Saudi Pak Consultancy Company Limited

(Formerly Saudi Pak Leasing Company Limited)

Financial Statements

For the year ended June 30, 2025

Chairman's Review:

On behalf of the Board of Directors, I am honored to present the 35th Audited Financial Statements of Saudi Pak Consultancy Company Limited (Formerly known as Saudi Pak Leasing Company Limited), along with the Auditor's Report to Members and the Directors' Report for the fiscal year ending June 30, 2025.

FY 2024-25 saw positive momentum on key economic reforms, which led to a sharp decline in headline inflation and reduction in the SBP policy rate. Key economic reforms to reduce the large fiscal deficits and improvements in public debt sustainability led to the successful conclusion of the first review under the $ 7 billion IMF EFF program in May 2025. The IMF program remains the cornerstone of the Government reforms plan and has led to an upgrade in Sovereign Ratings by the international rating agencies. The real GDP growth increased to 2.7 percent in FY2025 (FY2024: 2.5 percent) as per provisional data, with higher industrial and services sectors growth partially offsetting lower agricultural output. The fiscal position has also improved, with a primary surplus of 2.2 percent of GDP during FY2025, up from 0.9 percent in FY2024

Our Company is passing through transition stage from leasing to Consultancy. Several options for commencement of profitable consultancy business are being evaluated. Further, process of Company's formal registration as a consultant company has also been initiated. Approximately 95% of the loan and lease portfolio was classified as non-performing and subject to litigation in various courts. The slow pace of recoveries through courts necessitated an increased focus on out-of-court settlements, which allowed the Company to gradually reduce its liabilities. Significant settlements were achieved with creditors, Certificate of Investment (COI) holders, and Term Finance Certificate (TFC) holders, often after securing substantial haircuts, thereby creating value for shareholders During FY 2024–2025:

- Recoveries from defaulters amounted to Rs. 57.021 million.
- Liabilities of Rs. 151.500 million pertaining to Banks and TFC holders were discharged.
- These settlements generated a pre-tax profit of Rs. 54.048 million (FY 2023-24 Rs.128.929 million.

Notwithstanding prevailing high inflation Administrative & Operating expenses were kept under control.

Looking Ahead:

All necessary regulatory submissions have been furnished to the SECP, and we are confident that with the support of shareholders we will overcome all the challenges and hopeful God willing we will come up with success in near future.

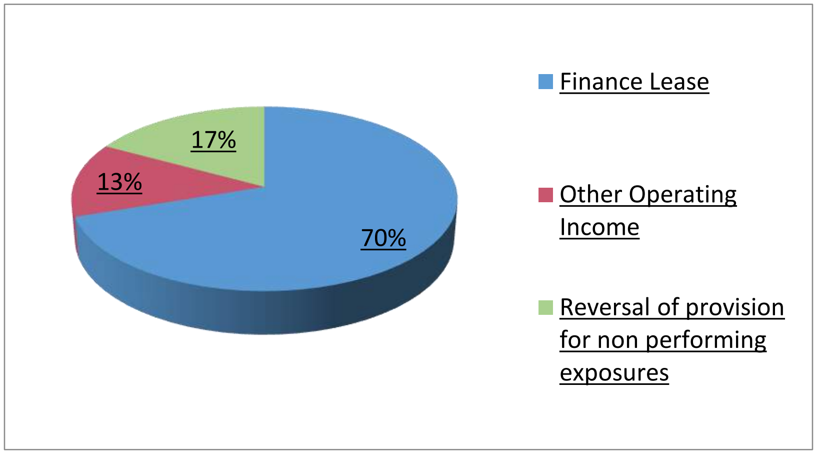
The Company expects that the economic outlook of the country would continue to improve on the back of prudent policy management, continued strategic reform initiatives aimed at maintaining fiscal discipline, improving foreign exchange reserves, political stability, declining inflation and economic assistance from friendly nations alongside achieving key indicators of the IMF program. Your Company remains focused on serving its stakeholders by delivering value and leveraging its diversified portfolio to keep pursuing its profitable growth aspirations.
I would also like to acknowledge the understanding and patience of our creditors and depositors during these challenging times and Shareholders at large for their support in the difficult circumstances.

Finally, I commend the management and the entire team of working force in the company, led by the CEO, for their relentless efforts in revitalizing the Company.

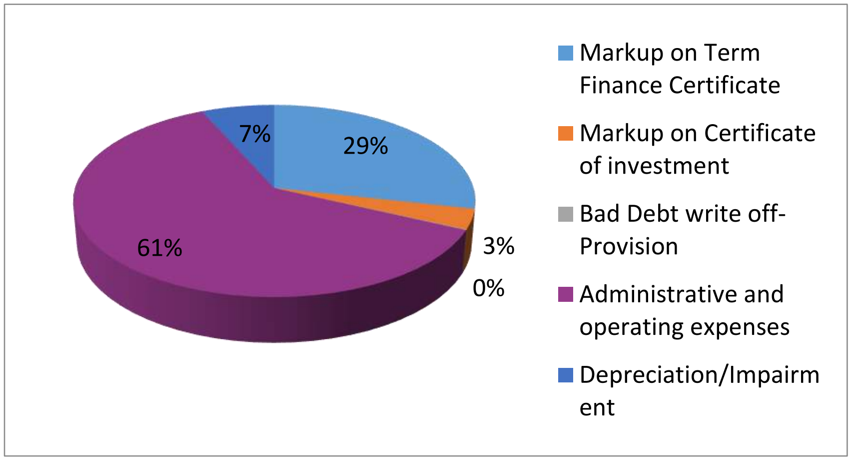
Syed Najmul Hasnain Kazmi
Chairman
Karachi
September 17, 2025

SAUDI PAK CONSULTANCY COMPANY LIMITED
(Formerly Known as Saudi Pak Leasing Co. Ltd.)

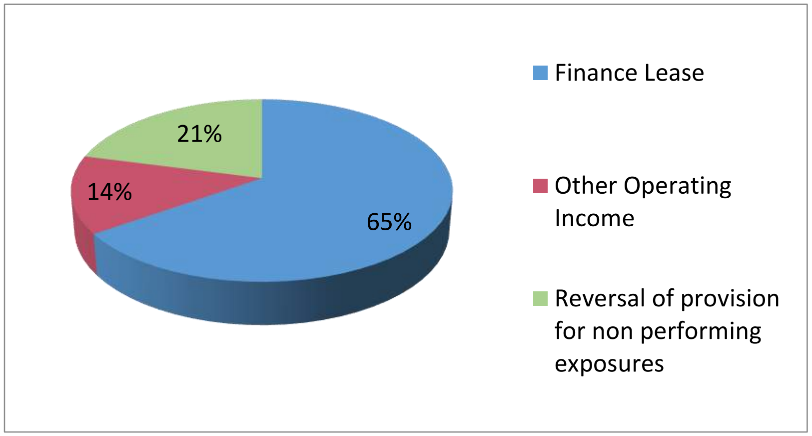
Revenue Analysis -FY 2025



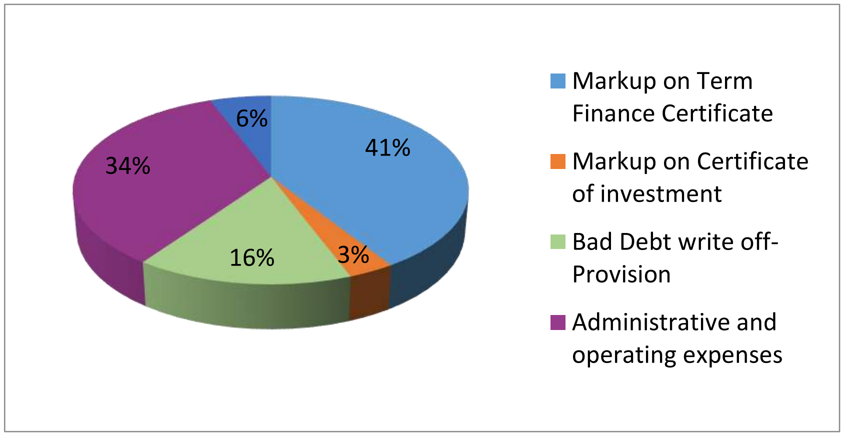
Expenses Analysis-FY 2025



Revenue Analysis -FY 2024



Expenses Analysis-FY 2024



SAUDI PAK CONSULTANCY COMPANY LIMITED
(Formerly Known as Saudi Pak Leasing Co. Ltd.)

FINANCIAL HIGHLIGHTS

Rupees in Millions

	2025	2024	2023	2022	2021	2020
Operational results						
Total disbursement	-	-	-	-	-	-
Revenues / Gross Income	146	236	88	23	43	9
Profit/ (Loss) before tax	54	129	8	(65)	(4)	(54)
Profit/ (Loss) after tax	44	107	15	(65)	1	(53)
Financial charges	29	47	45	(41)	(39)	51
(Reversal) / Provision against non-performing port	25	49	10	(7)	29	27
Cash dividend - ordinary shares	-	-	-	-	-	-
Cash dividend - preference shares	-	-	-	-	-	-
Balance sheet						
Gross lease recievables	1261	1,318	1,466	1,505	1,544	1,583
Net investment in leases	312	385	411	437	494	503
Net worth	(399)	(460)	(568)	(612)	(546)	(568)
Fixed assets - owned	112	80	80	61	64	67
Total assets	686	735	812	783	833	822
Long term liabilities including current portion	345	481	608	670	693	725
Long term investments	35	37	38	39	41	42

KEY PERFORMANCE INDICATORS

Ratio	2025	2024	2023	2022	2021	2020
Break up Value	(8.84)	(10.18)	(12.59)	(13.54)	(13.54)	(13.54)
Current Ratio	0.53	0.52	0.50	0.49	0.53	0.49
Debt to Assets Ratio	0.63	0.96	0.94	0.81	0.86	0.86
Dividend per Share	-	-	-	-	-	-
Earnings / (Loss) per Share	0.98	2.37	0.32	(1.43)	0.03	(1.18)
Financial Charges / Total Expenses	46.62	44.27	50.68	50.00	50.53	56.23
Financial Charges / Total Gross Income	20	20.08	51.55	174.7	90.03	565.8
Market Value per Share (Rs.)	-	-	-	-	-	-
Return on Assets	6.22	14.59	1.80	(8.25)	0.16	(6.50)
Total Assets / Net Worth	(1.72)	(1.59)	(1.43)	(1.28)	(1.52)	(1.45)
Total Financing / Net Worth	(2.72)	(3.26)	(3.15)	(3.03)	(3.44)	(3.36)

NOTICE OF 35TH AGM OF SAUDI PAK CONSULTANCY COMPANY LIMITED

(Formerly Known as Saudi Pak Leasing Co. Ltd.)

Notice is hereby given that the 35th Annual General Meeting (AGM) of Saudi Pak Consultancy Company Limited will be held on Monday, 20th October, 2025 at 11 a.m. at Registered Office i.e. 6th Floor, Lakson Square Building No 1, Sarwar Shaheed Road, Saddar, Karachi to transact the following business for the respective year.

A. Ordinary Business:

1. To confirm the minutes of Extra ordinary General Meeting (EOGM) held on 22nd April, 2025 at Islamabad.
2. To receive, consider and adopt the Annual Audited Accounts for the year ended June 30, 2025 together with the Directors' and Auditors' reports thereon approved by Board of Directors.
3. To appoint M/s. UHY Hassan Naeem & Co, Chartered Accountants (UHY International Independent Member) as External Auditors for the year 2025-2026 and fix their remuneration as recommended by Board of Directors.

B. Special Business:

1. To approve the changes proposed by the Board in its 183rd Meeting held on 17.09.2025,U/S 32(6) of the Companies Act, 2017, in the Clauses (i) and (ii) of Memorandum of the Company (SPCL) and its onward submission to the Registrar of Companies, SECP and following special resolution be passed accordingly.

"Resolved to approve the Alterations / Changes / additions as proposed by the Board U/S 32(6) of the Act, that in **clause I** of memorandum after the word services **including but not limited to civil, mechanical , electrical services, interior designing, commission agent, indenting , road transporting, travel and Tour agent and general order suppliers.**

In **clause II** insert after word in the lawful **and unlicensed.**

It was further **Resolved that** the Object Clause i.e. clauses I and II of the Memorandum of Association of the Company, be and are hereby altered so as to replace it with the above mentioned Changes / additions / alterations , subject to approval of the Securities & Exchange Commission of Pakistan (SECP), and Mr. Niaz Ahmed Khan, Chief Executive Officer or Mr. Muhammad Imtiaz Ali, Company Secretary of the Company be and is hereby authorized to take all necessary steps for this purpose."

C. Other Business:

1. To transact any other business with the permission of the Chair.

Note:

The documents of material facts regarding above special resolution is being sent to all members along with the Notice and will be available for inspection on the day of meeting viz-a-viz; posted on PUCCAR (PSX) and Company's (SPLC) websites

By Order of the Board

Muhammad Imtiaz Ali
Company Secretary

Karachi. September 26, 2025.

Notes:

i) The Share Transfer Books of the Company will remain closed from October 14th, 2025 to October 20th, 2025 (both days inclusive).

ii) A member entitled to attend and vote at the Annual General Meeting may appoint another as a Proxy to attend and vote instead of him/her save that a company being a member of this Company may appoint as proxy or as its representative under Section 138 of the Companies Act., 2017, any person though not a member of the Company, and the person so appointed shall be entitled to exercise the same powers on behalf of the Company which he represents, as if he was an individual member of the Company.

iii) Members and proxies shall produce his /her original CNIC or Passport at the time of the meeting.

iv) Attested copies of CNIC or the Passport of the beneficial owners and of the proxy shall be furnished with the proxy form.

v) In case of a corporate entity, the Board of Directors' resolution /power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted along with proxy form to the Company.

vi) The instrument appointing a proxy shall be lodged with the Company Secretary not less than 48 hours before the time fixed for the Meeting. The proxy form shall be witnessed by two persons whose names, address and CNIC number shall be mentioned on the form.

vii) A member shall not be entitled to appoint more than one proxy. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

viii) The Audited financial statements of the company for the year ended **June 30, 2025** have been made available on the Company's website.

ix) To meet the requirement of Section 72 of the Companies Act, 2017 the Shareholders having physical shareholding are encouraged to open CDC Sub-account with any of the brokers or Investment Account directly with CDC to place their physical shares into scrip less form as the trading of physical shares is not permitted as existing regulations of the Pakistan Stock Exchange (PSX).

x) Members are requested to promptly notify any change in their address and contact details to the Registrar of the Company (CDC) to update their record.

xi) To facilitate remote participation/voting, we will be providing the Zoom video conference facility.

xii) Eligible Shareholders who are interested to participate via video link and have valid and registered E-mail address with the company's registrar (CDC) may do so by clicking the following link:

AGM (SPCL)

Monday, October 20, 2025 · 11:00 am – 12:00 noon

Time zone: Asia/Karachi

Video call link:

Click
https://us06web.zoom.us/j/3507865058?pwd=BcElm7YMowIDoDc7sT7wobcB0OBM4A.1&omn=83499631085

to start or join a scheduled Zoom meeting.

Or

Meeting ID: 3507865058

Passcode: 376909

It may please be noted that the above facility of video link is subject to availability of good connectivity at both the end.

Directors' Report to the Shareholders

The Directors of **Saudi Pak Consultancy Company Limited** (formerly *Saudi Pak Leasing Company Limited – SPLC*) are pleased to present the **35th Annual Report** along with the audited financial statements of the Company for the year ended **June 30, 2025.**

Financial Highlights

(Rs. in millions)

Particulars	2025 Millions	2024 Millions
Income from operating & financial leases	102.041	154.003
Other operating income	18.948	32.522
Reversal of Provision on Leases/Loans	25.060	49.462
Financial cost	(29.018)	(47.403)
Administrative & operating costs	(62.983)	(59.656)
Profit/(loss) before taxation	54.048	128.929
Profit/(loss) after taxation	44.160	107.178

Review of the Economy and Corporate Sector

During FY 2024–2025, Pakistan's economy exhibited notable progress across multiple sectors, supported by both internal and external factors. Political stability following the general elections, a reduction in policy rates, and easing inflationary pressures contributed to economic revival. As a result, monetary tightening was reduced, investment confidence improved, and the overall growth trajectory showed positive momentum during the period under review.

Company Performance and Developments

During the year, the Company successfully **changed its name and line of business** from leasing to consultancy services. On **December 11, 2024**, the **SECP** issued a fresh Certificate of Incorporation reflecting this change.

This strategic shift was essential as the Company had remained out of the leasing business for over twelve years due to severe liquidity constraints. Over this period, operations were sustained primarily through recoveries and settlements from a stuck-up portfolio.

Prior to this transition, approximately **95% of the loan and lease portfolio** was classified as non-performing and subject to litigation in various courts. The slow pace of judicial recoveries necessitated an increased focus on **out-of-court settlements**, which allowed the Company to gradually reduce liabilities. Significant settlements were achieved with creditors, Certificate of Investment (COI) holders, and Term Finance Certificate (TFC) holders, often after securing substantial haircuts, thereby creating value for shareholders.

Despite broader economic improvement, the Company continued to focus on **survival through prudent management of recoveries and liabilities**. During FY 2024–2025:

- Recoveries from defaulters amounted to **Rs. 57.021 million**.
- Liabilities of **Rs. 151.500 million** pertaining to Banks and TFC holders were discharged.
- These settlements generated a **pre-tax profit of Rs. 54.048 million**.

Although profit before tax was lower than last year, the Company succeeded in further reducing its liabilities and negative equity. Earnings per share (EPS) declined to **Rs. 0.98 per share**. The Company continues to actively pursue recovery from its non-performing portfolio, with settlement negotiations ongoing on a case-to-case basis, strictly aligned with approved Board policies and regulatory guidelines.

Future Outlook

The **future performance** of SPCCL depends on two key drivers:

1. **Growth of the consultancy business**, as the new core line of operations.
2. **Recoveries from inherited non-performing loans (NPLs)**, through court decrees and negotiated settlements.

The change in business model marks a significant milestone in the Company's revival journey. Although liquidity challenges persist, the Board and Management remain confident in overcoming these constraints by:

- Strengthening the consultancy business portfolio.
- Enhancing recoveries from the NPL portfolio.
- Finalizing settlements with creditors/depositors to clean the balance sheet.

The Board is committed to positioning SPCCL as a sustainable, forward-looking entity capable of delivering value to shareholders.

Risk Management

Risk is inherent in all spheres of the Company's activities. The **Board of Directors** bears overall responsibility for establishing and overseeing a robust risk management framework. This includes:

- Reviewing and approving risk management policies.
- Ensuring the existence of an effective internal control environment.
- Monitoring risks through independent **Internal Audit**, which reports directly to the **Audit Committee**.

Dividend

Given the persistent liquidity constraints and significant accumulated losses, the Board has **not recommended any dividend** for FY 2024–2025.

Corporate Governance

SPCCL is committed to maintaining the **highest standards of corporate governance**, in line with the **Code of Corporate Governance (CCG)**. The Internal Auditor reports functionally to the **Board Audit Committee**, chaired by an **Independent Non-Executive Director**, ensuring transparency and independence in oversight.

Directors' Declaration

The Board confirms that:

1. The financial statements present a true and fair view of the Company's affairs, results, cash flows, and changes in equity.
2. Proper books of account have been maintained.
3. Accounting policies have been applied consistently, and estimates are based on prudent judgment.

4. International Accounting Standards applicable in Pakistan have been followed, with adequate disclosure of departures, if any.
5. An effective internal control system exists and is being continuously improved.
6. The Company has complied with best practices of corporate governance as detailed in listing regulations.
7. Key financial and operating data, along with shareholding pattern, are included in the annual report.
8. No trading in Company shares was carried out by Directors, Executives, or their close relatives.
9. The Company continues to face liquidity pressures impacting its ability to meet financial obligations; details of overdue amounts are disclosed in the financial statements.
10. Most of the Meetings of the Board were conducted via video link to ensure cost efficiency while addressing regular and urgent business matters.

Board of Directors' Meetings

Name of Director	Designation	Meetings Held	Attended
Syed Najmul Hasnain Kazmi	Chairman	7	7
* Muhammad Waqar	Director	7	6
Niaz Ahmed Khan	Director / CEO	7	7
Muhammad Naeem Khan	Director	7	7
**Sheikh Aftab Ahmed	Director	7	1
** Parveen A. Malik	Director	7	1
** Lubna Farooq	Director	7	1
** Nayyar Alam Ilyas	Executive Director	7	1

* Muhammad Waqar retired on April 22, 2025.

Fresh election was held on 22.04.2025 and all the seven Directors were elected un-opposed in the EOGM held on April 22, 2025 at Islamabad.

** Sheikh Aftab Ahmed, Parveen A. Malik, Lubna Farooq, SNH Kazmi, Muhammad Naeem Khan , Niaz Ahmed Khan and Nayyar Alam Ilyas were elected Directors on April 22, 2025, in an EOGM held at Islamabad.

Board Committees

Audit Committee

The Audit Committee comprises three independent Directors:

- Sheikh Aftab Ahmed-Chairman/Independent Director
- Syed Najmul Hasnain Kazmi-Independent Director
- Parveen A. Malik-Independent Director

The Committee met **four (4) times** during the year to review accounts and other internal matters.

HR & Remuneration Committee

The HRR Committee comprises:

- Muhammad Naeem Khan- Chairman / Independent Director
- Lubna Farooq -Non-Executive Director
- Niaz Ahmed Khan-Managing Director / CEO

The Committee held **two (2)** meetings during the year.

External Auditors

M/s. **UHY Hassan Naeem & Co., Chartered Accountants**, were appointed as statutory auditors of the Company for FY 2025.

Other Disclosures

- The pattern of shareholding required under the Companies Act, 2017 and CCG is annexed.
- Six-year financial and operating data is also attached.

Gender Diversity

With **16% female participation**, SPCCL continues to strengthen gender inclusivity and professional development opportunities, supported by progressive HR policies.

Directors' Training

All Directors have completed certification under SECP-approved training programs, except one male and one female Director, who will complete training as per Section 19(2) of the CCG Rules, 2019.

Acknowledgement

The Board places on record its gratitude to:

- The **Securities & Exchange Commission of Pakistan (SECP)** for their proactive regulatory measures.
- Our **shareholders** for their steadfast support during this transition phase.
- Our **management and staff**, whose dedication and resilience have enabled the Company to sustain operations in challenging circumstances.

The Board re-affirms its commitment to good governance, transparency, and sustainable growth.

On behalf of the Board of Directors

Chief Executive Officer
Karachi, September 17, 2025

Director

Gender Pay Gap Statement

Under SECP Circular 10 of 2024

As a Public Limited & Listed Company, Saudi Pak Consultancy Company Limited committed to fostering a diverse, equitable and inclusive workplace. Driven by transparency and meritocracy. Our company regularly reviews its policies and strategies to ensure fair and equitable compensation for all employees, regardless of gender.

Following is the gender pay gap calculated for the year ended June 30, 2025

Mean Gender Pay Gap: 93%

(The mean for women is 93% lower than that of men)*

Median Gender Pay Gap: 49%

(The median pay for women is 49% lower than that of men)**

*The concentration of women in junior management is lower as compared to men resulting in lower mean pay for women.

The difference in median pay above is to be understood in the context that the highest paid position of Executives are mostly occupied by men. The calculation of median pay takes into account the pay of Executives, which is significantly higher than the pay of other employees, and therefore acts as an out liner in the equation. When the pay of Executives is removed from the equation, the median pay gap is **33%.

Signed on behalf of the Board of Directors of Saudi Pak Consultancy Company Limited.

Niaz Ahmed Khan
Chief Executive Officer

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of company: Saudi Pak Consultancy Company limited (SPCL)

Year ending: 30.06.2025

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are 7 as per the following.-

a. Male: 5

b. Female: 2

2. The composition of the Board is as follows:

i. Independent directors 4

ii. Non-executive directors 1

iii. Executive directors 2

iv. Female directors 2 (one Independent and one Non-Executive)

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board has arranged Directors' Training program for the following: All the sitting Directors have already undergone SECP's Accredited Training Program except the two newly inducted Directors viz; Mrs. Lubna Farooq and Nayyar Alam Ilyas for whom arrangements are being made for admission in the forth coming session.

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

6th.Floor, Lakson Square Building # 1, Sarwar Shaheed Road, Saddar, Karachi. 74100, Pakistan Ph: 021-35655181-82 www.saudipakconsultancy.com

12. The Board has formed two committees comprising of members as given below.-

a) Audit Committee.

i) Sheikh Aftab Ahmed ....Chairman (Resigned w.e.f. 20.06.2025 and reappointed by the Board as Director and Chairman of the Audit Committee w.e.f. 20.08.2025

ii) Syed Najmul Hasnain Kazmi .... Member

iii) Parveen A. Malik................ Member

b) HR and Remuneration Committee.

Muhammad Naeem Khan .... Chairman
Niaz Ahmed Khan ....Member
Lubna Farooq .... Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,-
a. Audit Committee: 4
b.HR and Remuneration Committee: 3

15.The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16.The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan ,that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the 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;

17.The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. Confirm that all requirements of regulations3, 6, 7, 8,27,32,33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, otherthanregulations3, 6, 7,8,27, 32, 33 and 36 are below (if applicable): N/A.

Signature

(Syed Najmul Hasnain Kazmi)
Chairman

UHY Hassan Naeem & Co.
Chartered Accountants

402 Progressive Center,
Sharah-e-Faisal
Karachi, Pakistan.

T +92 21 34322551
E info@uhy-hnco.com
www.uhy-hnco.com

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of M/s. Saudi Pak Consultancy Company Limited

Review report on the statement of compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred to as 'the Regulations'), prepared by the Board of Directors of **Saudi Pak Consultancy Company Limited** (the Company) for the year ended 30 June 2025 in accordance with the requirements of the Regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's Compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

UHY Hassan Naeem & Co.

UHY Hassan Naeem & Co.
Chartered Accountants

KARACHI
DATE: September 25, 2025
UDIN: CR202510215bcUOdhWHV

UHY Hassan Naeem & Co.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of SAUDI PAK CONSULTANCY COMPANY LIMITED

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of **Saudi Pak Consultancy Company Limited** (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss. Statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters described in Basis for Adverse opinion section, the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit and other comprehensive Income, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

Going Concern Assumption is not appropriate

We draw attention to notes 1.1 and 1.2 to the financial statements which indicates that the Company's license to carry out the business of leasing has been cancelled, and which further indicated that the Company has earned after tax profit amounting 44.96 million (2024: Rs. 107.17 million) and as of the date its accumulated losses amounted to Rs. 1.623 billion (2024: Rs 1.670 billion), its negative equity stood at Rs. 399.176 million (2024: Rs. 459.74 million) and its current liabilities exceeded current assets by Rs. 510.797 million (June 2024: Rs. 576.81 million. Further, due to liquidity crisis, the Company was unable to meet its financial obligation of Rs. 580.320 million in principal and Rs. 488.050 million in accrued markup.

These conditions lead us to believe that the going concern assumption used in preparation of these financial statements is inappropriate, consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

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 adverse opinion.

Emphasis of Matter

We draw attention to Note 1.1 and 1.2 to the financial statements which explains the change in the name and line of business of the company. Our opinion is not modified in this respect.

Key Audit Matters:

Except for the matters described in the basis for adverse opinion section, we have determined key audit matters are those that, in our professional judgment were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

Following are the Key Audit Matters

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Valuation of Term Loans and Lease Receivables	
Term Loans As disclosed in note 6 of the accompanying financial statements, the company has short term loan and long-term loan amounting to 80.8 million and 100 million Net off provision amounting to 75.8 million and 52.80 million respectively. **Net Investment in Finance Lease** As, disclosed in note 11of the accompanying financial statements, the company has net investment in lease against finance lease amounting to 1,099.544 million net off provision amounting to 311.911 million. We considered the recoverability of receivable against finance lease as a Key Audit Matter due to judgement and materiality thereof, related to overall statement of financial position of the company.	Our procedure to verify the net investment in finance lease included the following 1. We sought external confirmations for the amounts that remain outstanding at year end and compare the replies and correspondence against outstanding. amount. Subsequent checks have been performed where replies of confirmation were not received. 2. We have obtained understanding and evaluated the company's process for assessing provision against the outstanding amounts for lease portfolio. 3. We have obtained the expected credit loss calculations prepared by the management expert, and assessed the management expert and his work.

	4. We have assessed the judgements, assumption and provisions used by the management expert in calculation of expected credit loss for all exposures (i.e. Term loans and Lease Receivables). 5. We have obtained the valuation reports for forced sale value determination, of the collaterals held with company against respective portfolio clients. 6. Assessed the relevant disclosures made in the financial statements to determine whether they are complied with accounting and reporting standards as applicable in Pakistan.

Other Information:

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.

However, we have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirement of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enables 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 operation, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 entity'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 Entity'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 Entity to cease to continue as a going concern.

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

We communicate with the owner of the entity 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.

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We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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) because of the significance of matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss, Statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) however, the same 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 **Imran Iqbal.**

UHY Hassan Naeem & Co.

UHY Hassan Naeem & Co.
Chartered Accountants

KARACHI
DATE: September 18, 2025
UDIN: AR202510215GITj9cHPK

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
ASSETS		------------- (Rupees)	-------------
Current assets			
Cash and bank balances	5	69,741,228	108,824,297
Short term loans	6	75,800,300	75,800,300
Short term investments	7	55,755,998	39,175,000
Trade deposits and short term prepayments		1,161,620	1,500,736
Other receivables	8	-	-
Taxation-net		7,221,272	7,352,333
Current maturity of non-current assets	9	364,730,117	384,889,439
		574,410,535	617,542,105
Non-current assets			
Long-term loans	10	-	-
Net investment in finance leases	11	-	-
Investment properties	12	35,206,075	36,624,691
Property, plant and equipment	13	76,415,693	80,444,629
		111,621,768	117,069,320
Total assets		686,032,303	734,611,425
LIABILITIES			
Current liabilities			
Borrowings from financial institutions	14	137,500,000	137,500,000
Certificates of investment		43,000,000	43,000,000
Accrued mark-up	15	488,050,111	526,016,420
Accrued expenses and other payables	16	6,087,189	5,973,152
Current maturity of non-current liabilities	17	399,820,910	458,445,648
Income tax payable		9,088,878	21,751,574
Unclaimed dividend		1,661,291	1,661,291
		1,085,208,379	1,194,348,085
Non-current liabilities			
Certificates of investment	18	-	-
Long term finances	19	-	-
Security deposits against finance leases	20	-	-
		-	-
Total liabilities		1,085,208,379	1,194,348,085
NET ASSETS		(399,176,076)	(459,736,663)
SHARE CAPITAL AND RESERVES			
Authorized share capital		2,000,000,000	2,000,000,000
Issued, subscribed and paid-up share capital	21	979,813,500	979,813,500
Capital reserves			
Statutory reserves		179,549,025	179,549,025
Surplus on revaluation of property, plant and equipment - net of tax	22	40,741,501	42,870,365
Accumulated actuarial loss on defined benefit plan-net of tax		(999,666)	(999,666)
Unrealised gain on re-measurement of investment - FVTOCI		24,878,077	8,477,962
		244,168,937	229,897,686
Revenue reserves			
Accumulated losses		(1,623,158,513)	(1,669,447,849)
Total shareholders' equity		(399,176,076)	(459,736,663)
Contingencies and commitments	23	-	-

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

Chief Executive Officer	Director	Chief Financial Officer

	Note	2025	2024
		---------- (Rupees) ----------	
Revenue:			
Revenue from contracts with customers	24	102,040,887	154,002,805
		-	-
		102,040,887	154,002,805
Administrative and operating expenses	25	(62,097,178)	(43,046,064)
Bad and doubtful debts		(885,520)	(16,609,559)
		39,058,189	94,347,182
Reversal of provision for non-performing exposures	26	25,059,605	49,462,417
Operating Profit			
		64,117,794	143,809,599
Other operating income	27	18,948,152	32,522,390
Finance costs	28	(29,018,343)	(47,402,879)
Profit/(loss) before income tax, minimum tax differential and final tax		54,047,603	128,929,110
Final taxes - levy		(744,110)	(1,247,810)
Minimum tax - levy		(8,344,768)	(20,503,764)
		(9,088,878)	(21,751,574)
Profit/(loss) before income tax		44,958,725	107,177,536
Income Tax Expense	29	(798,253)	-
Profit/(loss) after income tax		44,160,472	107,177,536
Earnings / (loss) per share:			
- Basic	30	0.98	2.37
- Diluted		0.45	1.09

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

Chief Executive Officer | Director | Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		(Rupees)	
Profit/(loss) before income tax		**44,160,472**	107,177,536
Other comprehensive income			
Unrealised gain on re-measurement of investment at fair value through other comprehensive income	7	**7,951,574**	(2,465,064)
Total **comprehensive income/ (loss) for the year**		52,112,046	104,712,472

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

Chief Executive Officer Director **Chief Financial Officer**

SAUDI PAK CONSULTANCY COMPANY LIMITED (Formerly Saudi Pak Leasing Company Limited)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed and paid-up share capital		Capital reserves				Revenue reserve	Total Equity
	Ordinary shares	Non-redeemable preference shares	Statutory reserves	Surplus on revaluation of property, plant and equipment - net	Accumulated actuarial gain / loss on defined benefit plan- net of tax	Unrealised gain on re-measurement of investment	Accumulated losses	Total
	Rupees							
As at July 1, 2024	451,605,000	528,208,500	179,549,025	44,999,229	(999,666)	32,854,773	(1,804,651,714)	(568,434,8
Total comprehensive loss for the year ended June 30, 2024							(10,585,000)	(10,585,0
- Profit after taxation	-	-	-	-	-	-	107,177,536	107,177,5
- Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	107,177,536	107,177,5
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	(2,128,864)	-	-	1,902,308	(226,5
Transfer to statutory reserves	-	-	-	-	-	(36,708,821)	36,708,821	-
						12,332,010	-	12,332,0
Balance as at June 30, 2024	451,605,000	528,208,500	179,549,025	42,870,365	(999,666)	8,477,962	(1,669,447,849)	(459,736,6
Total comprehensive income for the year ended June 30, 2025								
- Profit after taxation	-	-	-	-	-	-	44,160,472	44,160,4
- Other comprehensive income	-	-	-	-	-	7,951,574	-	7,951,5
	-	-	-	-	-	7,951,574	44,160,472	52,112,0
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	(2,128,864)	-	-	2,128,864	-
Transfer from surplus on revaluation of Investment	-	-	-	-	-	-	-	-
	-	-	-	-	-	8,448,541	-	8,448,5
Preference dividend for the year	-	-	-	-	-	-	-	-
Balance as at June 30, 2025	451,605,000	528,208,500	179,549,025	40,741,501	(999,666)	24,878,077	(1,623,158,513)	(399,176,0

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

Chief Executive Officer

Director

Chief Financial Officer

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

	Note	2025	2024
		---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from operations		(17,145,768)	22,576,088
Finance costs paid		(66,146)	(45,007)
Taxes paid		(22,549,827)	(24,248,803)
Finance lease rentals received		47,753,706	129,577,499
		25,137,733	105,283,689
Net cash used in operating activities		7,991,965	127,859,777
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(742,635)	(5,315,000)
Short term investments - net (including interest)		(16,580,998)	10,761,112
Proceeds from disposal of property, plant and equipment		131,320	57,400.00
Short term loans - net		-	66,150,000
Dividend received		4,960,734	8,318,731
Net cash generated from investing activities		(12,231,579)	79,972,243
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term finances		(5,703,696)	(80,956,671)
Repayment of Term Finance Certificates		(29,120,759)	(1,627,478)
Repayment of certificates of investment		(19,000)	(44,000,000)
Net cash used in financing activities		(34,843,455)	(126,584,149)
Net decrease in cash and cash equivalents during the year		(39,083,069)	81,247,871
Cash and cash equivalents at beginning of the year		108,824,297	27,576,426
Cash and cash equivalents at end of the year	5	69,741,228	108,824,297

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

Chief Executive Officer

Director

Chief Financial Officer

1. LEGAL STATUS AND OPERATIONS

1.1 Saudi Pak Consultancy Company Limited (Formerly Saudi Pak Leasing Company Limited ((the Company) was incorporated in Pakistan on January 08, 1991 under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchanges Limited. The registered office of the Company is situated at 6th Floor, Lakson Square Building No.1, Sarwar Shaheed Road, Saddar, Karachi and branch office is located at 337/338, 4th Floor, JEFF Heights, Main Boulevard, Gulberg-III, Lahore.

The main business activity of the Company is extending of consultancy services where as its former business was leasing of assets. The Company's license to carry out the business of leasing had expired on May 18, 2010 and subsequently has been cancelled on June 30, 2021. The company has not been able to obtain renewal thereof from SECP as the legal requirements laid down in this respect could not be met by the company, despite all out efforts under force majeure circumstances. Failure on fulfilling of statutory requirements the majority share holders approved in change of name of the company and line of business through special resolutions passed in EOGM held on 24th of April 2024.

Saudi Pak Industrial & Agricultural Investment Company Limited (SAPICO) is the major shareholder and as of 31 December 2024 holds 35.06% (30 June 2024: 35.06%) of issued ordinary share capital of the Company and 63% (30 June 2024: 63%) of issued preference share capital of the Company.

1.2 As of the reporting date, the Company is exposed to the following material uncertainties which apparently cast significant doubts on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its obligations in the normal course of business:

- As at June 30, 2025, the accumulated loss of the company stood at Rs. 1.623 billion (2024: Rs. 1.669 billion), its equity is negative and its current liabilities exceeded current assets by Rs. 510.797 million (2024: Rs.576.805 million).

In a major development BOD , with the consent of major share holders convened EOGM on 24.04.2024 and to avoid liquidation moved and passed two resolutions for change of line of business from Leasing to Consultancy Services , simultaneously change of name of the company from SAUDI PAK LEASING COMPANY LTD to SAUDI PAK CONSULTANCY COMPANY LTD.

Sole purpose of this move is to avoid liquidation of the Company and to start trading of its shares at Pakistan Stock Exchange. Necessary formalities for this purpose has been completed and submitted to SECP for permission to start consultancy business and certificate of name change has been obtained during the year and Memorandum of Association has been updated consequently.

- Previously, the Company had entered into various agreements with its lenders (including, financial institutions, TFC holders and holders of Certificates of Investment) for restructuring of its borrowing facilities with the objective of matching the expected recoveries from customers with its obligations to pay the lenders. However, the Company has defaulted in meeting its financial obligations. As of June 30, 2025, total outstanding principal and accrued markup payable to borrowers, COI's holders and TFC holders excluding security deposit offset against residual value amounts to as per disclosed in relevant notes to the accounts.

- Since 2010, the Company has not extended any lease facility to its customers owing to expiry of its leasing license. However, it continued its activities with a barely sufficient number of employees required for managing its recoveries from customers and for handing its financial obligations to lenders.
- Despite the existence of the foregoing material uncertainties, these financial statements have been prepared using the going concern assumption primarily due to the reason that a number of recovery suits filed by the Company against its customers are expected to be disposed off in due course of time as the management is actively seeking out-of-court settlement of such suits by way of auction of collateralized assets and / or negotiated settlements. A reasonable number of cases have been decreed in the favor of the Company. It is expected to materially improve the recoveries of overdue lease rentals and term loans from customers which, in turn, would enable the Company to settle its long outstanding financial liabilities to lenders in order to make the Company a feasible investment avenue for a resourceful investor.

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

The requirements of International Financial Reporting Standard (IFRS-9) Financial Instruments relating to the assessment of impairment loss on non-performing assets have been followed in the preparation of these financial statements based on a clarification received from the SECP specifying that the requirements of IFRS 9.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for office premises which are stated at revalued amounts, investments carried at fair value through other comprehensive income.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and has been rounded-off to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Significant accounting estimates and areas where judgements were made by the management in the application of accounting policies are discussed below:

- Future financial projections and going concern assumptions;
- Classification of investments and impairment thereon;
- Residual values and useful lives of property, plant, equipment and investment properties;
- Revaluation of property, plant and equipment;
- Recognition and measurement of current and deferred taxes;
- Valuation of defined benefit plan assets and liabilities;
- Measurement the present value of defined benefit obligation and the fair value of plan assets;
- Allowance for potential lease, loan losses and other receivables; and
- Classification of investment in leases

3. NEW ACCOUNTING PRONOUNCEMENTS

3.1 Change in accounting standards, interpretations and amendments to published approved accounting standards

a) Standards and amendments to approved accounting standards effective in current year

- Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a Company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a Company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

- Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered. The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on April 1, 2024 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2020 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

b) Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company.

- Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates' address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.

- Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments 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 cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other
- The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.
- These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities. IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities. IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG' emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.
- Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' will be applicable on accounting periods beginning on or after January 1, 2023. The International Accounting Standards Board (the Board) has issued amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented

4. MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been applied consistently to all years presented.

4.1 **Cash and cash equivalents**

Cash and cash equivalents comprise of cash balances and bank deposits. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand and balances with banks in current and saving accounts.

4.2 **Financial assets**

4.2.1 **Initial recognition, classification and measurement**

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost.
(b) fair value through other comprehensive income (FVOCI);
(c) fair value through profit or loss (FVTPL); and

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) **Financial assets at FVOCI**

A financial asset is classified as at fair value through other comprehensive income when either:

i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, or

ii) it is an investment in equity instrument which is designated as at fair value through OCI in accordance with the irrevocable election available to the Company at initial recognition. Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) **Financial assets at fair value through profit or loss**

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

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

4.2.2 **Subsequent measurement**

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognized in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit or loss.

4.2.3 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

4.3 Leases

Net investment in finance leases

Leases where the Company transfers substantially all the risks and rewards incidental to ownership of an asset to the lessees are classified as finance leases. A receivable is recognized at an amount equal to the present value of the minimum lease payments, including any residual value, if any.

Operating leases

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating lease. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of leased asset and recognized over the lease term on the same basis as rental income.

Leased assets repossessed upon termination of leases

The Company repossesses leased assets in settlement of non-performing lease finance provided to customers. These are stated at lower of the original cost of the related asset, exposure to the Company or net realizable value of the asset repossessed. Gains or losses on repossession of such assets are taken to the statement of profit or loss.

4.4 Provision against non-performing exposures

The allowance for potential lease, loan losses and other receivables is maintained at a level which, in the judgment of management, is adequate to provide for potential losses on lease and loan portfolio which can be reasonably anticipated. The adequacy of allowance is evaluated on the basis of general approach as specified the International Financial Reporting Standards IFRS-9 (Financial Instruments).

4.5 Investment properties

Investment properties are accounted for under cost model and stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to profit or loss by applying the straight line at the rate varying from 2.22% to 5% per annum after taking into account residual value, if any. Depreciation on additions is charged from the date of addition till the date of disposal. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

Gain or loss on sale of investment properties are charged to profit or loss in the period in which they arise.

4.6 Intangible assets

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged to profit or loss using the straight line method in accordance with the rates specified in note 12 to the financial statements. Amortization is charged when an asset is made available for use until the date the asset is disposed off. The residual values, useful life and amortization methods are reviewed at each reporting date and adjusted, if deemed appropriate.

Gain and losses on disposal of such assets, if any, are included in profit or loss.

4.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any (except for office premises and operating lease assets which are stated at revalued amount less accumulated depreciation and impairment loss, if any).

Depreciation is charged to profit or loss applying the straight line method in accordance with the rates specified in note 14 to the financial statements whereby the cost / revalued amount of an asset is written-off over its estimated useful life. Depreciation on additions is charged from the date an asset is available for use till the date the asset is disposed off.

Any revaluation increase arising on the revaluation of property is recognized in other comprehensive income and presented as a separate component of equity except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of property is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation relating to a previous revaluation of that asset. The surplus on revaluation to the extent of incremental depreciation charged is transferred to unappropriated profits. The surplus realized on disposal of revalued fixed assets is credited directly to unappropriated profits.

Subsequent costs are included in an asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other expenses are charged to profit or loss during the financial period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in the profit and loss account in the year the asset is derecognized, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to unappropriated profits.

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value.

4.8 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

4.9 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

4.10 Provisions and contingencies

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company, or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.11 Revenue recognition

Finance lease income

The Company follows the effective interest method in accounting for the recognition of lease income. Under this method, the unearned lease income i.e. the excess of aggregate lease rentals and the estimated residual value over the cost of the leased assets is deferred and taken to income over the term of the lease, so as to produce a systematic return on the net investment in lease. Unrealized lease income pertaining to non-performing leases is held in suspense account.

Processing, front-end and commitment fee and commission are recognized as income when such services are provided.

Gain on termination of lease contracts and late payment charges are recognized as income when realized.

Operating lease income

Rental income from assets given under operating leases is recognized on an accrual basis.

4.12 Staff retirement benefits - Defined contribution plan

The Company operates a provident fund scheme. Equal monthly contributions at a rate of 10 percent of basic salary for those contract employee who are eligible in terms of employment conditions approved by the Board.

Defined benefit plan

The Company operates a Defined benefit plan for those contract employees who are eligible in terms of their contract of employment duly approved by the Board. The eligibility is subject to the condition of completion of three consecutive years.

4.13 Other income

Income on term loans

Income on term loans is recognized using effective yield on a time proportionate basis. However, income on non-performing loan receivables is recognized on receipt basis.

Mark-up / return on investments

Mark-up income on debt securities is recognized on time proportion basis using the effective yield on instruments.

Dividend income

Dividend income from investments is recognized when the Company's right to receive dividend is established.

Interest income on bank deposits

Interest income on bank deposits is recognized on time proportion basis using the effective interest method.

4.14 Taxation

Income tax comprises current and deferred tax. Income tax expense is recognized in profit or loss account except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case, it is recognized in equity or other comprehensive income.

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits, rebates and tax losses, or minimum tax, whichever is higher. The charge for the current tax is calculated using tax rates enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, relating to prior years.

Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that the entity has sufficient taxable temporary differences or their is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.15 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements for the period in which the dividend is approved by the shareholders.

	Note	2025	2024
		--------- Rupees --------	
5. CASH AND BANK BALANCES			
Cash in hand		33,349	75,000
Balance with State Bank of Pakistan			
Current account - local currency		52,987	24,676
Balances with other banks:			
- in current account		-	-
- in saving accounts	5.1	69,654,892	108,724,621
		69,654,892	108,724,621
		69,741,228	108,824,297

5.1 These represent saving deposit accounts maintained with MCB Bank Limited carrying interest rate ranging 17.14% - 19.44%.

6. SHORT TERM LOANS - SECURED

	Note	2025	2024
Term loans to customers - Considered doubtful	6.1	80,800,300	80,800,300
Provision for non-performing loans	6.2	(5,000,000)	(5,000,000)
		75,800,300	75,800,300

6.1 These represent the balance receivable against short term loan facilities provided to customers. Since such loans are non-performing, markup accrual thereon has been suspended and income is recognized only on receipts of suspended markup and penal charges against defaulted short term loans.

The provision for Expected Credit Loss as per Internation Financial Reporting Standards IFRS-9 i.e. Financial Instrument has been has been calculated by the professional consultants considering the guidelines set for parallel reporting by the regulators, which is less than the provision already recognized by the entity thus no further provision is required however, as a prudence measure no reversal of provision has been recognized in the financial statements.

6.2 Provision for non-performing loans

	Note	2025	2024
Balance at beginning of the year		5,000,000	26,420,124
Charge for the year		-	-
Reversal during the year		-	(21,420,124)
		-	(21,420,124)
Write-offs against provision		-	-
Balance at end of the year	6.2.1	5,000,000	5,000,000

6.2.1 The above provision for non- performing loans is net of forced sales value (FSVs) of collaterals amounting to Rs. 75.800 million (2024: Rs. 75.800 million) considered by the Company for the purpose of determination of provisioning requirements.

7. SHORT TERM INVESTMENTS

	Note	2025	2024
Investments in shares - FVTOCI	7.1	48,454,898	32,054,783
Investments in government securities - Amortized Cost	7.2	7,301,100	7,120,217
		55,755,998	39,175,000

7.1 Investments carried at fair value through other comprehensive income

	Note	2025	2024
		Rupees	
Ordinary shares of a listed company	7.1.1	**48,454,898**	32,054,783
Membership cards of ACACIA Golf Club	7.1.2	**-**	-
		40,006,357	32,054,783

7.1.1 ***Ordinary shares of a listed company***

2025	2024	Name of investee company	2025 Cost	2025 Market value	2024 Cost	2024 Market value
(Number of shares)			(Rupees)			
2,981,840	2,484,867	The United Insurance Co. of Pakistan Ltd.	**23,601,819**	**48,454,898**	23,601,819	32,054,783
2,981,840	2,484,867		**23,601,819**	**48,454,898**	23,601,819	32,054,783

7.1.2 ***Membership cards of ACACIA Golf Club***

2025	2024		2025 Cost	2025 Market value	2024 Cost	2024 Market value
(Number of cards)			(Rupees)			
57	57	Gross carrying amount of the investment	**25,758,520**	**25,758,520**	25,758,520	25,758,520
		Accumulated impairment	**(25,758,520)**	**(25,758,520)**	(25,758,520)	(25,758,520)
57	57		-	-	-	-

7.2 Investment in T-bills carried at amortized cost

This represents investment in Government Market Treasury Bill having maturity in July 24, 2025 and carries effective mark-up at a rate of 11.98% (30 June 2024: 20.69 %) per annum.

8. OTHER RECEIVABLES

	Note	2025	2024
Receivable on termination of finance leases		**65,913,380**	65,913,380
Receivable on conversion of SPI shares into UNIC	7.1.1	**16,609,559**	16,609,559
Receivable from Ex-CEO	8.1	**2,880,000**	2,880,000
Others		**3,093,901**	3,093,901
		88,496,840	88,496,840
Provision against doubtful receivables	8.2	**(88,496,840)**	(88,496,840)
		-	-

8.1 The ex. CEO of the Company completed his term of employment with the Company on June 02, 2017. He drew an amount from the Company towards full and final settlement which was later found to be in excess of his entitlement including accumulated provident fund balance amounting to Rs. 2.88 million. The Company filed a recovery suit against him for unlawful withdrawals which is currently proceeding in the District.

	Note	2025	2024
		---- Rupees ----	
8.2 Provision against doubtful receivables			
Balance at beginning of the year		88,496,840	71,894,749
Charge for the year		-	16,609,559
Reversal for the year		-	(7,468)
		-	16,602,091
Write-offs against provision		-	-
Balance at end of the year		88,496,840	88,496,840

9. CURRENT MATURITY OF NON - CURRENT ASSETS

	Note	2025	2024
Current maturity of:			
- Long term loans	10	52,818,366	52,723,626
- Net investment in finance leases	11	311,911,751	332,165,813
		364,730,117	384,889,439

10. LONG TERM LOANS - secured

	Note	2025	2024
Due from employees - considered good		339,382	244,642
Term loan to customers - considered doubtful	10.1	100,064,030	100,064,030
		100,403,412	100,308,672
Provision for non-performing loans	10.2	(47,585,046)	(47,585,046)
		52,818,366	52,723,626
Less: current maturity shown under current assets	9	(52,818,366)	(52,723,626)
		-	-

10.1 These represent the balance receivable against long term loan facilities provided to customers. Since such loans are non-performing, markup accrual thereon has been suspended and income is recognized only on receipts of suspended markup and penal charges against defaulted short term loans.

	Note	2025	2024
10.2 Provision for non-performing loans			
Balance at beginning of the year		47,585,046	47,585,046
Reversal made during the year - net	26	-	-
Balance at end of the year		47,585,046	47,585,046

10.2.1 Term loans due from customers are secured against property. The above provision for non-performing long term loans is net of forced sales value (FSVs) of collaterals of Rs. 53 million (2024: Rs. 52 million) considered by the Company for the purpose of determination of provision requirements.

The provision for Expected Credit Loss as per Internation Financial Reporting Standards IFRS-9 i.e. Financial Instrument has been has been calculated by the professional consultants considering the guidelines set for parallel reporting by the regulators, which is less than the provision already recognized by the entity thus no further provision is required however, as a prudence measure no reversal of provision has been

11. NET INVESTMENT IN FINANCE LEASES -	Note	2025	2024
		---------- Rupees	--------
Non-performing exposure			
Minimum lease payment receivables		**1,006,846,355**	1,054,600,061
Residual value of leased assets		**254,306,223**	263,092,633
Gross investment in leases		**1,261,152,578**	1,317,692,694
Mark-up held in suspense	11.2	**(161,608,228)**	(172,834,677)
Net investment in leases (before provision)		**1,099,544,350**	1,144,858,017
Provision for non-performing leases	11.3	**(787,632,599)**	(812,692,204)
Net investment in leases (after provision)		**311,911,751**	332,165,813
Less: current maturity shown under current assets		**(311,911,751)**	(332,165,813)
		-	-

11.1 Certain lease rentals have been secured against hypothecated against long term finances obtained (refer note 19.1 and 19.3 to these financial statements).

11.2 **Mark-up held in suspense**

	Note	2025	2024
Balance at the beginning of the year		**172,834,677**	213,993,096
Suspended income:			
- reversal during the year	26	**(11,226,449)**	(41,158,419)
- Charge during the year		**-**	-
		(11,226,449)	(41,158,419)
Balance at end of the year		**161,608,228**	172,834,677

11.3 **Provision for non-performing leases**

	Note	2025	2024
Balance as at beginning of the year		**812,692,204**	840,734,497
Reversal for the year - net	28	**(25,059,605)**	(28,042,293)
Charge for the year - net		**-**	-
Balance at end of the year	11.4	**787,632,599**	812,692,204

11.3.1 The provision for non-performing lease losses is net of the forced sales value (FSVs) of leased assets / collaterals amounting to Rs. 159.94 million (2024: Rs. 159.94 million) considered by the Company for the purpose of determining the provisioning requirement.

The provision for Expected Credit Loss as per Internation Financial Reporting Standards IFRS-9 i.e. Financial Instrument has been has been calculated by the professional consultants considering the guidelines set for parallel reporting by the regulators, which is less than the provision already recognized by the entity thus no further provision is required however, as a prudence measure no reversal of provision has been recognized in the financial statements.

12. INVESTMENT PROPERTIES

	Bungalow	Shops	Total
	---------- (Rupees) ----------		
At June 30, 2024			
Cost	51,737,840	14,422,252	66,160,092
Accumulated depreciation	(16,844,849)	(5,884,856)	(22,729,705)
Accumulated impairment	-	(6,805,696)	(6,805,696)
	(16,844,849)	(12,690,552)	(29,535,401)
Net book value	34,892,991	1,731,700	36,624,691
Movement during the year ended June 30, 2024			
Opening net book value	**34,892,991**	**1,731,700**	**36,624,691**
Depreciation charge	**(1,148,580)**	**(270,036)**	**(1,418,616)**
Closing net book value	**33,744,411**	**1,461,664**	**35,206,075**
At June 30, 2025			
Cost	**51,737,840**	**14,422,252**	**66,160,092**
Accumulated depreciation	**(17,993,429)**	**(6,154,892)**	**(24,148,321)**
Accumulated impairment	**-**	**(6,805,696)**	**(6,805,696)**
	(17,993,429)	**(12,960,588)**	**(30,954,017)**
Net book value	**33,744,411**	**1,461,664**	**35,206,075**
Rate of depreciation	2.22%	5%	

12.1 The above real estate properties have been acquired by the Company in settlement of non-performing loans and lease receivables (i.e. repossessed properties).

12.2 **Bungalow at DHA Phase VI**

12.2.1 The bungalow was last revalued by M/s. Fairwater Properties Valuers & Surveyors (Private) Limited in December 2022. According to such valuation, the fair value and forced sale value of the bungalow, as on December 30, 2022 were assessed to be Rs. 173.520 million and Rs. 138.816 million, respectively.

12.2.2 The bungalow is in occupancy of a tenant who defaulted in payment after having paid three monthly rentals in the year 2009. The Company filed a recovery suit before the Additional Rent Controller in jurisdiction of Clifton Cantonment Board who passed ejectment order in 2012 against successive default in rent payments. The Additional Controller Rent then, on the Company's application passed an execution order in July 2013 to vacate the premises. The Judgment Debtor objected to execution and was granted injunction against the Decree Holder by the High Court on March 28, 2013 that was vacated by the High Court on January 12, 2017. The Additional Rent Controller then allowed the Execution Application and passed order dated Feb 2017 for ejectment. The JD has neither handed over possession nor made payment of any rent since the last ten years.

The tenant subsequently filed a suit in the High Court for declaration on specific performance, permanent injunction and damage on 12 October, 2020. The rent income due till June 30, 2025 amounting to Rs 33.992 millions (2024: Rs.33.992 million), has not been recognized awaiting the outcome of the suit filed by the judgment debtor in the High Court.

12.3 **Shops in Famous Mall - Lahore**

The shops were last revalued by M/s. Surval (Private) Limited in December 2022. According to such valuation, the fair value and forced sales value of the shops, as on December 30,2022, were assessed to be Rs. 4.095 million and Rs.3.276 million, respectively.

15. PROPERTY, PLANT AND EQUIPMENT

2025

	Cost / Revaluation					Accumulated depreciation					Accumulated impairment			Written down value	Rate
	As at July 01, 2024	Additions	Effect of revaluation	Disposals	As at June 30, 2025	As at July 01, 2024	Charge for the year	Effect of revaluation	Reversal on disposal	As at June 30, 2025	As at July 01, 2024	Charge for the year	As at June 30, 2025	As at June 30, 2025	%
	(Rupees)														
Owned assets															
Building improvements	4,226,371	-	-	-	4,226,371	3,954,434	138,084	-	-	4,092,518	-	-	-	133,853	20%
Office premises (refer note 14.2.1)	86,752,114	-	-	-	86,752,114	12,648,652	3,487,116	-	-	16,135,768	-	-	-	70,616,346	5%
Furniture, fixtures and fittings	5,983,592	-	-	-	5,983,592	5,983,592	-	-		5,983,592	-	-	-	-	20%
Vehicles	5,297,188	-	-	(127,000)	5,170,188	384,895	543,863	-	(57,050)	868,818	-	-	-	4,301,258	20%
Office equipment	28,665,051	742,635	-	(50,000)	29,357,286	27,308,526	535,456	-	(50,900)	27,793,082	-	-	-	1,564,204	20%
	130,725,028	742,635	-	(177,000)	131,299,863	50,280,499	4,701,721	-	(108,050)	54,874,170	-	-	-	76,415,693	
Operating lease assets															
Generators	5,448,012	-	-	-	5,448,012	5,448,012	-	-	-	5,448,012	-	-	-	-	20%
	5,448,012	-	-	-	5,448,012	5,448,012	-	-	-	5,448,012	-	-	-	-	
	136,173,140	742,635	-	(177,000)	136,737,875	55,728,511	4,701,721	-	(108,050)	60,322,182	-	-	-	76,415,693	

2024

	Cost / Revaluation					Accumulated depreciation					Accumulated impairment			Written down value	Rate
	As at July 01, 2024	Additions	Effect of revaluation	Disposals	As at June 30, 2024	As at July 01, 2024	Charge for the year	Effect of revaluation	Reversal on disposal	As at June 30, 2024	As at July 01, 2024	Charge for the year	As at June 30, 2024	As at June 30, 2024	%
	(Rupees)														
Owned assets															
Building improvements	4,226,371	-	-	-	4,226,371	3,816,347	138,086	-	-	3,954,434	-	-	-	271,937	20%
Office premises (refer note 14.2.1)	86,752,114	-	-	-	86,752,114	9,161,536	3,487,116	-	-	12,648,652	-	-	-	74,103,462	5%
Furniture, fixtures and fittings	5,983,992	-	-	-	5,983,992	5,983,992	-	-	-	5,983,992	-	-	-	-	20%
Vehicles	263,600	5,033,500	-	-	5,297,100	95,183	288,710	-	-	384,893	-	-	-	4,912,203	20%
Office equipment	28,287,683	281,500	-	(103,632)	28,465,551	26,849,658	362,100	-	(103,632)	27,108,526	-	-	-	1,357,025	20%
	125,513,760	5,317,000	-	(103,632)	130,727,128	45,906,718	4,477,410	-	(103,632)	50,280,499	-	-	-	80,444,629	
Operating lease assets															
Generators	5,448,012	-	-	-	5,448,012	5,448,012	-	-	-	5,448,012	-	-	-	-	20%
	130,961,772	5,315,000	-	(103,632)	136,173,140	51,354,730	4,477,410	-	(103,632)	55,728,511	-	-	-	80,444,629	

13.1 Particulars of the immovable property

Following are the details of the immovable property (i.e. office premises):

Address of the property	Use of the property	Total area (in sq.ft)	Covered area (in sq.ft)
6th Floor, Lakson Square Building No.1, Sarwar Shaheed Road, Saddar, Karachi	As Head Office	9,604	9,604

13.2 Valuation of the assets

13.2.1 M/s. Fairwater Property Valuer and Surveyor (Private) Limited in November 2024.According to this report market value is Rs.95.198 millions and FSV is Rs.80.919 millions.

13.2.2 Had there been no revaluation, the carrying amounts of the revalued assets would have been as follows:

	2025				Restated-2024			
	Cost	Accumulated depreciation	Accumulated impairment	Written down value	Cost	Accumulated depreciation	Accumulated impairment	Written down value
	(Rupees)							
Office premises	28,548,042	15,073,141	-	13,474,901	28,548,042	14,439,374	-	14,108,668
Plant and machinery	-	-	-	-	-	-	-	-
Generators	3,804,000	3,804,000	-	-	3,804,000	3,804,000	-	-

14. BORROWINGS FROM FINANCIAL INSTITUTIONS

	Note	2025	2024
		Rupees	
Letter of placements - unsecured			
National Bank of Pakistan	14.1	**77,500,000**	77,500,000
Innovative Investment Bank Limited	14.2	**60,000,000**	60,000,000
		137,500,000	137,500,000

14.1 This represents finance of Rs. 77.50 million obtained from National Bank of Pakistan on April 01, 2010 through a letter of placement carrying mark-up at a rate of 11.20% per annum for a period of 14 days. Subsequently, the facility was rolled several times up to the total period of 140 days which expired on August 19, 2010. Till to-date, no repayments have made by the Company in respect of this finance. As of June 30, 2025, the Company has accrued a mark-up in this finance amounting to Rs. 108.583 million (2024: Rs. 108.583 million).

14.2 This represents finance of Rs. 63 million obtained from Innovative Investment Bank Limited on December 03, 2010 through a letter of placement carrying mark-up at a rate of 8% per annum for a period of 90 days. Due to financial difficulties faced by the Company, this facility was rolled over for a further period of 184 days on March 14, 2011. Since the disbursement of the facility, the Company made an aggregate principal repayment of Rs. 3 million. As of 30 June 2025, the Company has accrued a mark-up on this finance amounting to Rs. 60.458 million (2024: Rs. 60.458 million).

	2025	2024

15. ACCRUED MARK-UP

	2025	2024
- certificates of investment	62,654,305	77,502,305
- long term finances	18,217,516	26,737,222
- term finance certificates	238,276,102	252,874,705
- short term borrowings from financial institutions	168,902,188	168,902,188
	488,050,111	526,016,420

16. ACCRUED EXPENSES AND OTHER PAYABLES

	2025	2024
Accrued expenses	5,515,735	4,224,701
Tax deducted at source	121,749	1,251,873
Others	449,705	496,578
	6,087,189	5,973,152

17. CURRENT MATURITY OF NON- CURRENT LIABILITIES

	Note	2025	2024
Current maturity of:			
- Certificates of investment	18	1,211,000	1,249,000
- Long term finances	19	164,036,580	213,537,776
- Security deposits against finance leases	20	234,573,331	243,658,876
		399,820,910	458,445,651

18. CERTIFICATE OF INVESTMENT - unsecured

	Note	2025	2024
Long term certificates of investment		1,211,000	1,249,000
Current maturity of certificates of investment	17	(1,211,000)	(1,249,000)
		-	-

18.1 These certificates of investment are for periods ranging from 1 year to 5 years and interest rates thereon range from 7% to 11.5% (2024: 7% to 11.5%) per annum.

19. LONG TERM FINANCES

	Note	2025	2024
		---------------- Rupees	---------------
Long term finances - secured	19.1	12,500,000	12,500,000
Long term finances - unsecured		-	5,703,696
	19.2	12,500,000	18,203,696
Term finance certificates - secured	19.3	151,536,580	195,334,080
		164,036,580	213,537,776
Current maturity of long term finances	17	(164,036,580)	(213,537,776)

19.1 The above are secured by way of hypothecation of specific leased assets and associated lease rentals. These facilities were utilized mainly for lease financing activities.

19.2 Long term finances

	Tenure From	Tenure To	Markup	Note	Principal outstanding 2025	Principal outstanding 2024
					(Rupees)	
Secured						
National Bank of Pakistan	Mar-05	Mar-10	6 month KIBOR + 1.5% (payable semi annually)	19.2.1	**12,500,000**	12,500,000
Un secured						
Silk Bank Limited	Sep-12	Mar-17	6 month KIBOR + 2% (payable semi annually)	19.2.2	-	5,703,696
					12,500,000	18,203,696

19.2.1 This represents a finance of Rs. 100 million obtained from M/s. National Bank of Pakistan on March 17, 2005 (mainly for lease financing activities). As per the agreement, loan was payable in semi-annual instalments of Rs. 12.5 million each from September 17, 2005 to March 17, 2009. However, subsequently, the loan was restructured whereby the maturity date of the loan was extended to March 2010. Up to June 30, 2017, all instalments were paid except for the last instalment due on March 17, 2009 which is yet outstanding. As per the revised agreement, the finance carries mark-up at the rate of 6-month KIBOR + 1.5% payable semi-annually. As of June 30, 2025 the Company had accrued mark amounting to Rs. 18.218 million (2024: Rs. 18.218 million).

19.3 **Term finance certificates - secured**

19.3.1 This represents the third issue of registered and listed term finance certificates (TFCs) issued by the Company to banking companies and financial institutions, trusts and general public. These were secured by way of a first exclusive charge on specific leases including lease rentals with 25% margin available at all times to the TFCs holders on total outstanding amount of the issue. The total issue comprises of 150,000 certificates of Rs. 5,000 each.

20. LONG TERM SECURITY DEPOSITS AGAINST FINANCE LEASES

	Note	2025	2024
		Rupees	
Security deposits against finance leases	20.1	**234,872,466**	243,658,876
Current maturity of deposits against		**(234,872,466)**	(243,658,876)
		-	-

20.1 This represents security deposits received from lessees under lease contracts and are adjustable on expiry of the respective lease periods.

21. SHARE CAPITAL

Authorized Share Capital

2025	2024		Note	2025	2024
-----(Number of shares)-----				-------------- Rupees --------------	
100,000,000	100,000,000	Ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
100,000,000	100,000,000	Preference shares of Rs. 10 each		1,000,000,000	1,000,000,000

Issued, Subscribed And Paid-Up Share Capital

2025	2024		Note	2025	2024
-----(Number of shares)-----		Ordinary shares for cash of Rs. 10 each		-------------- Rupees --------------	
25,180,000	25,180,000		21.1	**251,800,000**	251,800,000
		Bonus Issued for other than cash			
19,980,500	19,980,500	Ordinary shares of Rs. 10 each		**199,805,000**	199,805,000
45,160,500	45,160,500			**451,605,000**	451,605,000
		Non-cumulative preference shares *other than cash*			
52,820,850	52,820,850	Non-cumulative and non-voting, convertible unlisted fully paid preference shares of Rs. 10 each	21.2	**528,208,500**	528,208,500

21.1 As of June 30, 2025, M/s. Saudi Pak Industrial & Agricultural Investment Company Limited (SAPICO) held 35.06% (2024: 35.06%) of the issued, subscribed and paid-up ordinary share capital of the Company and 63% (2024: 63%) of the issued preference share capital of the Company.

21.2 The shareholders of the Company, through a special resolution passed in Extra Ordinary General Meeting, held on July 11, 2012, approved the decision of the Board of Directors to convert the sub-ordinated debt from SAPICO and loan from M/s. Bank of Khyber into non-voting, non-cumulative, convertible unlisted preference shares at Rs. 10 each. The Securities and Exchange Commission of Pakistan (SECP) vide its letter number SC/NBFC/23/SPLCL/2013/58 dated February 13, 2013, also approved the conversion.

In June, 2013, the Company issued non- redeemable / convertible preference shares of Rs. 10 each aggregating to Rs. 528.209 million against the conversion of debt. These are non-cumulative, non-redeemable convertible preference shares carrying dividend at 2.5% per annum annually at the end of each completed year on the face value of Rs.10 per preference share. The preference shareholders are only entitled to receive preferential dividend and are not entitled to right shares and bonus shares to which the holders of ordinary shares may be entitled. These shares are convertible into ordinary shares at the option of preference shareholders at any time from the date of issue of preference shares. The dividend is payable annually at the end of each completed year subject to availability of profit for the year.

21.3 There are no agreements among shareholders with respect to voting rights, board selection, rights of first refusal and block voting.

22. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net	2025	2024
	-----Rupees-----	
On office premises, plant and machinery and generators		
Gross surplus		
As at beginning of the year	60,380,794	63,379,194
Effect of revaluation carried out during the year	-	-
	60,380,794	63,379,194
Incremental depreciation transferred to unappropriated loss	(2,998,400)	(2,998,400)
	57,382,394	60,380,794
Related deferred tax charge		
As at beginning of the year	(17,510,429)	(18,379,965)
Effect of revaluation carried out during the year	-	-
Incremental depreciation transferred to unappropriated loss	869,536	869,536
	(16,640,893)	(17,510,429)
	40,741,501	42,870,365

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 The Company is defending various counter suits filed against it by defaulting customers against whom recovery suits were filed by it between the year 2009 to 2021. The counter suits are mainly for rendition of accounts and damages and or injunction against the company. These suits are proceeding in the High Court or Banking Court and, in the opinion of the legal counsel, the Company is not likely to suffer any loss or liability on account of these counter suits. The amount claimed in these counter suits as of 30th June 2025 amounted to Rs.178.904 million (2024: 178.904 million).

23.1.2 The Company has been issued with a notice under section 14 of the Federal Excise Act, 2005. In the notice, it has been alleged that the Company has not paid Federal Excise Duty (FED) in terms of section 3 (read with Entry 8 of Table-II of the First Schedule) to the Federal Excise Act, 2005 for the financial years 2007-08, 2008-09 and 2009-10 on services provided including both funded and non-funded services. Accordingly, Rs. 126.205 million has been alleged to be recoverable. The above amount of FED has been imposed on all the incomes of the Company for the said three years including mark-up income earned on finance lease contracts.

According to the Company's tax advisor, FED is applicable in respect of document fee, front end fee and syndicate lease income. These represent services rendered by leasing companies in respect of finance lease which are funded services. However, these services for the periods 2007-08 and 2008-09 are not chargeable to FED because of the reason that, for those years, FED was chargeable on services which were non-funded. However, for the period 2009-10, due to amendment in Entry 8, the said services are chargeable to FED as provisions of the Federal Excise Act, 2005.

23.1.3 The Company filed an appeal before the Commissioner Inland Revenue (Appeals) CIR (A) against the said order. The CIR(A) vide through Appellate Order no 97 of 2012 dated April 30, 2012 constituted that the duty so charged is legally and constitutionally valid under the Federal Excise Act, 2005. However, it also mentioned that the notice issued is barred by time for the period from July 2007 to September 2008 and, accordingly, deleted the levy of FED for the said tax period. Accordingly, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the above CIR(A) order which decided the case in favor of the Company.

In 2014, a reference application was filed by CIR Zone-I against the Company in High Court which is pending for adjudication. In the opinion of legal counsel of the Company, there is no likelihood of any outcome adverse to the Company's interest. The Company, hence, has not recognized any provision against the above notice.

23.2 Commitments

As of the reporting date, no financial commitments were known to exist (2024: None).

	Note	2025	2024
		----Rupees----	
24. REVENUE FROM FINANCE LEASES			
Recovery of suspended markup on finance leases	11.2	11,226,449	41,158,419
Other recoveries and settlement gains		90,814,438	112,844,386
		102,040,887	154,002,805
25. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and benefits		30,509,133	17,759,083
Meeting fee of directors		4,125,000	3,600,000
Rent		971,808	1,054,704
Repairs and maintenance		2,719,921	2,224,619
Insurance		234,304	150,042
Utilities		1,589,819	1,816,295
Depreciation on investment properties	12	1,418,616	1,418,586
Depreciation on property, plant and equipment	13	4,701,721	4,477,413
Vehicle running expenses		1,692,186	1,809,165
Printing and stationery		533,493	354,870
Telephone and postage		1,102,108	860,741
Travelling and conveyance		315,115	324,515
Travelling and conveyance - Directors		2,691,249	867,697
Fee and subscriptions		649,202	552,752
Legal and professional charges		4,124,620	3,141,595
Advertisement		334,076	281,538
Auditors' remuneration	25.1	753,298	648,216
Miscellaneous		3,445,068	1,520,123
AGM/EOGM Expenses		186,441	184,110
		62,097,178	43,046,064

25.1 Auditors' remuneration

	2025	2024
Annual audit fee	564,538	475,200
Half yearly review of financial statements	188,760	173,016
	753,298	648,216

25.2 No donations were made during the year.

26. REVERSAL OF PROVISION FOR NON-PERFORMING EXPOSURES		2025	2024
		----------Rupees----------	
Reversal of provision for potential losses on:			
- Short term loans	6.2	-	21,420,124
- Long term loans	10.2	-	-
- Finance leases	11.3	**25,059,605**	28,042,293
		25,059,605	49,462,417

27. OTHER INCOME

	2025	2024
Dividend income	**4,960,734**	8,318,731
Interest income from government securities	**1,058,204**	1,778,350
Interest income from savings accounts	**12,867,744**	15,402,259
Interest income from term loans	-	6,956,428
Others	**61,470**	66,622
	18,948,152	32,522,390

28. FINANCE COSTS

	2025	2024
Mark-up on:		
- Term finance certificates	**25,942,197**	43,830,906
- Certificates of investment	**3,010,000**	3,526,966
Bank charges	**66,146**	45,007
	29,018,343	47,402,879

29. MINIMUM TAX - LEVY

This represents portion of minimum tax paid under relevant sub sections of section 113 of Income Tax Ordinance, 2001 (ITO, 2011), representing levy in terms of requirements of IFRIC 21/IAS 37.

FINAL TAX - LEVY

This represents portion of final taxes paid under relevant sub sections of section 5 and section 37a of Income Tax Ordinance, 2001 (ITO, 2011), representing levy in terms of requirements of IFRIC 21/IAS 37.

INCOME TAX EXPENSE

Major components of income tax expense are as under:

	2025	2024
Current tax expense	**798,253**	-
Deferred tax	-	-
	798,253	-

29.1 The numerical reconciliation between the tax expense and accounting loss / profit has not been presented for the current year and comparative year as the total income of the Company for the current year and comparative year attracted minimum tax under Section 113 of the Income Tax Ordinance, 2001.

29.2 The company has filed tax returns up to 30 June 2024 that is deemed to be an assessment order. The tax department has rectified the order for tax year 2019 and disallowed adjustments of previous year refunds with tax liability of 2019. The company is filing appeal against the said order.

29.3 The company have available deductible temporary differences that result in deferred tax assets of Rs.431.2 million. The deferred tax assets has not been recognized as the company is suffering from continuous losses.

		2025	2024
30.	**EARNINGS / (LOSS) PER SHARE:**	------------------Rupees--------------	
30.1	**Basic earning/ (loss) per share**		
	Profit/ (loss) after taxation attributable to ordinary shareholders	**44,160,472**	107,177,536
		------------------Number---------------	
	Weighted average number of ordinary shares outstanding	**45,160,500**	45,160,500
		------------------Rupees---------------	
	Earnings / (loss) per share - Basic	**0.98**	2.37
30.2	**Diluted earning/ (loss) per share**		
	Profit / (Loss) after taxation attributable to ordinary shareholders	**44,160,472**	107,177,536
		------------------Number---------------	
	Weighted average number of ordinary shares outstanding	**97,981,350**	97,981,350
		------------------Rupees---------------	
	Earning/ (loss) per share - Diluted	**0.45**	1.09

30.2.1 As at June 30, 2025, the Company had 52.82 million (2024 52.82 million) convertible preference shares which have been considered for the calculation of diluted profit per share.

		2025	2024
31.	**CASH USED IN OPERATIONS**		
	Profit before taxation	**54,047,603**	128,929,110
	Adjustment for non-cash charges and other items :		
	- Recovery of suspended markup on finance leases	**(11,226,449)**	(41,158,419)
	- Depreciation - owned assets	**4,701,721**	4,477,413
	- Depreciation - investment properties	**1,418,616**	1,418,586
	- Reversal of provision for non-performing exposures	**(25,059,605)**	(49,462,417)
	- Dividend income	**(4,960,734)**	(8,318,731)
	- Interest income from government securities	**(1,058,204)**	(1,778,350)
	- Interest income from term loans	**-**	(6,956,428)
	- Gain on settlement of short term and long term finances	**(64,611,273)**	(761,533)
	- Finance costs	**29,018,343**	47,402,879
		(71,777,585)	(55,137,000)
		(17,729,982)	73,792,110
	Movement in working capital		
	- Short term loans	**-**	(44,729,876)
	- Trade deposits and short term prepayments	**339,116**	439,456
	- Other receivables	**-**	(27,194,559)
	- Income tax Payable	**131,061**	21,751,574
	- Accrued expenses and other payables	**114,037**	(1,482,617)
		584,214	(51,216,022)
	Cash used in operations	**(17,145,768)**	22,576,088

32. STAFF RETIREMENT BENEFITS - Defined benefit plan

All company staff is on contractual basis therefore no provision for defined benefit plan has been made.

33. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of Saudi Pak Industrial & Agricultural Investment Company Limited (the major shareholder), directors, key management personnel and employee benefit plan. The transactions between the Company and the related parties are carried out as per agreed terms.

Transactions during the year

Details of transactions entered into with related parties, other than those disclosed elsewhere in these financial statements, are as follows:

	2025			
	Major Shareholder	Directors	Key management personnel	Other related parties
	(Rupees)			
Contributions to provident fund	-	-	-	1,119,330
Remuneration	-	4,125,000	16,742,545	-

	2024			
	Major Shareholder	Directors	Key management personnel	Other related parties
Contributions to the provident fund	-	-	-	1,276,000
Remuneration	-	3,600,000	10,231,600	-

34. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees)							
Managerial remuneration	*9,219,379*	6,380,000	4,125,000	3,600,000	5,458,856	3,851,000	18,803,235	13,831,000
Retirement benefits	*666,192*	638,000	-	-	453,138	-	1,119,330	638,000
Other perquisites	*1,992,310*	1,980,000	-	-	72,000	-	2,064,310	1,980,000
	11,877,881	8,998,000	4,125,000	3,600,000	5,983,994	3,851,000	21,986,875	16,449,000
Number of persons	1	1	7	4	3	3		

34.1 The Chief Executive is provided with free use of a Company maintained car.

35. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed from time to time to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

35.1 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company and arises principally from the Company's lease and loan portfolio and receivables and deposits with banks.

35.1.1 *Management of credit risk*

The Company manages its credit risk by improving and enhancing its credit risk policies and procedures to have a better control and monitoring on its credit exposures. Therefore, the management on the basis of past events, is continuously working to formulate and strengthen its policies to effectively control and monitor its credit risk. The management is also in the process of negotiation and settlement of its non-performing exposures.

35.1.2 *Exposure to credit risk*

The Company's maximum credit risk exposure at the reporting date is represented by the respective carrying amounts of the financial assets in the statement of financial position. The Company's exposure to credit risk is inherent in lease and loan receivables and deposits with banks.

The maximum exposure to credit risk at the reporting date is:

Long term loans	52,818,366
Net investment in finance leases - net of security deposits held	864,971,019
Bank balances	69,654,892
Short term loans	75,800,300
Trade deposits	1,161,620
Other receivables	-
	1,064,406,197

35.1.3 The aging of net investment in finance leases (net of security deposits), long term loans and short term loans (on gross basis) at the reporting date was:

	June 30, 2025					
Past due and impaired:	Net investment in finance leases (Net of security deposits)		Long term loans		Short term loans	
	Principal	Provision	Gross	Provision	Gross	Provision
	(Rupees)					
- more than 730 days	864,671,884	(787,632,599)	100,403,412	(47,585,046)	80,800,300	(5,000,000)
Total	864,671,884	(787,632,599)	100,403,412	(47,585,046)	80,800,300	(5,000,000)

Past due and impaired:	2024					
	Net investment in finance leases (Net of security deposits)		Long term loans		Short term loans	
	Principal	Provision	Gross	Provision	Gross	Provision
	(Rupees)					
- more than 730 days	901,199,141	(812,692,204)	100,308,672	(47,585,046)	80,800,300	(5,000,000)
Total	901,199,141	(812,692,204)	100,308,672	(47,585,046)	80,800,300	(5,000,000)

The benefit of FSV of collaterals has been considered in calculating the provision against non-performing exposures.

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

	Rating as of June 30, 2025		Rating	2025	2024
	Short term	Long term	Agency	(Rupees)	
Faysal Bank Limited	A-1+	AA	PACRA & VIS	42,688	41,167
Samba Bank Limited	A1	AA	JCR VIS	21,050	14,363
MCB Bank Limited	A1+	AAA	PACRA	69,591,154	108,669,091
				69,654,892	108,724,621

35.1.5 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company manages credit risk and its concentration exposure through diversification of activities to avoid undue concentration of risks.

35.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. 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, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarises the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity date.

	June 30, 2025						
	Carrying amount amount	Contractual cash flows	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
	(Rupees)						
Financial liabilities							
Borrowings from financial institutions	137,500,000	137,500,000	137,500,000	-	-	-	-
Certificates of investment	44,211,000	44,211,000	44,211,000	-	-	-	-
Accrued mark-up	488,050,111	488,050,111	488,050,111	-	-	-	-
Accrued expenses and other payables	6,087,189	6,087,189	6,087,189	-	-	-	-
Long term finances	164,036,580	164,036,580	164,036,580	-	-	-	-
	839,884,880	839,884,880	839,884,880	-	-	-	-

	June 30, 2024						
	Carrying amount	Contractual cash flows	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
	(Rupees)						
Financial liabilities							
Borrowings from financial institutions	162,801,588	162,801,588	162,801,588	-	-	-	-
Certificates of investment	93,549,000	93,549,000	93,549,000	-	-	-	-
Accrued mark-up	512,034,439	512,034,439	512,034,439	-	-	-	-
Accrued expenses and other payables	5,773,867	5,773,867	5,773,867	-	-	-	-
Long term finances	356,494,894	356,494,894	356,494,894	-	-	-	-
	1,130,653,788	1,130,653,788	1,130,653,788	-	-	-	-

35.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk.

Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flows. The Company's exposure to fair value interest rate risk is limited as it does not hold significant fixed interest based financial instruments.

At the reporting date, the interest rate profile of Company's interest-bearing financial instruments is as follows:

	Carrying amount
	2025
	(Rupees)
Fixed rate instruments	
Financial assets	7,120,217
Financial liabilities	(256,810,505)
	(249,690,288)
Variable rate instruments	
Financial assets	1,190,788,092
Financial liabilities	(207,834,080)
	982,954,012

Fair value sensitivity for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

The Company holds profit earning savings accounts with various banks exposing the Company to cash flow interest rate risk (as detailed in note 5).

A hypothetical change of 100 basis points in interest rates during the year would have increased / decreased loss before tax for the year by the amounts shown below. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	2025
	----- (Rupees) -----
Cash flow sensitivity - Variable rate instruments	9,829,540

Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As of the reporting date, the Company was not exposed to any foreign exchange risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. As of the reporting date, the Company was not exposed to any material other price risk.

35.4 **Fair value of financial instruments**

Fair value is the price that would be received to sell an asset are paid to transfer a liability in any orderly transaction between market participants at the measurement date. The management is of the view that the fair values of the financial assets and liabilities are not significantly different from their carrying values in the financial statements.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Following is the fair value hierarchy of assets and liabilities carried at fair value;

	2025		
	Level 1	Level 2	Level 3
	------------------------ (Rupees) --------------------		
Office premises and generators	-	70,616,346	-
Investment in ordinary shares	48,454,898	-	-
	48,454,898	70,616,346	-

	2024		
	Level 1	Level 2	Level 3
	(Rupees)		
Office premises and generators	-	74,103,462	-
Investment in ordinary shares	32,054,783	-	-
	32,054,783	74,103,462	-

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

35.5 Financial instrument by categories

	2025	2024
Financial assets - Amortized cost	(Rupees)	
Cash and bank balances	**69,741,228**	108,824,297
Short term loans	**75,800,300**	75,800,300
Trade deposits	**1,161,620**	1,500,736
Other receivables	**38,169**	427,241
Long term loans	**52,818,366**	52,723,626
Net investment in finance leases	**311,911,751**	332,165,813
Financial assets - FVTOCI		
Short term investments	**48,454,898**	32,054,783
Financial assets - FVTPL		
Short term investments	**7,301,100**	7,120,217
Financial liabilities		
At amortized cost		
Long term finances	**164,036,580**	213,537,776
Security deposits against finance leases	**234,872,466**	262,595,351
Certificates of investment	**44,211,000**	44,249,000
Borrowings from financial institutions	**137,500,000**	137,500,000
Accrued mark-up	**488,050,111**	526,016,420
Accrued expenses and other payables	**7,748,480**	7,634,443

36 PROVIDENT FUND

Size of Fund	**4,615,304**	3329284
Cost of Investment made	**4,432,514**	2305518
Percentage of Investment made	**96%**	69%
Fair value of investment	**4432514**	4432514

Investment out of provident fund have been made in accordance with the provision of section 218 of the Companies Act, 2017 and Rules formulated for this purpose

37 CORRESPONDING FIGURES

Comparative information has been reclassified and re-arranged in these financial statements, wherever necessary, to facilitate comparison and to confiem with presentation in the current period.

Description	Reclassified From	Reclassified to	2025	2024
Bad and doubtful debts	Administrative and operating expenses	Bad and doubtful debts (Presented on Face of Statement of Profit or Loss)	**885,520**	16,609,559

38. GENERAL

38.1 Number of employees

There are no permanent staff members.

38.2 Date of authorization of the financial statements

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 17, 2025

38.3 Level of rounding

Figures in these financial statements have been rounded off to the nearest rupee.

Chief Executive Officer

Director

Chief Financial Officer