

AFCE/00243/02/25

February 28, 2025

The Director
Exchange Policy Department
State Bank of Pakistan
I.I. Chundrigar Road
Karachi

Subject: Submission of Audited Financial Statements for the Period Ended December 31, 2024

Dear Sir/Madam,

In compliance with the Regulatory Framework for Exchange Companies issued by the State Bank of Pakistan, we are pleased to submit the **audited financial statements of Alfalah Currency Exchange (Pvt.) Limited** for the period **July 1, 2024, to December 31, 2024**, along with the Auditor's and Directors' Reports.

Furthermore, please note that the **annual audited financial statements for the period ended June 30, 2024**, were previously submitted via letter Ref: AFCE/0032/09/24 on September 30, 2024.

Please find the attached documents for your kind consideration.

Yours sincerely,


Shaheryar Shafqat
Chief Financial Officer
Alfalalh Currency Exchange Private Limited

CC: BSD-3



Directors' Report
For the Period Ended December 31, 2024

Dear Shareholders,

The Board of Directors of Alfalah Currency Exchange Private Limited is pleased to present the Directors' Report for the six-month period **ended December 31, 2024**. This report outlines the company's financial performance, strategic initiatives, and key developments during this period.

Company Overview

Alfalalah Currency Exchange Private Limited, a wholly-owned subsidiary of Bank Alfalah Limited, was incorporated on November 28, 2023, under the Companies Act, 2017. The company operates under the regulatory framework of the State Bank of Pakistan (SBP), having obtained its license on March 29, 2024. Alfalah Currency Exchange commenced operations on May 14, 2024, with its first outlet in SKY Tower, Karachi, and expanded to fourteen booths by year-end. Alfalah Currency Exchange remains committed to delivering seamless foreign exchange services through a growing network, emphasizing compliance, innovation, and customer-centric financial solutions.

In line with regulatory requirements, the company successfully completed its **first statutory audit as of June 30, 2024**, covering the period from **incorporation to the financial year-end**. The audited financial statements were duly approved in the company's **first Annual General Meeting (AGM) held on September 25, 2024**. Following the AGM, all necessary filings were submitted to the State bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). Additionally, the company's annual tax return for the period July 2023–June 2024 was duly filed with the Federal Board of Revenue (FBR) on December 30, 2024, through its tax consultant, A.F. Ferguson & Co. (PwC) Chartered Accountants.

Furthermore, in compliance with the Regulatory Framework for Exchange Companies issued by the State Bank of Pakistan, the **Board resolved to change the company's financial year from July 1 – June 30 to January 1 – December 31, effective from 2025**. As part of a smooth transition and maintain transparency for shareholders, the company also conducted through an external audit by A.F Ferguson Chartered Accountants, covering the interim period from **July 1 to December 31, 2024**. This step ensures that the company's financial position **remains audited and validated as of December 31, 2024**, providing stakeholders with enhanced confidence in its financial reporting and governance practices.

As of December 31, 2024, the company's paid-up capital stands at PKR 1 billion, with an authorized capital of PKR 2 billion. The registered office is located at 4th Floor, State Life Building -1, I.I. Chandigarh Road, Karachi.



Economic Perspective

In 2024, Pakistan's economic environment was characterized by inflationary pressures, exchange rate volatility, and evolving regulatory frameworks. The State Bank of Pakistan implemented measures to stabilize the foreign exchange market, including purchasing **\$3.8 billion from the domestic market between June and October 2024** to bolster reserves.

Additionally, the SBP introduced a consolidated "Regulatory Framework for Exchange Companies" to enhance corporate governance and internal controls within the sector.

Exchange companies in Pakistan managed approximately \$7 billion in foreign exchange transactions during 2024, significantly contributing to the country's economic stability as published in Profit by Pakistan Today.

The Pakistani rupee appreciated by 1% against the US dollar in 2024, following nine consecutive years of average annual depreciation of 10% as reported in The Express Tribune.

Regulatory Compliance and Financial Year Change

In alignment with the SBP's regulatory framework, the Board resolved to change the company's financial year from July 1 – June 30 to January 1 – December 31, effective from 2025. Consequently, the tax year has also been adjusted from the Normal Tax Year (July 1 – June 30) to a Special Tax Year (January 1 – December 31) under the Income Tax Ordinance, 2001. Management is actively updating relevant records with the Federal Board of Revenue (FBR), Securities and Exchange Commission of Pakistan (SECP), and other regulatory authorities to reflect these changes.

Corporate Governance

Al Falah Currency Exchange upholds the highest standards of corporate governance and ethical business practices. The Board consists of three nominee directors representing Bank Al Falah Limited. To further strengthen governance, the Board has established the **Board Audit Committee** and the **Board Finance & Investment Committee** to oversee internal controls and financial decision-making.



Strategic Business Initiatives

The following proposed initiatives are subject to approval from the State Bank of Pakistan and other relevant regulatory authorities, where necessary:

Foreign Currency Buying Strategy

- **Expansion of Buying Channels:** Increase foreign currency buying windows to enhance market outreach.
- **Digital Integration:** Enable the Alfa App to facilitate digital foreign currency purchases.
- **Targeted Engagement:** Engage with specific markets to attract repeat foreign currency sellers.

Foreign Currency Selling Strategy

- **Purpose-Specific Sales:** Focus on holiday and religious travelers to facilitate customers.
- **FE-25 Account Deposits:** Prioritize sales for deposit into FE-25 accounts to ensure the cash remains within the system
- **Innovative Channels:** Explore partnerships with International Money Transfer Operators and sub agency agreements with banks for remittance services.
- **Targeted Marketing:** Attract high-value foreign currency sellers while maintaining rate transparency.



Financial Performance

A summary of the financial performance for the period July 1, 2024 – December 31, 2024, compared to FY-2024 (June 30), is as follows:

Financial Performance	01 Jul 2024 to 31 Dec 2024	Nov 2023 to June 30 2024	Amount in PKR
Fixed Assets	76,707,077	33,229,808	
Right-of-use assets	44,177,841	46,555,834	
Intangible assets	6,483,741	6,533,297	
Statutory Liquidity Reserve	5,008,638	5,008,638	
Other Long Term Assets	148,869,000	147,767,400	
Cash and Bank Balances	783,685,044	807,741,756	
Other Current Assets	16,749,562	16,661,364	
Total Assets	1,081,680,903	1,063,498,097	
Authorized Capital	2,000,000,000	2,000,000,000	
Paid up Capital	1,000,000,000	1,000,000,000	
Unappropriated Profit/Loss	22,032,562	10,553,901	
Any other reserve	910,319	128,183	
Total Shareholder's Equity	1,022,942,881	1,010,682,084	
Total Liabilities	58,738,022	52,816,013	
Total Equity and Liabilities	1,081,680,903	1,063,498,097	
Financial Performance			
Income from Exchange Operations	11,542,459	477,010	
Other Income (Interest Income)	72,748,941	79,546,699	
Gross Income	84,291,400	80,023,709	
Total Expense (all Type of Expenses)	70,495,564	56,535,077	
Profit/ (Loss) Before Taxation	13,795,836	23,488,632	
Taxation	(2,317,175)	(12,934,731)	
Profit/ (Loss) after Taxation	11,478,661	10,553,901	

Alsalah ↗

During the financial period ended December 31, 2024, Alsalah Currency Exchange Private Limited recorded a total income of Rs. 84.20 million. This was primarily driven by interest income of Rs. 58.96 million from the Royal Profit Saving Bank Account and Rs. 14.17 million from Pakistan Investment Bonds, while income from exchange operations contributed Rs. 11.54 million. After accounting for total expenses of Rs. 70.50 million, the company reported a profit before taxation of Rs. 13.80 million and a profit after taxation of Rs. 11.48 million. The total comprehensive income for the period stood at Rs. 12.26 million. As of December 31, 2024, the company's total assets amounted to Rs. 1,082 billion, with shareholders' equity standing at Rs. 3,623 billion, reflecting a solid financial position.

Driving Financial Efficiency through Digital Transformation

Digitization, through Alsalah Transact, has enhanced operational efficiency by simplifying payment settlements and enabling real-time financial oversight. These advancements ensure compliance and informed decision-making, contributing to sustainable growth. A special acknowledgment to the Bank Alsalah digital team for driving innovation in financial operations.

Future Outlook

Moving forward, Alsalah Currency Exchange aims to:

- Strengthen digital capabilities through continued technological enhancements.
- Expand its network to 50 active locations for broader market reach.
- Align operations with SBP regulations for sustained compliance.
- Enhance foreign currency strategies to drive long-term growth.

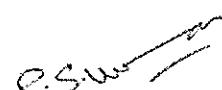
Acknowledgement

On behalf of the Board, we would like to extend our gratitude to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, and other regulatory authorities for their continued guidance and support. We also wish to convey our sincere appreciation to our shareholders, customers, and business collaborators for their ongoing trust and confidence.

The Board remains committed to serving our customers with excellence and contributing to the broader economic recovery. We are dedicated to fulfilling our responsibilities towards our staff and communities, ensuring sustainable progress for all stakeholders involved.


Farooq Qamar Khan
Chief Executive Officer

February 19, 2025


Pervez Shahbaz Khan
Director & Chairman



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the members of Alfalah Currency Exchange (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Alfalah Currency Exchange (Private) Limited (the Company), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period from July 1, 2024 to December 31, 2024, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the period from July 1, 2024 to December 31, 2024.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report but does not include the financial statements and our auditors' report thereon.

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



**Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the and the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period 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 **Norman Abbas Sheikh**.

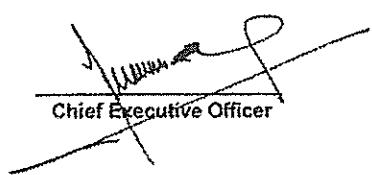
A.F. Ferguson & Co.
A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: February 25, 2025
UDIN: AR202410061yPrZ6dY72

ALFALAH CURRENCY EXCHANGE (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

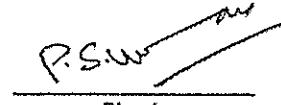
	Note	December 31, 2024	June 30, 2024
		Rupees	
ASSETS			
Non-current assets			
Fixed assets	4	76,707,077	33,229,806
Right-of-use asset	5	44,177,841	46,556,834
Intangible assets	6	6,483,741	6,533,297
Long term investments	7	148,869,000	147,767,400
Deferred taxation - net	8	-	-
		276,237,659	234,086,339
Current assets			
Advances, deposits, prepayments and other receivables	9	13,153,478	21,670,002
Advance tax		8,604,722	-
Cash and bank balances	10	783,685,043	807,741,756
		805,443,243	829,411,758
TOTAL ASSETS		1,081,680,902	1,063,498,097
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital	11.1	2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	11.2	1,000,000,000	1,000,000,000
Unappropriated profit		22,032,562	10,553,901
Surplus on revaluation of investments		910,319	128,183
TOTAL EQUITY AND RESERVES		1,022,942,881	1,010,682,084
LIABILITIES			
Non-current liabilities			
Lease liability against right-of-use asset	12	44,162,313	44,162,313
Current liabilities			
Current portion of lease liability against right-of-use asset	12	4,558,408	946,560
Accrued expenses and other payables	13	10,017,300	6,037,582
Taxation - net		-	1,669,568
TOTAL LIABILITIES		14,575,708	8,653,700
TOTAL EQUITY AND LIABILITIES		1,081,680,902	1,063,498,097
CONTINGENCIES AND COMMITMENTS	14		

The annexed notes 1 to 28 form an integral part of these financial statements.

Altaf


Chief Executive Officer


Chief Financial Officer


R. S. W. *Director*

ALFALAM CURRENCY EXCHANGE (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

	Note	For the period from July 1, 2024 to December 31, 2024	For the period from November 26, 2023 to June 30, 2024
Income from exchange operations	15	11,542,459	477,010
Cost of services	16	(39,567,302)	(18,751,934)
		(28,024,843)	(18,274,924)
Administrative expenses	17	(26,992,399)	(32,318,732)
Reversal / (charge) of credit loss allowance		8,415	(108,841)
Other income	18	72,748,941	79,546,899
Finance cost	19	(3,662,730)	(4,441,630)
Workers' welfare fund		(281,548)	(913,940)
Profit before taxation		13,795,838	23,488,632
Taxation	20	(2,317,175)	(12,934,731)
Profit after taxation for the period		11,478,661	10,553,901

The annexed notes 1 to 28 form an integral part of these financial statements.

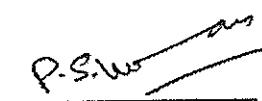
Alfa



Chief Executive Officer



Chief Financial Officer



Director

ALITALAH CURRENCY EXCHANGE (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

For the period from July 1, 2024 to December 31, 2024	For the period from November 28, 2023 to June 30, 2024
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Note Rupees

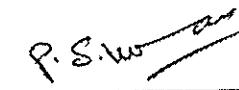
Profit after taxation for the period	11,478,661	10,553,901
Other comprehensive income		
Items that may be reclassified to the statement of profit or loss in subsequent periods:		
Movement in surplus on revaluation of debt investments classified at FVOC	7 1,101,600	180,540
Less: deferred tax liability on surplus on revaluation of investments	8 (319,464)	(52,357)
	782,136	128,183
TOTAL COMPREHENSIVE INCOME	12,260,797	10,682,084

The annexed notes 1 to 28 form an integral part of these financial statements.

Altair


Chief Executive Officer


Chief Financial Officer


Director

ALFALAR CURRENCY EXCHANGE (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

	Issued, subscribed and paid up share capital	Revenue reserve inappropriated profit	Surplus on revaluation of investments	Total shareholder's equity
Rupess				
Balance as at November 28, 2023				
Total comprehensive income for the period				
- Profit after taxation	10,553,901			10,553,901
- Other comprehensive income - net of tax		128,183		128,183
Transaction with owners recorded directly in equity				
Issuance of ordinary shares	1,000,000,000			1,000,000,000
Balance as at June 30, 2024	1,000,000,000	10,553,901	128,183	1,010,682,084
Balance as at July 1, 2024	1,000,000,000	10,553,901	128,183	1,010,682,084
Total comprehensive income for the period				
- Profit after taxation	11,478,661			11,478,661
- Other comprehensive income - net of tax		782,136		782,136
Balance as at December 31, 2024	1,000,000,000	22,032,562	910,319	1,022,942,881

The annexed notes 1 to 28 form an integral part of these financial statements.

Alaa
Chief Executive Officer

John
Chief Financial Officer

R. S. W.
Director

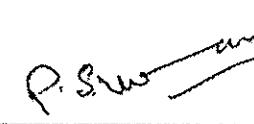
ALFALAH CURRENCY EXCHANGE (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

	Note	For the period from July 1, 2024 to December 31, 2024	For the period from November 28, 2023 to June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		13,795,836	23,488,632
Adjustments for:			
Depreciation on fixed assets	4.4	3,256,369	866,294
Depreciation on right-of-use asset	5	2,377,993	1,981,660
Amortisation on intangible assets	6	706,384	215,803
Finance cost	19	3,662,730	4,441,630
(Reversal) / charge of credit loss allowance		(8,415)	108,841
Profit on savings account	18	(58,575,602)	(75,450,141)
Interest on Pakistan Investment Bonds	18	(14,173,339)	(4,096,558)
Workers welfare fund		281,548	913,940
		(62,472,332)	(70,918,731)
Operating cash flows before working capital changes		(48,676,496)	(47,430,089)
Decrease / (increase) in current assets			
Advances, deposits, prepayments and other receivables		12,894,298	(17,573,997)
Increase in current liabilities			
Accrued expenses and other payables		3,698,170	2,548,642
Cash used in operating activities		(32,084,028)	(62,455,454)
Profit received on savings account		58,575,602	75,450,141
Interest received on Pakistan Investment Bonds		9,796,118	-
Tax paid		(12,910,929)	(11,317,520)
		55,460,791	64,132,621
Net cash generated from operating activities		23,376,763	1,677,187
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(46,733,639)	(34,196,102)
Purchase of intangible assets		(656,827)	(4,173,900)
Addition in long term investments		-	(147,586,860)
Net cash used in investing activities		(47,390,466)	(185,956,862)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		-	1,000,000,000
Finance cost paid		(50,872)	(1,474,501)
Payment of lease liability against right-of-use asset		-	(6,395,760)
Net cash (used in) / generated from financing activities		(50,872)	992,129,739
Net (decrease) / increase in cash and cash equivalents during the period		(24,084,575)	807,850,044
Cash and cash equivalents at the beginning of the period		807,741,756	-
Impact of expected credit loss allowance on cash and cash equivalents during the period - net		7,862	(108,288)
Cash and cash equivalents at the end of the period	10	783,685,043	807,741,756

The annexed notes 1 to 28 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

**ALFALAH CURRENCY EXCHANGE (PRIVATE) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024**

1 STATUS AND NATURE OF BUSINESS

1.1 Alfalah Currency Exchange (Private) Limited (the Company) was incorporated in Pakistan on November 28, 2023, as a private limited company under the Companies Act, 2017. The Company obtained license for commencement of operations from the State Bank of Pakistan (SBP) on March 29, 2024 for a period of three years. The Company is required to operate in accordance with the rules and regulations laid down by the SBP through F.E Circular No. 9 dated July 30, 2002.

1.2 The Company's registered office is located at Company Secretariat, 4th Floor, State Life Building ,I.I. Chundrigar Road, Saddar Town, Karachi.

1.3 The Company is a subsidiary of Bank Alfalah Limited (the "Parent Entity"), which holds 100% shares (either directly or through its nominees) in the Company.

1.4 The Company commenced its operations on May 14, 2024 and is engaged in the business of dealing in foreign currency. The Company operates through a network of 14 booths. The addresses of all booths are as follows:

City	Address
Karachi	Bank Alfalah Khayaban Shamsheer Branch (0357), Plot No. 38-C, Shop No. 1 & 2, Stadium Lane 1, DHA Phase-V.
Karachi	Bank Alfalah SKY Tower Branch (5874), Ground Floor, Sky Tower A, HC-3, Block-4, Scheme-3, Dolmen Mall, Clifton.
Rawalpindi	Bank Alfalah IBG Muree Road Branch (5514), 125-D, Al-Karim Plaza, Muree Road.
Lahore	Bank Alfalah M.M. Alam Tower Branch (0662), 28-K, M.M. Alam Road.
Lahore	Bank Alfalah LDA Plaza Branch (0006), LDA Plaza, Kashmir-Egerton Road.
Islamabad	Bank Alfalah Awan Arcade Branch (0035), Awan Arcade, Jinnah Avenue.
Faisalabad	Bank Alfalah Susan Road Branch (0106), Sosan Road.
Faisalabad	Bank Alfalah People Colony Branch (5786), Plot No. 7/B, D Ground Peoples Colony.
Multan	Bank Alfalah Abdali Branch (0034), Abdali Road, 62-A Abdali Road Branch.
Multan	Bank Alfalah Bosan Branch (5513), Property No. 16-E / II-III, Officer Colony Bosan Road.
Jhelum	Bank Alfalah Jhelum Branch (0070), Plot No. 67, Kazam Kamal Road, Jhelum Cantt.
Lalamusa	Bank Alfalah Lalamusa Branch (0071), G.T Road.
Kharian	Bank Alfalah Kharian Branch (0114), Abdul Ahad Tower, Khewet at No. 532, Khatooni No. 1053, Khasra No. 1886, Main G.T Road.
Karachi	Bank Alfalah Main Corporate Branch (0005), I.I. Chundrigar Road.

1.5 During the current period, the financial year of the Company has been changed from June to December. Accordingly, these financial statements cover the period from July 1, 2024 to December 31, 2024. This change has been made in order to comply the Company's financial year with the Regulatory Framework for Exchange Companies issued by the State Bank of Pakistan. The corresponding figures shown in these financial statements pertain to the period from November 28, 2023 to June 30, 2024. Therefore, the corresponding figures are not comparable.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS Accounting Standards, the requirements of the Companies Act, 2017 and the said directives, shall prevail.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period:

There are certain amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2024 but are considered not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

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2.3 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective:

2.3.1 The following new standards and amendments with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

Amendments		Effective date (accounting period beginning on or after)
IAS 21	Lack of Exchangeability	January 1, 2025
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 9 and IFRS 7	Classification and measurement of financial instruments (amendments)	January 1, 2025 and January 1, 2026

The management is in the process of assessing the impact of the above amendments on the financial statements.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not stated in these financial statements.

2.4 Basis of measurement

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

2.5 Functional and presentation currency

These financial statements are presented in Pakistani rupees, which is the Company's functional and presentation currency.

2.6 Critical accounting estimates and Judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise its judgment in the application of the Company's accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in the application of accounting policies are as follows:

- i) Residual values, useful lives and depreciation rates of fixed asset (notes 3.2 and 4.2);
- ii) Useful lives of intangible assets (notes 3.3 and 6.2);
- iii) Valuation of right-of-use asset and its related lease liability (notes 3.4, 5 and 12);
- iv) Classification, valuation and impairment of financial assets (notes 3.5.1 and 7); and
- v) Assumptions and estimations in recognition of current and deferred taxation (notes 3.6 and 8).

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Capital work in progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when assets become available for use.

3.2 Fixed asset

Fixed asset is stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to statement of profit or loss over the estimated useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 4.2 to the financial statements. Depreciation is charged on additions from the month the asset is available for use, while no depreciation is charged for the month in which the asset is derecognised / disposed of.

Fixed asset is derecognised when disposed of or when no future economic benefits are expected from their use. Gain or loss on disposal is recognised in the statement of profit or loss as and when incurred.

Residual values and useful lives are reviewed at each reporting date and adjusted prospectively, if appropriate. All repairs and maintenance costs that do not meet the recognition criteria are charged to the statement of profit or loss during the period in which these are incurred.

Gains or losses on disposal of fixed asset, if any, are included in the statement of profit or loss.

3.3 Intangible assets

Intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is charged from the month when these assets are available for use on a straight-line basis over its estimated useful life as stated in note 6.2. The estimated useful life and amortisation method are reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

3.4 Right-of-use asset and lease liability

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments over the period of lease term and that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments less any lease incentive receivable, variable lease payment that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects that the lessee will exercise that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassesses the reasonable certainty to exercise extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase an underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payments. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right of use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions, the same is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the standalone price for the increase in scope adjusted to reflect the circumstances of the particular contract, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

The right-of-use asset is initially measured at an amount equal to the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the asset is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight line method in accordance with the rates specified in note 5 to these financial statements and after taking into account residual values, if any. The useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. The right of use asset is adjusted for certain remeasurements of the lease liability.

3.5 Financial instruments

3.5.1 Financial assets

3.5.1.1 Classification and subsequent measurement

The Company has applied IFRS 9 and classifies its financial assets in the following measurement categories:

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

The classification requirements for debt and equity instruments are described below:

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(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-end mutual funds.

Classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments in one of the following three measurement categories:

a) At amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated as FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 3.5.1.2.

b) Fair value through other comprehensive income:

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated as FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, recognised and measured as described in note 3.5.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit or loss

c) Fair value through profit or loss:

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss in the period in which it arises.

(ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the statement of financial position at fair value, with gains and losses recognised in the statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI is recognised in the statement of profit or loss. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the statement of profit or loss on derecognition.

3.5.1.2 Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when these fall due. Further, financial assets are written off by the Company, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.5.1.3 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when these have been transferred and either:

All rights

- i) the Company transfers substantially all the risks and rewards of ownership; or
- ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

When the Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards, these transactions are accounted for as 'pass through' transfers that result in derecognition if the Company:

- i) has no obligation to make payments unless it collects equivalent amounts from the assets;
- ii) is prohibited from selling or pledging the assets; and
- iii) has an obligation to remit any cash it collects from the assets without material delay.

Any gain or loss on derecognition of financial assets is taken to the statement of profit or loss

3.5.1.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Company commits to purchase or sell the asset.

3.5.2 Financial liabilities

Financial liabilities are measured at fair value upon initial recognition and subsequently measured at amortised cost except for:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer.

3.5.2.1 Derecognition

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the statement of profit or loss.

3.5.3 Initial recognition

Financial assets and financial liabilities are recognised at the time the Company becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value plus transaction costs except for financial assets carried at FVPL. Financial assets carried at FVPL are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the statement of profit or loss.

3.5.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5.5 Business model

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

3.5.6 Solely payment of principal and interest

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

After:

3.5.7 Reclassifications

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

3.6 Taxation - Levy and Income tax

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21 / IAS 37 and accordingly are classified as levy.

Income Tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income (OCI) or directly in equity. In which case, the tax is also recognised in OCI or directly in equity.

Current

Provision for current tax is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any.

Deferred

Deferred taxation is recognised using the balance sheet liability method on all temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised only to the extent it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates that have been enacted or substantially enacted by the end of the reporting period.

3.7 Impairment of non-financial assets

The carrying amount of the assets is reviewed at each reporting date to determine whether there is any indication of impairment loss. If such indication exists, the carrying amounts of such assets are reviewed to assess whether these are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in the statement of profit or loss.

3.8 Deposits and other receivables

Deposits and other receivables are carried at amortised cost, less expected credit loss allowance determined in accordance with the accounting policy as mentioned in note 3.5.1.2.

3.9 Accrued expenses and other payables

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

3.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised as follows:

Revenue from services

- Exchange income is recognised at the time of recording of an exchange transaction; and
- Exchange differences on translation of monetary assets and liabilities in foreign currencies are recognised as gain / (loss) on revaluation at the end of each day.

Returns on financial assets

- Income on investments is recognised using the effective yield method over the term of investment; and
- Income on savings account is recognised on an accrual basis.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost less credit loss allowance. These include cash in hand, balances with banks in savings accounts and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Investments normally only qualify as cash equivalents if these have an original maturity of three months or less.

3.12 Foreign currencies

Transactions in foreign currencies are translated into Pakistani rupees at the exchange rates prevailing on the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

3.13 Earnings per share

The Company presents basic and diluted earnings / losses per share for its shareholders. Basic earnings / loss per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings / loss per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.14 Advances and prepayments (other than financial assets)

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition, assessment is made at each statement of financial position date to determine whether there is an indication that an asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

3.15 Share capital and reserves

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Revenue reserves comprise of unappropriated profit.

3.16 Provisions

Provisions are recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of 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 of the amount of the obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

3.17 Contingent liabilities

Contingent liabilities are disclosed when:

- there is a possible obligation that arises from past events and 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
- there is a present 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.

	Note	December	June 30, 2024
		31, 2024	-----Rupees-----
4	FIXED ASSETS		
Capital work in progress	4.1	2,555,404	20,318,940
Fixed assets	4.2	74,151,673	12,910,868
		<u>76,707,077</u>	<u>33,229,808</u>
4.1	Capital work in progress		
Balance at the beginning of the period		20,318,940	-
Addition during the period		19,645,526	20,318,940
Transfer during the period		(37,409,062)	-
Balance at the end of the period	4.1.1	<u>2,555,404</u>	<u>20,318,940</u>

4.1.1 This represents advance given to supplier for renovation of booths premises.

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4.2 Fixed assets

December 31, 2024								
	Cost			Accumulated depreciation			Net book value as at December 31, 2024	Depreciation rate (per annum)
	As at July 1, 2024	Additions	As at December 31, 2024	As at July 1, 2024	Charge for the period	As at December 31, 2024		
Rupees								
Furniture and fixtures	529,920	7,850,100	8,380,020	15,493	109,024	124,517	8,255,503	10%
Equipments	3,487,960	33,198,424	36,686,384	203,670	1,549,392	1,753,062	34,933,322	20%
Computers and printers	9,859,282	2,970,508	12,829,790	747,131	1,462,294	2,209,425	10,620,365	25%
Leasehold Improvements	-	20,366,143	20,366,143	-	121,813	121,813	20,244,330	10%
Motor vehicle	-	112,000	112,000	-	13,846	13,847	98,153	20%
	13,877,162	64,497,175	78,374,337	966,294	3,256,369	4,222,664	74,151,673	

June 30, 2024								
	Cost			Accumulated depreciation			Net book value as at June 30, 2024	Depreciation rate (per annum)
	As at November 28, 2023	Additions	As at June 30, 2024	As at November 28, 2023	Charge for the period	As at June 30, 2024		
Rupees								
Furniture and fixtures	-	529,920	529,920	-	15,493	15,493	514,427	10%
Equipments	-	3,487,960	3,487,960	-	203,670	203,670	3,284,290	20%
Computers and printers	-	9,859,282	9,859,282	-	747,131	747,131	9,112,151	25%
	13,877,162	13,877,162		966,294	966,294	966,294	12,910,868	

4.3 There were no disposals made during the period (June 30, 2024: Nil).

	Note	For the period from July 1, 2024 to December 31, 2024		For the period from November 28, 2023 to June 30, 2024	
		16	17	16	17
4.4 Depreciation charge for the period has been allocated as follows:					
Cost of services				1,953,821	579,776
Administrative expenses				1,302,548	386,518
				3,256,369	966,294

5 RIGHT-OF-USE ASSET

December 31, 2024								
	Cost			Accumulated depreciation			Net book value as at December 31, 2024	Depreciation rate (per annum)
	As at July 1, 2024	Additions	As at December 31, 2024	As at July 1, 2024	Charge for the period	As at December 31, 2024		
Rupees								
Right-of-use asset - building	48,537,494	-	48,537,494	1,981,660	2,377,993	4,359,653	44,177,841	10%

June 30, 2024								
	Cost			Accumulated depreciation			Net book value as at June 30, 2024	Depreciation rate (per annum)
	As at November 28, 2023	Additions	As at June 30, 2024	As at November 28, 2023	Charge for the period	As at June 30, 2024		
Rupees								
Right-of-use asset - building	-	48,537,494	48,537,494	-	1,981,660	1,981,660	46,555,834	10%

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		Note	December 31, 2024	June 30, 2024	
			Rupees		
6	INTANGIBLE ASSETS				
	Capital work in progress	6.1	-	598,900	
	Intangible assets	6.2	6,483,741	5,934,397	
			<u>6,483,741</u>	<u>6,533,297</u>	
6.1	Capital work in progress				
	Balance at the beginning of the period		598,900	-	
	Addition during the period		-	598,900	
	Transferred during the period		(598,900)	-	
	Balance at the end of the period		-	598,900	
6.2	Intangible assets		December 31, 2024		
			Cost		
			As at July 1, 2024	Accumulated amortisation	
			As at December 31, 2024	As at July 1, 2024	
			As at December 31, 2024	Charge for the period	
			As at December 31, 2024	Net book value as at December 31, 2024	
				Amortisation rate (per annum)	
			Rupees		
	Licensing fee	1,000,000	1,000,000	83,334	
	Software - purchased	5,150,000	1,208,400	6,358,400	
	Company domain	-	47,328	47,328	
		<u>6,150,000</u>	<u>1,255,728</u>	<u>7,405,728</u>	
			215,603	706,384	
			921,987	<u>6,483,741</u>	
	June 30, 2024				
		Cost		Accumulated amortisation	
		As at November 28, 2023	Additions	As at June 30, 2024	As at November 28, 2023
					Charge for the period
					As at June 30, 2024
					Net book value as at June 30, 2024
					Amortisation rate (per annum)
			Rupees		
	Licensing fee	-	1,000,000	1,000,000	83,334
	Software - purchased	-	5,150,000	5,150,000	132,269
		-	<u>6,150,000</u>	<u>6,150,000</u>	<u>215,603</u>
					215,603
					916,666
					5,017,731
					<u>5,934,397</u>
6.3	There were no disposals made during the period (June 30, 2024: Nil).				
7	LONG TERM INVESTMENTS				
	Pakistan Investment Bond- held at FVOCI	7.1 & 7.2	147,767,400	147,586,860	
	Surplus on revaluation of investments		1,101,600	180,540	
			<u>148,869,000</u>	<u>147,767,400</u>	
7.1	This represents 5 years floating rate Pakistan Investment Bonds with a face value of Rs. 153,000,000. This carry a coupon of 14.15% (June 30, 2024: 21.30%) per annum, receivable on a semi-annual basis, and will be matured on April 18, 2029 (June 30, 2024: April 18, 2029). The yield to maturity rate is 15.20% (June 30, 2024: 22.50%).				
7.2	This investment has been deposited with the State Bank of Pakistan to meet the Statutory Liquidity Reserve (SLR) requirement under EPD Circular Letter No.5 of 2021.				

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8 DEFERRED TAXATION - NET

Deferred tax asset arising on deductible temporary differences:

Pre-commencement expenses
Lease liability against right-of-use asset
Credit loss allowance

December 31, 2024			
At July 1, 2024	Recognised in P&L	Recognised in OCI	At December 31, 2024
Rupees			

1,908,029	1,765,267	-	3,673,296
13,081,570	1,047,439	-	14,129,009
31,564	(2,440)	-	29,124
15,021,163	2,810,266	-	17,831,429

Deferred tax liabilities arising on taxable temporary differences:

Fixed assets
Right-of-use asset
Surplus on revaluation of investment

1,467,614	3,180,420	-	4,648,034
13,501,192	(689,618)	-	12,811,574
52,357	-	319,464	371,821
15,021,163	2,490,802	319,464	17,831,429
-			
	319,464	(319,464)	-

June 30, 2024			
At November 28, 2023	Recognised in P&L	Recognised in OCI	At June 30, 2024
Rupees			

Deferred tax asset arising on deductible temporary differences:

Pre-commencement expenses
Lease liability against right-of-use asset
Credit loss allowance

-	1,908,029	-	1,908,029
-	13,081,570	-	13,081,570
-	31,564	-	31,564
-	15,021,163	-	15,021,163

Deferred tax liabilities arising on taxable temporary differences:

Fixed assets
Right-of-use asset
Surplus on revaluation of investment

-	1,467,614	-	1,467,614
-	13,501,192	-	13,501,192
-	-	52,357	52,357
-	14,968,806	52,357	15,021,163
-			
	52,357	(52,357)	-

Note December 31, 2024 June 30, 2024

----- Rupees -----

9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance for branch license fee

1,800,000

2,200,000

Prepaid insurance

1,901,619

3,864,667

Accrued interest income

4,377,221

4,096,558

Deposit with the State Bank of Pakistan

5,008,638

5,008,638

Receivable from Bank Alfalah Limited - a related party

-

4,096,190

Coupon receivable

-

2,404,502

Others

66,000

-

13,153,478

21,670,555

Less: credit loss allowance held against receivable from Bank Alfalah Limited

-

(553)

13,153,478

21,670,002

9.1 This represents a deposit maintained with the State Bank of Pakistan to meet the Statutory Liquidity Reserve (SLR) requirement of 15 percent of paid-up capital of the Company in accordance with the requirement stipulated in EPD Circular Letter No.5 of 2021.

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		Note	December 31, 2024	June 30, 2024
			Rupees-----	
10	CASH AND BANK BALANCES			
	Cash in hand			
	- in local currency		15,084,129	790,150
	- in foreign currencies		24,803,772	4,929,846
	Balances with bank in:			
	- savings account - in local currency	10.1	618,226,260	758,584,398
	- current accounts - in local currency	10.1	79,821,936	11,129,931
	- current accounts - in foreign currencies	10.1	45,849,372	32,415,719
			783,785,469	807,850,044
	Less: credit loss allowance held against local and foreign currency bank balances		(100,426)	(108,288)
			<u>783,685,043</u>	<u>807,741,756</u>
10.1	These balances are maintained with Bank Alfalah Limited - a related party. The savings account carries mark-up at the rate of 13.5% (June 30, 2024: 20.5%) per annum.			
11	SHARE CAPITAL AND RESERVES			
11.1	Authorised share capital			
	December June 30,			
	31, 2024 2024			
	----- (Number of shares) -----			
	<u>200,000,000</u>	<u>200,000,000</u>	Ordinary shares of Rs. 10 each	
				<u>2,000,000,000</u>
				<u>2,000,000,000</u>
11.2	Issued, subscribed and paid-up capital			
	December June 30,			
	31, 2024 2024			
	----- (Number of shares) -----			
	<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>
11.3	The Parent Company and its nominees held 100,000,000 ordinary shares of the Company as at December 31, 2024 (June 30, 2024: 100,000,000).			
11.4	Minimum authorised and paid-up capital of an exchange company as required by the State Bank of Pakistan is Rs. 500 million specified vide its EPD Circular letter No. 13 of 2023. The Minimum Capital Requirement is calculated as paid-up capital less accumulated losses.			
12	LEASE LIABILITY AGAINST RIGHT-OF-USE ASSET			
	Present value of minimum lease payments	12.2	48,720,721	45,108,863
	Less: current portion		(4,558,408)	(946,550)
			<u>44,162,313</u>	<u>44,162,313</u>
12.1	It represents an obligation in respect of right-of-use asset (Head office) leased through tenancy agreement for a period of ten years at an incremental borrowing rate of 15.41% (June 30, 2024: 15.41%) which has been used as a discounting factor. Rentals are payable annually in advance as per terms of the tenancy agreements.			
12.2	Movement of lease liability against right-of-use asset			
	Balance at the beginning of the period		45,108,863	-
	Additions during the period		-	48,537,494
	Finance cost during the period		3,611,858	2,967,129
	Rental paid during the period		-	(6,395,760)
	Balance at the end of the period		<u>48,720,721</u>	<u>45,108,863</u>

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December 31, 2024			
Not later than one year	Later than one year but not later than five years	Later than five years	Total
Rupees			
Minimum lease payments	7,035,336	35,916,094	52,584,754
Less: finance charges	(2,476,928)	(27,403,678)	(16,934,857)
	<u>4,558,408</u>	<u>8,512,416</u>	<u>35,649,897</u>
			<u>48,720,721</u>

June 30, 2024			
Not later than one year	Later than one year but not later than five years	Later than five years	Total
Rupees			
Minimum lease payments	7,035,336	35,916,094	52,584,754
Less: finance charges	(6,088,786)	(27,403,677)	(16,934,858)
	<u>946,550</u>	<u>8,512,417</u>	<u>35,649,896</u>
			<u>45,108,863</u>

13 ACCRUED EXPENSES AND OTHER PAYABLES

	December 31, 2024	June 30, 2024	Rupees
Salaries and allowances payable	-	67,391	
Accrued rent	3,139,263	391,000	
Insurance payable	-	645,100	
Payable against software	-	2,575,000	
Tax consultant fee payable	800,000	-	
Audit fee payable	1,603,801	1,425,600	
Payable to vendors	1,592,745	-	
Provision for workers welfare fund	1,195,488	913,940	
Provision for utilities	1,230,806	-	
Other payable	455,197	19,551	
	<u>10,017,300</u>	<u>6,037,582</u>	

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There were no contingencies as on December 31, 2024 and June 30, 2024.

14.2 Commitments

Commitments in respect of capital expenditures amounted to Rs. 45.72 million as at December 31, 2024 (June 30, 2024: Rs. 79.83 million).

15 INCOME FROM EXCHANGE OPERATIONS

	Note	For the period from July 1, 2024 to December 31, 2024	For the period from November 28, 2023 to June 30, 2024	Rupees
Income from exchange operations	15.1	11,542,459	477,010	

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15.1 Income from exchange operation includes income from sale and purchase of foreign currencies and revaluation gain / loss on foreign currencies.

		Note	For the period from July 1, 2024 to December 31, 2024	For the period from November 28, 2023 to June 30, 2024
				Rupees
16 COST OF SERVICES				
Salaries, allowances and other benefits			27,624,238	15,933,266
Branch license fee			400,000	300,000
Insurance expenses			2,396,748	772,933
Rent expense			2,748,263	391,000
Depreciation on fixed assets	4.4		1,953,821	579,776
Amortisation on intangible assets	6.2		706,384	215,603
Utilities			783,709	-
Travelling			1,308,897	121,503
Printing and stationery			513,238	44,994
Other expenses			1,132,004	392,859
			<u>39,567,302</u>	<u>18,751,934</u>
17 ADMINISTRATIVE EXPENSES				
Salaries, allowances and other benefits			18,416,159	9,338,294
Incorporation fee - SECP			-	14,013,585
Legal and professional expenses			-	5,000,000
Auditors' remuneration	17.1		2,403,800	1,425,600
Depreciation on fixed assets	4.4		1,302,548	386,518
Depreciation on right-of-use asset	5		2,377,993	1,981,660
Utilities			522,473	-
Travelling			872,598	81,002
Printing and stationery			342,159	29,996
Other expenses			754,669	62,077
			<u>26,992,399</u>	<u>32,318,732</u>
17.1 Auditors' remuneration				
Audit fee			2,150,000	1,200,000
Out of pocket expenses			135,000	120,000
Sindh sales tax			118,800	105,600
			<u>2,403,800</u>	<u>1,425,600</u>
18 OTHER INCOME				
Profit on savings account with Bank Alfalah Limited - a related party			58,575,602	75,450,141
Interest income on Pakistan Investment Bonds			14,173,339	4,096,558
			<u>72,748,941</u>	<u>79,546,699</u>
19 FINANCE COST				
Finance cost on lease liability against right of use assets			3,611,858	2,967,129
Mark-up expenses - Bank Alfalah Limited (a related party)			-	1,471,392
Bank charges			50,872	3,109
			<u>3,662,730</u>	<u>4,441,630</u>
20 TAXATION				
Current			2,636,639	12,987,088
Deferred	8		(319,464)	(52,357)
	20.1		<u>2,317,175</u>	<u>12,934,731</u>

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		For the period from July 1, 2024 to December 31, 2024	For the period from November 28, 2023 to June 30, 2024
		----- Rupees -----	
20.1	Relationship between tax expense and accounting profit		
	Accounting profit before tax	<u>13,795,836</u>	<u>23,488,632</u>
	Tax rate	<u>29%</u>	<u>29%</u>
	Tax on accounting profit	<u>4,000,792</u>	<u>6,811,703</u>
	Tax effect of permanent difference	<u>(1,683,617)</u>	<u>6,123,028</u>
	Tax expense	<u>2,317,175</u>	<u>12,934,731</u>
21	NUMBER OF EMPLOYEES	December 31, 2024	June 30, 2024
	Permanent employees as at period end	<u>63</u>	<u>33</u>
	Average number of employees during the period	<u>48</u>	<u>19</u>
22	REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES		
	The aggregate amount charged in the financial statements for remuneration including all benefits of Chief Executive Officer, Directors and Executives of the Company are as follows:		
	For the period from July 1, 2024 to December 31, 2024	For the period from November 28, 2023 to June 30, 2024	
	Executives	Chief Executive Officer	Total
	----- Rupees -----		
Managerial Remuneration	<u>15,390,311</u>	<u>5,505,944</u>	<u>20,896,255</u>
Allowances	<u>5,625,933</u>	<u>4,407,358</u>	<u>10,033,291</u>
	<u>21,016,244</u>	<u>9,913,302</u>	<u>30,929,546</u>
Number of person(s)	<u>7</u>	<u>1</u>	<u>8</u>
	<u>7</u>	<u>1</u>	<u>8</u>

22.1 'Executive' means an employee other than the Chief Executive Officer and directors, whose basic salary exceeds Rs. 1,200,000 in a financial year.

22.2 Directors are not entitled for any remuneration for attending the board meetings.

22.3 Managerial remuneration includes charges in respect of reimbursement, to the Parent Company, of salary and other benefits, paid by that Parent Company to the chief executive and certain other executives as they are on secondment from the Parent Company.

23 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of Bank Alfalah Limited being the Parent Company, major shareholders and the companies owned by such shareholders, directors and entities owned by the directors of the Company where they also hold directorships and key management personnel and their close family members. Transactions with related parties are entered in the normal course of business at the agreed terms and conditions. Remuneration to key management personnel is disclosed in note 22 to the financial statements. The aggregate value of transactions and outstanding balances as at December 31, 2024 and June 30, 2024 with related parties other than those which have been disclosed elsewhere in the financial statements are as follows:

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	For the period from July 1, 2024 to December 31, 2024	For the period from November 28, 2023 to June 30, 2024	Rupees
23.1 Transactions during the period			
Bank Alfalah Limited - Parent Company			
Purchase of Pakistan Investments Bonds	-	149,991,362	
Profit earned on savings account	58,575,602	75,450,141	
Mark-up paid	-	1,471,392	
Settlement of pre-incorporation payments made on behalf of the Company	-	54,451,162	
Reimbursement of salary and other benefits	27,419,084	23,868,014	
Alfalal Insurance Company Limited - Associate of parent company			
Insurance expense	2,396,748	772,933	
Insurance paid	1,654,701	3,992,500	
CEO of the Company			
Purchase of foreign currencies	324,490	452,630	
Sale of foreign currencies	2,320,450	-	
Key management personnels of the Company			
Purchase of foreign currencies	-	450,000	
Asif Hassan Siddiqui			
Sale of foreign currencies	259,095	-	
Atiq uddin Qureshi			
CEO of Parent Company			
Sale of foreign currencies	2,748,600	2,763,975	
Immediate family members of CEO of Parent Company			
Sale of foreign currencies	2,750,400	2,520,000	
Key management personnels of the Parent Company			
Sale of foreign currencies	-	2,769,525	
- Faisal Farooq Khan	-	2,485,000	
- Faisal Rabbani		7,745,474	
- Muhammad Yahya Khan		2,390,375	
- Mehreen Ahmed		-	
- Farooq Ahmed Khan	15,503,700	1,400,000	
- Mohib Hasan Khan	8,293,420	704,900	
- Asim Wajid Jawad	100,000	2,774,970	
- Muhammad Akram Sawleh	458,100	-	
- Muhammad Ashraf	4,949,450	-	
- Syed Muhammad Asif	364,750	-	
- Tahir Khurshid	1,335,600	-	
- Zeeshan Siddiqui	1,393,750	-	
Purchase of foreign currencies	-		
- Muhammad Ashraf	531,050	-	
23.2 Amounts outstanding as at period end	December 31, 2024	June 30, 2024	Rupees
Bank Alfalah Limited - Parent Company			
Cash at bank - savings account - in local currency	618,226,260	758,584,398	
Cash at bank - current accounts - in local currency	79,821,936	11,129,931	
Cash at Bank - current accounts - in foreign currencies	45,849,372	32,415,719	
Other receivable	-	4,096,190	
Alfalal Insurance Company Limited - An associate of Parent Company			
Prepaid insurance	1,901,619	3,864,667	
Insurance payable	-	645,100	

All

24 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

	December 31, 2024		
	At amortised cost	At fair value through OCI	Total
(Rupees)			
Long term investments	-	148,869,000	148,869,000
Advances, deposits and other receivables	9,451,859	-	9,451,859
Cash and bank balances	783,685,043	-	783,685,043
	<u>793,136,902</u>	<u>148,869,000</u>	<u>942,005,902</u>

Financial liabilities

	December 31, 2024		
	At amortised cost	At fair value through OCI	Total
(Rupees)			
Lease liability against right-of-use asset	48,720,721	-	48,720,721
Accrued expenses and other payables	8,821,812	-	8,821,812
	<u>57,542,533</u>	<u>-</u>	<u>57,542,533</u>

Financial assets

	June 30, 2024		
	At amortised cost	At fair value through OCI	Total
(Rupees)			
Long term investments	-	147,767,400	147,767,400
Advances, deposits and other receivables	15,605,888	-	15,605,888
Cash and bank balances	807,741,756	-	807,741,756
	<u>823,347,644</u>	<u>147,767,400</u>	<u>971,115,044</u>

Financial liabilities

	June 30, 2024		
	At amortised cost	At fair value through OCI	Total
(Rupees)			
Lease liability against right-of-use asset	45,108,863	-	45,108,863
Accrued expenses and other payables	5,123,642	-	5,123,642
	<u>50,232,505</u>	<u>-</u>	<u>50,232,505</u>

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

25.1 Financial risk factors

The Company is exposed to the following in respect of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

The Board of Directors (the Board) of the Company has the overall responsibility for establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, the management has been made responsible for identifying, monitoring and managing the Company's financial risk exposure.

25.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company is mainly exposed to credit risk on bank balances and advances, deposits, prepayments and other receivables. The Company seeks to minimise the credit risk exposure by dealing mostly with regular and permanent parties who pay on due dates.

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The maximum exposure to credit risk for financial instrument at statement of financial assets date is as follows:

	December 31, 2024		June 30, 2024	
	Balance as per statement of financial position	Maximum exposure to credit risk	Balance as per statement of financial position	Maximum exposure to credit risk
	----- (Rupees) -----		----- (Rupees) -----	
Long term investments	148,869,000	-	147,767,400	-
Advances, deposits and other receivables	9,451,859	-	15,605,888	4,096,190
Cash and bank balances	783,685,043	743,797,142	807,741,756	802,021,760
	<u>942,005,902</u>	<u>743,797,142</u>	<u>971,115,044</u>	<u>806,117,950</u>

Difference in the balance as per the statement of financial position and maximum exposure is due to the fact that deposit with the State Bank of Pakistan, long term investments in government securities, interest / coupon receivable from securities and cash in hand are not exposed to credit risk.

Quality of financial assets

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates as follows:

25.2.1 The credit quality of balances with banks can be assessed with reference to external credit rating as follows:

Name of Bank	Rating Agency	Ratings	December 31, 2024	
			Amount	% of total balances (Rupees)
Bank Alfalah Limited- a related party	PACRA	AAA	743,897,568	100.00%
Name of Bank	Rating Agency	Ratings	June 30, 2024	
			Amount	% of total balances (Rupees)
Bank Alfalah Limited- a related party	PACRA	AAA	802,130,048	100.00%

25.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet its obligations and commitments associated with financial instruments. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as these 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 Company manages liquidity risk by monitoring future cash flows on a day-to-day basis.

The table below summaries the maturity profile of the financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date.

	December 31, 2024				
	Total	Upto three months	More than three months and upto one year	More than one year and upto five years	More than five years
Financial liabilities	----- (Rupees) -----				
Lease Liability against right-of-use asset	48,720,721	-	4,558,408	8,512,416	35,649,897
Accrued expenses and other payables	8,821,812	8,821,812	-	-	-
	<u>57,542,533</u>	<u>8,821,812</u>	<u>4,558,408</u>	<u>8,512,416</u>	<u>35,649,897</u>

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	June 30, 2024				
	Total	Upto three months	More than three months and upto one year	More than one year and upto five years	More than five years
Financial liabilities	(Rupees)				
Lease Liability against right-of-use asset	45,108,863	-	946,550	8,512,417	35,649,896
Accrued expenses and other payables	5,123,642	5,123,642	-	-	-
	<u>50,232,505</u>	<u>5,123,642</u>	<u>946,550</u>	<u>8,512,417</u>	<u>35,649,896</u>

25.4 Market risk

Market risk is the risk that changes in market interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

25.4.1 Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Company holds balances with banks and investment in Pakistan investment bonds which expose the Company to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net profit for the period and net assets of the Company would have been higher / lower by Rs. 7.67 million (June 30, 2024: Rs. 9.06 million).

b) Sensitivity analysis for fixed rate instruments

The Company does not hold any fixed rate instrument as at December 31, 2024 and June 30, 2024.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Company's yield / profit rate sensitivity related to financial assets and financial liabilities as at December 31, 2024 and June 30, 2024 can be determined as follows:

Effective yield / profit rate (%)	December 31, 2024				
	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(Rupees)					

On-balance sheet financial instruments

Financial assets

Long term investments	15.20%	-	-	148,869,000	-	148,869,000
Advances, deposits and other receivables		-	-	-	9,451,859	9,451,859
Cash and bank balances	13.50%	618,125,834	-	148,869,000	165,559,209	783,685,043

Financial liabilities

Lease liability against right-of-use asset	15.41%	-	4,558,408	44,162,313	-	48,720,721
Accrued expenses and other payables		-	4,558,408	44,162,313	8,821,812	8,821,812

On-balance sheet gap (a)

618,125,834	(4,558,408)	104,706,687	166,189,256	884,463,369
-------------	-------------	-------------	-------------	-------------

Off-balance sheet financial instruments

-	-	-	-	-
---	---	---	---	---

Off-balance sheet gap (b)

-	-	-	-	-
---	---	---	---	---

Total yield / profit rate sensitivity gap (a+b)

618,125,834	(4,558,408)	104,706,687
-------------	-------------	-------------

Cumulative interest rate sensitivity gap

618,125,834	613,567,426	718,274,113
-------------	-------------	-------------

Effective yield / profit rate (%)	June 30, 2024						
	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total		
	Upto three months	More than three months and upto one year	More than one year				
(Rupees)							
On-balance sheet financial instruments							
Financial assets							
Long term investments	22.50%	-	-	147,767,400	147,767,400		
Advances, deposits and other receivables		-	-		15,605,888		
Cash and bank balances	20.05%	758,481,989	-	49,259,767	807,741,756		
		758,481,989	-	147,767,400	64,865,655		
					971,115,044		
Financial liabilities							
Lease liability against right-of-use asset	15.41%	-	946,550	44,162,313	-		
Accrued expenses and other payables		-	-	-	5,123,642		
		-	946,550	44,162,313	5,123,642		
					50,232,505		
On-balance sheet gap (a)		<u>758,481,989</u>	<u>(946,550)</u>	<u>103,605,087</u>	<u>59,742,013</u>		
Off-balance sheet financial instruments		-	-	-	-		
Off-balance sheet gap (b)		-	-	-	-		
Total yield / profit rate sensitivity gap (a+b)		<u>758,481,989</u>	<u>(946,550)</u>	<u>103,605,087</u>			
Cumulative interest rate sensitivity gap		<u>758,481,989</u>	<u>757,535,439</u>	<u>861,140,526</u>			

25.4.2 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. In order to avoid losses arising from adverse movements in the exchange rates the management monitors compliance with all external and internal limits (including currency, dealer and counterparty limits), review of foreign exchange exposure and regular revaluation of the entire portfolio.

The Company's exposure to foreign exchange risk was as follows:

December 31, 2024				
USD	SAR	AED	Others	Total
Equivalent in Rupees				

On balance sheet financial instruments

Financial assets

Cash and bank balances	35,157,799	4,328,422	8,443,063	22,723,860	70,653,144
Net currency exposure	<u>35,157,799</u>	<u>4,328,422</u>	<u>8,443,063</u>	<u>22,723,860</u>	<u>70,653,144</u>

Currency exchange rates - December 31, 2024

278.55	74.14	75.84	Various
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June 30, 2024				
USD	SAR	AED	Others	Total
Equivalent in Rupees				

On balance sheet financial instruments

Financial assets

Cash and bank balances	29,677,407	2,799,693	2,189,571	2,678,893	37,345,565
Net currency exposure	<u>29,677,407</u>	<u>2,799,693</u>	<u>2,189,571</u>	<u>2,678,893</u>	<u>37,345,565</u>

Currency exchange rates - June 30, 2024

278.34	73.35	75.24	Various
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Sensitivity analysis

Every 1% increase or decrease in exchange rates, with all other variables held constant, will increase or decrease profit before tax for the period by Rs. 0.71 million (June 30, 2024: Rs. 0.37 million).

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25.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. Senior management ensures that the Company's employees' have adequate training and experience and fosters effective communication related to operational risk management.

25.6 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business. As of the reporting date, the Company is not leveraged.

26 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of financial assets and liabilities is considered not to be significantly different from carrying values as the items are either short-term in nature or are periodically repriced other than those mentioned in note 26.1.

26.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly.

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

As at December 31, 2024 and June 30, 2024 the Company holds the following financial instruments measured at fair values:

Carrying value	December 31, 2024				
	Fair value				(Rupees)
	Level 1	Level 2	Level 3	Total	

Financial assets - measured at fair value through other comprehensive income

Long term investments 148,869,000 - 148,869,000 - 148,869,000

Carrying value	June 30, 2024				
	Fair value				(Rupees)
	Level 1	Level 2	Level 3	Total	

Financial assets - measured at fair value through other comprehensive income

Long term investments 147,767,400 - 147,767,400 - 147,767,400

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Valuation techniques used in determination of fair values

Item	Valuation approach and input used
Pakistan Investment Bonds	The fair value of Pakistan Investments Bonds quoted is derived using PKFRV rates. The PKFRV rates are announced by Financial Market Association through Reuters (FMA). The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers.

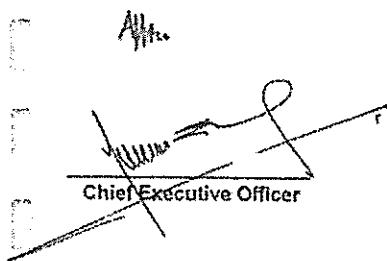
There were no transfer between level 1 and 2 during the period ended December 31, 2024 and June 30, 2024.

27 GENERAL

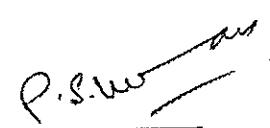
Figures in these financial statements have been rounded off to the nearest rupee, except otherwise stated.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on February 19, 2025

Ali

 Chief Executive Officer


 Chief Financial Officer


 Director