

**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  
Alfalah Currency Exchange Private Limited

**CC: BSD-3**



**Directors' Report**  
**For the Period Ended December 31, 2024**

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**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**

Alfalsh 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**

Alfalah Currency Exchange upholds the highest standards of corporate governance and ethical business practices. The Board consists of three nominee directors representing Bank Alfalah 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:

| Amount in PKR                         |                            |                          |
|---------------------------------------|----------------------------|--------------------------|
| Financial Performance                 | 01 Jul 2024 to 31 Dec 2024 | Nov 2023 to June 30 2024 |
| 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               |
| <b>Total Assets</b>                   | <b>1,081,680,903</b>       | <b>1,063,498,097</b>     |
| 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                  |
| <b>Total Shareholder's Equity</b>     | <b>1,022,942,881</b>       | <b>1,010,682,084</b>     |
| <b>Total Liabilities</b>              | <b>58,738,022</b>          | <b>52,816,013</b>        |
| <b>Total Equity and Liabilities</b>   | <b>1,081,680,903</b>       | <b>1,063,498,097</b>     |
| Financial Performance                 |                            |                          |
| Income from Exchange Operations       | 11,542,459                 | 477,010                  |
| Other Income (Interest Income)        | 72,748,941                 | 79,546,699               |
| <b>Gross Income</b>                   | <b>84,291,400</b>          | <b>80,023,709</b>        |
| Total Expense (all Type of Expenses)  | 70,495,564                 | 56,535,077               |
| <b>Profit/ (Loss) Before Taxation</b> | <b>13,795,836</b>          | <b>23,488,632</b>        |
| Taxation                              | (2,317,175)                | (12,934,731)             |
| <b>Profit/ (Loss) after Taxation</b>  | <b>11,478,661</b>          | <b>10,553,901</b>        |

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During the financial period ended December 31, 2024, Alfalah Currency Exchange Private Limited recorded a total income of Rs. 81.20 million. This was primarily driven by interest income of Rs. 58.56 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. 1.023 billion, reflecting a solid financial position.

### Driving Financial Efficiency through Digital Transformation

Digitalization, through Alfalah 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 Alfalah digital team for driving innovation in financial operations.

### Future Outlook


Moving forward, Alfalah 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.

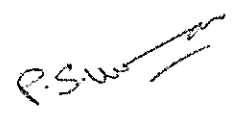
### Acknowledgement

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

  
Pervaz 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  
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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD



A.F. FERGUSON & CO.

### **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 (XIV 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.

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A.F. FERGUSON & CO.

**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 **Noman Abbas Sheikh**.

A handwritten signature in dark ink, appearing to read 'A.F. Ferguson & Co.', written over the printed name.

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

|   |      | December 31,<br>2024 | June 30,<br>2024     |
|---|------|----------------------|----------------------|
|   | Note | Rupees               |                      |
| <b>ASSETS</b>   |      |                      |                      |
| <b>Non-current assets</b>                                     |      |                      |                      |
| Fixed assets  | 4    | 76,707,077           | 33,229,808           |
| Right-of-use asset  | 5    | 44,177,841           | 46,555,834           |
| 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          |
| <b>Current assets</b>   |      |                      |                      |
| 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          |
| <b>TOTAL ASSETS</b>   |      | <b>1,081,680,902</b> | <b>1,063,498,097</b> |
| <b>EQUITY AND LIABILITIES</b>                                 |      |                      |                      |
| <b>Share capital and reserves</b>                             |      |                      |                      |
| 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              |
| <b>TOTAL EQUITY AND RESERVES</b>                              |      | <b>1,022,942,881</b> | <b>1,010,682,084</b> |
| <b>LIABILITIES</b>  |      |                      |                      |
| <b>Non-current liabilities</b>                                |      |                      |                      |
| Lease liability against right-of-use asset                    | 12   | 44,162,313           | 44,162,313           |
| <b>Current liabilities</b>                                    |      |                      |                      |
| Current portion of lease liability against right-of-use asset | 12   | 4,558,408            | 946,550              |
| Accrued expenses and other payables                           | 13   | 10,017,300           | 6,037,582            |
| Taxation - net  |      | -                    | 1,669,568            |
|   |      | 14,575,708           | 8,653,700            |
| <b>TOTAL LIABILITIES</b>                                      |      | <b>58,738,021</b>    | <b>52,816,013</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                           |      | <b>1,081,680,902</b> | <b>1,063,498,097</b> |
| <b>CONTINGENCIES AND COMMITMENTS</b>                          |      |                      |                      |
|   | 14   |                      |                      |

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

*Alfa*

*[Signature]*  
Chief Executive Officer

*[Signature]*  
Chief Financial Officer

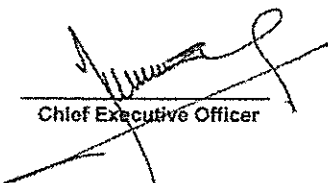
*P.S.W.*  
Director

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

|  |      | For the period from<br>July 1, 2024 to<br>December 31, 2024 | For the period from<br>November 28, 2023<br>to June 30, 2024 |
|--|------|---|--|
|  | Note | Rupees  |  |
| Income from exchange operations              | 15   | 11,542,459  | 477,010  |
| Cost of services                             | 16   | (39,567,302)<br>(28,024,843)                                | (18,751,934)<br>(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                       |      | 13,795,836  | 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

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

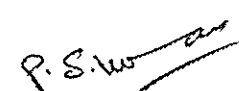
|   | For the period<br>from July 1, 2024<br>to December 31,<br>2024 | For the period<br>from November<br>28, 2023 to June<br>30, 2024 |
|---|--|---|
| Note  | Rupees   |   |
| Profit after taxation for the period  | 11,478,661   | 10,553,901  |
| Other comprehensive income  |  |   |
| Items that may be reclassified to the statement of profit<br>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)<br>782,136   | (52,357)<br>128,183   |
| <b>TOTAL COMPREHENSIVE INCOME</b>   | <b>12,260,797</b>  | <b>10,622,034</b>   |

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

*Alfalah*

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

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

| Issued,<br>subscribed and<br>paid up share<br>capital | Revenue reserve<br>Inappropriated<br>profit | Surplus on<br>revaluation of<br>investments | Total<br>shareholder's<br>equity |
|---|---|---|----------------------------------|
|---|---|---|----------------------------------|

Rupees

Balance as at November 28, 2023

|   |                      |                   |                |                      |
|---|----------------------|-------------------|----------------|----------------------|
| Total comprehensive income for the period           |                      |                   | 10,553,901     | 10,553,901           |
| - 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                         | <u>1,000,000,000</u> | <u>10,553,901</u> | <u>128,183</u> | <u>1,010,682,084</u> |
| 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           |                      |                   |                | 11,478,661           |
| - 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                     | <u>1,000,000,000</u> | <u>22,032,562</u> | <u>910,319</u> | <u>1,022,942,881</u> |

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

Attn

Chief Executive Officer

Chief Financial Officer

Director

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

|   | For the period from<br>July 1, 2024 to<br>December 31, 2024 | For the period from<br>November 28, 2023<br>to June 30, 2024 |
|---|---|--|
|   | Rupees  |  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |   |  |
| Profit before taxation  | 13,795,836  | 23,488,632   |
| Adjustments for:  |   |  |
| Depreciation on fixed assets  | 4,4 3,256,369   | 986,294  |
| Depreciation on right-of-use asset  | 5 2,377,993   | 1,981,660  |
| Amortisation on intangible assets   | 6 706,384   | 215,603  |
| 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)  | (47,430,099)   |
| 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  | 1,677,167  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |   |  |
| 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)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |   |  |
| 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                      | (24,064,575)  | 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), Susan 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.

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### 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:

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- 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.

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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.

## 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.

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.

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 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.

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.

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.

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.

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:

- 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.

- 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.

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<br>31, 2024    | June 30, 2024     |
|--|-------|-------------------------|-------------------|
| <b>4 FIXED ASSETS</b>                  |       | <b>-----Rupees-----</b> |                   |
| 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> |
| <b>4.1 Capital work in progress</b>    |       |                         |                   |
| 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<br>as at December<br>31, 2024 | Depreciation<br>rate<br>(per annum) |     |
| As at July 1,<br>2024  | Additions  | As at<br>December 31,<br>2024 | As at July<br>1, 2024    | Charge for<br>the period | As at<br>December 31,<br>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<br>as at June 30,<br>2024 | Depreciation<br>rate<br>(per annum) |     |
| As at<br>November 28,<br>2023 | Additions | As at June<br>30, 2024 | As at<br>November<br>28, 2023 | Charge for<br>the period | As at June 30,<br>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                                  | 12,910,868                          |     |

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

4.4 Depreciation charge for the period has been allocated as follows:

|                         | Note | For the period<br>from July 1, 2024<br>to December 31,<br>2024 | For the period<br>from November<br>28, 2023 to June<br>30, 2024 |
|-------------------------|------|--|---|
| Cost of services        | 16   | 1,953,821  | 579,776   |
| Administrative expenses | 17   | 1,302,548  | 386,518   |
|                         |      | 3,256,369  | 966,294   |

## 5 RIGHT-OF-USE ASSET

| December 31, 2024                |            |                               |                          |                          |                               |  |                                     |     |
|----------------------------------|------------|-------------------------------|--------------------------|--------------------------|-------------------------------|--|-------------------------------------|-----|
| Cost                             |            |                               | Accumulated depreciation |                          |                               | Net book value<br>as at December<br>31, 2024 | Depreciation<br>rate<br>(per annum) |     |
| As at July 1,<br>2024            | Additions  | As at<br>December 31,<br>2024 | As at July<br>1, 2024    | Charge for<br>the period | As at<br>December 31,<br>2024 |  |                                     |     |
| Rupees                           |            |                               |                          |                          |                               |  |                                     |     |
| Right-of-use asset<br>- 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<br>as at June 30,<br>2024 | Depreciation<br>rate<br>(per annum) |     |
| As at<br>November 28,<br>2023    | Additions | As at June<br>30, 2024 | As at<br>November<br>28, 2023 | Charge for<br>the period | As at June 30,<br>2024 |  |                                     |     |
| Rupees                           |           |                        |                               |                          |                        |  |                                     |     |
| Right-of-use asset<br>- building | -         | 48,537,494             | 48,537,494                    | -                        | 1,981,660              | 1,981,660                                | 46,555,834                          | 10% |

Attn

|                            | Note | December<br>31, 2024    | June 30,<br>2024 |
|----------------------------|------|-------------------------|------------------|
| <b>6 INTANGIBLE ASSETS</b> |      | <b>-----Rupees-----</b> |                  |
| Capital work in progress   | 6.1  | -                       | 598,900          |
| Intangible assets          | 6.2  | <u>6,483,741</u>        | <u>5,934,397</u> |
|                            |      | <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       | <u>-</u>  | <u>598,900</u> |

### 6.2 Intangible assets

| December 31, 2024     |           |                               |                          |                          |                               |  |                                     |     |
|-----------------------|-----------|-------------------------------|--------------------------|--------------------------|-------------------------------|--|-------------------------------------|-----|
| Cost                  |           |                               | Accumulated amortisation |                          |                               | Net book value<br>as at December<br>31, 2024 | Amortisation<br>rate<br>(per annum) |     |
| As at July 1,<br>2024 | Additions | As at<br>December 31,<br>2024 | As at July<br>1, 2024    | Charge for<br>the period | As at<br>December 31,<br>2024 |  |                                     |     |
| -----Rupees-----      |           |                               |                          |                          |                               |  |                                     |     |
| Licensing fee         | 1,000,000 | 1,000,000                     | 83,334                   | 166,668                  | 250,002                       | 740,998                                      | 33.33%                              |     |
| Software - purchased  | 5,150,000 | 1,208,400                     | 6,358,400                | 132,269                  | 534,983                       | 667,252                                      | 5,691,148                           | 20% |
| Company domain        | -         | 47,328                        | 47,328                   | -                        | 4,733                         | 4,733  | 42,595                              | 20% |
|                       | 6,150,000 | 1,255,728                     | 7,405,728                | 215,603                  | 706,384                       | 921,987                                      | 6,483,741                           |     |

| June 30, 2024                 |           |                        |                               |                          |                        |  |                                     |        |
|-------------------------------|-----------|------------------------|-------------------------------|--------------------------|------------------------|--|-------------------------------------|--------|
| Cost                          |           |                        | Accumulated amortisation      |                          |                        | Net book value<br>as at June 30,<br>2024 | Amortisation<br>rate<br>(per annum) |        |
| As at<br>November 28,<br>2023 | Additions | As at June<br>30, 2024 | As at<br>November<br>28, 2023 | Charge for<br>the period | As at June 30,<br>2024 |  |                                     |        |
| -----Rupees-----              |           |                        |                               |                          |                        |  |                                     |        |
| Licensing fee                 | -         | 1,000,000              | 1,000,000                     | -                        | 83,334                 | 83,334                                   | 916,666                             | 33.33% |
| Software - purchased          | -         | 5,150,000              | 5,150,000                     | -                        | 132,269                | 132,269                                  | 5,017,731                           | 20%    |
|                               | -         | 6,150,000              | 6,150,000                     | -                        | 215,603                | 215,603                                  | 5,934,397                           |        |

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

|   | Note      | December<br>31, 2024    | June 30,<br>2024   |
|---|-----------|-------------------------|--------------------|
| <b>7 LONG TERM INVESTMENTS</b>          |           | <b>-----Rupees-----</b> |                    |
| Pakistan Investment Bond- held at FVOCI | 7.1 & 7.2 | 147,767,400             | 147,586,860        |
| Surplus on revaluation of investments   |           | <u>1,101,600</u>        | <u>180,540</u>     |
|   |           | <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

| December 31, 2024  |                      |                      |                         |
|--------------------|----------------------|----------------------|-------------------------|
| At July 1,<br>2024 | Recognised<br>in P&L | Recognised<br>in OCI | At December<br>31, 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  | 1,765,267 | - | 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<br>November<br>28, 2023 | Recognised<br>in P&L | Recognised<br>in OCI | At June 30,<br>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) | - |
|---|--------|----------|---|

## 9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| Note             | December<br>31, 2024 | June 30,<br>2024 |
|------------------|----------------------|------------------|
| -----Rupees----- |                      |                  |

Advance for branch license fee  
Prepaid insurance  
Accrued interest income  
Deposit with the State Bank of Pakistan  
Receivable from Bank Alfalah Limited - a related party  
Coupon receivable  
Others

9.1

|            |            |
|------------|------------|
| 1,800,000  | 2,200,000  |
| 1,901,619  | 3,864,667  |
| 4,377,221  | 4,096,558  |
| 5,008,638  | 5,008,638  |
| -          | 4,096,190  |
| -          | 2,404,502  |
| 66,000     | -          |
| 13,153,478 | 21,670,555 |
| -          | (553)      |
| 13,153,478 | 21,670,002 |

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

- 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<br>31, 2024      | June 30,<br>2024          |
|---|------|---------------------------|---------------------------|
| <b>10 CASH AND BANK BALANCES</b>  |      | <b>-----Rupees-----</b>   |                           |
| 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                |
|   |      | <u>783,785,469</u>        | <u>807,850,044</u>        |
| Less: credit loss allowance held against local and foreign currency bank balances   |      | <u>(100,426)</u>          | <u>(108,288)</u>          |
|   |      | <u><u>783,685,043</u></u> | <u><u>807,741,756</u></u> |
| <b>10.1</b> 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.   |      |                           |                           |
| <b>11 SHARE CAPITAL AND RESERVES</b>  |      |                           |                           |
| <b>11.1 Authorised share capital</b>  |      |                           |                           |
| December 31, 2024   |      | December 31, 2024         | June 30, 2024             |
| ----- (Number of shares) -----  |      | -----Rupees-----          |                           |
| <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>      |
| <b>11.2 Issued, subscribed and paid-up capital</b>  |      |                           |                           |
| December 31, 2024   |      | December 31, 2024         | June 30, 2024             |
| ----- (Number of shares) -----  |      | -----Rupees-----          |                           |
| <u>100,000,000</u> <u>100,000,000</u> Ordinary shares of Rs. 10 each  |      | <u>1,000,000,000</u>      | <u>1,000,000,000</u>      |
| <b>11.3</b> 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).   |      |                           |                           |
| <b>11.4</b> 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.   |      |                           |                           |
| <b>12 LEASE LIABILITY AGAINST RIGHT-OF-USE ASSET</b>  | Note | December<br>31, 2024      | June 30,<br>2024          |
|   |      | <b>-----Rupees-----</b>   |                           |
| Present value of minimum lease payments   | 12.2 | 48,720,721                | 45,108,863                |
| Less: current portion   |      | <u>(4,558,408)</u>        | <u>(946,550)</u>          |
|   |      | <u><u>44,162,313</u></u>  | <u><u>44,162,313</u></u>  |
| <b>12.1</b> 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. |      |                           |                           |
| <b>12.2 Movement of lease liability against right-of-use asset</b>  |      | December<br>31, 2024      | June 30,<br>2024          |
|   |      | <b>----- Rupees -----</b> |                           |
| 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><u>48,720,721</u></u>  | <u><u>45,108,863</u></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        | 95,536,184        |
| Less: finance charges  | (2,476,928)      | (27,403,678)     | (16,934,857)      | (46,815,463)      |
|                        | <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        | 95,536,184        |
| Less: finance charges  | (6,088,786)    | (27,403,677)     | (16,934,858)      | (50,427,321)      |
|                        | <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, 2024June 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 | <u>11,542,459</u> | <u>477,010</u> |
|---------------------------------|------|-------------------|----------------|

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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.

|      |   |      | For the<br>period from<br>July 1, 2024<br>to December<br>31, 2024 | For the<br>period from<br>November 28,<br>2023 to June<br>30, 2024 |
|------|---|------|---|--|
|      |   | Note | ----- Rupees -----  |  |
| 16   | <b>COST OF SERVICES</b>   |      |   |  |
|      | 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   | <b>ADMINISTRATIVE EXPENSES</b>  |      |   |  |
|      | 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 | <b>Auditors' remuneration</b>   |      |   |  |
|      | 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   | <b>OTHER INCOME</b>   |      |   |  |
|      | 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   | <b>FINANCE COST</b>   |      |   |  |
|      | 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   | <b>TAXATION</b>   |      |   |  |
|      | 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>  |

As/At

| For the<br>period from<br>July 1, 2024<br>to December<br>31, 2024 | For the<br>period from<br>November 28,<br>2023 to June<br>30, 2024 |
|---|--|
|---|--|

**20.1 Relationship between tax expense and accounting profit**

|                                    | Rupees      |            |
|------------------------------------|-------------|------------|
| Accounting profit before tax       | 13,795,836  | 23,488,632 |
| Tax rate                           | 29%         | 29%        |
| Tax on accounting profit           | 4,000,792   | 6,811,703  |
| Tax effect of permanent difference | (1,683,617) | 6,123,028  |
| Tax expense                        | 2,317,175   | 12,934,731 |

**21 NUMBER OF EMPLOYEES**

|   | December<br>31, 2024 | June 30,<br>2024 |
|---|----------------------|------------------|
|   | Number               |                  |
| Permanent employees as at period end          | 63                   | 33               |
| Average number of employees during the period | 48                   | 19               |

**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      | Executives   | Chief Executive Officer | Total      |
|                         | Rupees  |                         |            | Rupees   |                         |            |
| Managerial Remuneration | 15,390,311  | 5,505,944               | 20,896,255 | 13,199,348   | 2,088,762               | 15,288,110 |
| Allowances              | 5,625,933   | 4,407,358               | 10,033,291 | 2,291,345  | 1,249,842               | 3,541,187  |
|                         | 21,016,244  | 9,913,302               | 30,929,546 | 15,490,693   | 3,338,604               | 18,829,297 |
| Number of person(s)     | 7   | 1                       | 8          | 7  | 1                       | 8          |

**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:

*Amu*

| For the<br>period from<br>July 1, 2024<br>to December<br>31, 2024 | For the<br>period from<br>November 28,<br>2023 to June<br>30, 2024 |
|---|--|
| ----- Rupees -----  |  |

### 23.1 Transactions during the period

|  |            |             |
|--|------------|-------------|
| <b>Bank Alfalah Limited - Parent Company</b>                           |            |             |
| 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  |
| <b>Alfalah Insurance Company Limited - Associate of parent company</b> |            |             |
| Insurance expense  | 2,396,748  | 772,933     |
| Insurance paid   | 1,654,701  | 3,992,500   |
| <b>CEO of the Company</b>  |            |             |
| Purchase of foreign currencies   | 324,490    | 452,630     |
| Sale of foreign currencies   | 2,320,450  | -           |
| <b>Key management personnels of the Company</b>                        |            |             |
| Purchase of foreign currencies   |            |             |
| Asif Hassan Siddiqui   | -          | 450,000     |
| Sale of foreign currencies   |            |             |
| Atiq uddin Qureshi   | 259,095    | -           |
| <b>CEO of Parent Company</b>   |            |             |
| Sale of foreign currencies   | 2,748,600  | 2,763,975   |
| <b>Immediate family members of CEO of Parent Company</b>               |            |             |
| Sale of foreign currencies   | 2,750,400  | 2,520,000   |
| <b>Key management personnels of the Parent Company</b>                 |            |             |
| Sale of foreign currencies   |            |             |
| - Faisal Farooq Khan   | -          | 2,769,525   |
| - Faisal Rabbani   | -          | 2,485,000   |
| - Muhammad Yahya Khan  | 7,745,474  | 2,390,375   |
| - Mehreen Ahmed  | -          | 1,400,000   |
| - Farooq Ahmed Khan  | 15,503,700 | 704,900     |
| - Mohib Hasan Khan   | 8,293,420  | 2,774,970   |
| - Asim Wajid Jawad   | 100,000    | -           |
| - 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<br>31, 2024 | June 30,<br>2024 |
| ----- Rupees -----  |                      |                  |
| <b>Bank Alfalah Limited - Parent Company</b>                              |                      |                  |
| 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        |
| <b>Alfalah Insurance Company Limited - An associate of Parent Company</b> |                      |                  |
| Prepaid insurance   | 1,901,619            | 3,864,667        |
| Insurance payable   | -                    | 645,100          |

## 24 FINANCIAL INSTRUMENTS BY CATEGORY

| December 31, 2024  |                           |                    |
|--------------------|---------------------------|--------------------|
| At amortised cost  | At fair value through OCI | Total              |
| (Rupees)           |                           |                    |
| -                  | 148,869,000               | 148,869,000        |
| 9,451,859          | -                         | 9,451,859          |
| 783,685,043        | -                         | 783,685,043        |
| <u>793,136,902</u> | <u>148,869,000</u>        | <u>942,005,902</u> |

**Financial assets**

Long term investments  
 Advances, deposits and other receivables  
 Cash and bank balances

**Financial liabilities**

Lease liability against right-of-use asset  
 Accrued expenses and other payables

| June 30, 2024      |                           |                    |
|--------------------|---------------------------|--------------------|
| At amortised cost  | At fair value through OCI | Total              |
| (Rupees)           |                           |                    |
| -                  | 147,767,400               | 147,767,400        |
| 15,605,888         | -                         | 15,605,888         |
| 807,741,756        | -                         | 807,741,756        |
| <u>823,347,644</u> | <u>147,767,400</u>        | <u>971,115,044</u> |

**Financial assets**

Long term investments  
 Advances, deposits and other receivables  
 Cash and bank balances

**Financial liabilities**

Lease liability against right-of-use asset  
 Accrued expenses and other payables

## 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.

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>9/1,115,044</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<br>(Rupees) | % of total balances |
| Bank Alfalah Limited- a related party | PACRA         | AAA     | 743,897,568        | 100.00%             |

| Name of Bank                          | Rating Agency | Ratings | June 30, 2024      |                     |
|---------------------------------------|---------------|---------|--------------------|---------------------|
|                                       |               |         | Amount<br>(Rupees) | % of total balances |
| 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 |
| <b>Financial liabilities</b>               | (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 |
| (Rupees)                                   |                   |  |  |                      |
| Financial liabilities                      |                   |  |  |                      |
| Lease Liability against right-of-use asset | 45,108,863        | -  | 946,550                                | 8,512,417            |
| 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:

| December 31, 2024                       |                                     |  |                       |   |       |
|---|-------------------------------------|--|-----------------------|---|-------|
| Effective yield /<br>profit rate<br>(%) | Exposed to yield / profit rate risk |  |                       | Not exposed to<br>yield / profit rate<br>risk | Total |
|   | Upto three<br>months                | More than three<br>months and upto<br>one year | More than one<br>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        | -        | -                  | 165,559,209        | 783,685,043        |
|  |        | <u>618,125,834</u> | <u>-</u> | <u>148,869,000</u> | <u>175,011,068</u> | <u>942,005,902</u> |

##### 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        |        | -        | -                | -                 | 8,821,812        | 8,821,812         |
|  |        | <u>-</u> | <u>4,558,408</u> | <u>44,162,313</u> | <u>8,821,812</u> | <u>57,542,533</u> |

#### On-balance sheet gap (a)

|   |  |                    |                    |                    |                    |                    |
|---|--|--------------------|--------------------|--------------------|--------------------|--------------------|
|   |  | <u>618,125,834</u> | <u>(4,558,408)</u> | <u>104,706,687</u> | <u>166,189,256</u> | <u>884,463,369</u> |
| Off-balance sheet financial instruments |  | -                  | -                  | -                  | -                  | -                  |
| Off-balance sheet gap (b)               |  | <u>-</u>           | <u>-</u>           | <u>-</u>           | <u>-</u>           | <u>-</u>           |

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

|  |  |                    |                    |                    |  |  |
|--|--|--------------------|--------------------|--------------------|--|--|
|  |  | <u>618,125,834</u> | <u>(4,558,408)</u> | <u>104,706,687</u> |  |  |
|--|--|--------------------|--------------------|--------------------|--|--|

Cumulative interest rate sensitivity gap

|  |  |                    |                    |                    |  |  |
|--|--|--------------------|--------------------|--------------------|--|--|
|  |  | <u>618,125,834</u> | <u>613,567,426</u> | <u>718,274,113</u> |  |  |
|--|--|--------------------|--------------------|--------------------|--|--|



| June 30, 2024                           |                                     |  |                       |   |       |
|---|-------------------------------------|--|-----------------------|---|-------|
| Effective yield /<br>profit rate<br>(%) | Exposed to yield / profit rate risk |  |                       | Not exposed to<br>yield / profit rate<br>risk | Total |
|   | Upto three<br>months                | More than three<br>months and upto<br>one year | More than one<br>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 | 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 | -         | 45,108,863 |
| Accrued expenses and other payables        |        | - | -       | -          | 5,123,642 | 5,123,642  |
|  |        | - | 946,550 | 44,162,313 | 5,123,642 | 50,232,505 |

|                          |  |             |           |             |            |             |
|--------------------------|--|-------------|-----------|-------------|------------|-------------|
| On-balance sheet gap (a) |  | 758,481,989 | (946,550) | 103,605,087 | 59,742,013 | 920,882,539 |
|--------------------------|--|-------------|-----------|-------------|------------|-------------|

## Off-balance sheet financial instruments

|                           |  |   |   |   |   |   |
|---------------------------|--|---|---|---|---|---|
| Off-balance sheet gap (b) |  | - | - | - | - | - |
|---------------------------|--|---|---|---|---|---|

|   |  |             |           |             |  |  |
|---|--|-------------|-----------|-------------|--|--|
| Total yield / profit rate sensitivity gap (a+b) |  | 758,481,989 | (946,550) | 103,605,087 |  |  |
|---|--|-------------|-----------|-------------|--|--|

|  |  |             |             |             |  |  |
|--|--|-------------|-------------|-------------|--|--|
| Cumulative interest rate sensitivity gap |  | 758,481,989 | 757,535,439 | 861,140,526 |  |  |
|--|--|-------------|-------------|-------------|--|--|

## 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  | 35,157,799 | 4,328,422 | 8,443,063 | 22,723,860 | 70,653,144 |

Currency exchange rates -  
December 31, 2024

|        |       |       |         |
|--------|-------|-------|---------|
| 278.55 | 74.14 | 75.84 | Various |
|--------|-------|-------|---------|

| 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  | 29,677,407 | 2,799,693 | 2,189,571 | 2,678,893 | 37,345,565 |

|   |        |       |       |         |
|---|--------|-------|-------|---------|
| Currency exchange rates - June 30, 2024 | 278.34 | 73.35 | 75.24 | Various |
|---|--------|-------|-------|---------|

## 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:

|   | December 31, 2024 |            |             |         |             |
|---|-------------------|------------|-------------|---------|-------------|
|   | Carrying value    | Fair value |             |         |             |
|   |                   | Level 1    | Level 2     | Level 3 | Total       |
|   |                   | (Rupees)   |             |         |             |
| <b>Financial assets - measured at fair value through other comprehensive income</b> |                   |            |             |         |             |
| Long term investments   | 148,869,000       | -          | 148,869,000 | -       | 148,869,000 |
|   |                   |            |             |         |             |
|   | June 30, 2024     |            |             |         |             |
|   | Carrying value    | Fair value |             |         |             |
|   |                   | Level 1    | Level 2     | Level 3 | Total       |
|   |                   | (Rupees)   |             |         |             |
| <b>Financial assets - measured at fair value through other comprehensive income</b> |                   |            |             |         |             |
| 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