



TransPeshawar (The Urban Mobility Company)
A company set up under section 42 of the companies ordinance, 2017

Annual Report 2022-23

TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)

ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023



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1. COMPANY PROFILE

The Government of Khyber Pakhtunkhwa (GoKP) has been working over the last few years to develop institutional structure for urban renewal, which is responsive to the 21st century with a focus initially on Peshawar. Peshawar is a city of over 2 million with the population expected to increase to 3 million by 2030.

One of the major problems in urban mobility is the lack of quality transport, which hinders economic development, and impacts the quality of life on daily basis. The current provision of transport is mainly provided by informal public transport facilities composed mainly of large and medium size buses and popular pick-ups. These provide 70% of the total transport demand but represent only 43% of the traffic. The bus fleet is in decay, bus stops are rudimentary, ticketing system is obsolete; operators compete for passengers worsening congestion and impairing safety particularly for female and young passengers.

The organizational framework for urban transport is fragmented with overlapping responsibilities between provincial and local/district level with at least 14 departments/ agencies involved with their own priorities. Transforming transport as part of urban renewal can assist and act as incentive for inward investment and economic regeneration.

CDIA (City Development Initiatives for Asia) in 2014 provided support to the GoKP to assist with the institutional legislation and framework and link the Peshawar BRT to ADB financing. This was completed in December 2014, this TA (Technical Assistance) provided to GoKP with draft Legislation and supporting documentation for the establishment of the Khyber Pakhtunkhwa Urban Mobility Authority (KPUMA) and the TransPeshawar Company (TPC).

As a result of the above the Government of Khyber Pakhtunkhwa (GoKP) in order to take a strategic approach to urban development including the introduction of a modern BRT system, has put in place a robust institutional framework. The GoKP has streamlined the institutional framework by passing legislation in the Provincial Assembly establishing Khyber Pakhtunkhwa Urban Mobility Authority (KPUMA) and the TransPeshawar Company (The Urban Mobility Company). KPUMA has province-wide remit and is responsible for the development of policies and regulations, planning, coordination, project preparation and funding for all projects related to urban transport system including mass transit, parking, non-motorized transport (NMT) etc. KPUMA board includes representatives from all major municipal and provincial government agencies.

TransPeshawar (The Urban Mobility Company) "the Company" was incorporated on February 09, 2017 as a company limited by guarantee under section 42 of the Repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The primary object to carry out the project implementation, management and maintenance of urban rapid transit project in Peshawar (Peshawar Sustainable Bus Rapid Transit Corridor Project), assigned by the Khyber Pakhtunkhwa Urban Mobility Authority (KPUMA) for the benefits of public at large, organize training programs for selected bus operators and bus drivers. The Company is wholly owned and controlled by the Government of Khyber Pakhtunkhwa.



2. VISION AND MISSION STATEMENTS

To enhance the urban mobility of residents of Peshawar through bringing new standards for public transport to the residents of Peshawar, we have the following mission,

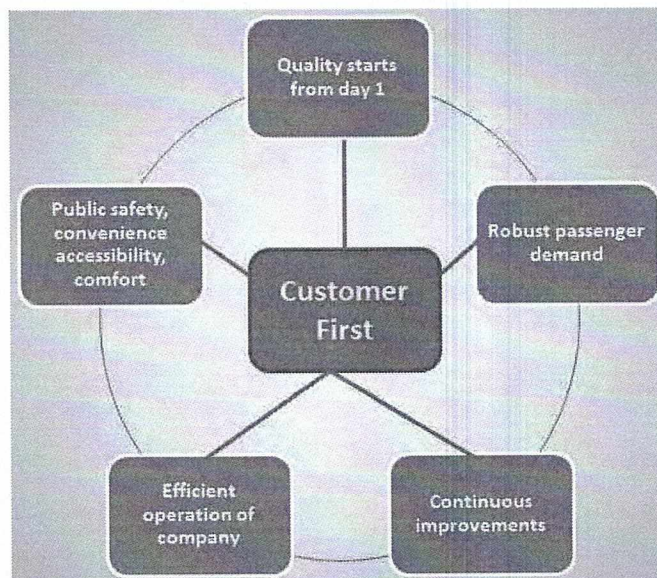
"TransPeshawar operates as a cohesive, transparent and professional company to provide a safe, affordable, financially sustainable and efficient public transport system for Peshawar and which places the needs of the passenger as our top priority".

For this, the system will be accessible for all, and the service standards provided will be consistent with the contract conditions as set by TransPeshawar. All Company staff will work as a single unified team where the end results speak for themselves. For this to be achieved all staff members will support each other, respect each other's views and make decisions which are based on fact and in the best interests of the passenger market – our customers, who ultimately, we are here to serve.

3. STATEMENT OF ETHICS AND BUSINESS PRACTICES

To conduct ourselves professionally in a courteous manner consistent with the following guidelines:

- i. Deliver the Declared Project on behalf of KPUMA for the overall benefit of the residents. For the infrastructure and system components, quality of construction and equipment will ultimately determine ongoing maintenance costs. Therefore, quality starts from day one of the construction and system component procurement contracts.
- ii. Our minds are focused on efficiency where we minimise/eliminate the need for operating subsidies by ensuring a financially sustainable preventative maintenance program is implemented and maintained, ensure passenger demand is robust and increases over time and ensure unnecessary overheads are eliminated.
- iii. We ensure public safety, convenience, accessibility and comfort is the priority for all. For this, we will ensure the provision of high quality and reliable transit services at all times.
- iv. We will always remain customer focused and work in partnership with the community. They are the essence of our existence and we will engage with them as necessary to (i) understand their needs, (ii) identify future opportunities for market growth and (iii) build the trust needed to enable our services to become the first mode choice of transport by all, irrespective of economic or social standing.
- v. Our Company services and operations are efficient, while using the most appropriate technology, equipment and service planning available. In helping build customer satisfaction and trust levels, we will readily accept new innovations in technologies, communications, and processes to ensure efficiency and a customer focus.
- vi. We will use the results of regular customer feedback and survey results to improve our services, ensure high level of customer and community satisfaction is maintained.
- vii. We will maintain a creative and safe workplace where each team member has the opportunity to excel.
- viii. We will recognise and reward the efforts of our team members who excel in delivering on our nominated values, code of conduct and operating philosophy.
- ix. We are an equal opportunity employer.



4. CODE OF CONDUCT.

Our code of conduct reflects to a large degree, our level of commitment to our mission and our values. The key metrics are:

- i. Commitment to service – at all times we commit ourselves to delivering our Vision and adherence to our values. If we observe an emerging event which will or may have a negative impact on our performance or on that of the passengers, we let our fellow team members know so that appropriate measures can be taken to address the matter.
- ii. Accountability- let us all acknowledge our responsibility to assist in achieving our Vision. Each has a role to play and for this, we are accountable for our actions or non-actions. Therefore, be proactive and seek to deliver excellence in every-thing we do.
- iii. Law abiding – we all comply with the local and National laws and regulations both in spirit and to the letter. In this respect, we conduct our business with honesty and integrity.
- iv. Leadership – we have the opportunity to provide leadership in managing the first ever third generation BRT system in South Asia. Let us not waste this opportunity. For the company, team leadership will be inclusive and as per our values so that all are encouraged to excel in their specific areas of responsibility.
- v. Understanding – we will strive to fully understand the latest best practice standards of urban mobility planning, implementation, operations, monitoring and maintenance. For this, we shall convene regular team training sessions where latest trends and innovations are shared so that where relevant, such innovations can be applied to our operations.
- vi. Trust – we as professionals require trust and must offer it in return. It is a two-way street. For this, honesty is the underpinning principle we will follow in order to maintain this trust. If we are not aware of an issue, or are not able to find an answer to a problem or an issue, admit it and in accordance with our Company values, the relevant assistance will be provided in a co-operative and inclusive manner as per our Company values.
- vii. Empathy and Tolerance – for many of us, a financially sustainable third generation BRT system is a new experience. So, let us all recognise this and display the degree of empathy and tolerance needed during the initial period of Company establishment and BRT operations so that we are all able to work with the necessary commitment, be innovative and results oriented.



5. CORE VALUES

Our values are simple. By adhering to them, we can achieve our mission, and be a respected entity. They are:

- i. Integrity and respect – act with integrity at all times. We treat others in our team and our customers (the passengers) as we would like to be treated ourselves. With integrity and respect, irrespective of our gender or our position within the Company team. The same applies to the passengers on our services.
- ii. Fact not fiction drives our decisions – Rely on real facts at all times. If we do not know the answer to an issue – admit it and then commit to undertake the necessary assessment to obtain the answer. Then, there is a justifiable case for the decision to be made.
- iii. Innovation – innovation will drive the Company forward. We do not rely on previous out of date data, processes, or technology. We will be at the forefront of these aspects in accordance with the National Transport Policy and be a leading light for urban mobility related entities in Khyber Pakhtunkhwa.
- iv. Results oriented – focus on the needs of the passenger at all times as ultimately our success will be determined by, growth of passenger numbers, mode share and passenger satisfaction levels. This will also assist in maintaining the financial sustainability of the system and a lack of reliance on subsidies for operations.
- v. Teamwork and seamless communication - this is essential if we are to optimise our results. For this, we help each other where required and engage in seamless communication where all data and information is to be shared across the team willingly and in a timely manner. We do not condone the mindset that “knowledge is power”. If assistance is required, we encourage all team members to ask so that the answers and solutions are derived and everyone benefits.



6. CORPORATE INFORMATION

The Government of Khyber Pakhtunkhwa during the year has made few changes in the Board structure of TransPeshawar in order to make the Board more robust and efficient. These changes were made vide Transport and Mass Transit Department Notification No SO(D)/TD/6-33/2022/TransPeshawar BoD/1731-40 dated 04.11.2023 through which four (04) positions were removed and one new position added. Details are as under:

S/No	Previous Board members	Members retired	Members added	New Board structure
1.	Additional Chief Secretary	-	-	Additional Chief Secretary
2.	Commissioner Peshawar	-	-	Commissioner Peshawar
3.	Secretary Transport and Mass Transit Department	-	-	Secretary Transport and Mass Transit Department
4.	DG Peshawar Development Authority	-	-	DG Peshawar Development Authority
5.	Additional Secretary (Budget) Finance Deptt.	-	-	Additional Secretary (Budget) Finance Deptt.
6.	Chief Economist	Chief Economist	-	-
7.	SSP Traffic	SSP Traffic	-	-
8.	Executive Director, Urban Policy Unit	Executive Director, Urban Policy Unit	-	-
9.	District Nazim Peshawar	District Nazim Peshawar	-	-
10.	-	-	MD Khyber-Pakhtunkhwa Urban Mobility Authority	MD Khyber-Pakhtunkhwa Urban Mobility Authority
11.	CEO TransPeshawar	-	-	CEO TransPeshawar
12.	Mr Dilroze Khan	-	-	Mr Dilroze Khan
13.	Mr Isaac Ali Qazi	-	-	Mr Isaac Ali Qazi
14.	Engr Dr Rashid Rehan	-	-	Engr Dr Rashid Rehan
15.	Mr Muhammad Ishfaq Khattak	-	-	Mr Muhammad Ishfaq Khattak
16.	Company Secretary	-	-	Company Secretary



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BOARD OF DIRECTORS

Mr. Zubair Asghar Qureshi (ACS)
Chairman BoD
Mr. Muhammad Zubair (Commissioner Peshawar)
Ex Officio, Non-Executive Director
Mr. Zaka Ullah Khattak (Secretary TMTD)
Ex Officio, Non-Executive Director
Ms. Riaz Ali (DG PDA)
Ex Officio, Non-Executive Director
Mr. Wasif Rehman (AS (Budget) Finance Deptt)
Ex Officio, Non-Executive Director
Mr. Zaka Ullah Khattak (MD KPUMA)
Ex Officio, Non-Executive Director
Mr. Dilroze Khan
Independent Director
Mr. Isaac Ali Qazi
Independent Director
Mr. Rashid Rehan
Non-Executive Director
Mr. Muhammad Ishfaq Khattak
Independent Director
Mr. Shah Saud
Executive Director

COMPANY SECRETARY

Mr. Muhammad Aamir Noor, ACA
T: +92-91-2621393-5



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REGISTERED OFFICE

1st Floor, KPUMA Building, Main BRT Depot, Near NHA Complex, Chamkani, Peshawar, Pakistan.

T: + 92-91-2621393-5

www.transpeshawar.pk

CHIEF FINANCIAL OFFICER

Mr. Safdar Shabir Awan, FCA

T: +92-91-2621393-5

AUDITORS

Rizwan and Company Chartered Accountants

Office No 02, 3rd Floor, Executive Complex, G 8 Markaz, Islamabad.

T: +92-51-844563

BANKERS

Bank of Khyber (BoK)

National Bank of Pakistan

LEGAL ADVISOR

Mr. Waseem Ud Din Khattak

Flat No. 5, 3rd Floor, Tasneem Plaza,

Peshawar Cantt.

T: +92-3339400366



7. BOARD AND BOARD COMMITTEES' MEETINGS AND ATTENDANCE

7.1 Board of Directors Meetings and Attendance:

The Board of Directors held three (03) meetings during the year ended June 30, 2023 to oversee the activities of the Company. The attendance record of Directors at the meetings are as follows;

Director Name	Attendance
Additional Chief Secretary	3/3
Commissioner Peshawar	2/3
Secretary Transport and Mass Transit Department	3/3
DG Peshawar Development Authority	3/3
MD KPUMA	2/3
Additional Secretary Finance	3/3
Chief Economist	0/1
SSP Traffic	1/1
Executive Director, Urban Policy Unit	0/1
Mr. Dilroze Khan	1/3
District Nazim (Additional charge with DC Peshawar)	0/1
Mr. Isaac Ali Qazi	1/3
Dr. Rashid Rehan	2/3
CEO TransPeshawar	3/3
Mr. Muhammad Ishfaq Khattak	3/3

Audit Committee Meetings and Attendance

The Board Audit Committee held one (01) meeting during the year ended June 30, 2023

Director Name	Attendance
Mr. Dilroze Khan	1/1
Secretary Transport & Mass Transit	0/1
Mr. Isaac Ali Qazi	1/1
Additional Secretary Finance	1/1

Salient Features and Terms of Reference of Audit Committee

The Audit Committee is, among other things, responsible for recommending to the Board of Directors the appointment of external auditors by Company's shareholders and considers any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the

Company in addition to audit of its financial statements. In the absence of strong grounds to proceed otherwise, the Board of Directors acts in accordance with the recommendations of the Audit Committee in the following matters:

- Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision by external auditors of any service to the Company in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the Committee in all these matters and where it acts otherwise, it shall record the reasons thereof.
- Determination of appropriate measures to safeguard the Company's assets.
- Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors.
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
- Ensuring co-ordination between the internal and external auditors of the Company.
- Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption, abuse of power, criminal activities, and management's response thereto.
- Determination of compliance with International Financial Reporting Standards as applicable in Pakistan and other relevant statutory requirements including SROs, notifications and departmental orders where applicable.
- Monitoring compliance with best practices of Public Sector Companies (Corporate Governance) Rules, 2013 and identification of significant violations thereof.
- The details of all related party transactions shall be placed before the Committee and upon recommendations of the Committee, the same shall be placed before the board for review and approval.
- The related party transactions which are not executed at arm's length price / fair market values shall also be placed



separately at each board meeting along with necessary justification for consideration and approval of the board on recommendation of the Committee.

- Assess and analyze all critical accounting policies and practices, compliance with the practices of code of corporate governance, compliance with financing terms, Statutory filings etc.
- Review of all alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
- Other material written communications between the independent auditor and management, including, but not limited to, the management letter and schedule of unadjusted differences.
- At least annually, obtain and review a report by the independent auditor.
- In consultation with the independent auditor and the internal audit function, review the integrity of the company's financial reporting processes.
- Periodically review the adequacy and effectiveness of the company's disclosure controls and procedures and the company's internal control over financial reporting, including any significant deficiencies and significant changes in internal controls.
- Review analysis prepared by management and the independent auditor setting forth significant financial reporting issues and judgments made about the preparation of the financial statements, including analysis of the effects of alternative.
- Review, with management, the company's finance function, including its budget, organization, and quality of personnel.
- Conduct an annual performance assessment relative to the audit committee's purpose, duties, and responsibilities outlined.
- Assess and analyze that sufficient system and risk management framework is in place to manage both the strategic and operational risks and operating sufficiently and effectively to identify new or emerging risks and communicate properly.
- Perform any other activities consistent with this charter, the company's bylaws, and governing laws that the board or committee determines are necessary or appropriate.

7.2 Nomination Committee Meetings and Attendance

The Board Nomination Committee held no meeting during the year ended June 30, 2023.

Director Name	Attendance
Additional Chief Secretary (Chairman)	0/0
Mr. Dilroze Khan	0/0
District Nazim (Additional Charge with DC Peshawar)	0/0

Salient Features and Terms of Reference of Nomination Committee

- To review the structure, size and composition (including the skills, knowledge, experience and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.
- To develop a panel of experts and to identify individuals, based on minimum eligibility criteria and qualification, to become independent members of the Board and to make recommendations to the Board in this regard.
- To assess the independence of independent non-executive Directors.
- To make recommendations to the Board on succession planning for Directors, in particular, the Chairman and the Chief Executive Officer
- To review and make recommendations to the Board on appointment of members of any other Board Committee, including appointment of market experts/professionals, as mandated by the Board.
- Keep under review the leadership needs of the organization, both executive and non-executive with a view to ensuring the continued ability of the organization to compete effectively in the marketplace; to arrange orientation and training programs for members of the Board.
- To devise remuneration policies and remuneration for the directors and market experts/professionals.
- To carry out any other function that may be mutually agreed upon by the Committee and the Board.

7.3 Procurement Committee Meetings and Attendance

The Board Procurement Committee held one meeting during the year ended June 30, 2023.

Director Name	Attendance
DG Peshawar Development Authority	1/1
Mr. Dilroze Khan	1/1
CEO TransPeshawar	1/1



Executive Director Urban Policy Unit	1/1
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Salient Features and Terms of Reference of Procurement Committee

- Serves as an advisory forum to suggest measures to streamline the procurement of goods and services.
- Review and recommend special cases of procurement referred by procurement committee of the management for seeking directives of the Committee.
- To ensure higher level of fairness, transparency, integrity, economy and effectiveness for all procurement to fulfil the requirements within the KPPRA Rules and ADB procurement guidelines or other donor agencies as the case may be.
- Identify, review and approve new and innovative procurement practices/ strategies to strengthen, streamline and speedup the procurement process to achieve value for money in delivering the corporate strategies and strategic priorities.
- Review and approve annual procurement plan.
- Review and approve RFP, Tender Documents for projects/tenders which are beyond the limit of management of the Company.
- Periodically review to ensure that the procurements made within limit of management of the Company, over the period, have followed the principles of transparency, economy, value for money and accountability.
- To review and recommend the financial thresholds relating to procurement/contracting of goods, works and services.
- To recommend contract award, contract amendments for the procurement of goods, works or services on periodic basis to the Board of Directors which are beyond the limits of management of the Company.
- To review the performance of contractors, suppliers and consultants who have provided works, goods and services on periodic basis.
- Assign any other tasks assigned by the Board of Directors of TransPeshawar.

7.4 HR Committee Meetings and Attendance

The Board Human Resource Committee held one (01) meeting during the year ended June 30, 2023.

Director Name	Attendance
Mr. Isaac Ali Qazi	1/1
Commissioner Peshawar	1/1
Secretary TMTD	1/1
CEO TransPeshawar	1/1

Salient Features and Terms of Reference of Human Resource Committee

- Finalization of Company Organogram
- Job descriptions, person specification, recruitment plan, selection criteria, advertisement
- Salary component in Company budget
- First version of HR policies and procedures

7.5 Finance Committee Meetings and Attendance

The Board Finance Committee held one (01) meeting during the year ended June 30, 2023.

Director Name	Attendance
Mr. Dilroze Khan	1/1
Dr. Rashid Rehan	1/1
Additional Secretary Finance	0/1
CEO TransPeshawar	1/1

Salient Features and Terms of Reference of Finance Committee

- Financial rules and powers of the Company's management.
- Budget of the Company.
- Allocation of one-line budget in Finance Department for the next three fiscal years.
- Bank account opening.
- Recommend any financial, accounting and allied matter to the Board for its approval.

7.6 Operations & Strategy Committee Meetings and Attendance

One meeting was held of the Board Operations & Strategy Committee held during the year ended June 30, 2023.

Director Name	Attendance
Secretary Transport	1/1
MD KPUMA	1/1
Mr. Isaac Ali Qazi	1/1
Dr. Rashid Rehan	1/1
CEO TransPeshawar	1/1

Salient Features and Terms of Reference of Operations & Strategy Committee

- Serves as an advisory forum to suggest measures to streamline company operations to meet company objective.
- Review the operational policies of the company.
- Review and approval of agreements to be signed with Government departments.



- Review of Fare policies for Bicycle and buses.
- Review of Declared Conditions of KPUMA for Peshawar BRT.
- Review of Declared Conditions of Women Bus Project in Mardan and Abbottabad.
- Review of Penalty Notification for ZU System.
- Review of Code of Conduct for Passengers.
- Review of Uniform for Peshawar BRT staff.
- Review of Policy on Restricted Usage of Corridor.
- Review of Route Map and stations names for Peshawar BRT and ZU Cycles.
- Review of Power Delegation to Chief Executive Officer of TransPeshawar.
- Review of policy for card registration and ZU Cycle Membership Policy.
- Review of Policy for notification of procedures regarding collection of Challan.
- Review of policy regarding route permit of Peshawar BRT.
- Review of policies regarding advertisement and commercial revenue generations.
- Review of policies related to complaint management system, lost and found, and card lost policies.
- Review of operational performance of bus operations, company operations and Declared Conditions of KPUMA.
- Review of policies regarding efficient operation which includes buses and bicycles.
- Any other task assigned by the Board of Directors of TransPeshawar.
- keep under review the company's overall risk assessment processes that inform the board's decision making, ensuring both qualitative and quantitative metrics are used;
- review regularly and approve the parameters used in these measures and the methodology adopted; and
- set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
- review the company's capability to identify and manage new risk types [in conjunction with the audit committee].
- review reports on any material breaches of risk limits and the adequacy of proposed action.
- keep under review the effectiveness of the company's internal financial controls and internal controls and risk management systems and review and approve the statements to be included in the annual report concerning internal controls and risk management.
- review the adequacy and security of the company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- review the company's procedures for detecting fraud.
- review the company's procedures for the prevention of bribery.
- Any other tasks assigned by the Board of Directors of TransPeshawar.

7.7 Risk Management Committee Meetings and Attendance

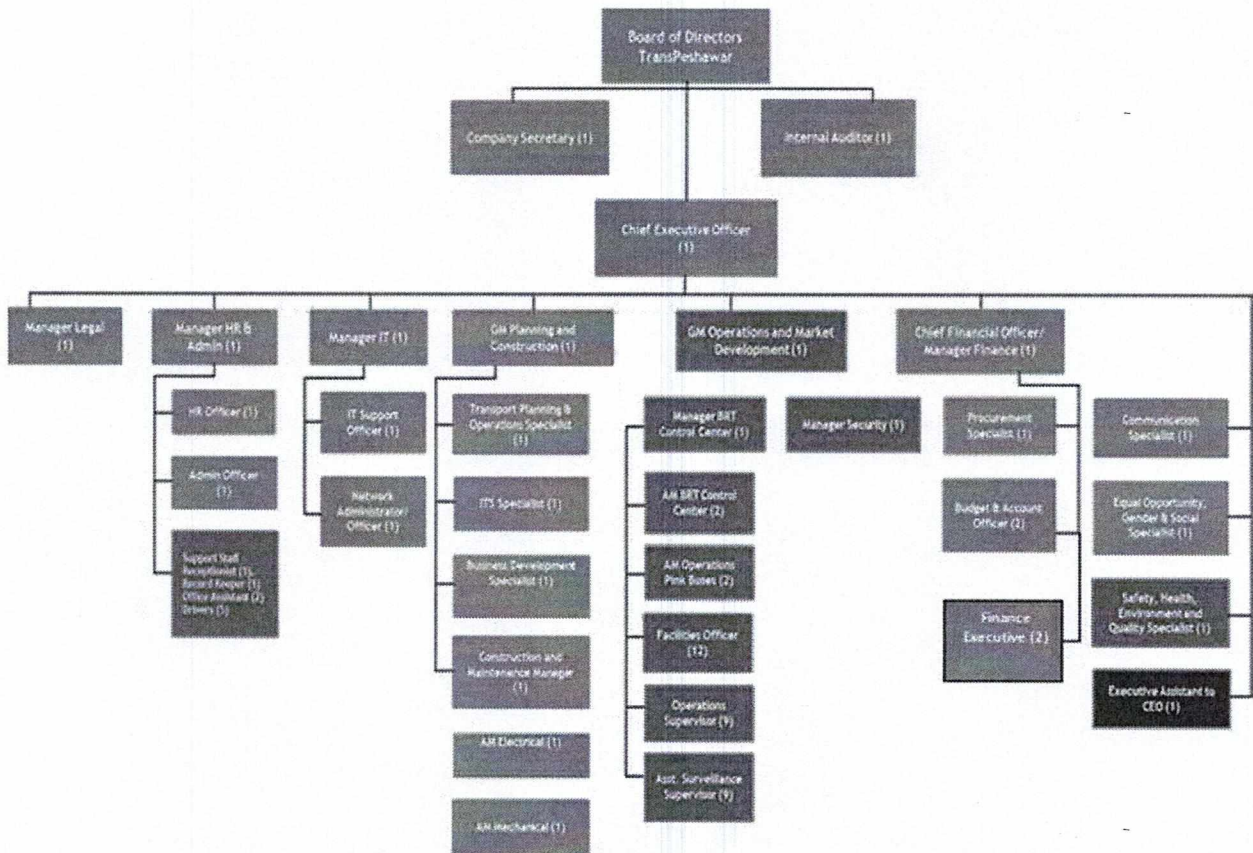
No meeting was held of the Board Finance Committee held during the year ended June 30, 2023.

Salient Features and Terms of Reference of Risk Management Committee

- advise the Board on the company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments that may be relevant for the company's risk policies.
- Assess and analyze that a sufficient system and Risk Management Framework is in place to properly classify risks, their likelihood (from rare to certain), their consequence severity (from negligible to catastrophic) and an efficient strategy for timely communication.
- oversee and advise the board on the current risk exposures of the company and future risk strategy.
- in relation to risk assessment and subject to overlap with the audit committee:



8 ORGANIZATIONAL CHART





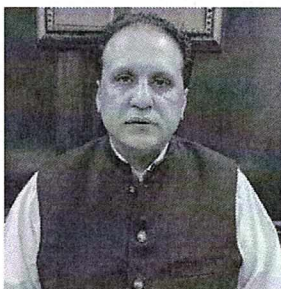
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DIRECTORS' REPORT



9 CHAIRMAN'S MESSAGE



Peshawar, the Provincial capital of Khyber Pakhtunkhwa, is home to millions of people. With rapid urbanization, there was a need for improved and efficient public transport system to reduce the load of traffic on the roads. Globally research reveals that quality urban transport service contributes to social inclusion, better employment opportunities, and urban regeneration by increasing people's mobility.

The Government of Khyber Pakhtunkhwa (GoKP), with its dedication, commitment and in the best interest of public, initiated Peshawar Bus Rapid Transit (BRT) project in collaboration with Asian Development Bank (ADB) and Agence Française de Développement (AFD) to revamp the existing transport system. The project was a major undertaking not only with respect to development of the physical infrastructure in the city but also as a catalyst for urban regeneration and economic growth. This state-of-the-art, universally-accessible bus rapid transit system has replaced the old, orthodox, unsafe transport system which failed to cater to the requirements of the urban population of the city, especially the marginalized segments of society such as women, children, the elderly and people with disabilities. Currently the project is catering to more than 300,000 passengers every day, 30% of whom are women. As a result, to overwhelming response from the public, TransPeshawar mandated to operate the mass transit system is working on additional routes in Peshawar for which new state of the art busses will be procured. The Project has also gained international recognition on multiple forums, and is becoming a role model for other cities.

The Board and its committees have been performing their role of Corporate Governance and providing the Company with excellent strategic direction with great pragmatism, business acumen and diligence.

On behalf of the Board, I also acknowledge with gratitude the outstanding efforts of our management, employees and partners in contributing toward this mega project and transforming it into one of a world class Bus Rapid Transit (BRT) system.

As a Chairman of the Board of Directors of TransPeshawar, I believe that this mega public transport project will change not only the face but also the future of Peshawar. I am confident that this will be a valuable asset serving the future generations to come and reflect Peshawar as a modern 21st-century city.

Mr. Ikramullah Khan
Chairman
ACS, P&D Department, GoKP



10. CHIEF EXECUTIVE OFFICER MESSAGE



It gives me immense pleasure to present the 5th annual report of TransPeshawar. I feel privileged to lead this organization, which currently comprises a dedicated team of 54 employees and several outsourcing partners. It has been both exciting and rewarding to see TransPeshawar grow and successfully navigate challenges.

Since the successful inauguration the Peshawar Bus Rapid Transit (BRT), Zu Peshawar on 13th August, 2020, the system has evolved into one of the best BRT Services in the world - providing safe, affordable, inclusive and reliable transportation to the residents of the city.

The project holds immense significance as it is designed to be accessible to all members of the community, whether they are working professionals, business owners, students, stay-at-home women, children, wheelchair users, persons with disabilities or the elderly who were previously underserved by the old transport services. As the first-of-its-kind 3rd Generation BRT system in Pakistan. Zu Peshawar serves as a lifeline for the residents of the city in their daily lives, especially for vulnerable segments such as lower-income groups, women, children, people with special needs, transgender individuals and students who rely on public transport for their daily commute.

Peshawar BRT offers several unique features such as bicycle-sharing system for last mile connectivity, a mobile app to help passengers plan journeys and track real-time location of buses/bicycles, app-based fare payment, through environment friendly hybrid diesel-electric buses to ensure safe and secure travel.

Public response to the system has been incredibly positive since the start of operations. Daily ridership has witness continuous increase and has reached the peak figure of 345,000 passengers per day. To date more than 174.4 million passengers have travelled through Zu Peshawar. The service has received national and international acclaim for its quality services, gender inclusiveness and accessibility for persons with special needs, earning five international awards till date.

As Chief Executive Officer, I remain hopeful and committed, that with the support of Government of Khyber Pakhtunkhwa, our partners, consultants, and TransPeshawar team, we will continue to deliver one of the best transportation services to the citizens of Peshawar.

Syed Murtaza Asghar Bukhari

Chief Executive Officer



11. FINANCIAL REVIEW

Total grant received from Government of Khyber Pakhtunkhwa is Rs. 2,887 million in respect of duties and taxes on import of BRT Fleet and System Control Goods and Services (ITS), Bus Industry Restructuring Program (BIRP) and TransPeshawar operational expenditure. Funds received from Asian Development Bank (ADB) under the loan No. 3543-Pak is Rs. 2,931 million which is in the form of direct payment to contractors, consultants and suppliers. Total expenditure of the Company for the year ended 30 June 2023, is PKR 7,345 million which shows an increase of Rs. 1543 million (27%) as compared to the previous year.

During the current year of operations of the company, the company has managed to achieve the highest number of ridership and this number is sustained during the year. Vehicle operation schedule has been accordingly planned to provide transport services to all commuters. BRT vehicles operating expenses (Rs. 3,487 million) are the payments made to BRT vehicles operating companies. BRT Intelligent Transport Services expenses has been increased by 11% due to the increase in general inflation during the financial year 2022-23. The change was applicable from Jan 2023 to June 2023.

Operation & Maintenance of BRT expenditure has been increased by 22% due to the inflationary adjustments during the year. There are three components of the operations and maintenance mainly, electrical equipment, BRT Genset, and Elevators and Escalators.

Downward shift in Zu Card Sold is due to the lower number of cards sold during the year (2023:337,682 / 2022:423,473)

An amount of Rs. 148 million has been paid to Old Buses, Mazda and Wagon owners under Bus Infrastructure Restructuring Program. 113-Wagons, 16-Buses and 25-Mini Buses were scrapped during the period while the scrape receipts from scraping those vehicles was PKR. 31.27 Million.

BRT Utilities (Electricity and Fuel for Generator) expense incurred during period amounts to Rs. 227 million.

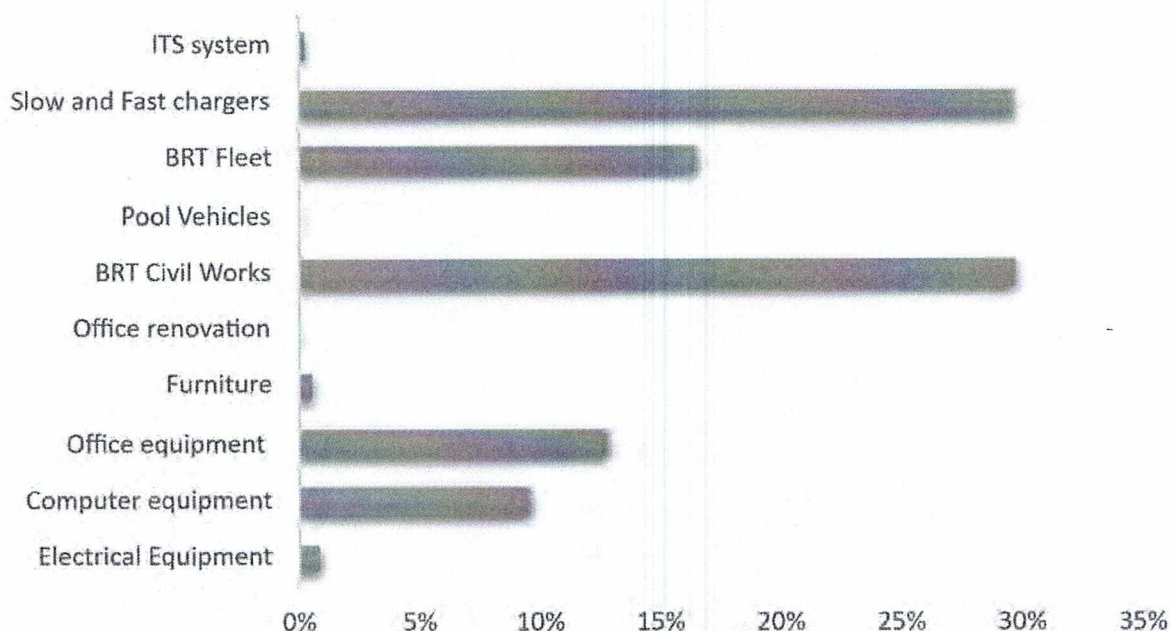
BRT Spare parts consumption has been increased due to acceptance and handing over of remaining Spare Parts packages to the Vehicle Operating company amounting to PKR 715.6 Million. It also includes 17,056 liters of engine oil.

In the last period the major cost of consultancy was against the Operation Design and Business Model. Liability against the contract was paid in the last financial year.

Security services payments was made for the security of Chinese foreign officials.

Salaries and benefits increased by Rs. 5 million, i.e. 4% due to annual increment in salaries of TransPeshawar Staff.

Net operating assets increased by net Rs. 2,645.98 million, i.e. 37%, due to capitalization of 12-Meter 82 BRT Buses (Rs. 3,436.8 million), 1 Tow Truck, 16 slow and 2 fast chargers and Taser Guns. The depreciation expense has also been increased accordingly



100,000 Zu Cards has been added during the year to the opening quantity of 273,100. Total cards sold during the period was 337,682. Closing stock of Zu cards were 35,418 as at 30th June 2023.

Advance against BRT fleet and ITS has been decreased by Rs. 352.40 million due to the capitalization of 20% Advance and 40% Clearance stage payments of further 82 12-meter buses and Spare Parts package for Hayatabad Depot.

Receivables from ADB has been decreased by 14%. It is mainly due to the direct payments made by ADB / AFD to LMKR Santel and Xiamen Golden Dragon.

There is a net increase in accrued and other payables of 16%. This constitutes of increases and decreases in each individual components of which major changes are, increase in payable to Xiamen Golden Dragon, decrease in LMKR Santel liability due to payment made during the year and increase in accrued liabilities due to pending vendor bills for the month of May and June also there is a new addition of LMKR security deposit against tax money.

Unearned Fare Income is increased by Rs. 50.7 million, i.e 41%, due to increase in top-ups made by commuters. This increase is attributable to the increase in the ridership of BRT i.e 21% in average daily ridership.



11.1 HORIZONTAL ANALYSIS – STATEMENT OF FINANCIAL POSITION

		2023	(Restated) 2022	Horizontal Variance Analysis	
	NOTE	RUPEES		Amt	%
Assets					
Non-current assets					
Operating fixed assets	7	9,720.75	7,074.77	2,645.98	37%
Intangible assets	8	1.52	2.20	(0.68)	-31%
Long term security deposits	9	8.83	8.83	-	0%
		9,731.10	7,085.80		
Current assets					
Zu cards stock		9.44	49.04	(40)	-81%
Advance against BRT fleet & ITS system	10	104.59	456.99	(352)	-77%
Receivable from ADB	11	2,372.70	2,760.69	(388)	-14%
Advances, prepayments	12	791.07	536.01	255	48%
Accrued interest income		59.56	45.89	14	30%
Cash and bank balances	13	749.63	1,706.24	(957)	-56%
		4,086.98	5,554.85		
Total Assets		13,818.08	12,640.65	1,177	9%



Non- Current Assets

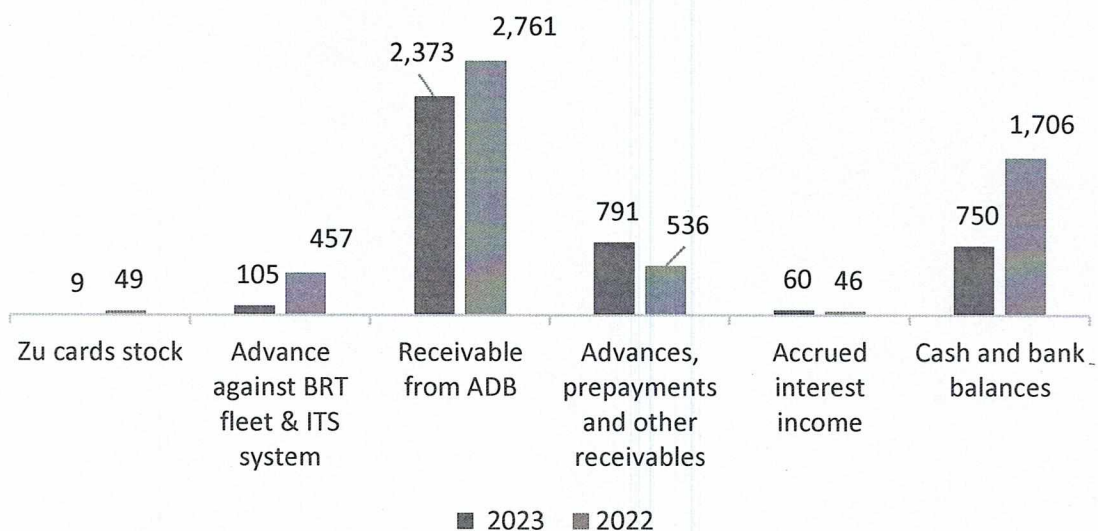
9,720.75

7,074.77

Operating fixed assets

■ 2023 ■ 2022

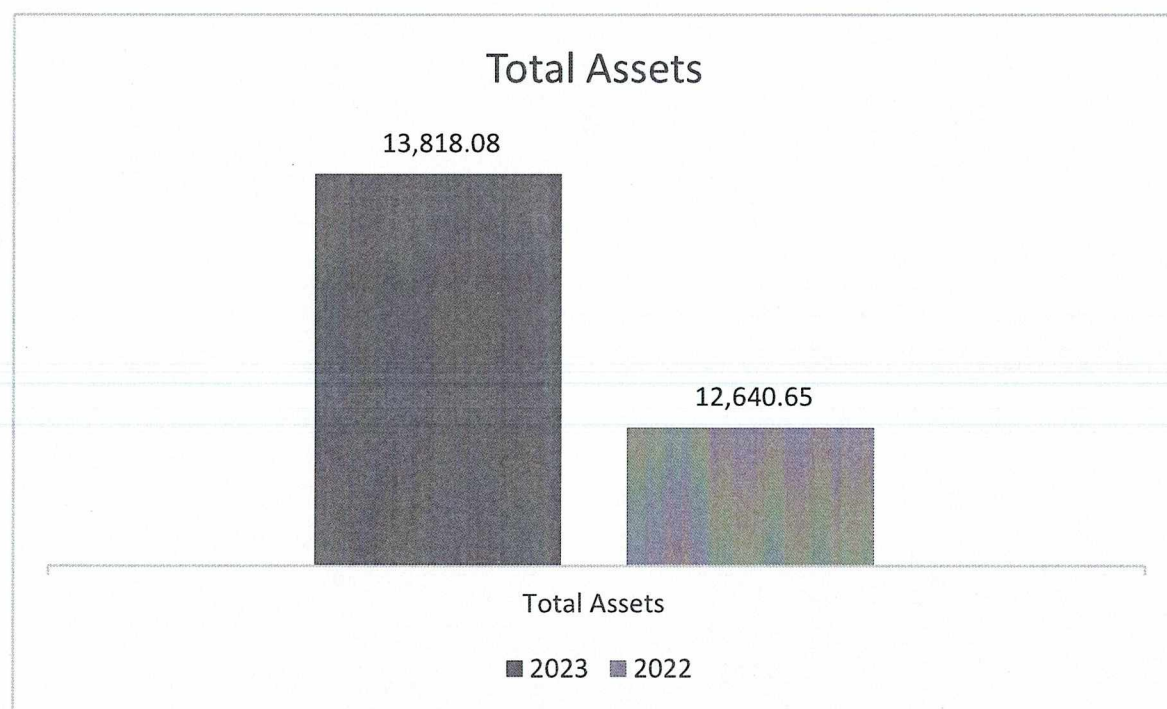
Current Assets





Horizontal Variance Analysis

	2023	2022	Amt	%
Total Assets	13,818.08	12,640.65	1,177.43	9%



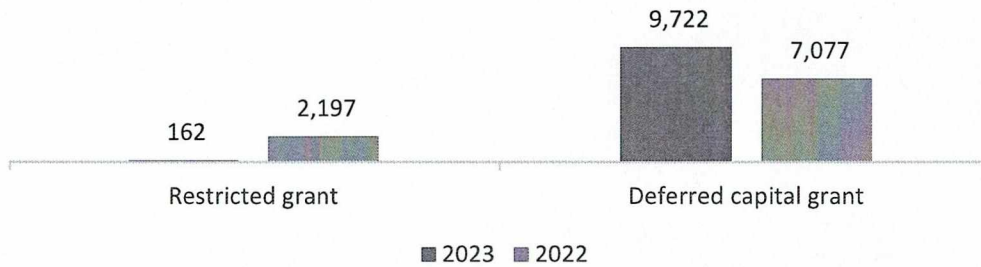


Annual Report 2022-23

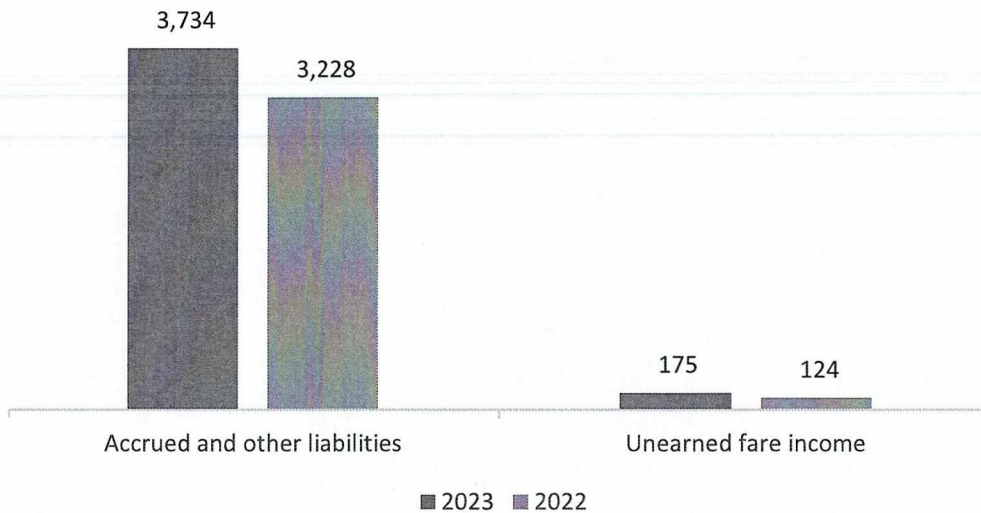
	2023	2022	Horizontal Variance Analysis	
			Amt	%
Funds				
General/unrestricted fund	24.84	14.67	(10)	69%
Non-current Liabilities				
Restricted grant	162	2,197	2,035	-93%
Deferred capital grant	9,722	7,077	(2,645)	37%
Long term security deposits for shops	-	-	-	
Total	9,884	9,274		
Current Liabilities				
Accrued and other liabilities	3,734	3,228	(506)	16%
Unearned fare income	175	124	(51)	41%
Total	3,909	3,352		



Non-current Liabilities

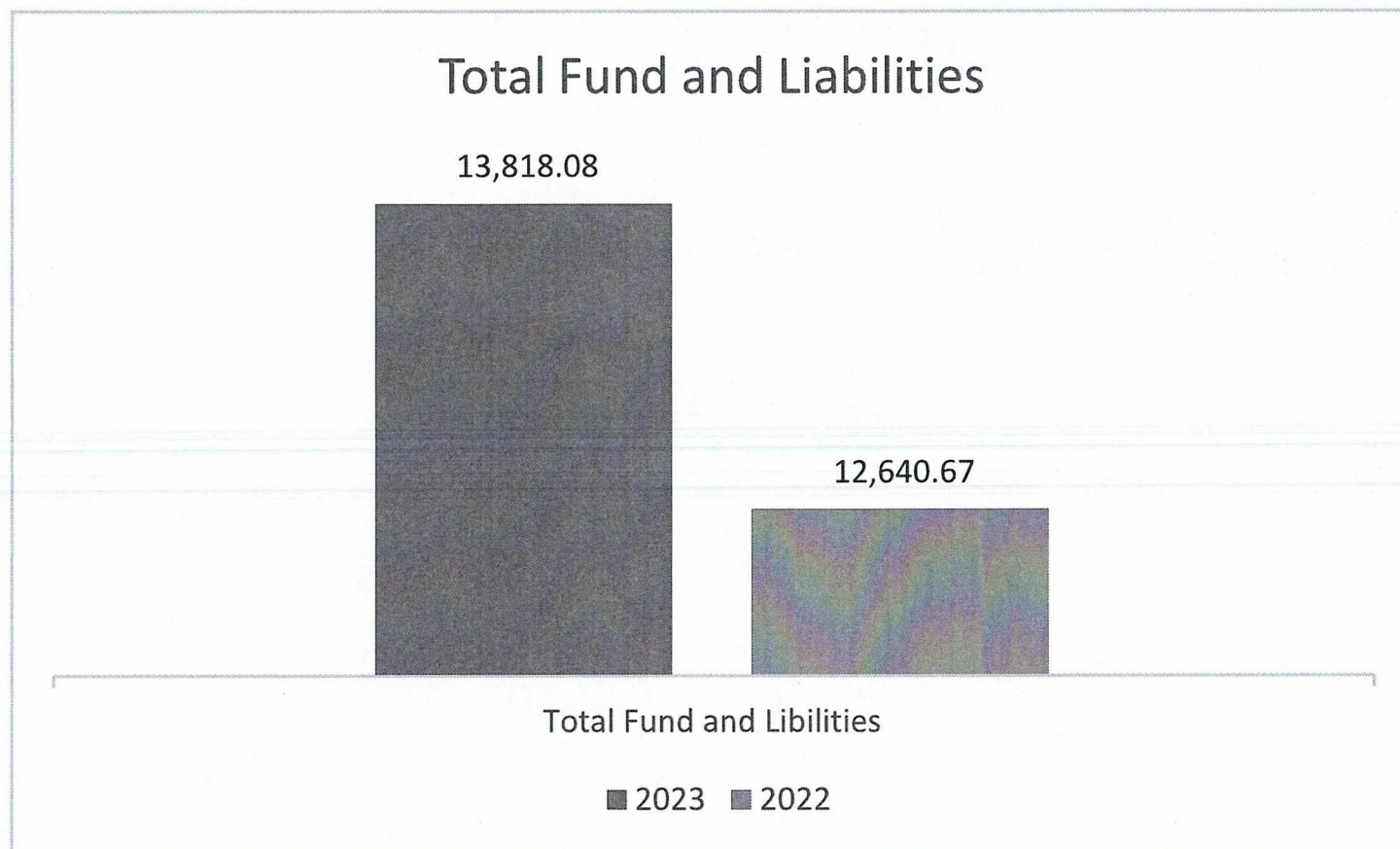


Current Liabilities





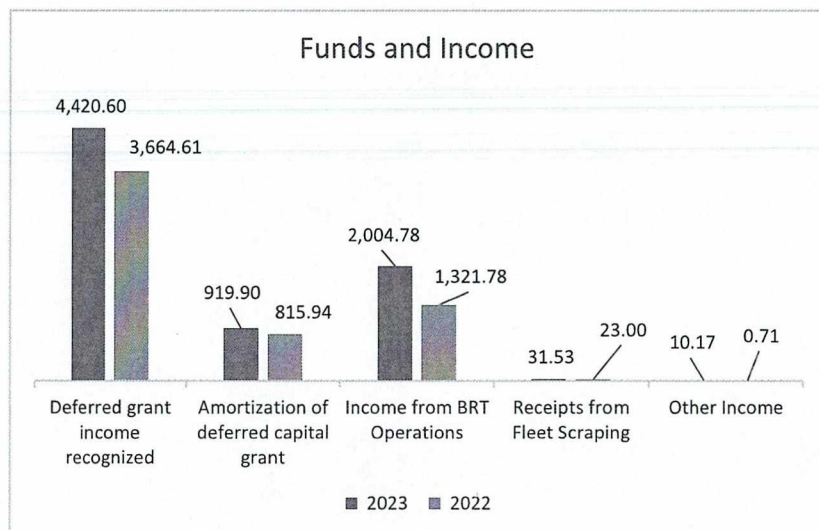
	2023	2022	Horizontal Variance Analysis	
			Amt	%
Total Fund and Liabilities	13,818.08	12,640.67	1,177.40	9%





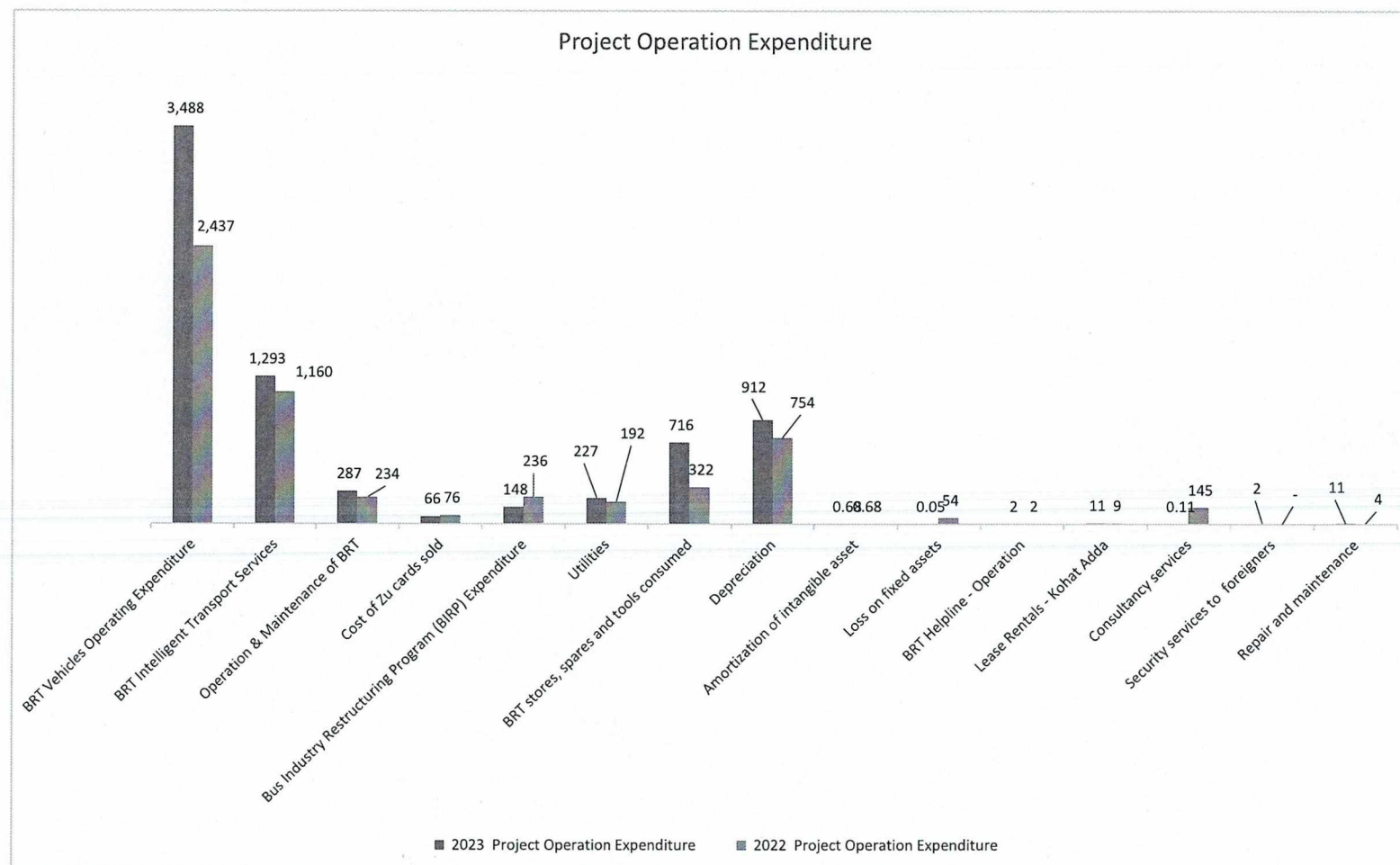
11.2 ANALYSIS INCOME AND EXPENDITURE ACCOUNT

	2023	2022	Horizontal Variance Analysis	
			Amt	%
<hr/>				
Funds and Income				
Restricted				
Deferred grant income recognized	4,420.60	3,664.61	755.98	21%
Amortization of deferred capital grant	919.90	815.94	103.95	13%
Income from BRT Operations	2,004.78	1,321.78	683.00	52%
Receipts from Fleet Scraping	31.53	23.00	8.53	37%
Unrestricted				
Other Income	10.17	0.71	9.46	1340%
Total income	7,387	5,826		





	2023	2022	Horizontal Variance Analysis	
			Amt	%
Project Operation Expenditure				
BRT Vehicles Operating Expenditure	3,488	2,437	1,051	43%
BRT Intelligent Transport Services	1,293	1,160	133	11%
Operation & Maintenance of BRT	287	234	52	22%
Cost of Zu cards sold	66	76	(10)	-13%
Bus Industry Restructuring Program (BIRP) Expenditure	148	236	(88)	-37%
Utilities	227	192	35	18%
BRT stores, spares and tools consumed	716	322	394	122%
Depreciation	912	754	158	21%
Amortization of intangible asset	1	1	-	0%
Loss on fixed assets	0	54	(54)	-99%
BRT Helpline - Operation	2	2	-	0%
Lease Rentals - Kohat Adda	11	9	2	22%
Consultancy services	0	145	(144)	-100%
Security services to foreigners	2	-	2	
Repair and maintenance	11	4	7	158%
Total	7,132	5,604		





12 DIRECTORS' REPORT

12.1 CORPORATE GOVERNANCE

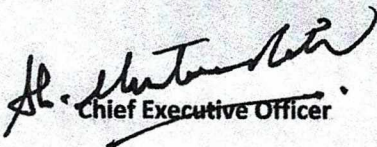
Good Corporate Governance is the order of the day for the maintenance of the Company Integrity and transparency in the eyes of its stakeholders. The Board of Directors of the Company recognizes the need to implement appropriate systems, which shall be supported by appropriate policies & procedures and best ethical practices.

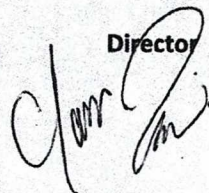
The Board has established best system of corporate governance incorporating system of controls supported by policies and procedures and best ethical practices under the leadership of board members from various backgrounds.

12.2 DIRECTORS STATEMENT OF COMPLIANCE

The Directors are pleased to state that

- a) The Board has complied with relevant principles of corporate governance, and has identified the rules that has not been complied with, the period in which the non-compliance continued, and reasons for such non-compliance;
- b) The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- c) proper books of account of the Public Sector Company have been maintained;
- d) appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- e) The system of internal control is sound in design and has been effectively implemented and monitored
- f) The appointment of the Chairman and other members of the Board and the terms of their appointment are in the best interests of the Company as well as in line with the best practices. None of the Director, except Chief Executive officer, is being paid any monthly remuneration;
- g) The remuneration of executive management of the Company is disclosed in the notes to the financial statements of the Company showing separate figures for salaries, fees and other benefits.
- h) The Company is reliant on the grants from the Government of Khyber Pakhtunkhwa and received Rs 2,887 million during the year ended June 30, 2023. The Company has also received a grant of Rs. 2,931 million from Asian Development Bank pursuant to loan agreement with Government of Khyber Pakhtunkhwa. These grants are received for the development of Peshawar Bus Rapid Transit System and operational expenditure of TransPeshawar.
- i) Information regarding outstanding taxes and levies, as required by Corporate Governance Rules, is disclosed in the notes to the financial statements.
- j) There are no significant doubts regarding the Company's ability to continue as a going concern.


Chief Executive Officer


Director



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of TransPeshawar (The Urban Mobility Company)

Review Report on the Statement of Compliance contained in Public Sector Companies (Code of Corporate Governance) Rules, 2013

We have reviewed the enclosed Statement of Compliance with the Public Sector Companies (Code of Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of TransPeshawar (The Urban Mobility Company) (the Company) for the year ended June 30, 2023 in accordance with the requirements of Rule 24 of the Rules.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Rules.

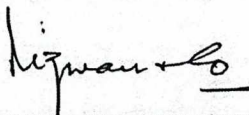
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Rules require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Rules as applicable to the Company for the year ended 30 June 2023.

Further, we would like to highlight that:

- As required by Rules 3(2), the Board does not have at-least one-third of its total members as independent directors as mentioned in paragraph II (2) of the Statement of Compliance and explanation given at S. No.1 of the Statement of Non- Compliance.
- As required by Rules 6(1) the Board has not met at least four times during the year as mentioned in paragraph II (18a) of the Statement of Compliance and explanation given at S. No. 2 of the Statement of Non-Compliance.
- As required by Rule 11, not all the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as mentioned in paragraph II (22) of the Statement of Compliance and explanation given at S. No.3 of the Statement of Non-Compliance.


RIZWAN AND COMPANY
Chartered Accountants

Islamabad **29 MAY 2025**
Date:

UDIN: CR202310101WITQV265I

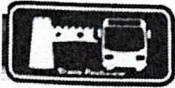


12.1 STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

Name of the Company: TransPeshawar (The Urban Mobility Company)
Name of the line ministry: Transport and Mass Transit Department
For the period ended: June 30, 2023

- I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector Company is managed in compliance with the best practices of public sector governance.
- II. The Company has complied with the provisions of the Rules in the following manner:

S. No	Provision of the Rules	Rule No	Y	N	
			Tick the relevant box		
1	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓		
2	The Board has at least one-third of its total members as independent directors. At present the Board includes:		3(2)	✓	
	Category	Names			Date of Appointment
	Independent Directors	1) Mr. Dilroze Khan			09-Feb-17
		2) Mr. Isaac Ali Qazi			9-May-18
		3) Mr. Muhammad Ishfaq Khattak			10-Jul-20
	Executive Directors	1) Mr. Shah Saud			05-Jun-23
	Non-Executive Directors	1) Mr. Zubair Asghar Qureshi			10-Jan-23
		2) Mr. Muhammad Zubair			01-Mar-19
		3) Mr. Zaka Ullah Khattak			10-April-23
		4) Mr. Riaz Ali			10-Feb-21
5) Dr. Rashid Rehan		16-Jan-19			
6) Mr. Zaka Ullah Khattak (Additional Charge as MD KPUMA)		28-April-23			
7) Mr. Wasif Rehman		24-May-23			
3	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓		



4	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	✓	
5	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	✓	
6	The chairman has been elected by the Board of directors except where Chairman of the Board has been appointed by the Government	4(4)	✓	
7	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the chief executive has been nominated by the Government)	5(2)	✓	
8	(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website. (Address of website to be indicated www.transpeshawar.pk) (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓	
9	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
10	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b)(ii)	✓	
11	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b)(v)	✓	
12	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c)(ii)	✓	
13	The Board has ensured compliance with the law as well as the company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c)(iii)	✓	
14	The Board has developed a vision or mission statement and corporate strategy of the company.	5(6)	✓	

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15	The Board has developed significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓																									
16	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	✓																									
17	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓																									
18	(a) The Board has met at least four times during the year. (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	 ✓ ✓	✓																								
19	The Board has monitored and assessed the performance of senior management on half-yearly basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓																									
20	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered with the related parties during the year has been maintained.	9	✓																									
21	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end. (b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors. (c) The Board has placed the annual financial statements on the company's website.	10	✓ N/A ✓																									
22	All the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11		✓																								
23	(a) The Board has formed the requisite committees, as specified in the Rules. (b) The committees were provided with written term of reference defining their duties, authority and composition. (c) The minutes of the meetings of the committees were circulated to all the Board members. (d) The committees were chaired by the following non-executive directors: <table><tr><td>Committee</td><td>Members</td><td>Name of Chair</td></tr><tr><td>Nomination Committee</td><td>3</td><td>Mr. Zaka Ullah Khattak</td></tr><tr><td>Human Resources Committee</td><td>4</td><td>Mr. Isaac Ali Qazi</td></tr><tr><td>Finance Committee</td><td>4</td><td>Mr. Dilroze Khan</td></tr><tr><td>Procurement Committee</td><td>3</td><td>Mr. Riaz Ali</td></tr><tr><td>Audit Committee</td><td>4</td><td>Mr. Dilroze Khan</td></tr><tr><td>Risk Management Committee</td><td>5</td><td>Mr. Zaka Ullah Khattak</td></tr><tr><td>Operation and Strategy Committee</td><td>4</td><td>Mr. Zaka Ullah Khattak</td></tr></table>	Committee	Members	Name of Chair	Nomination Committee	3	Mr. Zaka Ullah Khattak	Human Resources Committee	4	Mr. Isaac Ali Qazi	Finance Committee	4	Mr. Dilroze Khan	Procurement Committee	3	Mr. Riaz Ali	Audit Committee	4	Mr. Dilroze Khan	Risk Management Committee	5	Mr. Zaka Ullah Khattak	Operation and Strategy Committee	4	Mr. Zaka Ullah Khattak	12	✓ ✓ ✓ ✓	
Committee	Members	Name of Chair																										
Nomination Committee	3	Mr. Zaka Ullah Khattak																										
Human Resources Committee	4	Mr. Isaac Ali Qazi																										
Finance Committee	4	Mr. Dilroze Khan																										
Procurement Committee	3	Mr. Riaz Ali																										
Audit Committee	4	Mr. Dilroze Khan																										
Risk Management Committee	5	Mr. Zaka Ullah Khattak																										
Operation and Strategy Committee	4	Mr. Zaka Ullah Khattak																										



24	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13	✓																			
25	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓																			
26	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓																			
27	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓																			
28	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the company.	18	✓																			
29	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. (b) The annual report of the company contains criteria and details of remuneration of each director.	19	✓ ✓																			
30	The financial statements of the company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.	20	✓																			
31	<div>The Board has formed an audit committee, with defined and written terms of reference, and having the following members:</div> <table><tr><th>Name of the member</th><th>Category</th><th>Professional Background</th></tr><tr><td>Mr. Dilroze Khan</td><td>Chairman</td><td>Chartered Accountant</td></tr><tr><td>Mr. Zaka Ullah Khattak</td><td>Member</td><td>Civil Servant</td></tr><tr><td>Mr. Isaac Ali Qazi</td><td>Member</td><td>Practicing Lawyer</td></tr><tr><td>Mr. Basharat Ahmad</td><td>Member</td><td>Civil Servant</td></tr><tr><td>Mr. Tauseef-ur-Rehman</td><td>Secretary</td><td>Chartered Accountant</td></tr></table> <div>The Chief Executive and Chairman of the Board are not members of the audit committee.</div>	Name of the member	Category	Professional Background	Mr. Dilroze Khan	Chairman	Chartered Accountant	Mr. Zaka Ullah Khattak	Member	Civil Servant	Mr. Isaac Ali Qazi	Member	Practicing Lawyer	Mr. Basharat Ahmad	Member	Civil Servant	Mr. Tauseef-ur-Rehman	Secretary	Chartered Accountant	21 (1) and 21(2)	✓	
Name of the member	Category	Professional Background																				
Mr. Dilroze Khan	Chairman	Chartered Accountant																				
Mr. Zaka Ullah Khattak	Member	Civil Servant																				
Mr. Isaac Ali Qazi	Member	Practicing Lawyer																				
Mr. Basharat Ahmad	Member	Civil Servant																				
Mr. Tauseef-ur-Rehman	Secretary	Chartered Accountant																				
32	(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed. (b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives. (c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.	21(3)	✓ ✓ ✓																			
33	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee. (b) The chief internal auditor has requisite qualification and experience prescribed in the Rules. (c) The internal audit reports have been provided to the external auditors for their review.	22	✓ ✓ ✓																			

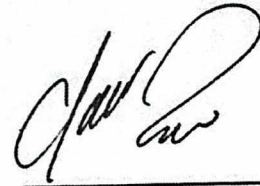
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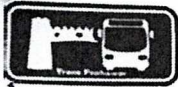


34	The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓	
35	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓	

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CHIEF EXECUTIVE OFFICER


DIRECTOR

**12.2 EXPLANATION FOR NON-COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013**

We confirm that all other material requirements envisaged in the Rules have been complied with except for the following, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year:

Sr.No.	Rule/sub-rule no.	Reasons for non-compliance	Future course of action
1	3(2)	Our board currently comprises members with deep operational insight and continuity in management. We are actively reviewing our governance framework and are considering strategies to enhance board independence in the near future.	The summary is in process of approval. Once approved, notification in official gazette will be made in this respect.
2	6(1)	The Board was in its revamping phase due to which the 4 th meeting was delayed.	The compliance will be ensured in future.
3	11	The orientation course was planned in 2023. However, due to unavailability of Chairman (ACS Mr. Zubair Asghar Qureshi) it was not conducted.	The compliance will be ensured in future.

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CHIEF EXECUTIVE OFFICER
DIRECTOR



INDEPENDENT AUDITORS' REPORT

To the members of TransPeshawar (The Urban Mobility Company)

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of **TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)** ("the Company"), which comprise the statement of financial position as at June 30, 2023, the statement of income and expenditure and other comprehensive income, the statement of changes in general/unrestricted fund, the statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in general/unrestricted fund 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, in the manner so required and respectively give a true and fair view of the state of the Company's affairs for the year ended June 30, 2023 and of the surplus and comprehensive surplus, changes in fund and its cash flows for the year then ended.

Basis of Opinion

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

Emphasis of matter

We draw attention to Note 1.6 to the financial statements, the KPUMA Board approved the transfer of Peshawar BRT project to the Company in their meeting held on April 16, 2018. The Peshawar Development Authority (PDA) has handed over the physical possession of the assets (Civil works, machinery and equipment) along with inventory to the Company without the costs associated with the assets. In the absence of detailed costs of the transferred assets these assets have not been accounted for in these Financial Statements. The Company has formally requested PDA vide letter No. TPC/FIN/0425-098 dated April 18, 2025, to provide the cost details necessary to recognize these assets and the related grant in kind in the books of the Company.

Our opinion is not modified in respect of this matter.

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 annual report, but does not include the financial statements of the Company and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

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

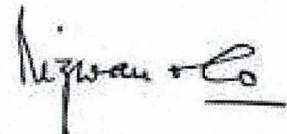
- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure and other comprehensive income, the statement of changes in general/unrestricted fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and 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 Usher Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Company for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who have expressed an unmodified opinion in their report.

The engagement partner on the audit resulting in this independent auditor's report is Rashid Iqbal FCA.

Islamabad: 29 MAY 2025
Date:


Rizwan & Company
Chartered Accountants

UDIN: AR202310101fb34LXTg8

TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

		2023	(Restated) 2022	(Restated) 2021
	NOTE	RUPEES		
Assets				
Non-current assets				
Operating fixed assets	7	9,720,747,702	7,074,769,070	7,846,227,598
Intangible assets	8	1,521,586	2,197,847	2,874,108
Long term security deposits	9	8,830,000	8,830,000	8,830,000
		<u>9,731,099,288</u>	<u>7,085,796,917</u>	<u>7,857,931,706</u>
Current assets				
Zu cards stock		9,438,285	49,041,068	125,084,891
Advance against BRT fleet & ITS system	10	104,585,831	456,987,003	462,704,197
Receivable from ADB	11	2,372,697,697	2,760,689,281	2,286,708,057
Advances, prepayments and other receivables	12	791,067,605	536,007,249	515,709,635
Accrued interest income		59,555,506	45,892,046	40,482,988
Cash and bank balances	13	749,633,175	1,706,236,633	1,793,220,309
		<u>4,086,978,099</u>	<u>5,554,853,280</u>	<u>5,223,910,077</u>
Total Assets		<u>13,818,077,387</u>	<u>12,640,650,197</u>	<u>13,081,841,783</u>
Funds and Liabilities				
Funds				
General/unrestricted fund		24,843,294	14,673,310	13,967,260
Non-current Liabilities				
Restricted grant	14	161,692,210	2,196,585,673	2,448,225,249
Deferred capital grant	15	9,722,269,288	7,076,966,917	7,849,101,706
Long term security deposits for shops		-	-	414,000
		<u>9,883,961,498</u>	<u>9,273,552,590</u>	<u>10,297,740,955</u>
Current Liabilities				
Accrued and other liabilities	16	3,734,184,952	3,228,096,557	2,687,281,632
Unearned fare income		175,087,643	124,327,740	82,851,936
		<u>3,909,272,595</u>	<u>3,352,424,297</u>	<u>2,770,133,568</u>
Contingencies and commitments	17	-	-	-
Total fund and liabilities		<u>13,818,077,387</u>	<u>12,640,650,197</u>	<u>13,081,841,783</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER


DIRECTOR

TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)
STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

			(Restated) 2022
	NOTE	2023 RUPEES	
Funds and Income			
Restricted			
Deferred grant income recognized	14.2	4,420,595,923	3,664,613,896
Amortization of deferred capital grant	15	919,898,841	815,944,037
Income from BRT Operations	18	2,004,780,384	1,321,781,187
Receipts from Fleet Scraping	23	31,526,600	22,996,548
Unrestricted			
Other Income	19	10,169,984	706,050
		<u>7,386,971,732</u>	<u>5,826,041,718</u>
Restricted Expenditure			
Project Operation Expenditure			
BRT Vehicles Operating Expenditure	20	3,487,738,345	2,437,059,528
BRT Intelligent Transport Services	21	1,292,707,832	1,159,846,300
Operation & Maintenance of BRT	22	286,537,805	234,278,024
Cost of Zu cards sold		66,175,934	76,043,823
Bus Industry Restructuring Program (BIRP) Expenditure	23	148,183,250	236,232,200
Utilities	26	227,038,227	192,125,863
BRT stores, spares and tools consumed		715,609,576	322,071,164
Depreciation	7.1	912,349,557	754,220,239
Amortization of intangible asset	8	676,261	676,261
Loss on fixed assets		47,779	54,342,996
BRT Helpline - Operation		1,748,068	2,108,918
Lease Rentals - Kohat Adda		10,841,600	9,009,000
Consultancy services	24	105,000	144,578,088
Security services to foreigners		2,000,000	-
Repair and maintenance		11,328,599	4,417,115
		<u>7,163,087,833</u>	<u>5,627,009,519</u>
Company Administrative Expenditure			
Salaries, allowances & other benefits	25	148,962,582	143,878,439
Advertisement		1,577,419	8,395,741
Security services		6,508,792	5,065,012
Repair and maintenance		5,175,927	4,543,606
Office supplies		5,269,748	4,464,912
Insurance		1,169,061	-
Depreciation	7.1	6,770,501	6,704,541
Utilities	26	2,974,602	2,883,646
Other expenses	27	10,120,855	5,859,162
		<u>188,529,487</u>	<u>181,795,059</u>
Total Expenditure		<u>7,351,617,320</u>	<u>5,808,804,578</u>
Unrestricted surplus before tax		<u>35,354,412</u>	<u>17,237,140</u>
Taxation	28	(25,184,428)	(16,531,090)
Unrestricted surplus after tax	29	<u>10,169,984</u>	<u>706,050</u>
Other comprehensive income		-	-
Total comprehensive surplus		<u>10,169,984</u>	<u>706,050</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

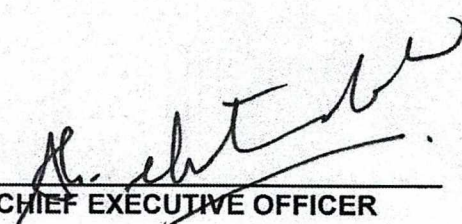
DIRECTOR

TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)
STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED JUNE 30, 2023

	General / Unrestricted Fund Rupees
Balance as at June 30, 2021 - Restated	13,967,260
Unrestricted surplus after tax	706,050
Balance as at June 30, 2022 - Restated	14,673,310
Unrestricted surplus after tax	10,169,984
Balance as at June 30, 2023	24,843,294

The annexed notes 1 to 36 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

		2023	(Restated) 2022
	NOTE	RUPEES	
Cash Flows from Operating Activities			
Surplus for the year		10,169,984	706,050
Adjustment for non cash items:			
Depreciation	7	919,796,319	761,601,041
Loss on fixed assets	7.2	47,779	54,342,996
Cash flows from operating activities before working capital changes		930,014,082	816,650,087
Adjustments for working capital changes:			
<i>(Increase)/decrease in current assets:</i>			
Advance against BRT fleet & ITS	10	352,401,172	5,717,194
Receivable from ADB	11	387,991,584	(473,981,224)
Other advances, deposits and receivables	12	(255,060,356)	(20,297,614)
Accrued interest income		(13,663,460)	(5,409,058)
Zu cards stock		39,602,783	76,043,823
		511,271,723	(417,926,879)
<i>Increase/(decrease) in current liabilities:</i>			
Accrued and other liabilities	16	506,088,395	540,814,925
Unearned fare income		50,759,903	41,475,804
		556,848,298	582,290,729
Cash generated from operations activities		1,998,134,103	981,013,937
Cash Flows from Investing Activities			
Purchase of operating assets	7	(3,565,201,212)	(43,809,248)
Sale proceeds of Fixed assets	7.2	54,743	-
Net cash flows used in investing activities		(3,565,146,469)	(43,809,248)
Cash Flows from Financing Activities			
Deferred capital grant	15	2,645,302,371	(772,134,789)
Restricted grant	14	(2,034,893,463)	(251,639,576)
Long term security deposits for shops		-	(414,000)
Net cash generated from/(used in) financing activities		610,408,908	(1,024,188,365)
Net decrease in cash & cash equivalent		(956,603,458)	(86,983,676)
Cash & cash equivalent at the beginning of the year		1,706,236,633	1,793,220,309
Cash & cash equivalent at the end of the year	13	749,633,175	1,706,236,633

The annexed notes 1 to 36 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

TRANSPESHAWAR (THE URBAN MOBILITY COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 Corporate and General Information

1.1 Legal Status

TransPeshawar (The Urban Mobility Company) "the Company" was incorporated on February 09, 2017 as a company limited by guarantee without share capital under section 42 of the Repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017).

1.2 Tax Status

The company is registered as a not for profit organization under section 42 of the repealed Companies Ordinance, 1984 now Companies Act, 2017, however, the company has not obtained approval of Commissioner under section 2(36) of the Income Tax Ordinance, 2001 as required under section 100C of the said ordinance for 100% tax credit of the tax payable of not for profit organization.

1.3 Nature of business

The primary object is to carry out the project implementation, management and maintenance of urban rapid transit project in Peshawar (Peshawar Sustainable Bus Rapid Transit Corridor Project), assigned by the Khyber Pakhtunkhwa Urban Mobility Authority (KPUMA) for the benefits of public at large, organize training programs for selected bus operators and bus drivers.

1.4 Controlling authority

The Company is wholly controlled by the Government of Khyber Pakhtunkhwa.

1.5 Registered office

The registered office of the Company is situated at 1st Floor, KPUMA Building, Main BRT Depot, Near NHA Complex, Chamkani, Peshawar, Pakistan.

1.6 BRT Project

Khyber Pakhtunkhwa Urban Mobility Authority (KPUMA) in their board meeting held on April 16, 2018 approved the hand over of Peshawar BRT project to TransPeshawar (The Urban Mobility Company), established for the purpose of operation and maintenance of the BRT Peshawar.

The Peshawar Development Authority (PDA) has handed over the physical possession of Peshawar BRT assets without quoting the financial terms of those assets (Civil works, machinery and equipment) along with inventory to the Company through the following letters:

- i- Letter No. PDA/Civil works/126-2020 dated June 08, 2020 - Handover of KPUMA Building
- ii- Letter No. PDA/Civil works/125-2020 dated June 08, 2020 - Handover of Chamkani Depot
- iii- Letter No. PDA/Civil works/128-2020 dated June 17, 2020 - Handover of Chamkani Station
- iv- Letter No. PDA/Civil works/129-2020 dated June 17, 2020 - Handover of Reach
- v- Letter No. PDA/Civil works/132-2020 dated July 03, 2020 - Handover of Reach-II
- vi- Letter No. PDA/Civil works/142-2020 dated July 03, 2020 - Handover of Reach-III
- vii- Handover of Chamkani Zu Business Centre
- viii- Letter No. OPS/MISC/CORR/2025/012 dated 28/2/2025

The Company vide letter No. TPC/FIN/0425-098, dated April 18, 2025 addressed to the Peshawar Development Authority (PDA) inquired about the financial aspect of the handed over assets for which the reply is awaited. The cost and the related grant in kind has not been accounted for in the financial statements.

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2 Basis of Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of:

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

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the functional currency of the company.

2.3 Going Concern Basis

These financial statements have been prepared on going concern basis.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have any significant impact on the financial statements other than certain additional disclosures. During the year the Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2021. The adoption of these new and amended standards did not have material impact on the Company's financial information.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 1, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 1, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 1, 2022
Certain annual improvements have also been made to a number of IFRSs.	

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

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

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01 , 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller - lessee subsequently measures sale and leaseback transactions	January 01 , 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01 , 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01 , 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Noncurrent liabilities with covenants	January 01 , 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01 , 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01 , 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01 , 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01 , 2023

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

IFRS 1 First Time Adoption of International Financial Reporting Standards; and
IFRS 17 Insurance Contracts.

The Company expects that the adoption of such amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

4 Basis of Measurement

- 4.1** These financial statements have been prepared under historical cost convention and accrual basis of accounting except cash flow information and as otherwise stated in these financial statements.
- 4.2** The preparation of the financial statements in conformity with approved accounting standards requires the management to make judgments and estimates that affect the amount of assets, liabilities, income and expenses reported.

Estimates are reviewed on an on-going basis and revisions, if any, are recognized in the period in which the estimate is revised.

The areas where estimates are significant to the Company's financial statements are as follows:

- (a) Estimate of useful lives of operating fixed assets. (Note 7)
- (b) Estimate of useful lives of intangible asset. (Note 8.1)
- (c) Estimation of contingent liabilities. (Note 17)
- (d) Estimation of deferred capital grant. (Note 5.10)

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of these financial statements are summarized as under. These policies have been consistently applied to all the years presented unless otherwise stated.

5.1 Owned assets and subsequent cost

All operating fixed assets are initially recorded at cost, which includes the original purchase price and all other cost necessary to bring the asset to working condition for its intended use. Subsequently, operating fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Major renewals and improvements are capitalized whereas minor and normal repair and maintenance are charged to statement of income and expenditure.

Depreciation

Depreciation on operating assets, except BRT buses and ITS, is charged to income and Expenditure by applying reducing balance method, to write off the historical cost over its useful life. The BRT buses and ITS are depreciated using the straight line method on their contract life, which is estimated useful life, without taking into account any residual value. The useful life and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits to be obtained from operating fixed assets. Rates of depreciation are stated in Note 7. Depreciation is charged when fixed asset is available for use and ceases at the earlier of the date when it is classified as held for sale and the date when it is derecognized.

Disposal

Gains or losses on disposal or retirement of operating fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the statement of income and expenditure.

Impairment

The company make an assessment at each reporting date whether there is any indication that operating fixed assets may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amount exceed the respective recoverable amount, assets are written down to their recoverable amount.

5.2 Intangible asset

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any, and represent the cost of acquiring an accounting software.

The costs associated with maintaining an accounting software programs are recognized as an expense as incurred. Costs that are directly associated with identifiable and unique software products, controlled by the company and will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets.

Subsequent expenditure

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognized as a capital improvement and added to the original cost of the software.

Amortization

Intangible assets are amortized using the straight-line method over a period of five years. The assets' useful life is reviewed, at each reporting date, and adjusted if the impact on amortization is significant.

5.3 Financial Assets

5.3.1 Classification

The Company classifies its financial assets into the following categories: financial assets at amortized cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

a) Financial assets at amortized costs

A financial asset shall be classified as financial asset at amortized cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

The fair value through other comprehensive income classification is mandatory for certain debt instrument assets unless the option to classify as fair value through profit or loss is taken.

If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in income and expenditure.

c) Financial assets at fair value through statement of income and expenditure

A debt instrument can be classified as a financial asset at fair value through statement of income and expenditure if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on different bases.

All equity instruments are to be classified as financial assets at fair value through statement of income and expenditure, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

5.3.2 Recognition and Measurement

Regular purchases and sales of financial assets are recognized on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through income and expenditure (P&L). Financial assets carried at fair value through income and expenditure (P&L) are initially recognized at fair value, and transaction costs are expensed in the income and expenditure (P&L). Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. After initial recognition, an entity shall measure a financial asset at fair value or amortized cost.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through income and expenditure (P&L)' category are presented in the income and expenditure (P&L) within 'Other income/other expenses' in the period in which they arise. Dividend income from financial assets at fair value through income and expenditure (P&L) is recognized in the income and expenditure account as part of 'Other income' when the Company's right to receive payments is established.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognized in other comprehensive income with only dividend income recognized in income and expenditure (P&L).

5.3.3 Financial Liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value less directly attributable transaction costs, if any, and subsequently measured at amortized cost using effective interest rate method unless financial liabilities are held for trading, in which case it is required to be measured at fair value through income and expenditure (P&L) or where entity elects to measure at financial liability, under fair value option.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of original liability and recognition of a new liability and the difference in respective carrying amounts is recognized in the income and expenditure account.

5.3.4 Off-setting of Financial Assets and Financial Liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

5.4 Trade debts and other receivables and related impairment

Trade debts and other receivables are classified as financial assets at amortized cost according to IFRS 9.

Trade debts are initially recognized at original invoice amount which is the fair value of the consideration to be received in future and subsequently measured at cost less allowance for expected credit loss. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses.

The Company estimates the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts, if any, considered irrecoverable are written off.

5.5 Advances and prepayments

These are recognized at cost, which is the fair value of the consideration given, and subsequently measured at cost less allowance for expected credit loss.

5.6 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 and balances with banks in current and savings accounts.

5.7 Accrued and other liabilities

Accrued and other liabilities are carried at their amortized cost, which approximates fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

5.8 Employees' retirement benefits

Provident fund

The Company has contributory provident fund for its contractual employees, contribution in respect of which is charged to statement of income and expenditure for the year. Contribution is made by employees at the rate of 7% of the basic pay and an equal amount is contributed by the Company.

5.9 Provisions, contingent assets and contingent liabilities

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, 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 the obligation.

Contingent assets are not recognized and also not disclosed unless an inflow of economic benefits is probable and contingent liabilities are not recognized and disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

5.10 Funds/grants

General/Unrestricted fund

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

Deferred capital grants

Grants received for purchase of fixed and intangible assets with limited life are initially recorded as restricted grant upon receipt. When the assets are actually purchased they are then transferred from restricted grant and recorded as deferred capital grants. Deferred capital grants are amortized to the statement of income and expenditure over useful life of the related assets.

Grant in kind

Assets acquired or constructed by the Peshawar Development Authority (PDA) and other government agencies and transferred to the Company are initially recognized as deferred assets in kind upon receipt.

Deferred capital grant in kind is subsequently amortized to the statement of income and expenditure over the useful life of the related assets, in a manner consistent with the depreciation policy applied to those assets.

Restricted grant

The restricted grant represents grants 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 restricted fund at their receipt. Subsequently, these are recognized as income in the statement of income and expenditure 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.

5.11 Revenue recognition

Grant

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

Deferred capital grants

Deferred capital grants are amortized into income on a systematic basis over the periods necessary to match them with carrying value of the related operating and intangible assets.

Restricted grants

Restricted grants are initially recognized as a liability and subsequently is recognized as income in the statement of income and expenditure 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 the statement of income and expenditure and reflected as a receivable from donors.

Fare and Zu Card sale income

According to the core principle of IFRS 15, the Company recognizes revenue to depict the transfer of promised services/Zu cards to customers and an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services/Zu cards. The Company recognizes revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognize revenue when the entity satisfies a performance obligation.

The Company sale Zu cards and offer transport services. Revenue from sale of Zu Cards is recognized when the Company satisfies a performance obligation (at a point of time) by transferring promised Zu Card to the customers that is when the Zu cards are sold and handed over to the customers. Revenue from transport services are recognized when the services are performed.

5.12 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 percent 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 till June 30, 2020.

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. However, in exercise of the power conferred by section 2(36) of the Income Tax Ordinance, 2001, the Company has to obtain approval by Commissioner Inland Revenue(CIR) for the purpose of the Section. The Company has not obtain approval from CIR, therefore, provision for taxation has been made from June 30, 2020 onward.

RCO

6 Rectification of prior years error

During the year, the Company has conducted a detailed exercise for review of its accounting policies, estimates and records. As a result, several prior year errors & omissions were identified. These errors and omissions are corrected retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Description	As per Previous Financial	Restated Balance	Net Effect
-------------	---------------------------	------------------	------------

FOR THE YEAR END JUNE 30, 2022**EFFECT ON STATEMENT OF FINANCIAL POSITION****Assets**

Operating fixed assets	7,006,960,783	7,074,769,070	67,808,287
------------------------	---------------	---------------	------------

Fund & Liabilities

Deferred capital grant	7,009,158,630	7,076,966,917	(67,808,287)
------------------------	---------------	---------------	--------------

EFFECT ON STATEMENT OF COMPREHENSIVE INCOME**Income**

Amortization of deferred capital grant	860,312,377	815,944,037	44,368,340
--	-------------	-------------	------------

Receipts from Fleet Scraping	-	22,996,548	22,996,548
------------------------------	---	------------	------------

Expenditure

Depreciation	805,293,120	760,924,780	(44,368,340)
--------------	-------------	-------------	--------------

Bus Industry Restructuring Program (BIRP)	213,235,652	236,232,200	22,996,548
---	-------------	-------------	------------

FOR THE YEAR END JUNE 30, 2021**EFFECT ON STATEMENT OF FINANCIAL POSITION****Assets**

Operating fixed assets	7,822,787,651	7,846,227,598	23,439,947
------------------------	---------------	---------------	------------

Fund & Liabilities

Deferred capital grant	7,825,661,759	7,849,101,706	(23,439,947)
------------------------	---------------	---------------	--------------

EFFECT ON STATEMENT OF COMPREHENSIVE INCOME**Income**

Amortization of deferred capital grant	654,790,409	631,350,462	23,439,947
--	-------------	-------------	------------

Expenditure

Depreciation	654,273,213	630,833,266	(23,439,947)
--------------	-------------	-------------	--------------

6.1 BRT fleet and chargers depreciation

The Company has reassessed contractual useful life of BRT fleet and slow and fast chargers. Based on contractual useful life of BRT fleet, and slow and fast chargers, the useful life of assets have been rectified and respective adjustment have been incorporated retrospectively.

6.2 General

The comparative figures have been restated to separately present income and related expenses of the Bus Industry Restructuring Program (BIRP), which were previously reported on a net basis. This change improves the transparency and accuracy of financial reporting.

R/S

7 Operating Fixed Assets Schedule

2023											
PARTICULARS	C O S T					RATE	D E P R E C I A T I O N				Net Book Value
	As at	Re	Additions	Disposal / Derecognition	As at		As at	Disposal / Derecognition	For the Period	As at	As at
	July 01, 2022	classification			June 30, 2023		%			July 01, 2022	June 30, 2023
Electrical Equipment	9,640,045	-	292,500	-	9,932,545	30%	6,286,081	-	1,057,377	7,343,458	2,589,087
Computer equipment	13,940,107	-	5,323,686	(547,433)	18,716,360	30%	9,011,236	(444,911)	2,922,788	11,489,113	7,227,247
Office equipment	1,372,922	-	627,100	-	2,000,022	30%	411,694	-	448,998	860,692	1,139,330
Furniture	11,025,273	-	234,720	-	11,259,993	20%	4,797,882	-	1,283,884	6,081,766	5,178,227
Office renovation	1,402,049	-	-	-	1,402,049	20%	502,916	-	179,827	682,743	719,306
BRT Civil Works	11,146,139	-	11,822,275	-	22,968,414	20%	1,329,866	-	3,450,596	4,780,462	18,187,952
Pool Vehicles	11,720,024	-	-	-	11,720,024	20%	7,331,891	-	877,627	8,209,518	3,510,506
BRT Fleet	5,835,516,516	-	3,436,885,326	-	9,272,401,842	8.33%	993,279,443	-	638,157,800	1,631,437,243	7,640,964,599
Slow and Fast chargers	78,175,455	-	82,802,042	-	160,977,497	8.33%	13,029,244	-	7,664,649	20,693,893	140,283,604
ITS system	2,621,693,933	-	27,213,563	-	2,648,907,496	10%	484,883,140	-	263,076,512	747,959,652	1,900,947,844
	8,595,632,463	-	3,565,201,212	(547,433)	12,160,286,242		1,520,863,393	(444,911)	919,120,058	2,439,538,540	9,720,747,702

PARTICULARS	2022										Net Book Value
	C O S T					RATE	D E P R E C I A T I O N			As at June 30, 2022	
	As at	Re classification	Additions	Disposal	As at		As at	Adjustment	For the year		
	July 01, 2021				June 30, 2022		July 01, 2021				
Electrical equipment	9,668,879	(126,594)	97,760	-	9,640,045	30%	5,029,516	(126,594)	1,383,159	6,286,081	3,353,964
Computer equipment	12,937,151	1,002,956	-	-	13,940,107	30%	5,466,068	1,002,956	2,542,212	9,011,236	4,928,871
Office equipment	2,209,650	(836,728)	-	-	1,372,922	30%	1,195,065	(836,728)	53,357	411,694	961,228
Furniture	11,613,677	(611,404)	23,000	-	11,025,273	20%	4,005,289	(611,404)	1,403,997	4,797,882	6,227,391
Office renovation	1,402,049	-	-	-	1,402,049	20%	278,133	-	224,783	502,916	899,133
BRT Civil Works	2,418,302	-	8,727,837	-	11,146,139	20%	423,033	-	906,833	1,329,866	9,816,273
Pool Vehicles	11,720,024	-	-	-	11,720,024	20%	6,234,858	-	1,097,033	7,331,891	4,388,133
BRT Fleet	5,801,292,805	-	34,223,711	-	5,835,516,516	8.33%	508,650,053	-	484,629,390	993,237,043	4,842,237,073
Slow and fast chargers	78,175,455	-	-	-	78,175,455	8.33%	6,514,622	-	6,514,622	13,029,244	65,146,211
Women bus service fleet	103,972,568	-	-	(103,972,568)	-	20%	49,629,572	(49,629,572)	-	-	-
ITS system	2,620,956,993	-	736,940	-	2,621,693,933	10%	222,713,746	-	262,169,394	484,883,140	2,136,810,793
	8,656,367,553	(571,770)	43,809,248	(103,972,568)	8,595,632,463		810,139,955	(50,201,342)	760,924,780	1,520,863,393	7,074,769,070

7.1 Allocation of depreciation
 Project Operation Expenditure
 Company Administrative Expenditure

	2023	2022
Project Operation Expenditure	912,349,557	754,220,239
Company Administrative Expenditure	6,770,501	6,704,541
	919,120,058	760,924,780

Depreciation on electrical, computer & office equipment, furniture, office renovation and pool vehicles is charged to "Company Administrative Expenditure" while depreciation on the rest is charged to "Project Operation Expenditure"

7.2 Detail of non-current assets' surrendered during the year

Description	Cost	Acc Dep	Net Book value	Sale Proceeds	Gain/(loss)	Mode of disposal	Particulars of beneficiary
Disposal of 3 Laptops (As per company policy)	547,433	444,911	102,522	54,743	(47,779)	Handed over to employees	Manager HR, Manager Security, CEO

R20

7.3 Operating Fixed Assets Depreciation Method and Respective Useful Life

ASSETS	Depreciation Method	Useful life
BRT Buses and ITS	Straight Line Method	10 to 12 Years
Slow and Fast chargers	Straight Line Method	12 Years
Other Assets	Reducing Balance Method	Ranging from 3 to 5 Years

- 7.4 Operating fixed assets(Civil works, machinery and equipment) transferred to the Company by PDA, as mentioned in note 1.6, are not included in operating fixed assets as mentioned in note 7 due to non-availability of cost details of these assets. The process to get relevant cost from PDA has formally initiated via letter No. TPC/FIN/0425-098, dated April 18, 2025 and will be accounted for when the details are available.

8 Intangible assets

Enterprise Resource Management Software

Cost

Opening balance

Addition

As at June 30

Amortization

Opening balance

Add: Amortization

As at June 30

Written down value

2023

2022

RUPEES

3,381,304

3,381,304

-

-

3,381,304

3,381,304

1,183,457

507,196

676,261

676,261

1,859,718

1,183,457

1,521,586

2,197,847

- 8.1 The software is amortized on straight line basis for 5 years and amortization is charged to Project Operation Expenditure.

NOTE

2023

2022

RUPEES

9 Long Term Security Deposits

Pakistan State Oil

9.1

300,000

300,000

University of Peshawar

9.1

130,000

130,000

City District Government

9.2

8,400,000

8,400,000

8,830,000

8,830,000

- 9.1 This represent amount given as security to Pakistan State Oil (PSO) for issuance of four fleet cards for office vehicles and to University of Peshawar for installation of electricity meters at bicycle stations.

- 9.2 This represents the adjustable / refundable security deposit paid to the City District Government against lease of land at Kohat Adda for BRT Bus Terminal.

RUB

10 Advance against BRT Fleet and ITS System	NOTE	2023	2022
		RUPEES	
Unsecured - considered good:			
Advance against			
Xiamen Golden Dragon Bus Co. Limited	10.1	30,642,335	388,283,290
Import duties, taxes & other charges	10.2	65,162,961	58,355,808
		95,805,296	446,639,098
Advance against Intelligence Transport System			
LMK Resources Pakistan (Private) Limited, Santel & E-Hualu	10.3	8,780,535	10,347,905
		104,585,831	456,987,003

10.1 This represents advance payment made for BRT buses, tools and equipment as per terms of the contract signed with Xiamen Golden Dragon Bus Co. Limited on March 12, 2018 for the "Peshawar Sustainable Bus Rapid Transit Corridor Project".

10.2 This represents advances made to custom authorities, The Bank of Khyber and clearing agent in respect of import duties, taxes, custom duties, LC and others charges.

10.3 Contract for BRT System Control Goods and Service was signed between TransPeshawar and Joint Venture of LMK Resources Pakistan (Private) Limited, Beijing Santel Technology & Trading Corp, and Beijing E-Hualu Information Technology Co. LTD (Contractor) on December 31, 2018 for the development of ITS.

The balance advance is for the installation of VHF/UHF communication system and installation of ITS at Hayatabad depot. For VHF/UHF the company has not obtained NOC from Ministry of Defense and Hayatabad depot is under construction.

11 Receivable from ADB

This represents the balance amount receivable from ADB in respect of recognized BRT-buses, tool & chargers, stores & spares, ITS system & Zu cards delivered and consultancy services received. The amount shall be paid to the contractors and consultants as per the terms of contracts. The payable amount is reflected in note 16.1 & 16.2 to these financial statements.

12 Advances, prepayments and other receivables	NOTE	2023	2022
		RUPEES	
			Restated
Advance income tax	12.2	716,217,117	485,819,630
Advance to employees		208,584	257,332
Insurance prepayments		891,924	1,336,432
Unsecured - considered good:			
Zu Cards sales receivable from LMKR		4,903,500	6,067,950
Earned fare receivable from LMKR		41,848,300	28,401,063
		46,751,800	34,469,013
Other receivables		26,998,180	14,124,842
		791,067,605	536,007,249

12.1 Age Analysis

Amount Not past due	Amount past due			Total gross amount
	0 to 30 days	31 to 90 days	91 to 365 days	
----- (Rupees) -----				

Zu cards receivable	-	4,903,500	-	-	4,903,500
Earned fare	-	41,848,300	-	-	41,848,300

12.2 Advance income tax

NOTE

2023

2022

RUPEES

Opening balance	485,819,630	484,695,573
Add: Withholding tax deducted	255,581,915	17,655,147
Less: Adjusted against tax provision	(25,184,428)	(16,531,090)
Closing balance	716,217,117	485,819,630

13 Cash and bank

Local currency:

Current account

Saving accounts

13.1

27,610,866

264,673,542

722,022,309

1,441,563,091

749,633,175

1,706,236,633

13.1 Saving accounts carry mark up at the rate 13.50% to 19.50% (2022: 5.5% to 12.25%) per annum.

14 Restricted grant

Opening balance

2,196,585,673

2,448,225,249

Grant recognized as restricted grant

14.1

5,825,769,831

3,383,635,591

Interest income on bank deposits

125,133,841

73,147,977

Funds utilized and recognized as income

14.2

(4,420,595,923)

(3,664,613,896)

Transferred to deferred capital grant

(3,565,201,212)

(43,809,248)

161,692,210

2,196,585,673

14.1 Grant recognized during the period

Government of Khyber Pakhtunkhwa (GoKPK)

2,887,498,000

2,747,843,000

Asian Development Bank (ADB)

2,930,635,831

635,792,591

Peshawar Development Authority (PDA)

7,636,000

-

5,825,769,831

3,383,635,591

14.2 Funds utilized and recognized as income

Funds utilized for:

Project operation expenditure

7,163,087,833

5,627,009,519

Company administration expenditure

188,529,487

181,795,059

Provision for income tax

25,184,428

16,531,090

Total expenses - as per statement of income and expenditure

7,376,801,748

5,825,335,668

Less:

NBV of disposed assets

(102,522)

(54,342,996)

Amortization

(676,261)

(676,261)

Depreciation

(919,120,058)

(760,924,780)

Funded from company's own revenue generation

(2,036,306,984)

(1,344,777,735)

(2,956,205,825)

(2,160,721,772)

Funds utilized and recognized as income

4,420,595,923

3,664,613,896

14.2.1 The company recognized its income from restricted fund to the extent of expenses incurred as stated in the policy note 5.11 to these financial statements. The amortization, depreciation and loss on disposal of buses have been recognized as income under head "amortization of deferred capital grant" is detailed in note 15.1 to the financial statements.

14.3 Transferred to deferred capital grant

An amount equal to assets capitalized as given in note 7 during the year has been transferred from restricted grant to deferred capital grant as per policy stated in note 5.10 "deferred capital grants" to these financial statements.

15 Deferred Capital Grant	NOTE	2023	2022
		RUPEES	
Opening balance		7,076,966,917	7,849,101,706
Transferred from restricted grant	14	3,565,201,212	43,809,248
		10,642,168,129	7,892,910,954
Less amortization against:			
Depreciation on fixed operating assets		(919,120,058)	(760,924,780)
Amortization of intangible asset		(676,261)	(676,261)
NBV of disposed assets		(102,522)	(54,342,996)
		(919,898,841)	(815,944,037)
		9,722,269,288	7,076,966,917

15.1 The depreciation of BRT buses along with the depreciation of other operating assets, loss on disposal and amortization have been recognized as income against deferred capital grant as per policy note 5.11 to these financial statements.

15.2 Reconciliation

Reconciliation of closing balance of deferred capital grant with the WDV of operating fixed assets and intangible asset.

Written down value of operating fixed assets	7	9,720,747,702	7,074,769,070
Written down value of intangible asset	8	1,521,586	2,197,847
		9,722,269,288	7,076,966,917

15.3 Deferred grant related to the transferred assets from Peshawar Development Authority (PDA) to the Company are not included due to non-availability of cost details of these assets. The process to get relevant cost from PDA has formally initiated and will be accounted for when the details are available. (note 7.4)

16 Accrued and Other Liabilities	NOTE	2023	2022
		RUPEES	
Payable to M/S Xiamen Golden Dragon	16.1	2,220,455,672	1,326,576,428
Payable to LMKR sental and E-Haulu	16.2	152,242,025	1,434,849,793
Reserve fund payable		27,914,272	10,819,505
Provident fund payable		4,252,498	1,623,744
Accrued liabilities	16.3	862,159,054	398,201,672
Tax payable		34,178,755	24,933,384
Performance security		27,113,598	23,021,993
Security deposit - LMKR		400,000,000	-
Other payables		5,869,078	8,070,038
		3,734,184,952	3,228,096,557

16.1 This represents amount payable to M/S Xiamen Golden Dragon against BRT fleet, tools & spare parts by the ADB in accordance with the terms of the agreement.

16.2 This represents amount payable to LMKR sental and E-Haulu against ITS by the ADB in accordance with the terms of the agreement.

- 16.3** Accrued liabilities includes payable against services of BRT Vehicle Operations, Intelligent Transport System, repair and maintenance, fuel supply and electricity expense for the month of June 2023.

17 Contingencies and Commitments

17.1 Contingencies

a) Infrastructure charges

The TransPeshawar's transport vehicles are operated on the routes/stations whose ownership is not yet confirmed. The company management is not in the position to estimate the maintenance/usage or other charges that may be claimed by the government authority once the ownership of the BRT routes/stations is transferred to it.

b) Office building rent

The Company has been operating its office since May 2020 from the KPUMA Building situated at the Main BRT Depot, Chamkani, Peshawar, owned by the Khyber Pakhtunkhwa Urban Mobility Authority (KPUMA). As of the reporting date, no formal rent agreement or memorandum of understanding exists between the Company and KPUMA regarding the use of the premises.

Accordingly, no provision for rent has been recorded in these financial statements for the year ended June 30, 2023, and prior years. As of the reporting date, no reliable estimate of any potential financial impact can be made.

c) No provision for income tax

As detailed in note 5.12 to these financial statements the company intends to claim tax credit equal to one hundred per cent of the tax payable. No provision for taxation has been made in the prior years ended up to June 30, 2020 in these financial statements as the management is of the opinion that they have complied with the requirements of Section 100C of the Income Tax Ordinance, 2001 in respect of the prior years.

d) Withholding tax

An amount of PKR 2,542,023,114 has been paid to LMKR Sental and E-Haulu against the import of ITS. However, withholding tax amounting to PKR 355,883,236 was not deducted at source, in reference to the provisions of Section 152(1A) of the Income Tax Ordinance, 2001. The matter is currently under litigation before the Peshawar High Court.

LMKR Sental and E-Haulu have contractually undertaken the responsibility to bear the potential liability, including the principal withholding tax, any applicable penalty, currency fluctuation risk, and liquidity-related damages, should the outcome of the case not be in their favor. In the interim, TransPeshawar has retained security equivalent to the disputed amount as included in note 16. Pending the court's final decision, no payment has been made to the Federal Board of Revenue.

17.2 Commitments

The details of the commitments as at June 30, 2023 are as follows:

- a)** On March 12, 2018, TransPeshawar entered into an agreement with M/s Xiamen Golden Dragon Company Limited. As per the latest amendment the contract covers purchase of 12 meter long 175 buses, 18 meter long 65 buses, 2 tow trucks and other necessary spare parts and equipment for the "Peshawar Sustainable Bus Rapid Transit Corridor Project" at price in USD \$49,507,628 equivalent to PKR 14,188,816,751 (@ of 1 USD = 286.5986 as at June 30, 2023).

As at June 30, 2023 the Company's capital expenditure commitment against the above agreement amounts to USD 7,597,791 equivalent to PKR 2,177,516,264 (1 USD = 286.5986 as at June 30, 2023).

- b)** On March 12, 2018, TransPeshawar entered in to an agreement with M/s Xiamen Golden Dragon Company Limited the purchase of Diesel Engine Oil, Tires and other related services including driver training program, maintenance supervision of vehicles, completion of full vehicle homologation, registration and licensing of BRT vehicles for the "Peshawar Sustainable Bus Rapid Transit Corridor Project". As per the latest amendment the contract price is PKR 330,784,794.

Rec

As at June 30, 2023 the Company's capital expenditure commitment against the above agreement amounts to PKR 121,820,287.

- c) On December 31, 2018, TransPeshawar entered into an agreement with Joint Venture of LMK Resources Pakistan (Pvt) Ltd, Beijing Santel Technology & Trading Corporation and Beijing E-Hualu Information Technology Company Limited for purchase and installation of "Intelligence Transport System" for the "Peshawar Sustainable Bus Rapid Transit Corridor Project". As per the latest amended agreement, the total contract price is PKR 4,265,084,644 (USD 14,449,740 (equivalent to PKR 4,141,275,254) and in PKR 123,809,390).

As at June 30, 2023, the Company's capital expenditure commitment against the above agreement amounts to USD 1,540,182 (equivalent PKR 441,414,005) and PKR 7,370,798 amounting to total in PKR 448,784,803.

- d) The exchange rate used in translating foreign currency commitments is the State Bank of Pakistan exchange rate of PKR 286.5986 as at June 30, 2023.

	2023	2022
	RUPEES	
		Restated
18 Income from BRT Operations		
BRT fare earned	1,885,859,845	1,246,724,620
Zu cards sales receipts	61,096,800	63,520,950
Advertisement income	52,801,680	9,321,320
Shops rental income	5,022,059	2,214,297
	2,004,780,384	1,321,781,187
19 Other Income		
Penalty income	2,651,340	669,050
Tender fee income	574,200	37,000
Prize & Award	6,944,444	-
	10,169,984	706,050

20 BRT Vehicles Operating Expenditure

TransPeshawar has entered into an agreement with North South Travels (Private) Limited for the operation of BRT Fleet buses. Fixed rate per kilo meter is charged, which is adjusted on the basis of changes in agreed variables as given in annexure C (Payment Calculation Schedule) to the agreement. The billing is being made on monthly basis.

21 BRT Intelligent Transport Services

TransPeshawar has entered into a contract with a joint venture of LMK Resource Pakistan, Beijing Santel Technology & Trading Corporation and Beijing E-Huala Information Technology Co. Ltd. The services provided under this contract include ITS services, Automatic Fare Card, Station Management Services and Bicycle Sharing Services.

22 Operation & Maintenance of BRT

TransPeshawar has entered into contracts with three different companies (JV of CEMS & ESL, MESI Enterprises and Pro-tech Solutions) for the operation and maintenance of BRT equipment. MESI Enterprises is responsible for the operation, repair and maintenance of electrical equipment, station lights and passenger service doors; JV of CEMS & ESL is responsible for the operation and maintenance of generators, dewatering pumps and fuel for generators; and Pro-tech Solutions is responsible for the operation and maintenance of elevators, escalators and allied services.

RCB

23 Bus Industry Restructuring Program (BIRP) Expenditure

Under the Bus Industry Restructuring Program (BIRP), old wagons, mini buses and buses are bought from their owners at predetermined approved prices and then scrapped. The scrap is sold to a contractor @ PKR 37.6 per KG. The program is approved in PC1 of the BRT project with a budgeted amount of PKR 1.052 billion.

24 Consultancy services

Consultancy services include payments for consultancy services provided by ODBM consultant, bus fire investigation consultant and consultant hired under BIRP program for enlistment of wagons and buses owners.

25 Salaries, Allowances And Other Benefits

Salaries, allowances and other benefits includes an amount of PKR 7,202,374 (2022: PKR 8,630,699) in respect of staff retirement benefits (Provident Fund).

26 Utilities	NOTE	2023	2022
		RUPEES	
Project's utilities expenses			
Electricity		165,113,936	151,441,073
Fuel for generators		61,924,291	40,031,930
Water		-	652,860
		227,038,227	192,125,863
Company's utilities expenses			
Telephone and internet charges		2,263,064	2,384,693
Water		711,538	498,953
		2,974,602	2,883,646
		230,012,829	195,009,509
27 Other Expenses			
Petrol, oil and lubricants		1,280,673	910,225
Travelling and conveyance		2,165,275	208,052
Seminars and workshops		2,020,683	1,023,380
Printing and stationery expenses		1,535,940	738,781
Legal and professional fee		1,213,571	1,369,935
Auditors' remuneration	27.1	525,000	435,750
Meeting expenses		936,795	951,159
Bank charges		27,382	21,257
Postage and courier		-	5,834
Books and periodicals		75,820	63,866
Miscellaneous		339,716	130,923
		10,120,855	5,859,162
27.1 Auditors' Remuneration			
Annual audit fee		450,000	383,250
Compliance review report		75,000	52,500
		525,000	435,750
28 Provision for income tax			
Opening balance		-	-
Provision for the year		25,184,428	16,531,090
Adjusted against advance tax		(25,184,428)	(16,531,090)
		-	-

28.1 Provision for taxation is based on higher of normal tax, corporate tax or minimum tax as per Income Tax Ordinance, 2001, after taking into account tax credits and tax rebates, if any.

29 Unrestricted surplus after tax

As the restricted grants are recognized in the statement of income and expenditure equal to the extent of expenditure incurred, therefore, no surplus or deficit arises under restricted grant and all the surplus/(deficit) balance reported relates to unrestricted grant/income.

30 Remuneration of Chief Executive, Directors and Executives

The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive, Directors and Executives of the company is as follows:

2023				
	Chief Executive	Directors	Executives	Total
Managerial remuneration	9,356,373	-	95,266,992	104,623,365
	9,356,373	-	95,266,992	104,623,365
Number of persons	1	13	23	37
2022				
	Chief Executive	Directors	Executives	Total
Managerial remuneration	16,634,460	-	86,263,432	102,897,892
	16,634,460	-	86,263,432	102,897,892
Number of persons	1	13	23	37

31 Transaction with Related Parties

Related parties comprise of associated companies, directors of the company, companies in which directors are interested, key management personnel, post employment benefit plans and close members of the families of the directors and key management personnel. The related parties of the company comprise of the controlling authority (Government of Khyber Pakhtunkhwa) and the Chief Executive Officer and directors of the company. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

31.1 Name and nature of relationship

a) Government of Khyber Pakhtunkhwa

TransPeshawar (The Urban Mobility Company) is wholly controlled by Government of Khyber Pakhtunkhwa.

b) Chief Executive Officer

Chief Executive Officer is included in the Key Management Personnel of the company.

c) Directors

Directors are included in the Key Management Personnel of the company.

31.2 Transactions with related parties

	2023	2022
	RUPEES	
		Restated
Remuneration paid to Chief Executive Officer	9,356,373	16,634,460
Grant received from Government of Khyber Pakhtunkhwa	2,887,498,000	2,747,843,000
	2,896,854,373	2,764,477,460

RLO

	2023	2022
	RUPEES	
Outstanding balances		
Restricted grant balance of Government of KP	161,692,210	2,196,585,673

- 31.3 A number of entities owned directly/Indirectly by the Government of Khyber Pakhtunkhwa (GOKPK) are the related parties of the Company due to significant Influence of the GOKPK over the Company. The names of all those related parties cannot be disclosed, however, the Information about these entities is publicly available on the Internet.

32 Provident Fund

- 32.1 Disclosures with regard to provident fund is based on audited financial statements.

	2023	2022
	Rupees	
Size of the Fund	33,408,470	40,166,167
Cost of investment - PLS Account	17,557,126	29,971,043
Fair value of investment - PLS Account	17,557,126	29,971,043
Percentage of amount invested	52.55%	74.62%

- 32.2 The provident fund amount is deposited in a saving account opened with the Bank Islami for this purpose.

33 Financial Risk Management

33.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk, interest rate risk and price risk). The Company overall risk management program focuses on having cost effective funding as well as to manage financial risk.

The Company finances its operations through grants, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

a) Credit Risk:

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties failed to perform as contracted. The Company's credit risk is primarily attributable to advances, accrued interest and balances at banks. The Company maintains its deposits and bank balances with reputable financial institutions with high credit worthiness. The carrying amount of the financial assets represent the maximum credit risk exposure and are as follows:

	2023	2022
	Rupees	
Financial Assets		
Long term security deposits	8,830,000	8,830,000
Receivable from ADB	2,372,697,697	2,760,689,281
Accrued Interest Income	59,555,506	45,892,046
Zu Cards sales receivable	4,903,500	6,067,950
Fare receivable from LMKR	41,848,300	28,401,063
Advance to employees	208,584	257,332
Other advances	26,998,180	14,124,842
Cash and bank balances	749,633,175	1,706,236,633
	3,264,674,942	4,570,499,147

To manage exposure to credit risk in respect of receivables, management performs credit reviews taking into account the organization's financial position, past experience and other factors.

The credit quality of Company's bank balances can be assessed with reference to the external credit ratings as follows:

Name of the bank	Rating		
	Agency	Short term	Long term
The Bank of Khyber	PACRA	A1	A
National Bank of Pakistan	PACRA	A1+	AAA

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The major credit risk concentration of the company is receivable from ADB and cash at bank balances.

Impairment of financial assets

During the year no financial assets have been impaired.

b) Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash. The below Company's financial liabilities are payable within one year from the reporting date and represent the carrying amount as well as the contractual cash outflows at the report date.

		2023	2022
	NOTE	RUPEES	
			Restated
Payable to suppliers	16.1&16.2	2,372,697,697	2,761,426,221
Provident fund payable		4,252,498	1,623,744
Reserve fund payable		27,914,272	10,819,505
Accrued Liabilities	16.3	862,159,054	398,201,672
Performance security		27,113,598	23,021,993
Other payables		5,869,078	8,070,038
		3,300,006,197	3,203,163,173

c) Market Risk:

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is not exposed to such risk.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates.

Presently the Company is not exposed to any foreign currency risk as the payable balance in USD is also the receivable balance from ADB in USD.

Interest rate risk

Interest/mark up rate risk arises from the possibility that the changes in the interest rate / mark up rates will effect the value of financial instruments. The Company does not have any significant investment except cash at bank which is kept in saving account and hence is not exposed to any material interest rate risk.

At the year end the company is not exposed to interest rate risk as the company has no investment in interest bearing instrument, therefore, no sensitivity analysis has been presented.

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to price risk.

33.2 Fair Value 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.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.

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

Transfer between level of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The carrying value of all the financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

33.3 Fund Risk Management

The Company's objectives when managing funds are to safeguard the Company's ability to continue as a going concern in order to provide services for the general public. The Company manages its fund structures and makes adjustments to it, in the light of changes in economic conditions. There were no changes to company's approach to fund management during the year.

Objectives

The main objective of the Company's Fund Management is serve the general public by providing modern transport services.

Policies and process to managing fund

Funds balances are assessed and adjustments made, if any, based on the changes in economic conditions.

There has been no externally imposed fund requirements on the company.

33.4 Financial instruments by categories

2023		
Interest bearing	Non- Interest bearing	Total
Maturity up to one year	Maturity up to one year	
Financial Assets		
Long Term Security Deposits	- 8,830,000	8,830,000
Receivable from ADB	- 2,372,697,697	2,372,697,697
Accrued Interest Income	- 59,555,506	59,555,506
Zu Cards sales receivable	- 4,903,500	4,903,500
Fare receivable from LMKR	- 41,848,300	41,848,300
Advance to employees	- 208,584	208,584
Other advances	- 15,461,274	15,461,274
Cash and bank balances	722,022,309 27,610,866	749,633,175
	722,022,309 2,531,115,727	3,253,138,036
Financial Liabilities		
Payable to supplier	- 2,372,697,697	2,372,697,697
Provident fund payable	- 4,252,498	4,252,498
Reserve fund payable	27,914,272	27,914,272
Accrued Liabilities	- 862,159,054	862,159,054
Performance security	- 27,113,598	27,113,598
Other payables	- 5,869,078	5,869,078
	- 3,300,006,197	3,300,006,197
2022		
Interest bearing	Non- Interest bearing	Total
Maturity up to one year	Maturity up to one year	
Financial Assets		
Long Term Security Deposits	- 8,830,000	8,830,000
Receivable from ADB	- 2,760,689,281	2,760,689,281
Accrued Interest Income	- 45,892,046	45,892,046
Advance to employees	- 257,332	257,332
Other advances	- 3,367,982	3,367,982
Cash and bank balances	1,441,563,091 264,673,542	1,706,236,633
	1,441,563,091 3,083,710,183	4,525,273,274
Financial Liabilities		
Payable to supplier	- 2,761,426,221	2,761,426,221
Provident fund payable	1,623,744	1,623,744
Reserve fund payable	10,819,505	10,819,505
Accrued Liabilities	- 398,201,672	398,201,672
Performance security	- 23,021,993	23,021,993
Other payables	- 8,070,038	8,070,038
	- 3,203,163,173	3,203,163,173

	2023	2022
	Number	
	54	61
	58	61

34 Number of employees

Total employees of the Company at the year end

Average employees of the Company during the year

35 Date of Authorization


These financial statements were authorized for issue on 29-5-2025 by the board of directors of the Company.

36 General

Figures of the previous year have been reclassified, rearranged and regrouped wherever necessary for comparison purposes. Figures have been restated as disclosed in note 6 to these financial statements.

Figures have been rounded off to the nearest rupee.

RUB


CHIEF EXECUTIVE OFFICER


DIRECTOR