



**Government of Sindh
Sindh Peoples Housing for Flood Affectees
(SPHF)**



ANNUAL REPORT 2024-25



**Government of Sindh
Sindh Peoples Housing for Flood Affectees
(SPHF)**



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Vision and Mission Statement

Vision

To be a leading organization of Sindh in promoting Climate resilient housing solutions, pioneering innovative approaches to rebuild and fortify communities against the devastating impact of climate/ floods, ensuring sustainable and secure living environments for vulnerable population specifically women.

Mission

Our mission is to design, develop, and implement Climate/ flood-resistant housing solutions that prioritize safety, sustainability, and community resilience along with aiming to empower communities specially women by actively involving local stakeholders in the reconstruction process, fostering ownership, and imparting knowledge about sustainable and climate/ flood resilient construction practices.

We are committed to continuous innovation, researching and adopting cutting-edge technologies and resources/ materials that enhance the resilience of housing against Climate/ flood hazards.



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ORGANIZATION'S INFORMATION

Board of Directors

Mr. Najam Ahmed (Chairperson)
(Chairman P&DB-GoS), Chairman SPHF
Mr. Asad Ullah Sayeed, (Independent director)

Ms. Sadiqa Salahuddin, (Independent director)
Mr. Mudassir Husain Khan, (Independent director)
Mr. Khalid Mehmood Shaikh, CEO-SPHF

Finance & Audit Committee

Mr. Asad Ullah Sayeed, (Chairperson)
Ms. Sadiqa Salahuddin (Member)
Mr. Mudassir Husain Khan (Member)

HR Committee

Ms. Mudassir Husain Khan, (Chairperson)
Mr. Najam Ahmed Shah (Member)
Mr. Khalid Mehmood Shaikh, (Member)

Technical & Procurement Committee

Mr. Najam Ahmed Shah (Member)
Ms. Sadiqa Salahuddin, (Member)

Nomination Committee

Ms. Sadiqa Salahuddin (Chairperson)
Mr. Mudassir Husain Khan (Member)
Mr. Asad Ullah Sayeed, (Member)

Project Implantation and Support Consultants Implementation Partner

EY Ford Rhodes

Technological Expertise

TMC (Pvt.) Ltd

Independent Validator

G3 Engineering Consultants Pvt Ltd

External Auditor

PWC A.F FERGUSONS & Co.

Internal Auditor

KPMG TASEER HADI & Co.

Others

Riaz Ahmad & Company Chartered Accountant

Chief Finance Officer & Company Secretary

Mr. Jamil Ahmed

Legal Advisor

Haider Mota & Co.

Key Officials

Mr. Malik Najaf Khan, COO

Mr. Imtiaz Ahmed, Chief Procurement Officer

Mr. Jhaman Lalchandani, WASH Specialist

Mr. Muhammad Shahid Panhwar, M&E Manager

Mr. Muhammad Umair, Finance Manager

Mr. Adeel Ahmed Khan, Disbursement Manager

Mr. Sheraz Azeem Khan, MIS Manager

Ms. Sana Samejo, Communication Specialist

Ms. Shama Parveen, Social Development Specialist

Mr. Muhammad Naveed, Project Engineer

Mr. Syed Jalal Abbas Jaffri, Environment Specialist

Mr. Sayed Shueb Ali Shah, Manager HR & Admin

Mr. Muhammad Tauseef Siddiqui, Senior MIS Specialist

Ms. Versha Qazi, Gender Specialist

Ms. Tuba Noman, GIS Specialist

Officials Address

Address: Bungalow No.20, Block 7/8, Modern

Cooperative Housing Society, Tipu Sultan Road, Karachi.

Banks

National Bank of Pakistan (NBP)

Sindh Bank Limited (SBL)

Bank Alfalah (BAFL)



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Implementing Partners

National Rural support Program NRSP

Sindh Rural Support Program SRSO

Thardeep Rural Development Program TRDP

Health & Nutrition Development Society HANDS

SAFCO Support Foundation

Contact

Website: www.sphf.gos.pk

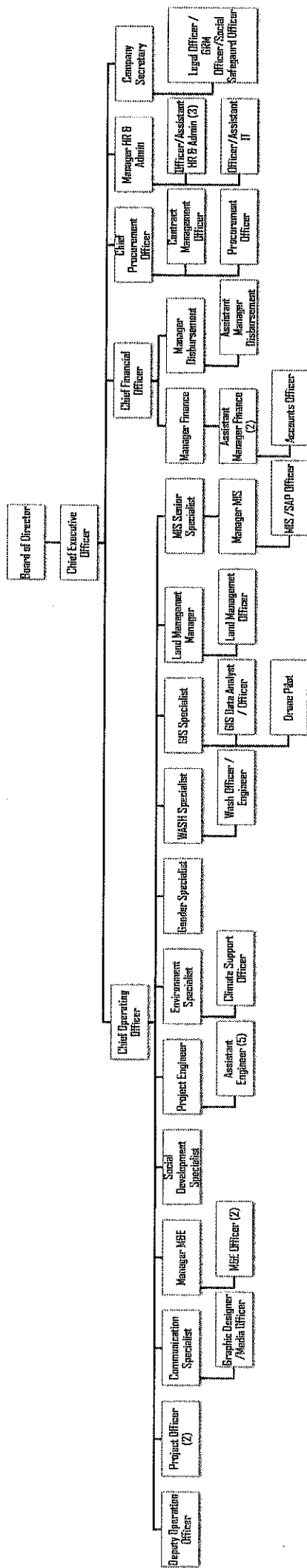
Facebook: <https://www.facebook.com/sindhpeopleshousing>

Instagram: <https://www.instagram.com/sphfofficial>

Twitter: <https://x.com/sphfofficial>

YouTube: <https://www.youtube.com/@sphfofficial>

LinkedIn: <https://www.linkedin.com/company/sindh-people-s-housing-for-flood-affectees>





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Notice & Agenda for the 3rd Annual General Meeting of SPHF

NOTICE OF THE MEETING

Notice is hereby given that the 3rd Annual General Meeting of the members of SPHF will be held as follows:

Date and Time: Friday, 24th October 2025 at 1:00 pm
Venue: Meeting Room of SPHF
House # 20, Block 7/8, Modern Cooperative Housing Society, Tipu Sultan Road Karachi.

To:

Mr. Muhammad Ali Khoso
Secretary (G.A)

Attendance Requested:

Directors

1. **Najam Ahmed Shah**
(Chairman P&DB-GoS), Chairman SPHF
2. **Mr. Abdul Sami Kehar**, Member
3. **Ms. Sadiqa Salahuddin**, Member
4. **Mr. Asad Ullah Sayeed**, Member
5. **Mr. Mudassir Husain Khan**, Member
6. **Mr. Khalid Mehmood Shaikh**, Member, CEO-SPHF

AGENDA OF THE MEETING

1.	To Confirm the Minutes of 2 nd Annual General Meeting held on November 28, 2024.
2.	To Consider and adopt the Audited Financial Statement of the Company for the year ended June 30, 2025 along with the Directors' Report and Auditors' Report thereon.
3.	To reappoint External Auditors of the company for the ensuing year 2025-26.
4.	Any other business with the permission of the Chair

Jamil Ahmed
Company Secretary

03rd October 2025



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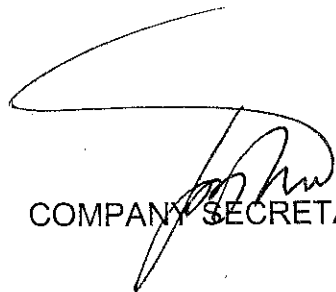
Minutes of 2 nd Annual General Meeting of Sindh People's Housing for Flood Affectees (SPHF)		
November 28 2024	Time	1:00 pm to 3:30 pm
Meeting Room of Planning & Development Department (Government of Sindh), Tughlaq House, Sindh Secretariat, Karachi		
<ol style="list-style-type: none">1. Mr. Khalid Mehmood Shaikh, (CEO and Member)2. Mr. Shahab Qamar Ansari (Secretary I & C) <p>Quorum:</p> <p>M/s. Sindh Flood Response Emergency Housing Reconstruction Project is executed by the Company namely "M/s. Sindh Peoples Housing for Flood Affectees (SPHF)" under the administrative control of M/s. Services General Administration & Coordination Department Government of Sindh. Hence, the (Secretary I&C) Mr. Shahab Qamar Ansari was invited to attend the meeting. The Annual General Meeting was Chaired by Mr. Khalid Mehmood (Member of Board of Director and CEO) and the meeting commenced with the permission of the Chair.</p> <p><u>In Attendance</u></p> <p>Mr. Jamil Ahmed, Chief Financial Officer, and Company Secretary</p>		
Agenda Item	Discussion and Decisions	
1	1.1 There being no observation on the minutes of 1st Annual General Meeting held on February 16, 2024 respectively, hence the same were taken as read and confirmed.	
	<p><u>Resolution:</u></p> <p><i>Resolved that "Minutes of 1st Annual General Meeting held on February 16, 2024 are taken as read and confirmed".</i></p>	
1	To consider and adopt the Audited Financial Statements of the Company for the year ended 30 th June 2024 along with Directors' Report and Auditors' Report thereon	
	2.1 After reviewing the Audited Financial Statements for the year ended 30 th June 2024 along with the Auditors' Report and the Directors' Report, Mr. Khalid Mehmood proposed, and Mr. Shahab Qamar Ansari seconded to adopt the Audited Financial Statements of the Company for the year ended 30th June 2024 along with Directors' Report and Auditors' Report thereon	
	<p><u>Resolution:</u></p> <p><i>"As proposed by Mr. Khalid Mehmood and seconded by Mr. Shahab Qamar Ansari, it is hereby resolved that the Audited Financial Statements</i></p>	



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	<p><i>for the year ended 30th June 2024 along with the Auditors' Report and the Directors' Report thereon are hereby adopted".</i></p>
3	<p>To reappoint External Auditors of the Company for the year 2024-25.</p> <p>3.1 Chairman apprised that M/s PWC A.F. Fergusson & Co. Chartered Accountants have audited the Financial Statements for the year 2023-24 and on the recommendation of Audit Committee of the Company, has proposed re-appointment of M/s A.F. Ferguson & Co. Chartered Accountants as external auditors, for the year ending 30th June 2025. Mr. Khalid Mehmood proposed and seconded by Mr. Shahab Qamar Ansari, Members agreed to appoint M/s PWC A.F. Fergusson & Co. Chartered Accountants as External Auditors for the year 2024-25 at Fee PKR 6 million plus out of pocket expenses and sales tax.</p> <p><u>Resolution:</u></p> <p><i>"As proposed by Mr. Khalid Mehmood and seconded by Mr. Shahab Qamar Ansari, it is hereby resolved that M/s PWC A.F. Fergusson & Co. Chartered Accountants are appointed as External Auditors for the year 2024-25 at Fee PKR 6 million plus out of pocket expenses and sales tax.</i></p>
4	<p>To discuss any other business with the permission of the chair</p> <p>4.1 There being no other business, the meeting ended with the vote of thanks to and from the Chair.</p>


COMPANY SECRETARY


CHAIRMAN



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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED ON 30TH JUNE 2025

DEAR SHAREHOLDERS,

We are pleased to present the Directors' Report, accompanied by the audited financial statements for the fiscal year 2024-25. Sindh Peoples Housing for Flood Affectees (SPHF) was incorporated in Pakistan on October 19, 2022 as a public limited company under Section 42 of the Companies Act, 2017. The Company was established by the Government of Sindh (GoS) to implement the 'Sindh Flood Emergency Housing Reconstruction Project (SFEHRP)', with the primary objective of rehabilitating families affected by the 2022 floods in Sindh.

During the year 2022, Joint Assessment & Verification (JA&V) Survey for housing was carried out by GoS comprising of representatives from the District Administration, Local Government (UC Secretary), Provincial Disaster Management Authority (PDMA), National Disaster Management Authority (NDMA) and Pakistan Army officials. As per survey, there are 2 million flood affected houses approximately. Out of which, 1.4 million houses are categorised as fully damaged, and 0.6 million houses are categorized as partially damaged. The total estimated cost of construction and other related activities amounts to Rs. 570.2 billion (USD 2.04 billion) including project management and implementation costs.

The International Development Association, a part of the World Bank, under an agreement with the Islamic Republic of Pakistan has provided financing of 389.7 million Special Drawing Rights (SDR) equivalent to USD 500 million for SFEHRP. The closing date for the financing period is June 30, 2027 and repayment of the principal amount by the Government of Pakistan (GoP) shall commence from May 1, 2028. Further International Development Association has signed for additional financing under an agreement with the Islamic Republic of Pakistan of 342.5 million Special Drawing Rights (SDR) equivalent to USD 450 million for SFEHRP and WASH on April 3, 2025. The closing date for the additional financing period is June 30, 2028 and repayment of principal amount by GoP shall commence from April 15, 2030. For this purpose, the Company submits withdrawal application to the World Bank based on six-month cash forecast and specifies the amount in USD and its equivalent in PKR. The approved USD amount is transferred to the State Bank of Pakistan (SBP), which retains the USD and converts it into PKR at the prevailing exchange rate. The SBP transfers equivalent amount in PKR to the Provincial Government of Sindh non-food account no. 1, which is earmarked for the Assignment Account maintained for the project with National Bank of Pakistan (NBP).



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Amount in PKR Million

Sr#	PC I Components	WB	IsDB	ADB	GoS	GoP	Total
1	Compensation for Fully Damaged Houses	233,480.10	51,612.90	75,742.20	69,684.90	48,309.30	478,829.40
2	Specialized interventions for vulnerable groups (PWD)	750.00		600.00	-		1,350.00
3	Communal Toilets Facility-Community infrastructure (e.g., WASH facilities, solar, drainage)	15,738.30	3,611.70	28,000.00	-		47,350.00
4	Goods for Households	-			504.00		504.00
5	Equipment for Villages	-			33.04		33.04
6	Construction of Supportive Infrastructure	-			7,150.00		7,150.00
7	NGO's Cost (@ 3.5 % of the Compensation Cost)	9,981.70		1,858.41	2,972.66	1,690.70	16,503.47
8	Company Expenses SPHF	1,723.50	142.50		638.75		2,504.75
9	Consultants Charges	2,401.70			703.55		3,105.25
10	Communication and Visibility, Familiarization Visits, Workshops and Reviews	150.00	150.00		250.00		550.00
11	Trainings & Material	-			200.00		200.00
12	Design & Supervision Consultancy for Infrastructure	475.00	202.50	1,723.45	324.05		2,725.00
13	SST tax on Services (SRB)	-			2,942.30		2,942.30
14	Contingencies	1,299.70	280.40	1,732.72	796.75		4,109.57
15	Interest charges during construction	-		2,343.22			2,343.22
	Total	266,000.00	56,000.00	112,000.00	86,200.00	50,000.00	570,200.00

Major accomplishments: During FY 2024-25 the project initiated the process of transfer of cash grants to eligible beneficiaries. The project has established a comprehensive two-stage review process/criterion to assess the eligibility of beneficiaries for cash grant transfers. The compensation for fully destroyed houses will be paid in four installments, PKR. 75,000 as mobilization advance (1st installment), PKR. 100,000 upon plinth level completion (2nd installment), PKR. 100,000 upon walls/lintel completion (3rd installment) and PKR 25,000 upon completion of the roof (4th installment). Each level (plinth, lintel, and roof) of completion is certified by IPs, and accordingly, subsequent installments are released one after the other.

Detail of Disbursement

S.No	Installment No.	Installment Amount	No. of Beneficiaries
1.	1 st Installment	75,000	595,070
2.	2 nd Installment	100,000	402,603
3.	3 rd Installment	100,000	349,652
4.	4 th Installment	25,000	276,095

Attendance of Board and Committee Meetings

Name of Directors	Board of Directors			Finance & Audit Committee		
	Members	Meetings	Attendance	Members	Meetings	Attendance
Mr. Najam Ahmed Shah	✓	6	6	-	-	-
Mr. Khalid Hyder Shah	✓	6	2	-	-	-
Mr. Khalid Mehmood	✓	6	6	-	-	-



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Mr. Asad Ullah Sayeed	✓	6	5	✓	4	4
Mr. Sadiqa Salahuddin	✓	6	5	✓	4	4
Mr. Mudassir Husain Khan	✓	6	6	✓	4	4

Name of Directors	HR Committee			Nomination Committee		
	Members	Meetings	Attendance	Members	Meetings	Attendance
Mr. Najam Ahmed Shah	✓	2	2	-	-	-
Mr. Khalid Hyder Shah	-	-	-	-	-	-
Mr. Khalid Mehmood	✓	2	2	-	-	-
Mr. Asad Ullah Sayeed	-	-	-	✓	-	-
Mr. Sadiqa Salahuddin	✓	-	-	✓	-	-
Mr. Mudassir Husain Khan	✓	2	2	✓	-	-

Name of Directors	Technical & Procurement		
	Members	Meetings	Attendance
Mr. Najam Ahmed Shah	✓	1	1
Mr. Khalid Hyder Shah	✓	-	-
Mr. Khalid Mehmood	-	-	-
Mr. Asad Ullah Sayeed	-	-	-
Mr. Sadiqa Salahuddin	✓	1	1
Mr. Mudassir Husain Khan	-	-	-

Following changes took place in Board of Directors during FY 2024-25

Mr. Khalid Hyder Shah ceased to be a member of the Board of Directors pursuant to the Government of Sindh's notification dated May 13, 2025.

Directors are paid fee for attending the Board meetings and its Sub-committees @ PKR 100,000/- and PKR 50,000/- respectively.

A SUMMARY OF KEY FINANCIAL INDICATORS IS PRESENTED BELOW:

Particulars	Amount in (000)
Total Revenue	130,358,503
Total Expenditure	130,358,503

As of June 30, 2025, USD 451.1 million equivalent to Rs. 125.93 billion (2024: USD 351.1 million equivalent to Rs. 98.07 billion) has been received by the SBP from World Bank and transferred to GoS non-food



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account no. 1. Out of this amount, Rs. 32.73 billion (2024: Rs. 80.21 billion) has been released to the Company during the year and the remaining balance will be released whenever required.

In addition to the financing provided by World Bank, GoS has agreed to provide Rs. 86.2 billion (2024: Rs. 50 billion) for SFEHRP. This funding will be sourced from GoS's annual budget. For the current year, Rs. 27.15 billion (2024: Rs. 24.9 billion) has been allocated for SFEHRP. Out of which, Rs. 8.18 billion (2024: Rs. 24.87 billion) has been utilised during the year, while the unused balance has lapsed. Additionally, an allocation of Rs. 11.20 billion (2024-2025: Rs. 27.2) billion has been designated by GoS for the year 2025-2026.

Subsequent Developments:

The Company has also collaborated with the "Poverty Alleviation and Inclusive Development across Rural Sindh (PAIDAR) programme, a project of United Nations Industrial Development Organization (UNIDO) funded by the European Union, to produce non-fired bricks for the construction of houses. For this purpose, the Company has signed an agreement with UNIDO for Rs 9.92 million to conduct a pilot phase involving the construction of 10 model houses using non-fired bricks. The Company received Rs. Nil during the year (2024: Rs. 5.95 million) from UNIDO in respect of this agreement. Based on the results of this pilot, UNIDO is anticipated to make additional investments in the project to support mass production. Subsequent to the year end, the Company has submitted the final completion report for approval of the pilot project to UNIDO on July 17, 2025.

The second revision of PC-1 of the project has been approved by the Executive Committee of the National Economic Council (ECNEC) of Government of Pakistan on April 16, 2025 on the recommendation of Ministry of Planning, Development and Special Initiatives titled "Flood Response Emergency Housing Project". With this revision, the project's gestation period has been extended from 44 months, originally in first revision set to conclude in June 2026, to 68 months, now expected to end in June 2028. Furthermore, the scope of the project for fully damaged houses has been increased from 860,204 to 1,317,888 and construction of household toilets has been increased from 54,750 to 84,750. Furthermore PKR 50,000 has also been allocated against specialised provision for vulnerable groups - Person with disability for 15,000 units.

Additionally a separate PC-1 of the project through financing from Asian Development Bank has also been approved by the Executive Committee of the National Economic Council (ECNEC) of Government of Pakistan on October 11, 2024 on the recommendation of Ministry of Planning, Development and Special Initiatives titled "Flood Response Emergency Housing Project". With this PC-1 additional construction of fully damaged houses and household toilets has been included 278,210 and 100,000 respectively. Furthermore PKR 50,000 has also been allocated against specialised provision for vulnerable groups - Person with disability for 12,000 units.



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According to the two separate PC-1, the total project cost is now Rs. 570.2 billion, which includes the following financial commitments:

The World Bank has committed USD 950 million, equivalent to Rs. 266 billion (using an exchange rate of Rs. 280 / USD for reporting purposes).

The Islamic Development Bank (IsDB) under agreements with the Islamic Republic of Pakistan has pledged Euro 188.70 million, which converts to Rs. 56 billion (using an exchange rate of Rs. 297.8 / Euro for reporting purposes). This includes Euro 165.1 million for installment sales and Euro 23.60 million as Qarz-e-Hasna. The Government of Pakistan (GoP) will begin repaying the principal amount starting December 31, 2027.

The Government of Pakistan (GoP) has agreed to contribute Rs. 50 billion.

The Government of Sindh (GoS) has also committed Rs. 75 billion and 11.2 billion in Phase I & II respectively.

The Asian Development Bank has committed USD 400 million, equivalent to Rs. 112 billion (using an exchange rate of Rs. 280 / USD for reporting purposes). The Government of Pakistan (GoP) will begin repaying the principal amount starting January 15, 2035.

As per the two separate PC-1s an amount of Rs. 47.35 billion (2024: Rs. 10.95 billion) has been allocated for the Water, Sanitation & Hygiene (WASH) project which aims to create awareness and shape behaviour of school-going children around health and hygiene, to provide clean water to schools, and to help in construction of latrines in flood affected areas of the province of Sindh. As at June 30, 2025, the implementation of this project has not yet commenced. However the company has signed an agreement with EA Consulting (Private) Limited with contract price of Rs. 959.24 million for implementation, consultation and supervision of the project. The project implementation shall involve formation of communal institutions (village organisation) who will be directly involved in all household toilets construction related activities through funding provided by the Company and a tripartite agreement shall be signed between EA Consulting (Private) Limited, Implementation support partners and communal institutions defining roles and responsibilities of each party.

Under the previous revised PC-1 approved by ECNEC on June 29, 2024, the revised project cost was PKR 296 billion, comprised of Rs. 140 billion from the World Bank, Rs. 50 billion from GoS, Rs. 56 billion from Islamic Development Bank, and Rs. 50 billion from GoP. The project cost is subject to further revisions and approval due to dynamic nature of the project that are expected to be done at provincial level.



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During the year, the Provincial Cabinet approved the Company's proposal in a meeting held on May 20, 2025, authorising for reconstruction of fully damaged houses by SPHF in Balochistan (Sohbatpur, Jaffarabad-old jurisdiction and Nasirabad districts) and Khyber Pakhtunkhwa (Dera Ismail Khan district) along with release of Rs. 2 billion and Rs.1 billion as Grant in Aid (Non-Development account) respectively. As of now, no funds have been released for this purpose.

The Company has also collaborated with the "Poverty Alleviation and Inclusive Development across Rural Sindh (PAIDAR) programme, a project of United Nations Industrial Development Organization (UNIDO) funded by the European Union, for Climate resilient settlement development plan (CRSDP) for five districts (Sujawal, Thatta, Badin, Tharparkar and Larkana). For this purpose the Company will receive Rs. 94.60 million under an agreement with UNIDO which will be utilized under planning phase. As per UNIDO recommendation Catholic relief service has been contracted for providing technical and human assistance services for this project. During the year, the Company received Rs. 11.09 million upon submission of countersigned agreement and the original Bank Information Form.

The Company shall also receive 5 million EUROS for implementation phase of this project in five equal installments of 1 million EURO each on submission of request for payment/invoice and deliverables. During the year, the Company received Rs. 316.70 million for implementation phase upon submission of countersigned agreement and the original Bank Information Form.

CORPORATE GOVERNANCE

Good corporate governance plays vital role for the maintenance of integrity and transparency. The Board of Directors of the Company recognize 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 a system of internal controls duly supported by sound policies and procedures.

DIRECTORS STATEMENT OF COMPLIANCE

Directors are pleased to state that

- a) The Board has complied with the relevant principles of corporate governance and has identified the rules that have not been complied with, the period in which such non-compliance continued, and reasons for such non-compliance.
- b) The financial statements, prepared by the management of the Public Sector Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- c) Proper books of account of the Public Sector Company have been maintained.



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- 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 implemented.
- f) The appointment of chairman and other members of Board and the terms of their appointment along with the remuneration policy adopted are in the best interest of the Public Sector Company as well as in line with the best practices. None of the directors except Chief Executive Officer, is being paid salary / remuneration.
- g) The remuneration of executive management of the company is disclosed in the notes to the financial statements of the company showing salaries and other benefits.
- h) Related party transactions have been adequately disclosed and mentioned in Financial Statements.
- 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 till the completion of its objectives.

Governance and Management: The Board of Directors continued to provide effective oversight and guidance. The organization adheres to the highest standards of governance, with policies and procedures in place to ensure transparency, accountability, and ethical conduct.

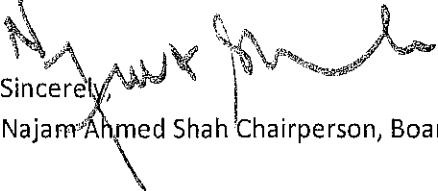
The senior management team played a crucial role in implementing the strategic objectives set by the Board.

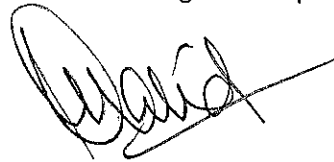
Outlook for the Future: Looking ahead, the organization will continue to take initiatives that are aligned with its mission and objectives. The negotiation with other Development Financial Institutions is at advanced stages which would help in reconstruction of more houses damaged by flood.

Appointment of External Auditors: On the recommendation of Finance & Audit Committee, the Board of Directors recommended the re-appointment of M/s A.F. Ferguson & Co. Chartered Accountants, for the Financial year 2025-26.

Financial Statements: The audited financial statements, including the balance sheet, income statement, and cash flow statement, are attached herewith for your perusal.

Acknowledgments: The Board wishes to record its appreciation to donors, partners, volunteers, and employees for their continued support, which has been pivotal in achieving the Company's objectives.


Sincerely,
Najam Ahmed Shah Chairperson, Board of Directors, SPHF





INDEPENDENT AUDITOR'S REPORT

To the members of Sindh Peoples Housing For Flood Affectedes

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Sindh Peoples Housing For Flood Affectedes (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of income and expenditure, the statement of changes in net assets, the statement of cash flows for the year ended June 30, 2025, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the 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.

Information Other than the Financial Statements and Auditor's 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 and our auditor's report thereon.

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

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

AK

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>



Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and 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 are 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 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.

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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, the statement of changes in net assets 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 Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: October 7, 2025

UDIN: AR202510073ZQGL2wkyN

**SINDH PEOPLES HOUSING FOR
FLOOD AFFECTEES**

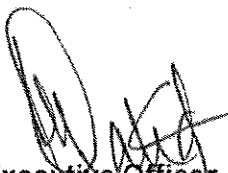
**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2025**

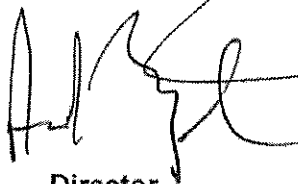
SINDH PEOPLES HOUSING FOR FLOOD AFFECTEES

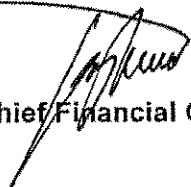
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	2025 (Rupees in '000)	2024
NON-CURRENT ASSETS			
Property and equipment	4	82,558	97,280
Intangible assets	5	46,171	65,708
		<u>128,729</u>	<u>162,988</u>
CURRENT ASSETS			
Funding receivable	9	1,899,465	1,828,346
Deposits, prepayments and others	6	32,398	14,623
Bank balances	7	319,293	352,243
		<u>2,251,156</u>	<u>2,195,212</u>
TOTAL ASSETS		<u><u>2,379,885</u></u>	<u><u>2,358,200</u></u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred grant			
Grants related to assets	8	128,729	162,988
CURRENT LIABILITIES			
Unutilised funding	9	-	-
Accounts and other payables	10	2,251,156	2,195,212
		<u>2,251,156</u>	<u>2,195,212</u>
TOTAL LIABILITIES		<u><u>2,379,885</u></u>	<u><u>2,358,200</u></u>
REPRESENTED BY:			
FUND			
General Fund		<u><u>-</u></u>	<u><u>-</u></u>

The annexed notes 1 to 18 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

SINDH PEOPLES HOUSING FOR FLOOD AFFECTEES

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025**

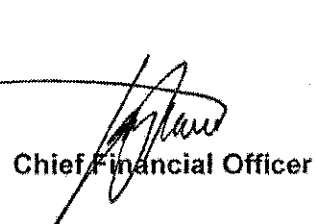
	Note	2025 (Rupees in '000)	2024
INCOME			
Funding activities	11	130,358,503	106,906,010
		<u>130,358,503</u>	<u>106,906,010</u>
OPERATING EXPENDITURE			
Cost of project	12	(129,855,958)	(106,603,393)
General and administrative expenses	13	(502,545)	(302,617)
		<u>(130,358,503)</u>	<u>(106,906,010)</u>
Surplus for the year		<u><u>-</u></u>	<u><u>-</u></u>

There are no other comprehensive income items.

The annexed notes 1 to 18 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

SINDH PEOPLES HOUSING FOR FLOOD AFFECTEES

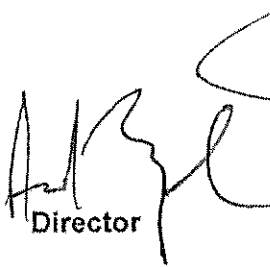
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025


	(Rupees in '000)
Balance as at June 30, 2023	-
Surplus for the year	-
Balance as at June 30, 2024	-
Surplus for the year	-
Balance as at June 30, 2025	-

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The annexed notes 1 to 18 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

SINDH PEOPLES HOUSING FOR FLOOD AFFECTEES

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 (Rupees in '000)	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		-	-
Adjustments for non cash charges and other items:			
Depreciation	13	22,817	22,946
Amortisation	13	20,687	6,794
Cash flow before working capital changes		43,504	29,740
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Deposits, prepayments and others		(17,775)	39,126
Funding receivable		(71,119)	(1,828,346)
		(88,894)	(1,789,220)
Increase / (decrease) in current liabilities:			
Accounts and other payables		55,944	1,797,555
Unutilised funding		-	(40,419)
		55,944	1,757,136
Cash generated / (used) from operations		10,554	(2,344)
Grant related to assets (amortized) / received during the year		(34,259)	45,410
Net cash (used) / generated in operations		(23,705)	43,066
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(8,095)	(32,136)
Purchase of intangible assets		(1,150)	(43,014)
Net cash used in investing activities		(9,245)	(75,150)
Net decrease in cash and cash equivalents		(32,950)	(32,084)
Cash and cash equivalents at beginning of the year		352,243	384,327
Cash and cash equivalents at end of the year	7	319,293	352,243

The annexed notes 1 to 18 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

SINDH PEOPLES HOUSING FOR FLOOD AFFECTEES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1. LEGAL STATUS AND NATURE OF OPERATIONS

- 1.1 Sindh Peoples Housing For Flood Affectees was incorporated in Pakistan on October 19, 2022 as a public limited company under section 42 of the Companies Act, 2017. The Company has been set up by the Government of Sindh ("GoS") to implement the "Sindh Flood Emergency Housing Reconstruction Project (SFEHRP) with a primary objective of rehabilitation of families affected by floods in 2022 in the province of Sindh.
- 1.2 During the year 2022, Joint Assessment & Verification (JA&V) Survey for housing was carried out by GoS comprising of representatives from the District Administration, Local Government (UC Secretary), Provincial Disaster Management Authority (PDMA), National Disaster Management Authority (NDMA) and Pakistan Army officials. As per survey, there were approximately 2 million houses affected by floods. Out of which, 1.4 million houses were categorised as fully damaged while 0.6 million houses partially damaged. The total estimated cost of construction and other related activities amounts to Rs. 570.2 billion (USD 2.04 billion) including project management and implementation costs.
- 1.3 The International Development Association, a part of the World Bank, under an agreement with the Islamic Republic of Pakistan has provided financing to SFEHRP of USD 500 million Special Drawing Rights (SDR) equivalent to Rs. 389.7 million. The closing date for the financing period is June 30, 2027 and the repayment of principal amount by the Government of Pakistan (GoP) shall commence from May 1, 2028. Further, International Development Association has signed for additional financing under an agreement with the Islamic Republic of Pakistan of USD 450 million to SFEHRP and WASH Special Drawing Rights (SDR) equivalent to Rs. 342.5 million on April 3, 2025. The closing date for the additional financing period is June 30, 2028 and the repayment of principal amount by GoP shall commence from April 15, 2030. For this purpose, based on six months forecast, the Company submits drawdown application to the World Bank which is specified in the USD and its equivalent in PKR. The approved drawdown in USD is transferred to the State Bank of Pakistan (SBP), which retains the foreign currency and transfers equivalent amount in PKR to the Provincial Government of Sindh non-food account no. 1, which is earmarked for the Assignment Account maintained for the project with National Bank of Pakistan (NBP).
- As of June 30, 2025, USD 451.1 million equivalent to Rs. 125.93 billion (2024: USD 351.1 million equivalent to Rs. 98.07 billion) has been received by the SBP from World Bank and transferred to GoS non-food account no. 1. Out of this amount, Rs. 32.73 billion (2024: Rs. 80.21 billion) has been released to the Company during the year and the remaining balance will be released whenever required.
- 1.4 In addition to the financing provided by World Bank, GoS has agreed to provide Rs. 86.2 billion (2024:Rs. 50 billion) for SFEHRP. This funding will be sourced from GoS's annual budget. For the current year, Rs. 27.15 billion (2024: Rs. 24.9 billion) has been allocated for SFEHRP. Out of which, Rs. 8.18 billion (2024: Rs. 24.87 billion) has been utilised during the year, while the unused balance has lapsed. Additionally an allocation of Rs. 11.20 billion (2024-2025: Rs. 27.2) billion has been designated by GoS for the year 2025-2026.

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- 1.5 The second revision of PC-1 of the project has been approved by the Executive Committee of the National Economic Council (ECNEC) of Government of Pakistan on April 16, 2025 on the recommendation of Ministry of Planning, Development and Special Initiatives titled "Flood Response Emergency Housing Project". With this revision, the project's gestation period has been extended from 44 months, originally in first revision set to conclude in June 2026, to 68 months, now expected to end in June 2028. Furthermore, the scope of the project for fully damaged houses has been increased from 860,204 to 1,317,888 and construction of household toilets has been increased from 54,750 to 84,750. Furthermore PKR 50,000 each has also been allocated against specialised provision for vulnerable groups - Person with disability for 15,000 units.

Additionally a separate PC-1 of the project through financing from Asian Development Bank has also been approved by the Executive Committee of the National Economic Council (ECNEC) of Government of Pakistan on October 11, 2024 on the recommendation of Ministry of Planning, Development and Special Initiatives titled "Flood Response Emergency Housing Project". With this PC-1 additional construction of fully damaged houses and household toilets has been included 278,210 and 100,000 respectively. Furthermore PKR 50,000 each has also been allocated against specialised provision for vulnerable groups - Person with disability for 12,000 units.

As per the PC-1s an amount of Rs. 47.35 billion (2024: Rs. 10.95 billion) has been allocated for the Water, Sanitation & Hygiene (WASH) project which aims to create awareness and shape behaviour of school-going children around health and hygiene, to provide clean water to schools, and to help in construction of latrines in flood affected areas of the province of Sindh. As at June 30, 2025, the implementation of this project has not yet commenced. However the company has signed an agreement with EA Consulting (Private) Limited with contract price of Rs. 959.24 million for implementation, consultation and supervision of the project. The project implementation shall involve formation of communal institutions (village organisation) who will be directly involved in all household toilets construction related activities through funding provided by the Company and a tripartite agreement shall be signed between EA Consulting (Private) Limited, Implementation support partners and communal institutions defining roles and responsibilities of each party.

According to the above discussed PC-1s, the total project cost is now Rs. 570.2 billion, which includes the following financial commitments:

- The World Bank has committed USD 950 million, equivalent to Rs. 266 billion (using an exchange rate of Rs. 280 / USD for reporting purposes).
- The Islamic Development Bank (IsDB) under agreements with the Islamic Republic of Pakistan has pledged Euro 188.70 million, which converts to Rs. 56 billion (using an exchange rate of Rs. 297.8 / Euro for reporting purposes). This includes Euro 165.1 million for installment sales and Euro 23.60 million as Qarz-e-Hasna. The Government of Pakistan (GoP) will begin repaying the principal amount starting December 31, 2027.
- The Government of Pakistan (GoP) has agreed to contribute Rs. 50 billion.
- The Government of Sindh (GoS) has also committed Rs. 75 billion and 11.2 billion in Phase I & II respectively.

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- The Asian Development Bank has committed USD 400 million, equivalent to Rs. 112 billion (using an exchange rate of Rs. 280 / USD for reporting purposes). The Government of Pakistan (GoP) will begin repaying the principal amount starting January 15, 2035.

Under the previous revised PC-1 approved by ECNEC on June 29, 2024, the revised project cost was PKR 296 billion, comprised of Rs. 140 billion from the World Bank, Rs. 50 billion from GoS, Rs. 56 billion from Islamic Development Bank, and Rs. 50 billion from GoP. The project cost is subject to further revisions and approval due to dynamic nature of the project that are expected to be done at provincial level.

- 1.6 The funds received by the Company from the GoS either through their own budget or through World Bank financing are disbursed onwards to the flood affectees as grant after following verification process. For households classified as fully damaged, a grant of Rs. 300,000 per household is being provided in four installments.
- 1.7 During the year, the Provincial Cabinet approved the Company's proposal in a meeting held on July 11, 2024, authorising the removal of payment provisions for partially damaged houses and permitting the reallocation of these funds to the reconstruction of fully damaged houses.
- 1.8 During the year, the Provincial Cabinet approved the Company's proposal in a meeting held on May 20, 2025, authorising for reconstruction of fully damaged houses by SPHF in Balochistan (Sohbatpur, Jaffarabad-old jurisdiction and Nasirabad districts) and Khyber Pakhtunkhwa (Dera Ismail Khan district) along with release of Rs. 2 billion and Rs.1 billion as Grant in Aid (Non-Development account) respectively. As of now, no funds have been released for this purpose.
- 1.9 The Company has also collaborated with the "Poverty Alleviation and Inclusive Development across Rural Sindh (PAIDAR) programme, a project of United Nations Industrial Development Organization (UNIDO) funded by the European Union, to produce non-fired bricks for the construction of houses. For this purpose, in 2024 the Company signed an agreement with UNIDO for Rs 9.92 million to conduct a pilot project involving construction of 10 model houses using non-fired bricks. The Company received Rs. 5.95 million during 2024 from UNIDO in respect of this agreement. Based on the results of this pilot project, UNIDO is anticipated to make additional investments in the project to support mass production. Subsequent to the year end, the Company has submitted the final completion report for approval of the pilot project to UNIDO on July 17, 2025.

Further, the Company has collaborated under the same programme for Climate resilient settlement development plan (CRSDP). For this purpose the Company shall receive Rs. 94.60 million under an agreement with UNIDO under planning phase and EURO 5 million for implementation phase of this project respectively. As per UNIDO's recommendation, Catholic relief service has been contracted for providing technical and human assistance services for this project. During the year, the Company received Rs. 11.09 million for planning phase and Rs. 316.70 million for implementation phase respectively.

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1.10 In January 2024, the Company launched an online portal on its website to facilitate additional funding for the project from the general public. However, no funds were received through the portal till 30 June 2025.

1.11 The Company is actively pursuing to arrange the funds from other multilateral financial institutions in order to meet the overall cost of this housing reconstruction project.

1.12 The registered office of the Company is located at Bungalow no. 20, Block 7/8 Modern Cooperative Housing Society, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standards for Not for Profit Organizations (Accounting Standards for 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.

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

2.2 Overall valuation policy

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies in then notes below.

2.3 Functional and presentation currency

The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

2.4 Critical accounting estimates and judgements

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. Information about judgments made in applying accounting policies that have the most significant effects on the amount recognised in the financial statements and to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that may have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

- Property and equipment (note 3.1)
- Intangible assets (note 3.2)

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2.5 Changes in accounting standards, interpretations and pronouncements

(a) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial reporting.

(b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

i) Amendment to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments (effective January 1, 2026):

These amendments

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets).
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

ii) IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;

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- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below:

3.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of an asset. Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable when future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

Depreciation on operating assets is charged using the straight line method over its useful life at the rates specified in respective notes in these financial statements. Depreciation on additions is charged from the month in which the asset is put to use and on disposals up to the month immediately preceding the disposal. Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of financial position date.

Company accounts for impairment, where indications exist, by reducing its carrying value to the estimated recoverable amount.

Maintenance and normal repairs are charged to statement of income and expenditure as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of property and equipment are recognised in the statement of income and expenditure.

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3.2 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Company and that the cost of such asset can be measured reliably. These are stated at cost less accumulated amortisation and impairment, if any.

Costs that are directly associated with identifiable software and have probable economic benefits exceeding the cost beyond one year, are recognised as intangible assets. Direct costs include the purchase cost of the intangible asset, implementation cost and related overhead cost.

Intangible assets are amortised using the straight-line method over a period of three years or license period, whichever is shorter.

The carrying value of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

Capital work-in-progress is stated at cost accumulated to the balance sheet date less impairment losses, if any. Cost include expenditures directly attributable to the acquisition of an asset. Transfers are made to relevant asset category as and when asset is available for intended use.

3.3 Deposits, prepayments and others

These are recognised at fair value of consideration given. These assets are written off when there is no reasonable expectation of recovery. Fair value of these deposits is not considered to be materially different from cost.

3.4 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, bank balances comprise balances with banks in current accounts.

3.5 Accounts and other payables

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

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3.6 Financial instruments

3.6.1 Initial measurement

Regular way purchase and sale of financial assets and financial liabilities is accounted for at the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in income and expenditure.

Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in statement of income and expenditure.

3.6.2 Classification of financial assets

The Company classifies its financial assets into following three categories:

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

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

3.6.3 Subsequent measurement of financial assets

Debt Investments at FVOCI These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognised in the income and expenditure account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of income and expenditure.

Equity Investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of income and expenditure unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of income and expenditure.

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the statement of income and expenditure.

Financial assets measured at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income and impairment, if any, are recognised in the statement of income and expenditure.

3.6.4 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade debts, deposits, advances, other receivables and cash and cash equivalents. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.6.5 Impairment of financial asset

Expected credit losses (ECLs) are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive). Life time ECLs are the ECLs that results from all possible defaults events over the expected life of a financial instrument. For all other financial assets, expected credit losses are measured at an amount equal to 12 months' ECLs i.e. ECLs that result from default event that are possible within 12 months after the reporting date.

3.6.6 Derecognition of financial assets

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

3.6.7 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include unutilised funding and accounts payable.

Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost.

The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire.

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3.6.8 Offsetting of Financial assets and Financial liabilities

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

3.7 Grant

Grants are recorded on receipt basis at their fair value where there is reasonable assurance that all attaching conditions will be complied with, whereas funds required to settle expenses already incurred by the Company are accrued.

3.7.1 Where the grant received relates to an asset, it is recorded as deferred grant and charged to income in equal amounts over the expected useful life of the related asset through depreciation, amortisation and / or disposal.

3.7.2 All grants received are classified as restricted grants.

3.8 Unutilised funding

When the grant relates to an expense item, it is recognised as income over the periods in which the entity recognises the related costs as expenses for which the grant is intended to compensate. Unspent grants at the end of the year are disclosed separately in the statement of financial position as unutilised funding.

3.9 Expenses

All expenses are recognised in the statement of income and expenditure on accrual basis.

3.10 Taxation

As per Section 100C of the Income Tax Ordinance 2001, (the Ordinance), the income of the Company is eligible for a tax credit equal to one hundred percent of the tax payable, including minimum tax and final taxes payable. Management intends to continuously comply with the provisions to avail the tax credit and accordingly no provision for tax has been recognised.

3.11 Staff retirement benefits

The Company operates an unapproved unfunded gratuity scheme (defined benefit plan) for all its employees, at the rate of one gross salary for every completed year of service and proportionate share in case he leaves/retire in the middle of the year of service.

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4.	PROPERTY AND EQUIPMENT	Note	2025	2024
			(Rupees in '000)	
	Operating fixed assets	4.1	<u>82,558</u>	<u>97,280</u>

4.1 Operating fixed assets

	Lease hold improvements	Office equipment	Computer and peripherals	Furniture and fixtures	Vehicles	Total
----- Rupees in '000 -----						
Net carrying amount for the year ended June 30, 2025						
Opening net book value	873	19,229	18,950	13,017	45,211	97,280
Additions (at cost)	-	3,294	2,815	1,073	913	8,095
Depreciation charge	(219)	(4,064)	(6,664)	(2,755)	(9,115)	(22,817)
Net book value	654	18,459	15,101	11,335	37,009	82,558
Gross carrying amount as at June 30, 2025						
Cost	1,239	26,619	28,032	18,375	59,605	133,870
Accumulated depreciation	(584)	(8,159)	(12,932)	(7,041)	(22,596)	(51,312)
Net book value	655	18,460	15,100	11,334	37,009	82,558
Useful life (in years)	4	5	3	5	5	
	Lease hold improvements	Office equipment	Computer and peripherals	Furniture and fixtures	Vehicles	Total
----- Rupees in '000 -----						
Net carrying amount for the year ended June 30, 2024						
Opening net book value	790	9,347	8,545	13,961	55,447	88,090
Additions (at cost)	357	13,150	15,480	2,082	1,067	32,136
Depreciation charge	(274)	(3,268)	(5,075)	(3,026)	(11,303)	(22,946)
Net book value	873	19,229	18,950	13,017	45,211	97,280
Gross carrying amount as at June 30, 2024						
Cost	1,239	23,323	25,218	17,302	58,692	125,774
Accumulated depreciation	(366)	(4,094)	(6,268)	(4,285)	(13,481)	(28,494)
Net book value	873	19,229	18,950	13,017	45,211	97,280
Useful life (in years)	4	5	3	5	5	

4.1.1 Depreciation for the year has been charged to general and administrative expenses.

5.	INTANGIBLE ASSETS	Note	2025	2024
			(Rupees in '000)	
	Operating intangible assets	5.1	46,171	21,248
	Capital work in progress (CWIP)	5.2	-	44,460
			<u>46,171</u>	<u>65,708</u>

		2025	2024
		(Rupees in '000)	
5.1	Operating intangible assets		
	Net carrying amount		
	as at year ended June 30		
	Opening net book value at start of the year	21,248	1,230
	Additions during the year	1,151	8,012
	Transfers from the Capital work in progress (CWIP)	44,460	18,800
	Amortisation during the year	(20,688)	(6,794)
	Closing net book value at end of the year	<u>46,171</u>	<u>21,248</u>
	Gross carrying amount		
	as at year ended June 30		
	Cost	73,791	28,180
	Accumulated amortisation	(27,620)	(6,932)
	Net book value	<u>46,171</u>	<u>21,248</u>
	Rate of amortisation	33.33%	33.33%
5.1.1	Intangible assets comprise of computer software and licenses.		
5.1.2	Amortisation for the year has been charged to general and administrative expenses.		
		Note	
		2025	2024
		(Rupees in '000)	
5.2	Capital work in progress (CWIP)		
	Opening balance at start of the year	44,460	28,258
	Additions during the year	5.2.1 -	35,002
	Transfers to the operating intangible assets	5.2.2 (44,460)	(18,800)
	Closing balance at end of the year	<u>-</u>	<u>44,460</u>
5.2.1	This includes implementation cost for SAP and Management Information System (MIS).		
5.2.2	This represents capitalisation of SAP S/4 HANA during the year.		

or

	Note	2025 (Rupees in '000)	2024
6. DEPOSITS, PREPAYMENTS AND OTHERS			
Prepayments		22,803	6,623
Rental deposits		5,400	5,400
Advance to employees		4,116	2,544
Others		79	56
		<u>32,398</u>	<u>14,623</u>
7. BANK BALANCES			
Cash at bank			
- Current account for GoS	7.1	24,510	346,407
- Current accounts for UNIDO & Public donations	7.2	294,783	5,836
- Asaan Assignment accounts	7.3	-	-
- Revolving Fund Assignment accounts	7.4	-	-
		<u>319,293</u>	<u>352,243</u>
7.1	This represents the unutilised amount of funds provided by the Government of Sindh (GoS) to start the project / the Company. This amount has been kept in a current account with Sindh Bank Limited which is a related party of the Company through Government ownership.		
7.2	This represents the unutilised amount of funds donated by the United Nations Industrial Development Organization (UNIDO) to build houses for flood affectees with non-fired bricks and climate resilient development plan for five districts (Sujawal, Thatta, Badin, Tharparkar and Larkana) under project called Poverty Alleviation and Inclusive Development Across Rural sindh (PAIDAR) and funds donated by general public. This amount has been kept in a current account with Bank Alfalah Limited.		
7.3	The Asaan Assignment account has been opened in National Bank of Pakistan (NBP) to receive the budget allocation of GoS (Phase I &II) and GoP for the project. The amount is available in the account on the requirement basis.		
7.4	The NBP is the designated bank for handling all transactions of Revolving Fund Assignment (RFA) accounts. The funds received for the Company / the project by SBP from World Bank, Asian Development Bank and Islamic Development Bank are transferred to the Company in this account on utilisation basis.		

7.1

8. GRANTS RELATED TO ASSETS

		2025		
		Government of Sindh	Government of Sindh - through World Bank financing	Total
		Rupees in '000		
		52,360	110,628	162,988
At the beginning of year				
Grants received during the year for:				
Property and equipment	4	154	7,941	8,095
Intangible assets	5	-	1,151	1,151
		<u>52,514</u>	<u>119,720</u>	<u>172,234</u>
Utilised during the year through:				
Depreciation for the year	4	(11,205)	(11,612)	(22,817)
Amortisation of intangible assets for the year	5	(43)	(20,645)	(20,688)
		<u>(11,248)</u>	<u>(32,257)</u>	<u>(43,505)</u>
		<u>41,266</u>	<u>87,463</u>	<u>128,729</u>
2024				
		Government of Sindh	Government of Sindh - through World Bank financing	Total
		Rupees in '000		
		51,027	66,551	117,578
At the beginning of year				
Grants received during the year for:				
Property and equipment	4	14,391	17,745	32,136
Intangible assets	5	128	42,886	43,014
		<u>65,546</u>	<u>127,182</u>	<u>192,728</u>
Utilised during the year through:				
Depreciation for the year	4	(13,145)	(9,801)	(22,946)
Amortisation of intangible assets for the year	5	(41)	(6,753)	(6,794)
		<u>(13,186)</u>	<u>(16,554)</u>	<u>(29,740)</u>
		<u>52,360</u>	<u>110,628</u>	<u>162,988</u>

		Note	2025	2024
		(Rupees in '000)		
9.	(FUNDING RECEIVABLE) / UNUTILISED FUNDING			
	Against deposits, prepayments and others	9.1	32,398	14,623
	Cash grant from Government of Sindh		24,510	346,407
	Grant through UNIDO and Public donations		294,783	5,836
	Accounts and other payables	9.2 & 9.3	(2,251,156)	(2,195,212)
			<u>(1,899,465)</u>	<u>(1,828,346)</u>

(FUNDING RECEIVABLE) / UNUTILISED FUNDING

2025

	Covered under PC-1s					Other than PC-1		Grand Total		
	Government of Sindh	Government of Sindh - through World Bank financing	Islamic Development Bank- Installment sales financing	Islamic Development Bank- Qarza-e-Hasna financing	Government of Sindh - through Asian Development Bank financing	Government of Pakistan	Total of PC-1s		Donation - UNIDO	Donations - Public
Balance at the beginning of the year	341,169	(2,175,216)	-	-	-	-	(1,834,047)	4,451	1,250	(1,828,346)
Funding received during the year	-	-	-	-	-	-	-	-	-	-
Cash Allocation used	22,404,428	32,726,557	27,432,075	1,237,088	30,642,159	15,499,975	129,942,282	327,814	-	327,814
Funding utilised during the year	22,404,428	32,726,557	27,432,075	1,237,088	30,642,159	15,499,975	129,942,282	327,814	-	129,942,282
Capital expenditure	(154)	(8,943)	-	-	-	-	(9,097)	-	-	(9,097)
Revenue expenditure	(22,715,454)	(32,766,635)	(27,432,075)	(1,237,088)	(30,642,159)	(15,499,975)	(130,293,386)	(37,482)	(1,250)	(130,332,118)
	(22,715,608)	(32,775,578)	(27,432,075)	(1,237,088)	(30,642,159)	(15,499,975)	(130,302,483)	(37,482)	(1,250)	(130,341,215)
Balance at the end of the year	29,989	(2,224,237)	-	-	-	-	(2,194,248)	294,783	-	(1,899,465)

Rupees in '000

2024

	Covered under PC-1s					Other than PC-1		Grand Total		
	Government of Sindh	Government of Sindh - through World Bank financing	Islamic Development Bank- Installment sales financing	Islamic Development Bank- Qarza-e-Hasna financing	Government of Sindh - through Asian Development Bank financing	Government of Pakistan	Total of PC-1s		Donation - UNIDO	Donations - Public
Balance at the beginning of the year	389,624	(349,205)	-	-	-	-	40,419	-	-	40,419
Funding received during the year	-	-	-	-	-	-	-	-	-	-
Cash Allocation used	24,870,750	80,202,955	-	-	-	-	105,073,705	5,951	3,000	8,951
Funding utilised during the year	24,870,750	80,202,955	-	-	-	-	105,073,705	5,951	3,000	105,073,705
Capital expenditure	(1,333)	(44,078)	-	-	-	-	(45,411)	-	-	(45,411)
Revenue expenditure	(24,917,872)	(81,984,888)	-	-	-	-	(106,902,760)	(1,500)	(1,750)	(106,906,010)
	(24,919,205)	(82,028,966)	-	-	-	-	(106,948,171)	(1,500)	(1,750)	(106,951,426)
Balance at the end of the year	341,169	(2,175,216)	-	-	-	-	(1,834,047)	4,451	1,250	(1,828,346)

Rupees in '000

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- 9.1 This represents payment made out of grant amount and will be charged off once utilised.
- 9.2 This represents revenue expenditure / capital expenditure incurred but not yet paid by the Company as at June 30, 2025 and will be funded from the grant.
- 9.3 The expenditures incurred have been allocated between GoS financing through World Bank and GoS on the basis of their payment account.

	Note	2025	2024
(Rupees in '000)			
10. ACCOUNTS AND OTHER PAYABLES			
Creditors	10.1	73,565	201,723
Accrued liabilities	10.2	2,127,557	1,973,443
Gratuity payable		33,616	10,396
Others	10.3	16,418	9,650
		2,251,156	2,195,212

- 10.1 This includes payable to Sindh Rural Support Organization (SRSO), related party of the Company, amounting to Rs. Nil (2024: Rs. 19.6 million).
- 10.2 This includes accrual pertaining to Implementation support costs through partner organisations amounting to Rs. 2,043.44 million (2024: Rs. 1,933.38 million). Out of which, Rs. 946.91 million (2024: Rs. 856.24 million) pertains to Sindh Rural Support Organization (SRSO), a related party of the Company.
- 10.3 This includes payable to Sadiqa Salahuddin, director of the Company amounting to Rs. Nil (2024: Rs. 0.52 million) for the director fees.

	2025	2024
(Rupees in '000)		
11. FUNDING ACTIVITIES		
Government of Sindh - through World Bank financing	30,551,321	79,825,252
Government of Sindh	24,957,153	27,077,508
Donations - Public	-	1,750
Donation - UNIDO	38,732	1,500
Government of Sindh - through Asian Development Bank financing	30,642,159	-
Government of Pakistan	15,499,975	-
Islamic Development Bank		
- Installment Sales financing	27,432,075	-
- Qarza-e-Hasna financing	1,237,088	-
	130,358,503	106,906,010

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	Note	2025 (Rupees in '000)	2024
12. COST OF PROJECT			
Payments to beneficiaries - first installment	12.1	44,630,250	39,876,000
Payments to beneficiaries - second installment		40,260,300	34,801,500
Payments to beneficiaries - third installment		34,965,200	24,498,800
Payments to beneficiaries - fourth installment		6,902,375	2,715,150
Implementation support costs through partner organisations		2,821,828	4,507,924
Travelling cost for damage assessment		-	31,990
Execution partner charges		54,675	57,572
Environmental consultant charges		156	22,997
Independent technical verification charges		42,739	71,778
Drone Monitoring technology charges		18,821	989
Grievance redress management charges		15,331	13,126
Mason training & capacity building charges		7,804	5,567
WASH Communal Toilets & Infrastructure Consultant Charges		43,132	-
Media and Communication Support Consultant Charges		49,260	-
Resilient Model Town Consultant Charges		6,037	-
Monitoring and Evaluation Consultant Charges		7,871	-
Climate Resilient Settlement Consultant Charges		30,179	-
		129,855,958	106,603,393

12.1 This includes amount withheld by NBP amounting to Rs. 1,948.23 million (2024: Rs. 391.17 million). The withholding is a result of payment transactions facing processing challenges due to inaccuracies in the data submitted to the bank.

	Note	2025 (Rupees in '000)	2024
13. GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and other benefits		269,522	186,113
Depreciation		22,817	22,946
Amortisation		20,687	6,794
Rent		13,065	11,847
Travelling and conveyance		49,612	923
Conferences		9,108	3,082
Legal and professional charges		2,172	5,785
Meeting fee		4,250	5,350
Auditors' remuneration	13.1	6,600	5,500
Printing and stationary		7,204	7,315
Insurance		1,823	1,171
Utilities		4,707	3,714
Security		2,273	1,442
Repair and maintenance		4,710	549
Internal audit fee		7,486	9,929
Entertainment		5,682	4,653
Telecommunication		1,504	1,068
IT expense		63,139	19,120
Training expense		112	199
Others		6,072	5,117
		502,545	302,617

2025 2024
(Rupees in '000)

13.1	Auditors' remuneration		
	Audit fee	6,000	5,000
	Out of pocket expense	600	500
		6,600	5,500

14. FINANCIAL RISK MANAGEMENT

14.1 Financial risk factors

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

14.1.1 Financial assets and liabilities by category and their respective maturities

	Interest bearing			Non-interest bearing			Total
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
Rupees in '000							
2025							
FINANCIAL ASSETS							
At amortised cost							
Deposits	-	-	-	5,400	-	5,400	5,400
Bank balances	-	-	-	319,293	-	319,293	319,293
Funding receivable	-	-	-	1,899,465	-	1,899,465	1,899,465
	-	-	-	2,224,158	-	2,224,158	2,224,158
FINANCIAL LIABILITIES							
At amortised cost							
Accounts and other payables	-	-	-	2,251,156	-	2,251,156	2,251,156
Unutilised funding	-	-	-	-	-	-	-
	-	-	-	2,251,156	-	2,251,156	2,251,156
2024							
FINANCIAL ASSETS							
At amortised cost							
Deposits	-	-	-	5,400	-	5,400	5,400
Bank balances	-	-	-	352,243	-	352,243	352,243
Funding receivable	-	-	-	1,828,346	-	1,828,346	1,828,346
	-	-	-	2,185,989	-	2,185,989	2,185,989
FINANCIAL LIABILITIES							
At amortised cost							
Accounts and other payables	-	-	-	2,195,212	-	2,195,212	2,195,212
Unutilised funding	-	-	-	-	-	-	-
	-	-	-	2,195,212	-	2,195,212	2,195,212

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14.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or other counter parties to fulfil their contractual obligations resulting in financial loss to the Company. The credit risk of the Company is mainly the counterparty credit risk on bank balances.

Bank balances

Credit risk from bank deposits are managed by placing deposits with banks having sound credit ratings. The Company assesses the credit rating of banks before placing its funds. At reporting date the rating of bank with which Company has kept its surplus funds was as follows:

	Rating		Rating agency	2025 (Rupees in '000)	2024
	Short term	Long term			
National Bank of Pakistan	A1+	AAA	PACRA	-	-
Sindh Bank Limited	A1	A	PACRA	24,510	346,407
Bank Alfalah Limited	A1+	AAA	PACRA	294,783	5,836

14.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring losses or risking damage to the Company's reputation.

The following are the contractual maturities of the non interest bearing financial liabilities:

	2025		
	Carrying amount	One to two years	Two to five years
	(Rupees in '000')		
Financial liabilities			
Accounts and other payables	<u>2,251,156</u>	<u>-</u>	<u>-</u>
	2024		
	Carrying amount	One to two years	Two to five years
	(Rupees in '000')		
Financial liabilities			
Accounts and other payables	<u>2,195,212</u>	<u>-</u>	<u>-</u>

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15. RELATED PARTY TRANSACTIONS

Related parties include associated undertakings having common directors and government entities. Details of transactions with related parties are as follows:

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2025	2024
			(Rupees in '000)	
Sindh Rural Support Organization	Government entity	- Services received	<u>2,277,454</u>	<u>1,874,469</u>
		- Payments made	<u>1,086,070</u>	<u>883,743</u>
Government of Sindh Information Department	Government entity	- Services received	<u>2,018</u>	<u>163</u>
		- Payments made	<u>2,018</u>	<u>163</u>
Sindh Insurance Limited	Government entity	- Services received	<u>1,823</u>	<u>1,516</u>
		- Payments made	<u>2,455</u>	<u>1,853</u>
Pakistan Mortgage Refinance Company	Related party by virtue of key management personnel relationship	- Services received	<u>675</u>	<u>-</u>
		- Payments made	<u>575</u>	<u>-</u>

16. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration of Chief Executive, Directors and Executives are as follows:

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	----- Rupees in '000 -----					
Managerial remuneration	32,781	28,499	-	-	125,763	91,859
Bonus	6,913	-	-	-	19,886	-
Other perquisites and benefits	6,577	4,032	-	-	33,241	46,441
Directors' meeting fee	700	1,250	3,550	4,100	-	-
Total	<u>45,971</u>	<u>33,781</u>	<u>3,550</u>	<u>4,100</u>	<u>178,890</u>	<u>138,300</u>
Number of person(s) (including those who worked part of the year)	<u>1</u>	<u>1</u>	<u>5</u>	<u>8</u>	<u>27</u>	<u>22</u>

16.1 The Chief Executive and Chief Operating Officer are also provided with Company maintained cars in accordance with the terms of employment.

17. NUMBER OF EMPLOYEES

	2025	2024
Number of employees including contractual employees at June 30	<u>48</u>	<u>38</u>

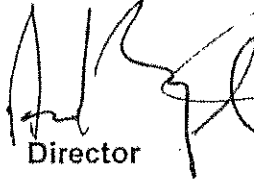
18. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Company on **24 SEP 2025**

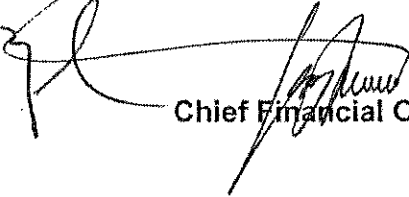
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Chief Executive Officer



Director



Chief Financial Officer



A.F.FERGUSON&CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Sindh Peoples Housing for Flood Affectees

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of Sindh Peoples Housing for Flood Affectees (the Company) for the year ended June 30, 2025.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, 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 requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Rules as applicable to the Company for the year ended June 30, 2025.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: October 7, 2025

UDIN: CR202510073k1rCTu7ei

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

SCHEDULE I

[See paragraph 2(1)]

**Statement of Compliance with the
Public Sector Companies (Corporate Governance) Rules, 2013**

Name of Company: Sindh Peoples Housing for Flood Affectees (SPHF)

Name of the line ministry: Implementation & Coordination (I&C), Services, General Administration and Coordination Department (SGA&CD), Government of Sindh

For the year ended: June 30, 2025

- I. This statement presents the overview of the compliance 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	N/A																
			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: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of appointment</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Independent Director</td> <td>Sadiqa Salahuddin</td> <td>19-Oct-22</td> </tr> <tr> <td>Asadullah Sayeed</td> <td>19-Oct-22</td> </tr> <tr> <td>Mudassir Husain</td> <td>19-Oct-22</td> </tr> <tr> <td>Executive Director</td> <td>Khalid Mehmood</td> <td>19-Oct-22</td> </tr> <tr> <td>Non-Executive Director</td> <td>Najam Ahmed Shah</td> <td>20-Mar-24</td> </tr> </tbody> </table>	Category	Names	Date of appointment	Independent Director	Sadiqa Salahuddin	19-Oct-22	Asadullah Sayeed	19-Oct-22	Mudassir Husain	19-Oct-22	Executive Director	Khalid Mehmood	19-Oct-22	Non-Executive Director	Najam Ahmed Shah	20-Mar-24	3(2)	✓		
Category	Names	Date of appointment																			
Independent Director	Sadiqa Salahuddin	19-Oct-22																			
	Asadullah Sayeed	19-Oct-22																			
	Mudassir Husain	19-Oct-22																			
Executive Director	Khalid Mehmood	19-Oct-22																			
Non-Executive Director	Najam Ahmed Shah	20-Mar-24																			
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)	✓																		

MS

S. NO.	PROVISION OF THE RULES	RULE NO.	Y	N	N/A
			Tick the relevant box		
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 is www.Sphf.gos.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)(vi)	✓		

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S. NO.	PROVISION OF THE RULES	RULE NO.	Tick the relevant box		
			Y	N	N/A
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)	✓		
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.	6(1)	✓		
	(b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	✓		
	(c) The minutes of the meetings were appropriately recorded and circulated.	6(3)	✓		
19	The Government has undertaken annual performance evaluation of members of the Board including the chairman and the chief executive.	8(1)		✓	
20	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8 (2)	✓		
21	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 into with the related parties during the year has been maintained.	9	✓		

15/1

S. NO.	PROVISION OF THE RULES	RULE NO.	Y	N	N/A															
			Tick the relevant box																	
22	<p>(a) The Board has approved the Statement of profit or loss (formerly profit and loss account) and the Statement of Financial Position (formerly balance sheet), as at the end of, the first, second and third quarter of the year as well as the financial year end.</p> <p>(b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.</p> <p>(c) The Board has placed the annual financial statements on the Company's website.</p>	10	✓		✓															
23	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	✓																	
24	<p>(a) The Board has formed the requisite committees, as specified in the Rules.</p> <p>(b) The committees were provided with written term of referencedefining their duties, authority and composition.</p> <p>(c) The minutes of the meetings of the committees were circulated toall the Board members.</p> <p>(d) The committees were chaired by the following non-executive directors:</p> <table border="1" data-bbox="373 1151 1070 1487"> <thead> <tr> <th>Committee</th> <th>Number of Members</th> <th>Name of Chair</th> </tr> </thead> <tbody> <tr> <td>Audit Committee</td> <td>Three</td> <td>Asad Ullah Sayeed</td> </tr> <tr> <td>Human Resources Committee</td> <td>Three</td> <td>Mudassir Husain Khan</td> </tr> <tr> <td>Procurement Committee</td> <td>Two</td> <td>Najam Ahmed Shah</td> </tr> <tr> <td>Nomination Committee</td> <td>Three</td> <td>Sadiqa Salahuddin</td> </tr> </tbody> </table>	Committee	Number of Members	Name of Chair	Audit Committee	Three	Asad Ullah Sayeed	Human Resources Committee	Three	Mudassir Husain Khan	Procurement Committee	Two	Najam Ahmed Shah	Nomination Committee	Three	Sadiqa Salahuddin	12	✓	✓	✓
Committee	Number of Members	Name of Chair																		
Audit Committee	Three	Asad Ullah Sayeed																		
Human Resources Committee	Three	Mudassir Husain Khan																		
Procurement Committee	Two	Najam Ahmed Shah																		
Nomination Committee	Three	Sadiqa Salahuddin																		
25	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	✓																	
26	The Chief Financial Officer and the Company Secretary have requisite equalification prescribed in the Rules.	14	✓																	
27	The Company has adopted International Financial Reporting Standardsnotified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓																	

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S. NO.	PROVISION OF THE RULES	RULE NO.	Y	N	N/A												
			Tick the relevant box														
28	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	✓														
29	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	✓														
30	(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	✓ ✓														
31	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	✓														
32	The Board has formed an audit committee with majority members, including its chairman, being Independent Non-Executive Directors:	21 (1)	✓														
	<table border="1"> <thead> <tr> <th>Name</th> <th>Category</th> <th>Audit Committee</th> </tr> </thead> <tbody> <tr> <td>Asad Ullah Sayeed</td> <td>Independent Director</td> <td>Chairman</td> </tr> <tr> <td>Mudassir Husain Khan</td> <td>Independent Director</td> <td>Member</td> </tr> <tr> <td>Sadiqa Salahuddin</td> <td>Independent Director</td> <td>Member</td> </tr> </tbody> </table>	Name	Category	Audit Committee	Asad Ullah Sayeed	Independent Director	Chairman	Mudassir Husain Khan	Independent Director	Member	Sadiqa Salahuddin	Independent Director	Member				
Name	Category	Audit Committee															
Asad Ullah Sayeed	Independent Director	Chairman															
Mudassir Husain Khan	Independent Director	Member															
Sadiqa Salahuddin	Independent Director	Member															
	The chief executive and chairman of the Board are not members of the audit committee.	21(2)	✓														
33	(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)	✓ ✓ ✓														
34	The Board has formed an audit committee, with defined and written terms of reference.	21(4)	✓														

7

S. NO.	PROVISION OF THE RULES	RULE NO.	Y	N	N/A
			Tick the relevant box		
35	(d) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee. (e) The chief internal auditor has requisite qualification and experience prescribed in the Rules. (f) The internal audit reports have been provided to the external auditors for their review.	22	✓		
36	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)	✓		
37	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓		

SCHEDULE II

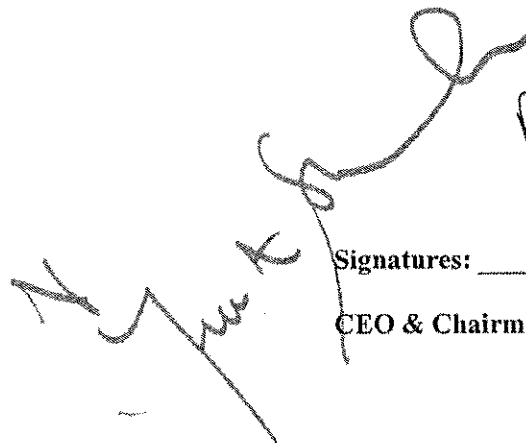
See Paragraph 2(3)

**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	8 (1)	The performance evaluation of members of the Board including the chairman and the chief executive has not been undertaken by the Government yet.	The performance evaluation of the board members is pending with Sindh Government. It is expected to be completed in FY- 2025-26.

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Signatures: _____
CEO & Chairman / Independent Director



**Government of Sindh
Sindh Peoples Housing for Flood Affectees
(SPHF)**



**To reappoint External Auditors of the Company for the ensuing year
2025-26**

BOD Members hereby approves the re-appointment of M/s PWC A.F. Fergusson & Co., Chartered Accountants, as External Auditors of Sindh Peoples Housing for Flood Affectees (SPHF) for the financial year 2025-26, with their audit fee fixed at PKR 7.0 million (exclusive of out-of-pocket expenses and applicable sales tax)”



A.F.FERGUSON&CO.

The Company Secretary
Sindh Peoples Housing For Flood Affectees
Bungalow No. 20, Block 7/8
Modern Cooperative Housing Society
Karachi

22 September 2025

Our reference: ASR 1561

Dear Sir

We convey our willingness to continue as auditors of the Company for the year ending 30 June 2026, if so reappointed by the members at the forthcoming annual general meeting at a fee of Rs. 7,000,000.

Yours truly

A handwritten signature in black ink, appearing to be 'A. F. Ferguson', with a stylized flourish at the end.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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• KARACHI • LAHORE • ISLAMABAD



A.F.FERGUSON&CO.

The Board of Directors
Sindh Peoples Housing For Flood Affectees
Bungalow No. 20, Block 7/8
Modern Cooperative Housing Society
Karachi

22 September 2025

Our reference: ASR 1562

Dear Sir

We confirm that:

- our firm is compliant with section 247(3)(j) of the Companies Act, 2017 (the Act);
- our firm has been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan and is registered with Audit Oversight Board of Pakistan;
- our firm and its partners are compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by the Institute of Chartered Accountants of Pakistan;
- the partners of our firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company; and
- our firm has not provided services except in accordance with the Act, the Public Sector Companies (Corporate Governance) Rules, 2013 or any other regulatory requirement and has observed IFAC guidelines in this regard.

Yours truly

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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