	363,638	24,130,970	25,329,364
As at June 30, 2025								
	Cost	-	859,945	6,038,831	626,132	1,932,214	38,383,861	47,840,983
	Accumulated depreciation	-	(801,236)	(5,264,838)	(624,078)	(1,568,576)	(14,252,891)	(22,511,619)
	Net book value	-	58,709	773,993	2,054	363,638	24,130,970	25,329,364
Annual rate of depreciation								
		15%	15%	30%	15%	20%		

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5.1 Disposal of fixed assets	2024
	Rupees
Sale Proceeds	166,100,000
Carrying value (at cost)	(30,000,000)
Ancillary cost	(1,570,480)
Gain on sale of fixed asset	<u>134,529,520</u>

Free hold land (81 Kanal and 18 Marla) was sold to Frontier world Organization (Parent) at arms length basis.

**5.2** The Company reviews the estimated useful lives of its property, plant, and equipment at each financial year-end.

During the current year, the estimated useful lives of the vehicles were re-assessed. After having considered a change in the actual usage patterns of the vehicle fleet, the Company has determined that the assets are being utilized more intensively, leading to a higher rate of economic consumption. Consequently, the annual depreciation rate has been revised from 15% to 20%. This change in estimate is effective from 1 July 2024 and has been accounted for prospectively in accordance with IAS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The future amount of profit/loss will be affected to the extent of difference in the current year.

Impact of re-assessment on the financial statements is discussed below:

	2025
	Rupees
<b>Increase / (decrease) in</b>	
<b>Statement of financial position</b>	
Accumulated (loss)/profit	(618,655)
Property and equipment	(871,345)
Deferred tax liability	(252,690)
<b>Statement of comprehensive income</b>	
Administrative and general expenses	871,345
Provision for taxation	(252,690)
(Loss)/profit for the year	(618,655)

6 CONCESSION INTANGIBLE ASSETS	Note	2025	2024
		Rupees	Rupees
Cost		1,036,219,797	1,036,219,797
Accumulated amortization		(738,966,059)	(691,865,159)
Written down value	6.1	<u>297,253,738</u>	<u>344,354,638</u>
<b>6.1 Reconciliation of written down value</b>			
Opening balance		344,354,638	391,455,538
Amortization charge for the year		(47,100,900)	(47,100,900)
Closing Balance		<u>297,253,738</u>	<u>344,354,638</u>

**6.2** These are amortized over the concession agreement term of 22 years.

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7 OTHER INTANGIBLE ASSETS	Note	2025 Rupees	2024 Rupees
<b>Software</b>			
Cost		80,000	80,000
Accumulated amortization		(65,917)	(64,352)
Written down value	7.1	<u>14,083</u>	<u>15,648</u>
<b>7.1 Reconciliation of written down value</b>			
Opening balance		15,648	17,386
Amortization charge for the year		(1,565)	(1,738)
Closing Balance		<u>14,083</u>	<u>15,648</u>
Amortization rate		10%	10%

8 LONG TERM DEPOSITS	Note	2025 Rupees	2024 Rupees
Against utilities		386,200	386,200
Call deposit	8.1	500,000	500,000
		<u>886,200</u>	<u>886,200</u>

**8.1** This is paid to Military Engineering Services (MES) to enlist the Company with MES.

9 AMOUNT DUE FROM CUSTOMER - NET	Note	2025 Rupees	2024 Rupees
<b>Unsecured - Considered doubtful</b>			
Un-billed contract cost	9.1	25,261,112	25,261,112
Retention money receivable		14,449,997	14,449,997
Advance from customer		(18,189,035)	(18,189,035)
		<u>21,522,074</u>	<u>21,522,074</u>
Less: Provision for doubtful balances		(21,522,074)	(21,522,074)
		<u>-</u>	<u>-</u>

**9.1** The Company entered into a contract with Engineering Cooperative Housing Society (the society) on June 20, 2008 for the construction of roads and development of sector M and commercial section of the Society. The society has refused to make the payment against the Interim Payment Certificates and suspended the contract due to various matters. A civil suit against the society has been filed for seeking an arbitration. However, the matter is still pending at court.

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10 ADVANCES AND OTHER RECEIVABLES	Note	2025 Rupees	2024 Rupees
Advances - Considered good			
To contractor - the parent	10.1	18,798,818	26,160,780
For expenses		800,000	-
Income tax		21,487,221	56,845,610
Prepayments		711,336	-
Retention money		2,062,949	2,062,949
Considered doubtful			
To contractor		1,687,073	1,687,073
Provision for doubtful balance		(1,687,073)	(1,687,073)
		-	-
		<u>43,860,324</u>	<u>85,069,339</u>
<b>10.1 Advance to contractor - the parent</b>			
Balance at the beginning of the year		26,160,780	(2,234,062)
Toll Management Fee		(103,784,160)	(78,555,043)
Advance paid for purchase of fixed assets		28,047,330	12,473,373
Dividend declared during the year		-	(126,000,000)
Amount paid during the year		68,374,868	220,476,512
Balance at end of the year		<u>18,798,818</u>	<u>26,160,780</u>

The maximum aggregate amount outstanding during the year was Rs. 56 million (2024: Rs. 45 million).

11 CASH AND BANK BALANCES	Note	2025 Rupees	2024 Rupees
Cash in Hand		72,788	43,296
Cash at bank			
In current account		4,721,778	2,740,830
In saving account	11.1	211,652,351	201,057,711
		<u>216,374,129</u>	<u>203,798,541</u>
		<u>216,446,917</u>	<u>203,841,837</u>

**11.1** It subjects to profit at the average rate of 13.65% per annum (2024: 20.50% per annum).

12 SHARE CAPITAL AND RESERVE	2025 Rupees	2024 Rupees
<b>12.1 Authorized share capital</b>		
45,000,000 ordinary shares of Rs.10/- each	<u>450,000,000</u>	<u>450,000,000</u>
<b>12.2 Issued, subscribed and paid-up</b>		
45,000,000 ordinary shares of Rs.10/- each fully paid in cash	<u>450,000,000</u>	<u>450,000,000</u>

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**12.3** 44,999,997 shares (2024 : 44,999,997) shares are held by the Parent - M/S Frontier Works Organization.

13 DEFERRED TAX LIABILITY		2025	2024
		Rupees	Rupees
	Opening balance	49,303,121	64,829,107
	Recognized in statement of profit or loss	(16,300,272)	(15,525,986)
	Closing balance	33,002,849	49,303,121

**13.1 Components of deferred tax**

Taxable/(deductible) temporary differences in respect of;			
	Accelerated tax depreciation	57,564,862	67,840,489
	Provision for restoration of lakpass tunnel	(24,562,013)	(18,537,368)
		33,002,849	49,303,121

14 PROVISION FOR RESTORATION OF THE LAKPASS TUNNEL	Note	2025	2024
		Rupees	Rupees
	Opening balance	63,921,959	45,227,801
	Provision for the year	20,774,638	18,694,158
	Closing balance	84,696,597	63,921,959

**14.1** As per Concession Agreement, the next structural overlay is to be undertaken during the financial year 2028. The Company is recognizing provision in accordance with the requirements of IFRIC 12 - Service Concession Arrangements on the basis of estimated expected cost of the overlay.

15 TRADE AND OTHER PAYABLES	Note	2025	2024
		Rupees	Rupees
	Due to the Parent	1,941,307	1,941,307
	Retention money payable	4,668,182	4,501,748
	Accrued liabilities	930,025	3,867,895
	Withholding tax payable	2,600	64,399
	Payable to provident fund	791,926	372,814
		8,334,040	10,748,163

**15.1** The amount is unsecured, interest free and repayable on demand.

**15.2** This includes Rs. 2,479,824/- (2024: 2,479,824/-) payable to a related party.

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16 OTHER INCOME		2025	2024
		Rupees	Rupees
Profit on bank deposits		22,428,551	41,039,912
Rent of billboard		5,322,884	496,923
Gain on sale of fixed asset		-	134,529,520
Others		52,000	353,139
		<u>27,803,435</u>	<u>176,419,494</u>

17 OPERATING EXPENSES		Note	2025	2024
			Rupees	Rupees
Toll management fee	17.1		103,784,160	78,555,043
Amortization	6.1		47,100,900	47,100,900
Repairs and maintainence			138,621,607	47,468,314
Other expenses			21,625,973	15,800,594
			<u>311,132,640</u>	<u>188,924,851</u>

**17.1** This management fee is being paid to the Parent as per Operation and Management Agreement (OMA) signed between the Company and the Parent.

18 ADMINISTRATIVE AND GENERAL EXPENSES		Note	2025	2024
			Rupees	Rupees
Legal and professional			6,401,603	1,253,944
Salary, wages and other benefits			2,095,106	1,920,636
Depreciation	5		3,697,376	412,398
Audit fee			834,350	759,700
Travelling and conveyance			474,682	126,220
Repair and Maintainence			292,570	-
Insurance expense			273,703	-
Fee and subscription			42,400	23,286
Bank charges			615	1,063
Amortization	7		1,565	1,738
Communication			9,000	1,100
Printing and stationery			46,800	2,600
Miscellaneous			92,950	-
			<u>14,262,720</u>	<u>4,502,685</u>

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19 PROVISION FOR TAXATION	2025	2024
	Rupees	Rupees
Current tax		
For the period	9,981,057	46,494,990
Prior period	2,784,905	46,516
	<u>12,765,962</u>	<u>46,541,506</u>
Deferred tax	(16,300,272)	(15,525,986)
19.1	<u>(3,534,310)</u>	<u>31,015,520</u>

**19.1 Relationship between accounting profit and tax expense**

(Loss)/profit before provision for taxation	<u>(21,790,396)</u>	<u>235,945,550</u>
Tax on accounting profit at the applicable tax rate of 29%	(6,319,215)	68,424,210
Tax effect of:		
Expenses that are inadmissible in determining taxable profit	20,756,599	(19,812,895)
Expenses that are admissible in determining taxable profit	(4,456,327)	(3,666,158)
Prior period tax adjustment	2,784,905	46,516
Super Tax	-	1,549,833
Deferred tax	(16,300,272)	(15,525,986)
	<u>(3,534,310)</u>	<u>31,015,520</u>

**20 TRANSACTIONS WITH RELATED PARTIES**

The Company in the normal course of business carries out transactions with various related parties which comprise the Parent, associated companies, chief executive officer and directors. Detail of transactions with related parties, which are disclosed in relevant notes to these financial statements.

**21 NUMBER OF EMPLOYEES**

Total number of employees at year end were 7 (2024: 7) and average number of employees for the year were 7 (2024: 7).

**22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company finances its operations through the mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimize risk. The overall risk management is carried out by the finance department under oversight of the Board of Directors in line with the policies approved by the Board.

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22.1 Financial instruments by category	2025	2024
	Rupees	Rupees

**Financial assets at amortised cost :**

Long term deposits	886,200	886,200
Advances and other receivables	20,861,767	28,223,729
Cash and bank balances	216,446,917	203,841,837
	<u>238,194,884</u>	<u>232,951,766</u>

**Financial liabilities at amortised cost :**

Provision for restoration of the Lakpass Tunnel	84,696,597	63,921,959
Trade and other payables	7,539,514	10,310,950
	<u>92,236,111</u>	<u>74,232,909</u>

**22.2 Financial instruments and related disclosures**

The Company's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). Risks measured and managed by the Company are explained below :

**22.2.1 Credit risk and concentration of credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk at the reporting date is as follows:

	2025	2024
	Rupees	Rupees
Long term deposits	886,200	886,200
Advances and other receivables	20,861,767	28,223,729
Bank balances	216,374,129	203,841,837
	<u>238,122,096</u>	<u>232,951,766</u>

Due to Company's longstanding relations with counterparties and after giving due consideration to their financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company.

Based on the past experience and taking into consideration, the financial position, and previous record of recoveries, the Company believes that above balances do not require any impairment. The credit risk exposure is limited in respect of bank balances as bank balances are placed with local banks having good credit rating. There are no past due amount at the period end.

**IBEX CONSTRUCTION (PRIVATE) LIMITED**  
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**22.2.2 Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity risk is to maintain sufficient level of liquidity by holding highly liquid assets and maintaining adequate reserve borrowing facilities. This includes maintenance of balance sheet liquidity ratios through working capital management. All financial liabilities of the Project are due to mature within one year from the reporting date, except for 'Provision for restoration of Lakpass Tunnel', for which refer to note 14.

The contractual cash flows relating to mark up have been determined on the basis of mark-up applicable as at the year end. The Company has liquid assets of Rs. 237.31 million (2024: Rs. 232.07 million) as at reporting date and financial support from the Parent to manage the liquidity risk.

**22.2.3 Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Project'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 returns.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to any significant interest rate risk. The interest rate profile of the Company's interest bearing financial instruments is presented in relevant notes to the financial statements.

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

The Company does not account for any variable rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not affect profit and loss account.

**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. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. The Company is not exposed to currency risk.

**Equity price risk**

Trading and investing in quoted equity securities give rise to equity price risk. The Company is not exposed to equity price risk.



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**IBEX CONSTRUCTION (PRIVATE) LIMITED**  
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**22.2.4 Fair values of financial instruments**

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

The carrying values of all the financial assets and financial liabilities reported in the financial statements approximate their fair values.

**22.3 Capital risk management**

The Company's objectives when managing capital are to safeguard the Project's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may obtain/repay long term financing from/to the Parent.

The Company manages its capital by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount by issue of new shares. The Company also monitors capital using a gearing ratio, which is net debt, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt.

To manage this risk, the management has formulated a plan to control cost without adversely affecting efficiency and is implementing the same, which has resulted in profits in the recent periods. The Parent has also undertaken to support the Company and to provide financial assistance, if needed.

**23 DATE OF AUTHORIZATION FOR ISSUE**

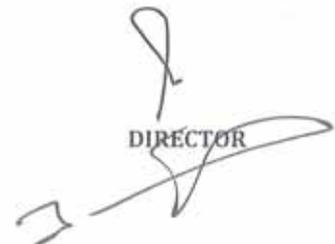
These financial statements have been authorized for issue by the Board of Directors of the Company on 06 OCT 2025.

**24 GENERAL**

**24.1** Figures have been rounded off to the nearest Rupees.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR