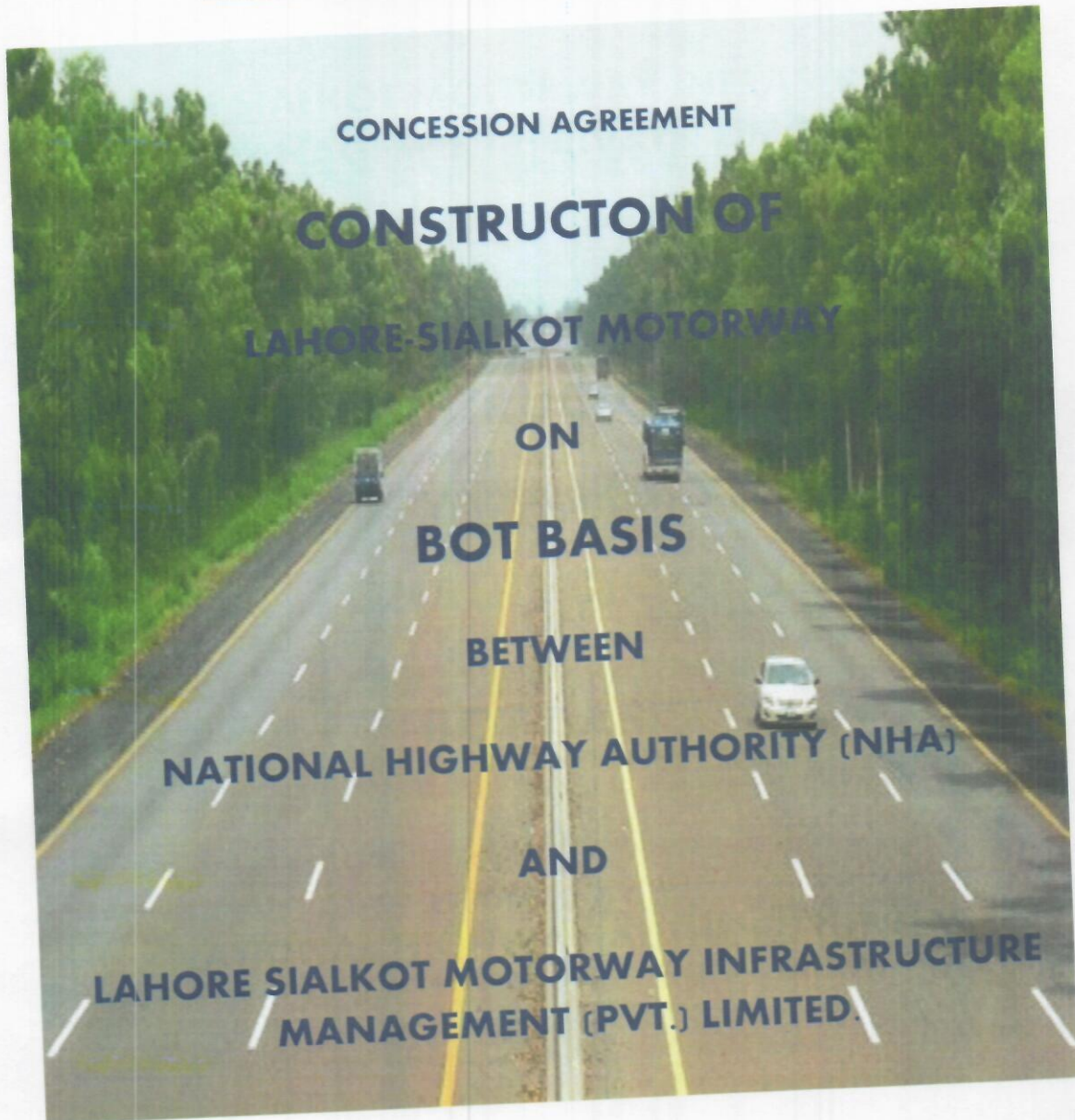


DIRECTORS REPORT

**LAHORE SIALKOT MOTORWAY INFRASTRUCTURE
MANAGEMENT (PRIVATE) LIMITED**



DIRECTOR'S REPORT (FOR THE YEAR ENDED JUNE 30, 2024)

Directors are pleased to present the Annual Report together with the Audited Statement of Accounts and the Auditors' Report of the Company for the financial year ended 30th June, 2024.

BUSINESS REVIEW

Principal Activities

The main business of the Company is to develop, design, construct, operate and transfer the concession assets in accordance with the terms of the concession agreement and during concession period, collect, receive and earn the toll revenue and other revenues generated from the said project. The Company is a subsidiary of Frontier Works Organization.

Company entered into a concession agreement with the National Highway Authority for the construction and development of Lahore – Sialkot Motorway, National Highway N-5, on Built Operate Transfer (BOT) basis on 28 February 2017 under Concession Agreement.

Financial Performance

The Company was incorporated on 04 October 2016 as private limited company and Financial Statements were prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Act, 2017. In case requirement differ, the provisions or directive of the Companies Act, 2017 shall prevail. Summarized financial results for the year are as under:

Particulars	June 30, 2024	June 30, 2023
	(Rs)	(Rs)
Balance Sheet		
Fixed Assets (Concession Assets)	28,149,332,717	29,878,199,534
Cash & Bank	90,535,430	32,854,984
Advances and Other Receivables	288,797,498	247,872,961
Long Term Loans	18,308,284,321	14,937,395,368
Current portion of Long-Term Loans	1,515,188,273	2,010,884,180
Shareholder's Equity	24,827,417,593	24,827,417,593
Income Statement		
Revenue	1,169,981,884	977,482,214
Cost of Sales	(2,456,722,043)	(3,078,702,132)
Administrative expenses	(55,046,080)	(47,614,161)
Finance Cost	(2,639,829,397)	(1,880,857,552)
Other Income	24,588,802	26,588,280
Taxation	(14,624,774)	(12,218,528)
Profit / (Loss) after taxation	(3,971,651,608)	(4,015,321,878)

Review of Operation

During the year under review Company total loss was Rs. 3,972 million. The financial result for this year show a due prudence was exercised by the Company.

DIRECTORS

During the year Mr. Abdul Sami was appointed as the Director/Chairmen, Mr. Muhammad Jamal Maroof appointed as Director/CEO and Mr. Agha Waqar Javed appointed as Director of the Company till the 9th annual general meeting of the Company.

At present Board Composition is as follows:

- | | |
|------------------------------|------------------------|
| 1. Mr. Abdul Sami | (Director/Chairman) |
| 2. Mr. Muhammad Jamal Maroof | (Director/CEO)) |
| 3. Mr. Agha Waqar Javed | (Director) |
| 4. Mr. Masood Akhtar | (Independent Director) |

OUR HUMAN CAPITAL

We have a strong commitment to develop our human resource polices which nurture Professionalism, Team work, Goal congruence, Mutual respect and Confidence contributing to optimal efficiency.

CONTINGENCIES AND COMMITMENTS

Except as disclosed in financial statements, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

EXTERNAL AUDITORS

Auditors **RSM AVAIS HYDER LIAQUAT NAUMAN Chartered Accountants**, having its office at Avais Chambers I/C-5, Sikandar Mali Road, Canal Park, Gulberg II, Lahore, were appointed to act as the External Auditor for period until next AGM.

GOING CONCERN

There is no doubt that the Company has the ability and strength to operate as a going concern.

PRESENTATION OF FINANCIAL STATEMENT

The financial statements prepared by the Management present the Company's state of affairs, the results of its operations, cash flows and changes in equity in a fair and accurate manner.

BOOKS OF ACCOUNT

Company has established its accounting and reporting systems so that proper books of account are maintained.

ACCOUNTING POLICIES

Appropriate accounting policies are consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

COMPLIANCE WITH IAS AND IFRS

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Pakistan have been followed in preparation of financial statements.

COMPANY STANDARD OPERATING PROCEDURES AND INTERNAL CONTROL SYSTEM

Company has designed Standard operating procedures (SOPs) and established Company processes and operational systems including internal control system. Our directors have ensured its effective implementation and will keep on monitoring in future.

COMPANY'S INTERNAL CONTROL AND REPORTING SYSTEMS

The Board is responsible to implement overall corporate governance in the Company including approval of the strategic direction as recommended by the Management, approving and monitoring capital expenditures, appointing, removing and creating succession policies for the senior management, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and Management Information Systems. It is also responsible for approving and monitoring financial and other reporting.

AUDITORS' REPORT

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

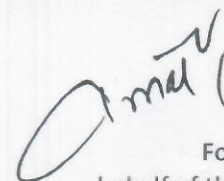
DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms that-

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Board has delegated responsibility for operation and administration of the Company to the Chief Executive Officer.

ACKNOWLEDGEMENTS

Directors place on record their gratitude for the continuing support of Shareholders, bankers and Business associates at all levels.


For and on
behalf of the Board
[Chief Executive Officer]
29th November, 2024