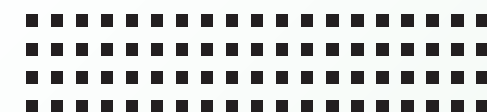
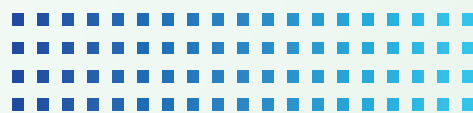


ANNUAL REPORT 2026



SAUDI PAK CONSULTANCY

(Formerly Known as Saudi Pak leasing Company Limited)



JUNE 30
2026



OUR VISION

To be the most trusted. Innovative and valued partner in driving sustainable environments and transformative changes for prospective clients.

OUR MISSION

To empower the Company by providing expert guidance, innovative solutions and sustainable insights that drives efficiency, growth and long term success.

OUR VALUES

- Integrity; upholds honesty and transparency in dealing.
- Excellence striving for the highest quality in services and solutions.
- Innovation; continuously seeking creativity and effective solutions.
- Collaboration; fostering team work and partnership both internally and with clients.
- Client centricity; putting client's needs at the heart of everything.
- Sustainability; committing to environment and socially responsible.

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Syed Najmul Hasnain Kazmi
Chairman-BOD



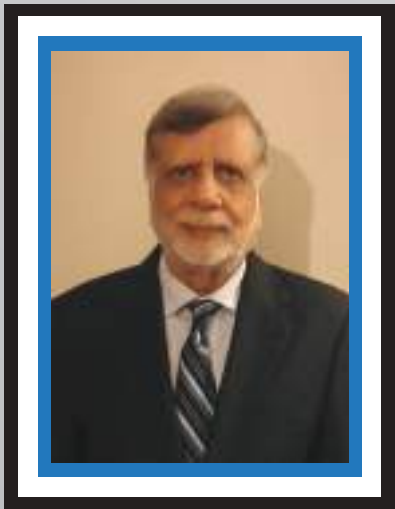
Sheikh Aftab Ahmed
Independent Director



Lubna Farooq
Non Executive Director



Parveen Akhtar Malik
Independent Director



Nayyar Alam Ilyas
Executive Director



Muhammad Naeem Khan
Independent Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Syed Najmul Hasnain Kazmi	Chairman/Independent Director
Niaz Ahmed Khan	Chief Executive Officer/Executive Director
Sheikh Aftab Ahmed	Independent Director
Parveen Akhtar Malik	Independent Director
Lubna Farooq	Non Executive Director
Muhammad Naeem Khan	Independent Director
Nayyar Alam Ilyas	Executive Director

AUDIT COMMITTEE

Sheikh Aftab Ahmed	Chairman
Syed Najmul Hasnain Kazmi	Member
Parveen Akhtar Malik	Member

HR & REMUNERATION COMMITTEE

Muhammad Naeem Khan	Chairman
Niaz Ahmed Khan	Member
Lubna Farooq	Member

CHIEF EXECUTIVE OFFICER / Managing Director

Niaz Ahmed Khan

COMPANY SECRETARY

Muhammad Imtiaz Ali

CHIEF FINANCIAL OFFICER

Muhammad Zahoor

HEAD OF INTERNAL AUDIT & COMPLIANCE

Haider Ali Khan

TAX CONSULTANT

M/S. BILAL & CO.
Chartered Accountants

AUDITORS

M/s. UHY Hassan Naeem & Co
Chartered Accountant
A member of UHY International Independent Member

LEGAL ADVISOR

1) M/s. S&B Durrani Law Associates, House No. 5-A/11/11, Sunset Lane, DHA, Phase – II (Ext.), Karachi
2) M/s. Zafar & Zafar Law Associates, Zafar Cottage, 25, Mason Road, Lahore

BANKS

MCB Bank Limited
Faysal Bank Limited
Samba Bank Limited

REGISTERED OFFICE

6TH Floor, Lakson Square Building # 1
Sarwar Shaheed Road, Saddar, Karchi-74200
Tel: (021) 35655181-82-83
Fax: (021) 35210609

BRANCH

Office 337/338, 4th Floor,
JEFF HEIGHTS
Main Boulevard, Gulberg-III, Lahore
Ph : 042 3576 4964 – 65

CONTACT DETAILS

Website: www.saudipakconsultancy.com
Email : info@saudipakconsultancy.com

REGISTRAR AND SHARE TRANSFER OFFICE

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block – B
S. M. C. H. S., Main Shahrah-e-Faisal, Karachi
Tel: (021) 111-111-500
Fax: (021) 34326031



Niaz Ahmed Khan

CEO/Managing Director



CHAIRMAN'S REVIEW

On behalf of the Board of Directors, I am pleased to present the Audited Financial Statements of Saudi Pak Consultancy Company Limited (formerly known as Saudi Pak Leasing Company Limited), together with the Auditors' and the Directors' Report to the Members for the financial year ended June 30, 2026.

The financial year 2025–26 witnessed gradual economic stabilization in Pakistan, although the overall business environment remained challenging. The economy showed signs of recovery, supported by improving macroeconomic stability, strengthening external buffers and continued implementation of economic reforms. Inflation remained comparatively contained during the year, while foreign exchange reserves showed improvement. However, international commodity and energy prices and developments in the Middle East continued to pose challenges to inflation, external balances and the broader economic outlook.

Against this backdrop, the Company remained focused on preserving liquidity, controlling operating costs, pursuing recoveries and addressing legacy liabilities, while progressing towards its new business direction.

The Company is undergoing an important transition from its former leasing/NBFC business model to consultancy services following the change in its name and business objectives. Management is evaluating viable and sustainable opportunities for commencing consultancy activities with the objective of establishing a stable source of future revenue.

The Company continues to address matters arising from its legacy leasing operations. Approximately 95% of the former loan and lease portfolio was classified as non-performing and remains subject to recovery proceedings and litigation before various courts. Given the time required for judicial recoveries, the Company continues to pursue negotiated and out-of-court settlements wherever commercially and legally appropriate.

During FY 2025–26, the Company achieved the following:

- Recoveries from defaulters amounted to Rs. 42.489 million;
- Liabilities of approximately Rs. 53.00 million relating to Banks and TFC holders were discharged through negotiated settlements; and
- The settlements and related financial arrangements resulted in a pre-tax profit of approximately Rs. 4.100 million.

These results reflect the Company's continued efforts to reduce legacy liabilities, conserve resources and strengthen its financial position. Despite continued pressure on the cost of doing business, the under signed and other board members maintained prudent control over administrative and operating expenditure, which remained broadly at the previous year's level. Management will continue to exercise financial discipline and ensure careful utilization of available resources.

Going forward, the Company will remain focused on recovery of outstanding receivables, settlement of legacy obligations and development of its consultancy business. The objective is to build a viable and sustainable business platform capable of generating recurring revenue and progressively creating value for shareholders while safeguarding the interests of all stakeholders.

I place on record the Board's appreciation for the understanding and patience extended by the Company's creditors, COI and TFC holders and other stakeholders during this prolonged period of transition. I also sincerely appreciate our shareholders for their continued confidence and support.

With their continued support, the Board remains committed to completing the Company's transformation and establishing a sustainable and viable business platform for the future.



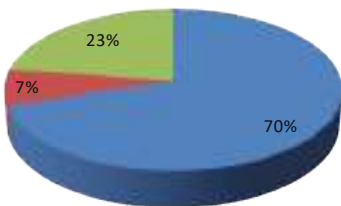
Syed Najmul Hasnain Kazmi
Chairman

Karachi: September 22, 2026

FINANCIAL HIGHLIGHTS

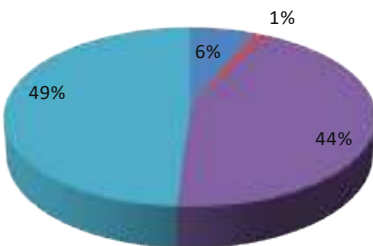
Revenue Analysis -FY 2026

- Finance Lease
- Other Operating Income
- Reversal of provision for non performing exposures



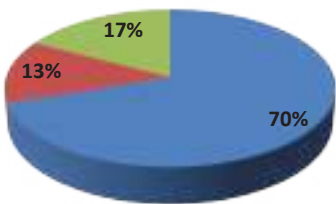
Expenses Analysis-FY 2026

- Markup on Term Finance Certificate
- Markup on Certificate of Investment
- Administrative and operating Expenses
- Depreciation /Impairment



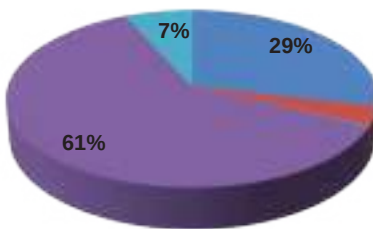
Revenue Analysis -FY 2025

- Finance Lease
- Other Operating Income
- Reversal of provision for non performing exposures



Expenses Analysis-FY 2025

- Markup on Term Finance Certificate
- Markup on Certificate of Investment
- Bad Debts write off-Provision
- Administrative and operating Expenses
- Depreciation /Impairment



FINANCIAL HIGHLIGHTS

	2026	2025	2024	2023	2022	2021
Operational results						
Total disbursement	-	-	-	-	-	-
Revenues/ Gross Income	74	146	236	88	23	43
Profit / (Loss) before tax	4	54	129	8	(65)	(4)
Profit / (Loss) after tax	3	44	107	15	(65)	1
Financial charges	(9)	(29)	(47)	(45)	(41)	(39)
(Reveral) / Provision against non-performing portfolio	17	25	49	10	(7)	29
Cash dividend - ordinary shares	-	-	-	-	-	-
Cash dividend - preference shares	-	-	-	-	-	-
Balance sheet						
Gross lease receivables	1,215	1,261	1,318	1,466	1,505	1,544
Net investment in leases	289	312	385	411	437	494
Net worth	(399)	(399)	(460)	(568)	(612)	(546)
Fixed assets - owned	106	112	80	80	61	64
Total assets	324	686	735	812	783	833
Long term liabilities including current portion	319	345	481	608	670	693
Long term investments	34	35	37	38	39	41

KEY PERFORMANCE INDICATORS

Ratio	2026	2025	2024	2023	2022	2021
Break up Value	(10)	(8.84)	(10.18)	(12.59)	(13.54)	(13.54)
Current Ratio	0.51	0.53	0.52	0.50	0.49	0.53
Debt to Assets Ratio	0.61	0.63	0.96	0.94	0.81	0.86
Dividend per Share	-	-	-	-	-	-
Earnings / (Loss) per Share	0.07	0.98	2.37	0.32	(1.43)	0.03
Financial Charges / Total Expenses	15.6	46.62	44.27	50.68	50.00	50.53
Financial Charges / Total Gross Income	12.78	20	20.08	51.55	174.7	90.03
Market Value per Share (Rs.)	-	-	-	-	0.9	-
Return on Assets	0.005	6.22	14.59	1.80	(8.25)	0.16
Total Assets / Net worth	(1.7)	(1.72)	(1.59)	(1.43)	(1.28)	(1.52)
Total Financing / Net worth	(2.6)	(2.72)	(3.26)	(3.15)	(3.03)	(3.44)

NOTICE OF ANNUAL GENERAL MEETING**NOTICE OF 36TH AGM OF SAUDI PAK CONSULTANCY COMPANY LIMITED**

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

Notice is hereby given that the 36th Annual General Meeting (AGM) of Saudi Pak Consultancy Company Limited will be held on Wednesday, 21st October, 2026 at 11 a.m. at Registered Office i.e. 6th Floor, Lakson Square Building No 1, SarwarShaheed Road, Saddar, Karachi to transact the following business for the respective year.

A. Ordinary Business:

1. To confirm the minutes of 35th Annual General Meeting (AGM) held on 20th October, 2025 at Karachi
2. To receive, consider and adopt the Annual Audited Accounts for the year ended June 30, 2026 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), with change of engagement partner, as External Auditors for the year 2026-2027 and fix their remuneration as recommended by Board of Directors.

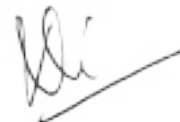
B. Other Business:

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 (SPCL) websites.

By Order of the Board



Muhammad Imtiaz Ali
Company Secretary

Karachi. September 30, 2026.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- i. The Share Transfer Books of the Company will remain closed from October 15th, 2026 to October 21st, 2026 (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, 2026 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)

Wednesday, October 21, 2026 · 11:00 am – 12:00 noon

Topic: AGM 2026

Time: Oct 21, 2026 11:00 AM Islamabad, Karachi, Tashkent

Join Zoom Meeting <https://us06web.zoom.us/j/4447510995?pwd=aYzVmGFxcUy8jPtLzx-dYd7zHG0huz.1&omn=84554937063>

Meeting ID: 444 751 0995

Passcode: 1234

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

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Directors of Saudi Pak Consultancy Company Limited (formerly Saudi Pak Leasing Company Limited – SPLC) are pleased to present the 36th Annual Report, together with the audited financial statements of the Company for the year ended June 30, 2026.

Financial Highlights

(Rs. in millions)

Particulars	2026	2025
Income from operating & financial leases	51.603	102.041
Other operating income	5.423	18.948
Reversal of Provision on Leases/Loans	16.940	25.060
Financial cost	(9.492)	(29.018)
Administrative & operating costs	(60.406)	(62.983)
Profit/(loss) before taxation	4.068	54.048
Profit/(loss) after taxation	3.376	44.160

Review of the Economy and Corporate Sector

During FY 2025–2026, Pakistan's economy remained under considerable pressure across various sectors due to a combination of internal and external factors. External developments, including the Iran-America conflict, higher petroleum prices and security concerns along the Pak-Iran border, together with internal security and law-and-order challenges, particularly in Khyber Pakhtunkhwa and Baluchistan, affected overall economic activity. The prevailing economic and security environment also contributed to instability in the capital market and created a challenging operating environment for the corporate sector.

Company Performance and Developments

During the year under review, the Company could not materialize its planned projects relating to the consultancy business, although considerable groundwork had been completed by the Board of Directors. The Company remains focused on developing consultancy as its core business and is pursuing opportunities in this area.

A major development during the year was the intention of the Company's major shareholder, **Saudi Pak Agricultural & Investment Company Limited (SAPICO)**, to **divest its 35.06% ordinary shareholding** in the Company. The due diligence process was initiated, and all necessary legal and corporate requirements prescribed by **SECP and PSX** were completed.

The due diligence process has now been completed, and two prospective buyers of SAPICO's shareholding are expected to complete the remaining bidding formalities. The successful bidder will inject fresh equity into the Company to support the consultancy business and facilitate its future operations.

In addition to the above development, management continued its efforts to pursue the **Non-Performing Loan (NPL) portfolio** inherited from the Company's leasing business. During the year under review, the Company recovered **Rs. 42.489 million** from defaulters.

Management remains confident that further recoveries can be achieved during FY 2026–2027, particularly in cases where decrees have already been awarded in favour of the Company by the Banking Courts.

The slow pace of judicial recoveries has also resulted in a greater focus on **out-of-court settlements**, which have helped the Company gradually reduce its liabilities. Although no significant settlements were concluded with creditors, Certificate of Investment (COI) holders and Term Finance Certificate (TFC) holders during the year, a sufficient amount has been budgeted for settlements during FY 2026–2027.

These settlements are expected to result in substantial haircuts and, in turn, help create value for the shareholders. Despite the difficult economic environment, the Company continued to focus on managing its recoveries and liabilities prudently. During FY 2025–2026:

- Recoveries from defaulters amounted to **Rs. 42.489 million**.
- Liabilities amounting to **Rs. 50 million** relating to Banks and TFC holders were discharged.
- These settlements resulted in a **pre-tax profit of Rs. 4.608 million**, net of financial cost and administrative expenses.

Although profit before taxation was significantly lower than the previous year, the Company succeeded in further reducing its liabilities. **Earnings per share (EPS) declined to Rs. 0.07 per share.**

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Company continues to pursue contracts relating to the consultancy business and remains actively engaged in recovery efforts relating to its inherited non-performing portfolio. Settlement negotiations are being carried out on a case-by-case basis and in accordance with approved Board policies and applicable regulatory requirements.

Future Outlook

The future performance of SPCCL will largely depend on the following three key areas:

- 1. **Divestment of SAPICO shares and injection of fresh equity by the new investor.**
- 2. **Growth of the consultancy business**, which is expected to become the Company's core line of operations.
- 3. **Recoveries from the inherited non-performing loans (NPLs)** through court decrees and negotiated settlements.

The change in the Company's business model is an important step towards its revival. While liquidity challenges continue, the Board and Management remain focused on addressing these challenges through:

- Entry of a new investor and injection of fresh equity.
- Strengthening the consultancy business portfolio.
- Improving recoveries from the NPL portfolio.
- Finalizing settlements with creditors and depositors to further reduce liabilities and improve the balance sheet.

The Board remains committed to strengthening the Company's position, improving its financial standing and creating value for shareholders.

Risk Management

Risk is inherent in all areas of the Company's activities. The **Board of Directors** has overall responsibility for establishing and overseeing an effective risk management framework.

The framework includes:

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

Dividend

In view of the continuing liquidity constraints and significant accumulated losses, the Board has **not recommended any dividend** for FY 2025-2026.

Corporate Governance

SPCCL is committed to maintaining high standards of corporate governance in accordance with the **Code of Corporate Governance (CCG)** and applicable regulatory requirements.

The Internal Auditor reports functionally to the **Board Audit Committee**, which is chaired by an **Independent Non-Executive Director**, thereby ensuring appropriate transparency and independence in the oversight of internal controls and audit matters.

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 consistently applied, and estimates are based on prudent judgment.
- 4. International Accounting Standards applicable in Pakistan have been followed, with adequate disclosure of departures, where applicable.
- 5. An effective internal control system is in place and is being continuously improved.
- 6. The Company has complied with the applicable best practices of corporate governance as detailed in the listing regulations.
- 7. Key financial and operating data, together with the shareholding pattern, are included in the Annual Report.
- 8. No trading in the Company's shares was carried out by Directors, Executives or their close relatives.
- 9. The Company continues to face liquidity pressures affecting its ability to meet certain financial obligations. Details of overdue amounts are disclosed in the financial statements.
- 10. Most meetings of the Board were conducted through video link to ensure cost efficiency while addressing regular and urgent business matters.

Board of Directors' Meetings

Name of Directors	Designation	Number of meetings held during the year	Attended
Syed Najmul Hasnain Kazmi	Chairman	7	7
Niaz Ahmed Khan	Director / CEO	7	7
Muhammad Naeem Khan	Director	7	7
Sheikh Aftab Ahmed	Director	7	7
Parveen A. Malik	Director	7	7
Lubna Farooq	Director	7	7
Nayyar Alam Ilyas	Executive Director	7	7

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Board Committees

Audit Committee

The Audit Committee comprises the following three Independent Directors:

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

The Committee met during the year to review the accounts and other matters relating to the Company's internal controls and financial reporting.

HR & Remuneration Committee

The HR & Remuneration 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 the statutory auditors of the Company for FY 2026.

Other Disclosures

- The pattern of shareholding required under the Companies Act, 2017 and the applicable Code of Corporate Governance requirements is annexed to the Annual Report.
- Six-year financial and operating data is also included in the Annual Report.

Gender Diversity

With **17% female participation**, SPCCL continues to support gender diversity and provide professional development opportunities through its HR policies.

Directors' Training

All Directors have completed certification under **SECP-approved training programs**, except for one male Director, who will complete the required training in accordance with **Section 19(2) of the CCG Rules, 2019**.

Acknowledgement

The Board places on record its appreciation to:

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

The Board reaffirms its commitment to **good governance, transparency and sustainable growth** and remains focused on strengthening the Company's operations and financial position.

On behalf of the Board of Directors



Chief Executive Officer
September 22, 2026



Director

STATEMENT OF GENDER PAY GAP

Under SECP Circular 10 of 2024

As a Public Limited and Listed Company, **Saudi Pak Consultancy Company Limited** is committed to fostering a diverse, equitable, and inclusive workplace based on the principles of transparency and meritocracy. The Company regularly reviews its policies and strategies to ensure fair and equitable compensation for all employees, irrespective of gender.

The following gender pay gap has been calculated for the year ended **June 30, 2026**:

Mean Gender Pay Gap: 92%

(The mean pay of women is 92% lower than the mean pay of men.)

Median Gender Pay Gap: 56%

(The median pay of women is 56% lower than the median pay of men.)

The mean gender pay gap is primarily attributable to the lower representation of women in junior management and higher-paid positions, resulting in a lower overall mean pay for women.

The difference in median pay should be considered in the context of the Company's organizational structure, where the highest-paid executive positions are predominantly occupied by men. Since the median calculation includes the remuneration of executives, which is significantly higher than that of other employees, this has a material impact on the overall median pay gap.

When the remuneration of executives is excluded from the calculation, **the median gender pay gap is 44%.**

The Company remains committed to promoting equal opportunity, merit-based remuneration, and a fair and inclusive working environment for all employees.

Signed on behalf of the Board of Directors

Saudi Pak Consultancy Company Limited



Niaz Ahmed Khan
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

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

Year ending: 30.06.2026

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 one newly inducted Director viz; 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;
12. The Board has formed two committees comprising of members as given below.-
 - a) Audit Committee.
 - i) Sheikh Aftab AhmedChairman
 - ii) Syed Najmul Hasnain Kazmi Member
 - iii) Parveen A. Malik..... Member
 - b) HR and Remuneration Committee.
Muhammad Naeem Khan Chairman
Niaz Ahmed KhanMember
Lubna Farooq Member

Separate Nomination, Risk Management Committee and Sustainability Committee, as required under non-mandatory regulation no. 29, 30 and 10A. However, the functions of aforementioned Committees are being dealt by Board itself, Human Resource and Remuneration Committee.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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: 5

b.HR and Remuneration Committee: 2

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.



Syed Najmul Hasnain Kazmi
Chairman
Saudi Pak Consultancy Company Limited

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, 2026, 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 material 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, 2026 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 at year end, its accumulated losses amounted to Rs. 1.617 billion (2025: Rs. 1.623 billion), its negative equity stood at Rs. 399,598 million (2025: Rs. 399,176 million) and its current liabilities exceeded current assets by Rs. 505.53 million (June 2025: Rs. 510.79 million). Further, due to liquidity crisis, the Company was unable to meet its financial obligation on timely basis.

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.

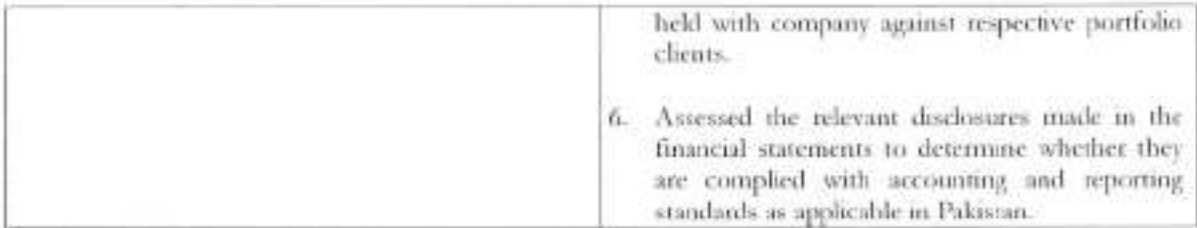
We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

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 99.69 million Net off provision amounting to 75.8 million and 52.35 million respectively.	Our procedure to verify the Term Loans and 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
Net Investment in Finance Lease As, disclosed in note 11 of the accompanying financial statements, the company has net investment in lease against finance lease amounting to 1,059.529 million net off provision amounting to 288.836 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.	



However, we have nothing to report in this regard.

Information other than Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease 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.

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, except for the matters discussed in the Basis for Adverse Opinion section we further report that in our opinion

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of 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.
Chartered Accountants

KARACHI

DATE: September 23, 2026

UDIN: AR202610215zHCaxFEkj



UHY Hassan Naeem & Co.
Chartered Accountants

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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 2026 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, 2026.

UHY Hassan Naeem & Co.
Chartered Accountants

KARACHI

DATE: September 25, 2026

UDIN: CR202610215yCfVcgRQn

Statement of Financial Position

	Note	2026	2025
		----- (Rupees) -----	
ASSETS			
Current assets			
Cash and bank balances	5	24,256,419	69,741,228
Short term loans	6	75,800,300	75,800,300
Short term investments	7	68,992,761	55,755,998
Trade deposits and short term prepayments		569,167	1,161,620
Other receivables	8	-	-
Taxation-net		7,278,653	7,221,272
Current maturity of non-current assets	9	341,187,298	364,730,117
		518,084,598	574,410,535
Non-current assets			
Long-term loans	10	-	-
Net investment in finance leases	11	-	-
Investment properties	12	33,787,459	35,206,075
Property, plant and equipment	13	72,146,308	76,415,693
		105,933,767	111,621,768
Total assets		624,018,365	686,032,303
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	460,466,143	488,050,111
Accrued expenses and other payables	16	5,026,031	6,087,189
Current maturity of non-current liabilities	17	375,272,200	399,820,910
Income tax payable		691,498	9,088,878
Unclaimed dividend		1,661,291	1,661,291
		1,023,617,163	1,085,208,379
Non-current liabilities			
Certificates of investment	18	-	-
Long term finances	19	-	-
Security deposits against finance leases	20	-	-
		-	-
Total liabilities		1,023,617,163	1,085,208,379
NET ASSETS		(399,598,798)	(399,176,076)
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			
<i>Statutory reserves</i>			
Surplus on revaluation of property, plant and equipment - net of	22	179,549,025	179,549,025
Accumulated actuarial loss on defined benefit plan-net of tax		38,612,637	40,741,501
Unrealised gain on re-measurement of investment - FVTOCI		(999,666)	(999,666)
		21,079,215	24,878,077
		238,241,211	244,168,937
<i>Revenue reserves</i>			
Accumulated losses		(1,617,653,509)	(1,623,158,513)
Total shareholders' equity		(399,598,798)	(399,176,076)
Contingencies and commitments	23	-	-

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


Chief Executive Officer


Director


Chief Financial Officer

Statement of Profit or Loss

For the year ended june 30, 2026

	Note	2026	2025
		----- (Rupees) -----	
Revenue:			
Revenue from contracts with customers	24	51,802,626	102,040,887
		51,802,626	102,040,887
Administrative and operating expenses	25	(60,605,982)	(62,097,178)
Bad and doubtful debts	37	-	(885,520)
		(8,803,356)	39,058,189
Reversal of provision for non-performing exposures	26	16,939,722	25,059,605
		8,136,366	64,117,794
Operating Profit			
Other operating income	27	5,423,299	18,948,152
Finance costs	28	(9,492,027)	(29,018,343)
		4,067,638	54,047,603
Profit/(loss) before income tax, minimum tax differential and final tax			
Final taxes - levy		-	(744,110)
Minimum tax - levy		-	(8,344,768)
		-	(9,088,878)
		4,067,638	44,958,725
Profit/(loss) before income tax			
Income Tax Expense	29	(691,498)	(798,253)
		3,376,140	44,160,472
Profit/(loss) after income tax			
Earnings / (loss) per share:			
- Basic	30	0.07	0.98
- Diluted		0.03	0.45

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


Chief Executive Officer


Director


Chief Financial Officer

Statement of Comprehension Income

For the year ended june 30, 2026

	Note	2026	2025
		----- (Rupees) -----	
Profit/(loss) before income tax		3,376,140	44,160,472
Other comprehensive income			
Unrealised gain on re-measurement of investment at fair value through other comprehensive income	7	(3,798,862)	7,951,574
Total comprehensive income/ (loss) for the year		(422,722)	52,112,046

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


Chief Executive Officer


Director


Chief Financial Officer

Statement of Change in Equity

For the year ended june 30, 2026

	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		
As at July 1, 2024	451,605,000	528,208,500	179,549,025	42,870,365	(999,666)	8,477,962	(1,669,447,849)	(459,736,663)
<i>Total comprehensive loss for the year ended June 30, 2025</i>								
- Profit after taxation	-	-	-	-	-	-	44,160,472	44,160,472
- Other comprehensive income	-	-	-	-	-	7,951,574	-	7,951,574
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	-	7,951,574	44,160,472	52,112,046
Transfer to statutory reserves	-	-	-	-	-	8,448,541	-	8,448,541
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)	(399,176,076)
<i>Total comprehensive income for the year ended June 30, 2026</i>								
- Profit after taxation	-	-	-	-	-	-	3,376,140	3,376,140
- Other comprehensive income	-	-	-	-	-	(3,798,862)	-	(3,798,862)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	-	(3,798,862)	3,376,140	(422,722)
Transfer from surplus on revaluation of Investment	-	-	-	-	-	-	-	-
Balance as at June 30, 2026	451,605,000	528,208,500	179,549,025	38,612,637	(999,666)	21,079,215	(1,617,653,509)	(399,598,798)

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, 2026

Note	2026	2025
	----- (Rupees) -----	
31	(44,898,999)	(17,145,768)
	(31,480)	(66,146)
	(8,765,028)	(22,549,827)
	34,292,418	47,753,706
	25,495,910	25,137,733
	(19,403,089)	7,991,965
	(448,160)	(742,635)
	(13,236,763)	(16,580,998)
	-	131,320.00
	-	4,960,734
	(13,684,923)	(12,231,579)
	-	(5,703,696)
	(12,396,797)	(29,120,759)
	-	(19,000)
	(12,396,797)	(34,843,455)
	(45,484,809)	(39,083,069)
	69,741,228	108,824,297
5	24,256,419	69,741,228

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


Chief Executive Officer


Director


Chief Financial Officer

Notes to the Financial Statements

For the year ended June 30, 2026

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 30 June 2026 holds 35.06% (30 June 2025: 35.06%) of issued ordinary share capital of the Company and 63% (30 June 2025: 63%) of issued preference share capital of the Company.

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, 2026, the accumulated loss of the company stood at Rs. 1.618 billion (2025: Rs. 1.623 billion), its equity is negative and its current liabilities exceeded current assets by Rs. 505.533 million (2025: Rs.510.797 million).
In a recent development, Saudi Pak Industrial & Agricultural Investment Limited (SAPICO) has started divestment process of its majority shares in SPCCL and due diligence activities by two prospective buyers has been almost completed. The management & the BOD is confident that once divestment of SAPICO share holding is completed the incoming new investor will inject fresh equity for smooth running of the Company's operation according to new line of business.
- 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, 2026, 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.
- 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.

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

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 judgments 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

- There are certain amendments and interpretations to the accounting and reporting standards Which are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these do not have any material impact on the Company's financial reporting.

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

- 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 Comprehensive Income (FVOCI).
- 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 there 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.

	2026	2025
Note	----- Rupees -----	
5. CASH AND BANK BALANCES		
Cash in hand	-	33,349
Balance with State Bank of Pakistan		
Current account - local currency	28,124	52,987
Balances with other banks:		
- in current account	-	-
- in saving accounts	5.1 24,228,295	69,654,892
	24,228,295	69,654,892
	24,256,419	69,741,228

5.1 These represent saving deposit accounts maintained with MCB Bank Limited carrying interest rate ranging 8.50% - 9.50%.

6. SHORT TERM LOANS - SECURED

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 International Financial Reporting Standards IFRS-9 i.e. Financial Instrument 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 (other than those recovered during the year) in the financial statements.

6.2 Provision for non-performing loans

	2026	2025
	----- Rupees -----	
Balance at beginning of the year	5,000,000	5,000,000
Charge for the year	-	-
Reversal during the year	-	-
	-	-
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 (2025: Rs. 75.800 million) considered by the Company for the purpose of determination of provisioning requirements.

7. SHORT TERM INVESTMENTS

Investments in shares - FVTOCI	7.1	44,656,036	48,454,898
Investments in government securities - Amortized Cost	7.2	24,336,725	7,301,100
		68,992,761	55,755,998

7.1 Investments carried at fair value through other comprehensive income

Ordinary shares of a listed company
Membership cards of ACACIA Golf Club

	2026	2025
Note	----- Rupees -----	
7.1.1	44,656,036	48,454,898
7.1.2	-	-
	48,454,898	48,454,898

7.1.1 Ordinary shares of a listed company

2026	2025	Name of investee company
(Number of shares)		
3,578,208	2,981,840	The United Insurance Co. of Pakistan Ltd.
3,578,208	2,981,840	

2026		2025	
Cost	Market value	Cost	Market value
(Rupees)			
23,601,819	44,656,036	23,601,819	48,454,898
23,601,819	44,656,036	23,601,819	48,454,898

7.1.2 Membership cards of ACACIA Golf Club

2026	2025	
(Number of cards)		
57	57	Gross carrying amount of the investment
		Accumulated impairment
57	57	

2026		2025	
Cost	Market value	Cost	Market value
(Rupees)			
25,758,520	25,758,520	25,758,520	25,758,520
(25,758,520)	(25,758,520)	(25,758,520)	(25,758,520)
-	-	-	-

7.2 Investment in T-bills carried at amortized cost

This represents investment in Government Market Treasury Bill having maturity in September 17, 2026 and carries effective mark-up at a rate of 11.7031% (30 June 2025: 10.98 %) per annum.

8. OTHER RECEIVABLES

Receivable on termination of finance leases
Receivable from Ex-CEO
Others

Provision against doubtful receivables

	2026	2025
	65,913,380	65,913,380
8.1	2,880,000	2,880,000
	3,093,901	3,093,901
	71,887,281	71,887,281
8.2	(71,887,281)	(71,887,281)
	-	-

- 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	2026	2025
------	------	------

8.2 Provision against doubtful receivables

Balance at beginning of the year	71,887,281	71,887,281
Charge for the year	-	-
Reversal for the year	-	-
Write-offs against provision	-	-
Balance at end of the year	71,887,281	71,887,281

9. CURRENT MATURITY OF NON - CURRENT ASSETS

Current maturity of:

- Long term loans	10	52,350,929	52,818,366
- Net investment in finance leases	11	288,836,369	311,911,751
		341,187,298	364,730,117

10. LONG TERM LOANS - secured

Due from employees - considered good		244,642	339,382
Term loan to customers - considered doubtful	10.1	99,691,333	100,064,030
		99,935,975	100,403,412
Provision for non-performing loans	10.2	(47,585,046)	(47,585,046)
		52,350,929	52,818,366
Less: current maturity shown under current assets	9	(52,350,929)	(52,818,366)
		-	-

- 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

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

- 0.2.1** 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. 52 million (2025: Rs. 52 million) considered by the Company for the purpose of determination of provision requirements. The provision for Expected Credit Loss as per International Financial Reporting Standards IFRS-9 i.e. Financial Instrument has been calculated by the professional consultants considering the guidelines 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.

11. NET INVESTMENT IN FINANCE LEASES -	Note	2026	2025
Non-performing exposure			
Minimum lease payment receivables		972,553,937	1,006,846,355
Residual value of leased assets		242,526,223	254,306,223
Gross investment in leases		1,215,080,160	1,261,152,578
Mark-up held in suspense	11.2	(155,550,914)	(161,608,228)
Net investment in leases (before provision)		1,059,529,246	1,099,544,350
Provision for non-performing leases	11.3	(770,692,877)	(787,632,599)
Net investment in leases (after provision)		288,836,369	311,911,751
Less: current maturity shown under current assets		(288,836,369)	(311,911,751)
		-	-

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

Balance at the beginning of the year	26	161,608,228	172,834,677
- Suspended income reversal during the year		(6,057,314)	(11,226,449)
- Charge during the year		-	-
		(6,057,314)	(11,226,449)
Balance at end of the year		155,550,914	161,608,228

11.3 Provision for non-performing leases

Balance as at beginning of the year		787,632,599	812,692,204
Reversal for the year	28	(16,939,722)	(25,059,605)
Charge for the year		-	-
		(16,939,722)	(25,059,605)
Balance at end of the year	11.4	770,692,877	787,632,599

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 (2025: Rs. 159.94 million) considered by the Company for the purpose of determining the provisioning requirement.

The provision for Expected Credit Loss as per International Financial Reporting Standards IFRS-9 i.e. Financial Instrument 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.

11.4 Breakup of provision

Provision against residual value	19,433,760	19,433,760
Provision against minimum lease payment	751,259,117	793,258,444
	770,692,877	787,632,599

12. INVESTMENT PROPERTIES

At June 30, 2025

	Bungalow	Shops	Total
	----- (Rupees) -----		
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

Movement during the year ended June 30, 2026

Opening net book value	33,744,411	1,461,664	35,206,075
Depreciation charge	(1,148,580)	(270,036)	(1,418,616)
Closing net book value	32,595,831	1,191,628	33,787,459

At June 30, 2026

Cost	51,737,840	14,422,252	66,160,092
Accumulated depreciation	(19,142,009)	(6,424,928)	(25,566,937)
Accumulated impairment	-	(6,805,696)	(6,805,696)
	(19,142,009)	(13,230,624)	(32,372,633)
Net book value	32,595,831	1,191,628	33,787,459
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, 2026 amounting to Rs 42.143 millions (2025: Rs.39.45 million), has not been recognized awaiting the outcome of the appeal filed by the judgment debtor in Supreme Court. SC has remanded back to rent controller Clifton Karachi for fresh witnesses.

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.

13. PROPERTY, PLANT AND EQUIPMENT

2026											
Cost / Revaluation											
As at			Accumulated depreciation			Accumulated impairment			Written down value		
July 01,	Additions	Effect of	As at	Charge for	Effect of	As at	Charge for the	As at	As at	As at	Rate
2025		revaluation	June 30,	the year	revaluation	June 30,	year	June 30,	June 30,	June 30,	%
(Rupees)											
Owned assets											
Building improvements	4,226,371	-	4,226,371	131,945	-	-	-	4,224,463	-	-	1,908 20%
Office premises	86,752,114	-	86,752,114	3,487,116	-	-	-	19,622,884	-	-	67,129,230 5%
Furniture, fixtures and fittings	5,983,992	-	5,983,992	-	-	-	-	5,983,992	-	-	- 20%
Vehicles	5,170,100	-	5,108,500	520,200	-	(61,600)	-	1,327,410	-	-	3,781,090 20%
Office equipment	29,157,286	-	29,605,446	578,284	-	-	-	28,371,366	-	-	1,234,080 20%
	131,289,863	-	131,676,423	4,717,545	-	(61,600)	-	59,530,115	-	-	72,146,308
Operating lease assets											
Generators	5,448,012	-	5,448,012	-	-	-	-	5,448,012	-	-	- 20%
	5,448,012	-	5,448,012	-	-	-	-	5,448,012	-	-	-
	136,737,875	-	137,124,435	4,717,545	-	(61,600)	-	64,978,127	-	-	72,146,308
2025											
Cost / Revaluation											
(Rupees)											
As at			Accumulated depreciation			Accumulated impairment			Written down value		
July 01, 2024	Additions	Effect of reval Disposals	As at	Charge for the year	Effect of revaluation	As at	Charge for the year	As at	As at	As at	Rate
2024			June 30, 2024			July 01, 2024		June 30, 2,024	June 30, 2024	June 30, 2024	%
Owned assets											
Building improvements	4,226,371	-	4,226,371	138,084	-	-	-	4,092,518	-	-	133,853 20%
Office premises	86,752,114	-	86,752,114	3,487,116	-	-	-	16,135,768	-	-	70,616,346 5%
Furniture, fixtures and fittings	5,983,992	-	5,983,992	-	-	-	-	5,983,992	-	-	- 20%
Vehicles	5,297,100	-	5,170,100	541,065	-	(57,150)	-	868,810	-	-	4,301,290 20%
Office equipment	28,465,551	-	29,157,286	535,456	-	(50,900)	-	27,793,082	-	-	1,364,204 20%
	130,725,128	-	131,289,863	4,701,721	-	(108,050)	-	54,874,170	-	-	76,415,693
Operating lease assets											
Generators	5,448,012	-	5,448,012	-	-	-	-	5,448,012	-	-	- 20%
	136,173,140	-	136,737,875	4,701,721	-	(108,050)	-	60,322,182	-	-	76,415,693

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:

	2026				Restated-2025			
	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

2026	2025
----- Rupees -----	

Letter of placements - unsecured	Note		
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, 2026, the Company has accrued a mark-up in this finance amounting to Rs. 108.583 million (2025: 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 2026, the Company has accrued a mark-up on this finance amounting to Rs. 60.458 million (2025: Rs. 60.458 million).

		2026	2025
15.	ACCRUED MARK-UP		
	Certificates of investment	64,171,675	62,654,305
	Long term finances	18,217,516	18,217,516
	Term finance certificates	209,174,764	238,276,102
	Short term borrowings from financial institutions	168,902,188	168,902,188
		460,466,143	488,050,111
16.	ACCRUED EXPENSES AND OTHER PAYABLES		
	Accrued expenses	4,347,929	5,515,735
	Tax deducted at source	548,766	121,749
	Others	129,336	449,705
		5,026,031	6,087,189
17.	CURRENT MATURITY OF NON- CURRENT LIABILITIES		
	Certificates of investment	18 1,211,000	1,211,000
	Long term finances	19 151,639,783	164,036,580
	Security deposits against finance leases	20 222,421,418	234,573,331
		375,272,200	399,820,910
18.	CERTIFICATE OF INVESTMENT - unsecured		
	Long term certificates of investment	1,211,000	1,211,000
	Current maturity of certificates of investment	17 (1,211,000)	(1,211,000)
			-
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% (2025: 7% to 11.5%) per annum.		
19.	LONG TERM FINANCES		
		Note	----- Rupees -----
	Long term finances - secured	19.1	12,500,000
		19.2	12,500,000
	Term finance certificates - secured	19.3	139,139,783
			151,639,783
	Current maturity of long term finances	17	(151,639,783)
			-

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		Markup	Note	Principal outstanding	
		From	To			2026	2025
						----- (Rupees) -----	
	Secured						
	National Bank of Pakistan	Mar-05	Mar-10	6 month KIBOR + 1.5% (payable semi annually)	19.2	12,500,000	12,500,000
						12,500,000	12,500,000

19.3 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 installments 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 installments were paid except for the last installment 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 (2025: Rs. 18.218 million).

19.4 **Term finance certificates - secured**
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	2026	2025
			----- Rupees -----	
	Security deposits against finance leases	20.1	223,092,466	234,872,466
	Current maturity of deposits against		(223,092,466)	(234,872,466)
			-	-

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			Note	2026	2025
2026	2025				
----(Number of shares)----				----- Rupees -----	
<u>100,000,000</u>	<u>100,000,000</u>	Ordinary shares of Rs. 10 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
<u>100,000,000</u>	<u>100,000,000</u>	Preference shares of Rs. 10 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>

Issued, Subscribed And Paid-Up Share Capital

2026	2025			2026	2025
----(Number of shares)----				----- Rupees -----	
25,180,000	25,180,000	Ordinary shares for cash of Rs. 10 each	21.1	251,800,000	251,800,000
19,980,500	19,980,500	Bonus Issued for other than cash		199,805,000	199,805,000
		Ordinary shares of Rs. 10 each			
<u>45,160,500</u>	<u>45,160,500</u>			<u>451,605,000</u>	<u>451,605,000</u>
		Non-cumulative preference shares			
		<i>other than cash</i>			
		Non-cumulative and non-voting,			
		convertible unlisted fully paid			
<u>52,820,850</u>	<u>52,820,850</u>	preference shares of Rs. 10 each	21.2	<u>528,208,500</u>	<u>528,208,500</u>

- 21.1 As of June 30, 2026, M/s. Saudi Pak Industrial & Agricultural Investment Company Limited (SAPICO) held 35.06% (2025: 35.06%) of the issued, subscribed and paid-up ordinary share capital of the Company and 63% (2025: 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

On office premises, plant and machinery and generators

Gross surplus

As at beginning of the year

Effect of revaluation carried out during the year

Incremental depreciation transferred to unappropriated loss

2026	2025
-----Rupees-----	
57,382,394	60,380,794
-	-
(2,998,400)	(2,998,400)
54,383,994	57,382,394

Related deferred tax charge

As at beginning of the year

Effect of revaluation carried out during the year

Incremental depreciation transferred to unappropriated loss

(16,640,893)	(17,510,429)
-	-
869,536	869,536
(15,771,357)	(16,640,893)
38,612,637	40,741,501

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 2026 amounted to Rs.178.904 million (2025: 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 (2025: None).

	Note	2026	2025
24. REVENUE FROM FINANCE LEASES		-----Rupees-----	
Recovery of suspended markup on finance leases	11.2	6,057,314	11,226,449
Gain on termination of Finance Lease		2,050,871	
Other recoveries and settlement gains		43,694,441	90,814,438
		51,802,626	102,040,887
25. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and benefits		31,831,273	30,509,133
Meeting fee of directors		4,687,500	4,125,000
Rent		1,063,016	971,808
Repairs and maintenance		2,738,664	2,719,921
Insurance		200,398	234,304
Utilities		1,334,061	1,589,819
Depreciation on investment properties	12	1,418,616	1,418,616
Depreciation on property, plant and equipment	13	4,717,545	4,701,721
Vehicle running expenses		2,053,919	1,692,186
Printing and stationery		473,357	533,493
Telephone and postage		1,049,317	1,102,108
Travelling and conveyance		913,380	315,115
Travelling and conveyance - Directors		1,869,531	2,691,249
Fee and subscriptions		864,538	649,202
Legal and professional charges		2,111,715	4,124,620
Advertisement		235,886	334,076
Auditors' remuneration	25.1	753,298	753,298
Miscellaneous		2,248,168	3,445,068
AGM/EOGM Expenses		41,800	186,441
		60,605,982	62,097,178
25.1 Auditors' remuneration			
Annual audit fee		564,538	564,538
Half yearly review of financial statements		188,760	188,760
		753,298	753,298

25.2 No donations were made during the year.

26. REVERSAL OF PROVISION FOR NON-PERFORMING EXPOSURES

Reversal of provision for potential losses on:

Finance leases

11.3

2026	2025
-----Rupees-----	
16,939,722	25,059,605
16,939,722	25,059,605

27. OTHER INCOME

Dividend income

Interest income from government securities

Interest income from savings accounts

Interest income from term loans

Others

-	4,960,734
1,426,435	1,058,204
3,446,982	12,867,744
549,882	-
-	61,470
5,423,299	18,948,152

28. FINANCE COSTS

Mark up on Term finance certificates

Mark up on Certificates of investment

Bank charges

7,943,177	25,942,197
1,517,370	3,010,000
31,480	66,146
9,492,027	29,018,343

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

INCOME TAX EXPENSE

Major components of income tax expense are as under:

Current tax expense

Deferred tax

691,498	798,253
-	-
691,498	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 2025 that is deemed to be an assessment 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.

	2026	2025
	-----Rupees-----	
30. EARNINGS / (LOSS) PER SHARE:		
30.1 Basic earning/ (loss) per share		
Profit/ (loss) after taxation attributable to ordinary shareholders	<u>3,376,140</u>	<u>44,160,472</u>
	-----Number-----	
Weighted average number of ordinary shares outstanding	<u>45,160,500</u>	<u>45,160,500</u>
	-----Rupees-----	
Earnings / (loss) per share - Basic	<u>0.07</u>	<u>0.98</u>
30.2 Diluted earning/ (loss) per share		
Profit / (Loss) after taxation attributable to ordinary shareholders	<u>3,376,140</u>	<u>44,160,472</u>
	-----Number-----	
Weighted average number of ordinary shares outstanding	<u>97,981,350</u>	<u>97,981,350</u>
	-----Rupees-----	
Earning/ (loss) per share - Diluted	<u>0.03</u>	<u>0.45</u>
30.2.1 As at June 30, 2026, the Company had 52.82 million (2025 52.82 million) convertible preference shares which have been considered for the calculation of diluted profit per share.		
31. CASH USED IN OPERATIONS		
Profit before taxation	4,067,638	54,047,603
<i>Adjustment for non-cash charges and other items :</i>		
Recovery of suspended markup on finance leases	(6,057,314)	(11,226,449)
Gain on Termination of Finance Lease	(2,050,871)	
Depreciation - owned assets	4,717,545	4,701,721
Depreciation - investment properties	1,418,616	1,418,616
Reversal of provision for non-performing exposures	(16,939,722)	(25,059,605)
Dividend income	-	(4,960,734)
Interest income from government securities	(1,426,435)	(1,058,204)
Interest income from term loans	(549,882)	-
Gain on settlement of short term and long term finances	(37,044,515)	(64,611,273)
Finance costs	9,492,027	29,018,343
	<u>(48,440,551)</u>	<u>(71,777,585)</u>
	<u>(44,372,913)</u>	<u>(17,729,982)</u>
<i>Movement in working capital</i>		
Trade deposits and short term prepayments	592,453	-
Income tax Payable	(57,381)	(12,662,696)
Accrued expenses and other payables	(1,061,158)	-
	<u>(526,086)</u>	<u>(12,662,696)</u>
Cash used in operations	<u>(44,898,999)</u>	<u>(30,392,678)</u>

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:

2026				
	Major Shareholder	Directors	Key management personnel	Other related parties
	(Rupees)			
Contributions to provident fund	-	-	-	1,133,332
Remuneration	-	4,687,500	16,864,222	-

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

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	
	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees)							
Managerial remuneration	7,864,355	9,219,379	4,687,500	4,125,000	6,114,193	5,458,856	18,666,048	18,803,235
Retirement benefits	617,100	666,192	-	-	516,232	453,138	1,133,332	1,119,330
Other perquisites	2,654,269	1,992,310	-	-	231,405	72,000	2,885,674	2,064,310
	11,135,724	11,877,881	4,687,500	4,125,000	6,861,830	5,983,994	22,685,054	21,986,875
Number of persons	1	1	7	7	3	3	11	11

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:	2026	2025
Long term loans	52,350,929	52,818,366
Net investment in finance leases - net of security deposits held	837,107,828	864,971,019
Bank balances	24,228,295	69,654,892
Short term loans	75,800,300	75,800,300
Trade deposits	569,167	1,161,620
	990,056,519	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, 2026					
Past due and impaired:	Net investment in finance leases		Long term loans		Short term loans	
	(Net of security deposits)					
	Principal	Provision	Gross	Provision	Gross	Provision
	(Rupees)					
	836,436,780	(770,692,877)	99,935,975	(47,585,046)	80,800,300	(5,000,000)
- more than 730 days						
Total	836,436,780	(770,692,877)	99,935,975	(47,585,046)	80,800,300	(5,000,000)

Past due and impaired:	2025					
	Net investment in finance leases		Long term loans		Short term loans	
	(Net of security deposits)					
	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)

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, 2026		Rating Agency	2025	2025
	Short term	Long term		(Rupees)	
Faysal Bank Limited	A1+	AA+	PACRA & VIS	44,573	42,688
Samba Bank Limited	A1+	AA	JCR VIS	22,555	21,050
MCB Bank Limited	A1+	AAA	PACRA	24,161,167	69,591,154
				24,228,295	69,654,892

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, 2026						
	Carrying amount	Contractual	Less than	1 - 3	3 months -	1 - 5	More than
	amount	cash flows	1 month	months	1 year	years	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	460,466,143	460,466,143	460,466,143	-	-	-	-
Accrued expenses and other payables	5,026,031	5,026,031	5,026,031	-	-	-	-
Long term finances	151,639,783	151,639,783	151,639,783	-	-	-	-
	798,842,957	798,842,957	798,842,957	-	-	-	-

June 30, 2025

	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	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	-	-	-	-

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	
2026	2025
(Rupees)	

Fixed rate instruments

Financial assets	24,336,725	7,301,100
Financial liabilities	(181,711,000)	(181,711,000)
	(157,374,275)	(174,409,900)

Variable rate instruments

Financial assets	1,077,582,532	1,157,301,547
Financial liabilities	(151,639,783)	(164,036,580)
	925,942,749	993,264,967

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.

	2026	2025
	----- (Rupees) -----	
Cash flow sensitivity - Variable rate instruments	9,259,427	9,259,427

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;

	2026		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
Office premises and generators	-	67,129,230	-
Investment in ordinary shares	44,656,036	-	-
	44,656,036	67,129,230	-

	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	-

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

	2026	2025
	(Rupees)	
Financial assets - Amortized cost		
Cash and bank balances	24,256,419	69,741,228
Short term loans	75,800,300	75,800,300
Trade deposits	569,167	1,161,620
Other receivables	-	427,241
Long term loans	52,350,929	52,818,366
Net investment in finance leases	288,836,369	311,911,751
Financial assets - FVTOCI		
Short term investments	44,656,036	48,454,898
Financial assets - FVTPL		
Short term investments	24,336,725	7,301,100
Financial liabilities - At amortized cost		
Long term finances	151,639,783	164,036,580
Security deposits against finance leases	222,720,553	234,872,466
Certificates of investment	44,211,000	44,211,000
Borrowings from financial institutions	137,500,000	137,500,000
Accrued mark-up	460,466,143	488,050,111
Accrued expenses and other payables	6,687,322	7,748,480
36 PROVIDENT FUND		
Size of Fund	4,793,592	3,329,284
Cost of Investment made	4,793,592	2,305,518
Percentage of Investment made	100%	69%
Fair value of investment	4,793,592	4,432,514

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. SHARIAH SCREENING DISCLOSURE

	Conventional		Shariah Compliant	
	2026	2025	2026	2025
Long term loans	99,691,333	100,064,030	-	-
Lease receivable	1,215,080,160	1,261,152,578	-	-
Short term loans	75,800,300	75,800,300	-	-
Short term investments	68,992,761	55,755,998	-	-
Bank balances	28,124	52,987	24,228,295	69,654,892
Borrowings-financial institutions	151,639,783	164,036,580	-	-
Revenue	51,802,626	102,040,887	-	-
Return on investment	-	-	-	-
Dividend Income	-	-	-	-
Interest income from T-Bills	1,426,435	1,058,204	-	-
Interest income on term loans	549,882	-	-	-
Interest income from savings accounts				
MCB Sidco Center Karachi	-	-	4,593,240	2,178,611
Faysal Bank Limited	-	1,109	-	-
Samba Bank Limited	2,123	942	-	-

Relationship with Shariah compliant banks

Name	Relationship / Type	Assets / Liabilities	2026	2025
State Bank Of Pakistan	Conventional	Assets	28,124	52,987
MCB Sidco Center Karachi	Sharaia Complaint	Assets	24,228,295	69,654,892
Faysal Bank Limited	Conventional	Assets	44,573	43,686
Samba Bank Limited	Conventional	Assets	22,555	21,794
National Bank Limited	Conventional	Liabilities	12,500,000	12,500,000

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 22, 2026.

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

PATTERN OF SHAREHOLDING

# Of Shareholders	Shareholdings 'Slab			Total Shares Held
527	1	to	100	12,331
457	1001	to	5000	1,232,375
354	101	to	500	110,193
177	501	to	1000	144,640
112	5001	to	10000	872,782
51	10001	to	15000	674,247
31	15001	to	20000	565,851
29	20001	to	25000	660,395
17	25001	to	30000	472,566
12	45001	to	50000	585,110
10	35001	to	40000	383,397
7	30001	to	35000	230,956
5	40001	to	45000	219,943
5	60001	to	65000	319,352
5	95001	to	100000	500,000
4	50001	to	55000	209,124
4	55001	to	60000	226,841
4	80001	to	85000	331,104
3	75001	to	80000	232,795
3	100001	to	105000	312,000
3	245001	to	250000	744,764
2	70001	to	75000	147,000
2	90001	to	95000	183,500
2	135001	to	140000	276,500
2	140001	to	145000	286,500
2	155001	to	160000	317,796
2	170001	to	175000	344,000
2	225001	to	230000	351,604
2	280001	to	285000	565,940
2	295001	to	300000	600,000
1	65001	to	70000	69,000
1	105001	to	110000	110,000
1	110001	to	115000	111,000
1	115001	to	120000	119,500
1	145001	to	150000	150,000
1	160001	to	165000	162,500
1	165001	to	170000	165,100
1	180001	to	185000	184,553
1	210001	to	215000	210,745
1	215001	to	220000	215,261
1	230001	to	235000	233,000
1	260001	to	265000	263,431
1	315001	to	320000	318,255
1	345001	to	350000	347,752
1	445001	to	450000	450,000
1	450001	to	455000	451,080

PATTERN OF SHAREHOLDING

# Of Shareholders	Shareholdings 'Slab			Total Shares Held
1	465001	to	470000	470.000
1	510001	to	515000	511.432
1	585001	to	590000	585.500
1	920001	to	925000	923,211
1	1215001	to	1220000	1,218,536
1	1520001	to	1525000	1,522,920
1	1805001	to	1810000	1,806,420
1	1995001	to	2000000	1,997,822
1	4510001	to	4515000	4,514,473
1	15835001	to	15840000	15,835,403
1,864				45,160,500

CATEGORIES OF SHARE HOLDERS

Categories of Shareholders	Shareholders	Shares held	Percentage
Directors and their spouse(s) and minor children			
SYED NAJMUL HASNAIN KAZMI	1	500	0.00
Sheikh Aftab Ahmed	1	500	0.00
Lubna Farooq	1	500	0.00
NIAZ AHMED KHAN	1	500	0.00
MUHAMMAD NAEEM KHAN	1	500	0.00
Associated Companies, undertakings and related parties	1	15,835,403	35.06
NIT and ICP	1	500	0.00
Bank Development Financial Institutions, Non-Banking Financial Institutions	4	3,534	0.01
Insurance Companies	3	2,015,887	4.46
Modarabas and Mutual Funds	3	349,212	0.77
General Public			
a. Local	1812	20,517,916	45.44
b. Foreign	5	38,500	0.09
Foreign Companies	0	-	0.00
Others	30	6,397,058	14.17
Totals	1864	45,160,500	100.00
PREMIER MERCANTILE SERVICES (PRIVATE) LIMITED		4,514,473	10.00
THE SAUDI PAK INDUSTRIAL & AGRICULT.INVESTMENT CO.LIMITED		15,835,403	35.06

PROXY FORM

I/We _____ of _____
_____(full address) being member(s)
of Saudi Pak Consultancy Company Limited hereby appoint Mr./Ms _____
_____ of _____
(full address) or failing him/her Mr./Ms. _____
of _____ (full address) (being member of the
company as my / our proxy to attend, act and vote for me/us and on my/our behalf at the **36th Annual General Meeting (AGM)**
to be held on **October 21th 2026**, and at any adjournment thereof.

As witness my /our hand this _____ day of _____ 2026
signed by _____
In presence of _____

Signature and address of witness

Please affix Rs.5/- revenue stamp

Signature of Member (s)

Shareholder’s Folio No. _____

Number of Shares held _____

A member entitled to attend and vote at a general Meeting is entitled to appoint a proxy to attend and vote for him/her. A proxy must be a member of the Company.

The instrument appointing a proxy shall be in written under the hand of the appointer of his/her attorney duly authorized in writing, if the appointer is corporation , under its common seal of the hand of any officer or attorney duly authorized.

The instrument appointing a proxy , together with Power of Attorney , if any , under which it is signed or a notarized certified copy thereof , should be deposited at the Registered Office not less than 48 hours before the time of holding of Meeting.



SAUDI PAK CONSULTANCY COMPANY LIMITED

6th Floor, Lakson Square Buliding # 1, Sarwar Shaheed Road, Saddar, Karachi.

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