

# **Primus Leasing Limited**

Financial Statements for the  
Year Ended  
December 31, 2025

## **Directors' Report**

The Board of Directors of Primus Leasing Limited (PLL) is pleased to present the eighth annual report, along with the audited Financial Statements, for the year ended December 31, 2025.

### **Economic Overview and Challenges**

As 2026 unfolds, Pakistan's economy shows encouraging signs of stabilization and gradual recovery supported by improving domestic activity, moderating inflation, and supportive monetary conditions.

A strong rebound by the industrial sector provided significant momentum to Large Scale Manufacturing (LSM). A 6% growth in LSM during the last six months of CY 2025 was spread across sixteen sectors. The automobile sector emerged as the key growth driver, with car production increasing by 56% during this period.

Inflationary pressures eased significantly, with average inflation declining to 5.2% during the second half of CY 2025, substantially lower than the previous year.

An improved current account balance and enhancement of foreign exchange reserves to US\$ 21.3 B with Central Bank holding US\$16.1 B contributed to stabilizing the PKR/USD exchange rate.

A decrease in policy rate favorably affected borrowing appetite in the economy. Although private sector borrowings remain low, an increase in demand for fixed investment indicates industrial expansion. Improved investor sentiment was also reflected in a rally at the Pakistan Stock Exchange toward year end.

While all signs point to an economy positioned to sustain its growth, challenges remain. Household price pressures remain concentrated in essential sectors such as utilities, health, education, and housing, which may affect domestic consumption. Externally, overall exports remained largely stable despite a 20% increase in IT-related exports.

A sharp rise in imports, particularly in palm oil, widened the trade gap leading to a deficit in the current account compared to a surplus the previous year.

Other external imbalances include geopolitical uncertainties and climate-related risks, which continue to pose downside risks to sustained economic growth.



## Company Performance

FY 2025 represented a challenging environment for the company as the country's economy was faced with strict IMF conditions. Structural adjustments, debt management measures, and external vulnerabilities continued to impact overall business activity. Under such challenging conditions your company demonstrated resilience and sustainability.

Fresh business undertaken during the year increased by nearly 40% resulting in the advances portfolio grew by 18% and resultantly, the balance sheet expanded by 5.1%. This reflects a prudent, yet strategic approach to lending with concentration on selective industrial sectors.

Total revenues decreased by 21.5%, while profit before tax and provisions decreased by 34.5%. Decrease in profitability during the year was mainly due to the rapid decrease in interest rates as the 6 months KIBOR rate decreased from 21.49% in Dec 2023 to 12.16% in 2024 and further to 10.65% by end of Dec 2025. The downward repricing of portfolio is still going on which will affect profitability. However, as the discount rate is substantially leveled out, the impact on revenues is likely to remain low as was the case in 2024 and 2025. Net profit after tax for the year stood at PKR 115 million, compared to PKR 178 million in the previous year.

## Financial Highlights:

(Figures in PKR)

Financial Indicators	2025/12	2024/12
Total Revenues	426,824,904	543,380,789
Profit Before Taxation	153,608,346	238,833,107
Taxation	38,637,619	60,984,842
Profit After Taxation	114,970,727	177,848,265
Earnings Per Share (EPS)	1.15	1.78

## Strategic Initiatives and Risk Management

In response to prevailing economic uncertainties, PLL continued to adopt a cautious, yet progressive approach in market expansion. The leasing portfolio grew modestly, with a diversified product suite catering to evolving client needs. The Company continued to emphasize customer-centric solutions and operational efficiency to strengthen its competitive positioning.

PLL's robust risk management framework has enabled us to maintain a healthy portfolio with a non-performing asset (NPA) ratio of below 4%, significantly lower than industry benchmarks. Strategic follow up and proactive settlements have helped improve recoveries, ensuring a stable financial position.

Provisioning buffers were maintained at prudent levels to reinforce resilience against potential credit stress.

## Way Forward

Looking ahead, PLL remains committed to sustainable growth and market expansion. The company plans to enhance operational efficiency and customer experience through strategic partnerships with Industry/ Trade Associations and by using social media instruments for its brand enhancement. A key focus in 2026 will be expanding geographic outreach and deepening penetration in existing markets, with a particular emphasis on Small and Medium Enterprises (SMEs). Notably, 69% of our total disbursements in 2025 were allocated to the SME Sector, reinforcing our commitment to fostering financial inclusion and economic development.

PLL will continue to uphold the highest corporate governance and transparency standards while strengthening its position as a key player in the leasing industry. Our strategic objectives for the coming year include optimizing asset quality, enhancing financial performance, and fostering long-term value creation for stakeholders.

## Acknowledgment

The Board of Directors extends its appreciation to regulators, shareholders, clients, employees, and all stakeholders for their continued support and trust in PLL. We remain committed to driving financial growth and contributing to Pakistan's economic development.

On Behalf of the Board,



**Chief Executive Officer**  
February 23, 2026



**Director**

## **INDEPENDENT AUDITORS' REPORT**

### **To the members of Primus Leasing Limited**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the annexed financial statements of **Primus Leasing Limited** ("the Company"), which comprise the statement of financial position as at **December 31, 2025**, 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 year then ended, along with 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 flow 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, 2025 and of the profit, the comprehensive income, the changes in equity and its cash flow for the year then ended.

##### **Basis for Opinion**

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

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

Management is responsible for the other information. The other information comprises the information included in the Director's report for the year ended December 31, 2025, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will 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 concluded 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.



### **Responsibilities of Management and the 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, the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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



**Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Hena Sadiq**.

  
Chartered Accountants

Place: Karachi

Date: March 04, 2026

UDIN: AR202510057RYTH5DLZJ

PRIMUS LEASING LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2025

2025	2024		Note	2025	2024
----- (US Dollars) -----				----- (Rupees) -----	
<b>ASSETS</b>					
<b>Non-current assets</b>					
23,952	32,617	Property and equipment	4	6,709,614	9,189,430
20,062	29,582	Right of use asset	5	5,619,785	8,334,624
1,398	453	Intangible assets	6	391,700	127,488
4,970,504	3,972,671	Net investment in finance lease	7	1,392,352,882	1,119,262,306
2,260,385	1,607,122	Long term finances and loans	8	633,186,008	452,791,332
23,011	28,774	Long-term loans to employees	9	6,446,322	8,106,702
2,445	2,431	Long-term deposits		685,000	685,000
99,777	143,729	Deferred taxation	10	27,949,832	40,494,210
7,401,534	5,817,379			2,073,341,143	1,638,991,092
<b>Current assets</b>					
64,728	34,638	Accrued mark-up		18,131,685	9,758,934
4,942,130	4,687,211	Current maturity of non current assets	11	1,384,404,793	1,320,577,238
19,830	68,728	Tax recoverable		5,554,945	19,363,535
8,383	6,937	Prepayments and other receivables	12	2,348,277	1,954,311
203,404	1,347,869	Bank balances	13	56,978,068	379,749,402
5,238,475	6,145,383			1,467,417,768	1,731,403,420
12,640,009	11,962,762	<b>Total assets</b>		3,540,758,911	3,370,394,512
<b>EQUITY AND LIABILITIES</b>					
<b>Share capital and reserves</b>					
Authorised share capital					
100,000,000 (2024: 100,000,000)					
ordinary shares of Rs. 10 each					
3,569,859	3,549,365			1,000,000,000	1,000,000,000
<b>Issued, subscribed and paid-up capital</b>					
3,569,859	3,549,365		15	1,000,000,000	1,000,000,000
1,070,164	1,079,803	Reserve		299,777,640	304,224,337
4,640,023	4,629,168	<b>Total equity</b>		1,299,777,640	1,304,224,337
<b>Non-current liabilities</b>					
2,088,029	1,692,716	Long-term deposits	16	584,905,186	476,906,758
1,933,674	1,265,940	Long-term borrowing	17	541,666,667	356,666,666
3,875	17,761	Lease liability against right-of-use assets	22	1,085,591	5,004,064
12,985	52,824	Retirement benefit obligation	18	3,637,454	14,882,730
4,038,563	3,029,241			1,131,294,898	853,460,218
<b>Current liabilities</b>					
900,776	1,044,597	Current maturity of long term deposits	16	252,328,153	294,305,193
1,945,573	2,005,391	Loan from Holding Company	19	545,000,000	565,000,000
6,722	19,237	Payable to Holding Company	20	1,883,086	5,419,724
187,527	197,331	Accrued expenses and other liabilities	21	52,530,604	55,596,120
904,364	1,017,485	Current portion of long-term borrowing	17	253,333,336	286,666,678
16,461	20,310	Current portion of lease liability against right-of-use assets	22	4,611,194	5,722,242
3,961,423	4,304,353			1,109,686,373	1,212,709,957
7,999,986	7,333,594	<b>Total liabilities</b>		2,240,981,271	2,066,170,175
12,640,009	11,962,762	<b>Total equity and liabilities</b>		3,540,758,911	3,370,394,512
<b>CONTINGENCIES AND COMMITMENTS</b>					
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The annexed notes 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

PRIMUS LEASING LIMITED  
STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED DECEMBER 31, 2025

2025 ----- (US Dollars) -----	2024		Note	2025 ----- (Rupees) -----	2024
<b>INCOME</b>					
907,179	1,075,059	Income from leasing operations	24	254,121,701	302,887,529
572,435	787,727	Income from finances and loans		160,352,386	221,934,534
<u>1,479,614</u>	<u>1,862,786</u>			<u>414,474,087</u>	<u>524,822,063</u>
<b>EXPENSES</b>					
399,778	304,938	Administrative and general expenses	25	111,986,931	85,913,464
12,091	13,741	Provision for Provincial Workers Welfare Fund		3,386,922	3,871,407
519,338	710,224	Finance cost	26	145,478,842	200,098,954
(931,207)	(1,028,903)			(260,852,695)	(289,883,825)
44,044	65,872	Other income	27	12,337,771	18,558,726
<u>592,451</u>	<u>899,755</u>	<b>Profit for the year before provision and taxation</b>		<u>165,959,163</u>	<u>253,496,964</u>
(44,091)	(52,047)	Charge of allowance against expected credit losses - net	28	(12,350,817)	(14,663,857)
548,360	847,708	<b>Profit for the year before levies and taxation</b>		<u>153,608,346</u>	<u>238,833,107</u>
(21,462)	-	Levies	28	(6,011,890)	-
		<b>Profit for the year before taxation</b>		<u>147,596,456</u>	<u>238,833,107</u>
(116,469)	(216,457)	Taxation	29	(32,625,729)	(60,984,842)
<u>431,891</u>	<u>631,251</u>	<b>Profit for the year after taxation</b>		<u>114,970,727</u>	<u>177,848,265</u>
<b>Earnings per share</b>					
			32	<u>1.15</u>	<u>1.78</u>

The annexed notes 1 to 41 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

PRIMUS LEASING LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2025

2025		2024			Note	2025		2024	
----- (US Dollars) -----						----- (Rupees) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
548,360	847,708	Profit for the year before levies and taxation				153,608,346	238,833,107		
<b>Adjustments for non-cash and other items:</b>									
26,622	22,757	Depreciation		25		7,457,354	6,411,582		
385	536	Amortisation		25		107,676	150,875		
3,700	4,351	Finance cost on lease liability against right-of-use assets				1,036,370	1,225,878		
(572,435)	(787,727)	Income from finances and loans				(160,352,386)	(221,934,534)		
44,091	52,048	Provision for expected credit losses		28		12,350,817	14,663,857		
15,611	14,134	Provision for retirement benefit obligation - gratuity		18		4,373,123	3,981,985		
66,334	153,807					18,581,300	43,332,750		
<b>Increase in assets</b>									
(939,595)	(391,981)	Net investment in finance lease				(263,202,357)	(110,436,896)		
(945,302)	(261,582)	Long-term finances, loans and loans to employees				(264,800,886)	(73,698,230)		
(1,406)	(2,394)	Prepayments and other receivables				(393,966)	(674,517)		
(1,886,303)	(655,957)					(528,397,209)	(184,809,643)		
<b>Increase / (decrease) in liabilities</b>									
235,687	308,829	Security deposits				66,021,388	87,009,598		
(12,625)	(7,266)	Payable to Holding Company				(3,536,638)	(2,047,212)		
534,149	720,499	Accrued expenses and other liabilities				149,627,366	202,993,648		
757,211	1,022,062					212,112,116	287,956,034		
(1,062,758)	519,912					(297,703,793)	146,479,141		
(53,678)	(2,556)	Gratuity Paid				(15,035,823)	(719,280)		
(43,855)	(387,244)	Levies & Income tax paid				(12,284,653)	(109,102,332)		
(1,160,291)	130,112	<b>Net cash (used in) / generated from operating activities</b>				<b>(325,024,269)</b>	<b>36,657,530</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
(9,405)	(29,695)	Fixed capital expenditure incurred				(2,634,587)	(8,366,188)		
542,546	793,647	Profit received on finance and loans				151,979,635	223,602,521		
533,141	763,952	<b>Net cash generated from investing activities</b>				<b>149,345,048</b>	<b>215,236,333</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
541,429	958,329	Long term borrowing obtained				151,666,659	270,000,006		
(545,092)	(713,249)	Finance cost paid				(152,692,882)	(200,951,055)		
(428,383)	-	Dividend paid				(120,000,000)	-		
(21,654)	9,717	Repayment of lease liability against right-of-use assets				(6,065,891)	2,737,740		
(453,700)	254,797	<b>Net cash (used in) / generated from financing activities</b>				<b>(127,092,114)</b>	<b>71,786,691</b>		
(1,080,850)	1,148,861	<b>Net (decrease) / increase in cash and cash equivalents</b>				<b>(302,771,334)</b>	<b>323,680,554</b>		
(661,319)	(1,806,383)	Cash and cash equivalents at the beginning of the year				(185,250,598)	(508,931,152)		
(1,742,169)	(657,522)	<b>Cash and cash equivalents at the end of the year</b>		14		<b>(488,021,932)</b>	<b>(185,250,598)</b>		

The annexed notes 1 to 41 form an integral part of these financial statements.




CHIEF EXECUTIVE OFFICER



DIRECTOR

PRIMUS LEASING LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2025

	Issued, subscribed and paid-up capital	Revenue reserve Unappropriated profit (Rupees)	Total
Balance as at January 1, 2024	1,000,000,000	126,616,975	1,126,616,975
<b>Total comprehensive income for the year ended December 31, 2024</b>			
Profit for the year after taxation	-	177,848,265	177,848,265
Other comprehensive income	-	(240,903)	(240,903)
	-	177,607,362	177,607,362
Balance as at December 31, 2024	1,000,000,000	304,224,337	1,304,224,337
<b>Total comprehensive income for the year ended December 31, 2025</b>			
Profit for the year after taxation	-	114,970,727	114,970,727
Other comprehensive income	-	582,576	582,576
	-	115,553,303	115,553,303
<b>Transactions with owners directly recorded in equity</b>			
Final cash dividend @ Re. 1.20 per share for the year ended December 31, 2024	-	(120,000,000)	(120,000,000)
Balance as at December 31, 2025	1,000,000,000	299,777,640	1,299,777,640

The annexed notes 1 to 41 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

*J. J. Jose*

DIRECTOR

PRIMUS LEASING LIMITED  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED DECEMBER 31, 2025

2025 ----- (US Dollars) -----	2024		2025 ----- (Rupees) -----	2024
431,891	631,251	<b>Profit for the year after taxation</b>	114,970,727	177,848,265
2,080	(856)	Remeasurement gain / (loss) on defined benefit plans	582,576	(240,903)
<u>433,971</u>	<u>630,395</u>	<b>Total comprehensive income for the year</b>	<u>115,553,303</u>	<u>177,607,362</u>

The annexed notes 1 to 41 form an integral part of these financial statements.




CHIEF EXECUTIVE OFFICER



DIRECTOR

**PRIMUS LEASING LIMITED**  
**NOTES, COMPRISING MATERIAL ACCOUNTING POLICY AND OTHER EXPLANATORY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

1.1 Primus Leasing Limited (the Company) was incorporated in Pakistan as a public unlisted company on July 13, 2017 under the Companies Act, 2017. The registered office of the Company is situated at Horizon Vista, Commercial-10, Block-4, Scheme-5, Clifton, Karachi. The Company is licensed to carry out leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP). The Company has two offices located in Karachi and the Lahore.

The principal objective of the Company is to carry on and undertake the business of leasing of movable property for any purpose whatsoever including but not being limited to industrial, commercial, agricultural and other development purposes on such terms, covenants and conditions and at such rentals as may be deemed fit.

1.2 Primus Leasing Limited is a wholly owned subsidiary of Pak Brunei Investment Company Limited (Holding Company).

1.3 The VIS Credit Rating Agency has assigned a long-term rating of A+ and a short-term rating of A-1 to the Company on October 30, 2025.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Financial Reporting Standard (IFRSs), 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
- Provisions of and directives issued under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, the NBFC Rules or the NBFC Regulations differ from the IFRSs, the provisions of and the directives issued under the Companies Act, 2017, the NBFC Rules or the NBFC Regulations prevail.

**2.2 Accounting convention**

These financial statements have been prepared under the historical cost convention, except for retirement benefit obligation.

**2.3 Amendment to IFRS that are effective for the year ended December 31, 2025**

The following amendment are effective for the year ended December 31, 2025. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of exchangeability

**2.4 Standards and amendments to IFRS that are not yet effective**

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
- IFRS 7 - Financial Instruments: Disclosures	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
- IFRS 18 - Presentation and Disclosures in Financial Statements	January 01, 2027
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards

## 2.5 Critical accounting estimates and judgments

The preparation of these financial statements in conformity with accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of the Company's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognised in the period in which the estimate is 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) classification, valuation and impairment of financial assets (note 3.1.1);
- ii) determination of residual values and useful life of property and equipment (notes 3.2 and 4);
- iii) contingencies (note 3.7 and 23);
- iv) provision for taxation (notes 3.11 and 29);
- v) lease liability and right-of-use assets (notes 3.2.2, 5 and 22); and
- vi) retirement benefit obligation (notes 3.9 and 18).

### Change in Accounting Estimate – Expected Credit Losses (ECL)

#### Nature of change:

During the year, the Company revised the methodology to calculate Loss Given Default (LGD) used in the calculation of Expected Credit Losses (ECL) under IFRS 9. The LGD was previously based on a fixed rate derived from Basel guidelines. The Company has now calculated the LGD based on its own historical recovery data and observed credit behavior.

#### Reason for change:

This change reflects improved availability of internal data, providing a more accurate and entity-specific estimate of recoverability in line with IFRS 9's requirements for using reasonable and supportable information.

#### Financial impact:

The effect of this change in estimate has been recognised prospectively in accordance with IAS 8.

Particulars	Using Previous LGD	Using Revised LGD	Reduction in ECL
	----- (Rupees) -----		
Expected Credit Loss Provision	71,641,810	45,539,438	26,102,372

## 2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements have been presented in Pakistan Rupees, which is the functional and presentational currency of the Company.

The US dollar amounts shown in the statement of financial position, statement of profit or loss, statement of other comprehensive income and statement of cash flows are stated as additional information solely for the convenience of readers and are not audited. For the purpose of conversion to US Dollars, the rate of Rs. 280.10 (Rs: 281.74 December 31 2024) to US Dollars has been used as it was the prevalent rate as on December 31, 2025.

## 3 Material accounting policy information

The basis for accounting estimates adopted in the preparation of these financial statements is the same as that applied in the preparation of the financial statements for the year ended December 31, 2025 other than those described below:

### 3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 3.1.1 Financial assets

##### 3.1.1.1 Initial recognition

Financial assets are recognised at the time when 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 fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the statement of profit or loss.

##### 3.1.1.2 Net investment in finance lease

Leases in which the Company transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessees are classified as finance leases. A receivable is recognised at an amount equal to the present value of minimum lease payments, including any guaranteed residual value which are included in the financial statements as "net investment in finance lease".

##### 3.1.1.3 Classification and subsequent measurement

The Company 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 instruments are described below:

#### (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.

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:

The Company measures financial assets at amortised cost if the financial asset is held within a business model with an objective to hold and collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 3.1.1.4. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

**b) Fair value through other comprehensive income (FVOCI):**

The Company measures financial assets at FVOCI if the financial asset is held within a business model with an objective of both holding to collect contractual cash flows and selling and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment losses or reversals, recognised and measured as described in note 3.1.1.4, 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 OCI is reclassified from equity to the statement of profit or loss.

**c) Fair value through profit or loss (FVPL):**

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 and is not part of a hedging relationship is recognised in statement of profit or loss in the period in which it arises.

**3.1.1.4 Allowance for expected credit losses**

The Company applies IFRS 9 simplified approach for lease and loan losses respectively to determine Expected Credit Losses (ECL). The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A lifetime ECL is recorded on loans and leases in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition and on loans and leases which are credit impaired as on the reporting date. To assess whether there is a significant increase in the credit risk, the Company compares the risk of a default occurring on the loans and leases as at the reporting date with the risk of default as at the date of initial recognition. The allowance is increased by provisions charged to the statement of profit or loss and is decreased by charge-offs, net of recoveries.

Calculating ECL for lease and loan is subject to numerous judgments and estimates. In evaluating the adequacy of ECL, the management considers various factors, including the nature and characteristics of the obligor, current economic conditions, credit concentrations or deterioration in collateral and delinquencies. The management further considers the impact of forward-looking information and its resulting impact on the provision for lease and loan portfolio of the Company.

**3.1.1.5 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 they have been transferred and either:

- (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.

**3.1.1.6 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.

**3.1.2 Financial liabilities**

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are subsequently measured at amortised cost except for:

- Financial liabilities at fair value through profit and 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.

**3.1.2.1 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 expires. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the statement of profit or loss.

### **3.1.3 Offsetting of financial assets and 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 realise the assets and settle the liabilities simultaneously.

## **3.2 Property and equipment**

### **3.2.1 Owned assets**

Operating fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to the statement of profit or loss using the straight line method at the rates stated in note 4.1. Depreciation is charged from the day when the asset is available for use while no depreciation is charged on the day the asset is disposed off.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss in the financial year in which these are incurred.

Residual values and useful lives are reviewed at each reporting date and adjusted if the impact on depreciation is considered significant. Gain / loss on disposal of fixed assets is recognised in the statement of profit or loss in the period in which disposal is made.

### **3.2.2 Right-of-use assets and their related lease liability**

#### **Right-of-use assets**

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

Right-of-use asset is subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and is adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenure.

Right-of-use assets is depreciated over the expected useful life using the straight-line method. Depreciation on additions (new leases) is charged from the day in which leases are entered into. No depreciation is charged on the day when the leases mature or are terminated.

#### **Lease liability against right-of-use assets**

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also measured to reflect any remeasurement or change in lease terms. These remeasurement of lease liabilities are recognised as an adjustment to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the statement of profit or loss as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## **3.3 Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised using the straight line method at the rate stated in note 6.1. The residual values and useful life are reviewed and adjusted, if appropriate at each reporting date.

Amortisation is charged from the date when the asset is available for use and no amortisation is charged from the date when the asset is disposed off.

## **3.4 Capital work-in-progress**

Capital work-in-progress is stated at cost impairment in value, if any. These are transferred to specific assets as and when assets are available for use.

### **3.5 Interest free / below market rate loans to employees**

#### **Initial recognition**

The Company recognise interest free / below market rate loan to employee at its fair value by discounting the future loan repayments using the rate that the employee would pay to an unrelated lender for a loan with similar conditions and accordingly charging differential to the statement of profit or loss between nominal value and fair value of loan.

#### **Subsequent measurement**

The Company calculates and recognises imputed interest on these loans. Imputed interest represents the forgone interest that employees would have paid if they had borrowed funds from external sources at prevailing market rates. The difference between the actual interest charged, if any and the imputed interest is recognised as interest income by the Company over the term of the loan.

### **3.6 Cash and cash equivalents**

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand, balances with banks in current and savings accounts and loan from Holding Company.

### **3.7 Contingencies**

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until their realization becomes certain.

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

### **3.8 Borrowings**

These are initially recognised at cost being the fair value of consideration received. Subsequently, these are carried at amortised cost.

Costs in respect of above are recognised as an expense in the period in which these are incurred.

Transaction costs, if any, are amortised over the period of agreement.

### **3.9 Staff retirement benefits**

#### **3.9.1 Defined contribution plan**

The Company established a recognised provident fund for its employees under the provisions of a Trust Deed. The Fund has been approved by the Commissioner of Income Tax.

Equal monthly contributions are made to the Fund by the Company and the employees in accordance with the rules of the Fund. The Fund is governed under the Trust Act 1882, Trust Deed and Rules of the Fund, the Companies Act, 2017, Income Tax Ordinance, 2001 and Income Tax Rules, 2002. The Company has no further payment obligation once the contributions have been paid. The contributions either made or due by the Company are recognised as employee benefit expense.

#### **3.9.2 Defined benefit plan**

The Company operates funded gratuity scheme for all eligible employees who have completed the minimum qualifying period of three years of service under the scheme. The scheme contributions therein are made in accordance with the actuarial recommendations. The valuation in this regard is carried out at each reporting date, using the "Projected Unit Credit Method" in accordance with the actuarial recommendations for the valuation of the scheme. Actuarial valuations are conducted annually and the latest valuation was conducted at the reporting date. Service costs are recognised in statement of profit and loss in the period in which they occur.

Net mark up on net defined benefit liability is also recognised in statement of profit or loss. Effect of remeasurement comprising actuarial gain / (loss) is recognised in Statement of other comprehensive income. Amount recognised in the statement of financial position represents the present value of defined benefit obligation

### **3.10 Revenue recognition**

- The Company follows the 'financing method' in accounting for recognition of finance lease. The total unearned finance income i.e. the excess of aggregate installment contract receivables plus residual value over the cost of the leased asset is deferred and then amortised over the term of the lease, so as to produce a systematic return on the net investment in finance leases.
- Front-end fee and other lease related income is recognised as income on a receipt basis.
- Profit on savings accounts and letters of placement is recognised on an accrual basis.
- Capital gains / (losses) on sale of investments are included in the statement of profit or loss on the date at which the transaction takes place.

### **3.11 Taxation**

#### **3.11.1 Current**

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, and taxes paid under the final tax regime. The tax charge as calculated above is compared with turnover tax under Section 113 and Alternate Corporate Tax under Section 113C of the Income Tax Ordinance, 2001, and whichever is higher is provided for in the financial statements. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

#### **3.11.2 Deferred**

Deferred taxation is recognised using the liability method on all major temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised. The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the end of the reporting period.

#### **3.11.3 Levy**

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as 'prepaid assets'[It can be changed depending on entity's specific cases].

#### **3.11.4 Proposed dividends and transfers between reserves**

Dividends declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such dividends are declared / transfers are made.

4 PROPERTY AND EQUIPMENT

2025 2024

Note (Rupees)

4.1 6,709,614 9,189,430

Operating fixed assets

4.1 Operating fixed assets

2025

Description	Cost			Accumulated depreciation			Net book value		Depreciation rate (% per annum)
	As at January 1, 2025	Additions / modification during the year	Disposals during the year	As at January 1, 2025	Charge for the year	Disposals during the year	As at December 31, 2025	As at December 31, 2025	
Leasehold improvements	6,506,970	-	-	4,731,627	375,000	-	5,106,627	1,400,343	20%
Furniture, fittings and office equipment	5,835,159	47,619	-	4,409,552	342,612	-	4,752,164	1,130,614	20%
Computers and accessories	2,712,382	382,436	(180,500)	2,504,896	157,695	(180,500)	2,482,091	432,227	33%
Motor vehicles	10,446,500	-	-	4,665,506	2,034,564	-	6,700,070	3,746,430	25%
	25,501,011	430,055	(180,500)	16,311,581	2,909,871	(180,500)	19,040,952	6,709,614	

Rupees

2024

Description	Cost			Accumulated depreciation			Net book value		Depreciation rate (% per annum)
	As at January 1, 2024	Additions / modification during the year	Disposals during the year	As at January 1, 2024	Charge for the year	Disposals during the year	As at December 31, 2024	As at December 31, 2024	
Leasehold improvements	4,732,035	1,774,935	-	4,682,040	49,587	-	4,731,627	1,775,343	20%
Furniture, fittings and office equipment	4,422,164	1,412,995	-	4,212,858	196,694	-	4,409,552	1,425,607	20%
Computers and accessories	2,518,526	193,856	-	2,321,292	183,604	-	2,504,896	207,486	33%
Motor vehicles	10,446,500	-	-	2,630,942	2,034,564	-	4,665,506	5,780,994	25%
	22,119,225	3,381,786	-	13,847,132	2,464,449	-	16,311,581	9,189,430	

Rupees

4.2 The cost of fully depreciated fixed assets which are still in the Company's use as at December 31, 2025 amounted to Rs. 12.492 million (2024: Rs. 10.996 million).

2025 (Rupees) 2024

**5 RIGHT-OF-USE ASSETS**

At January 01, Cost		17,807,247
Accumulated Depreciation		(10,509,892)
Net Carrying amount at January 01,		7,297,355
Additions / reassessment during the year		4,984,402
Depreciation Charge for the year		(3,947,133)
Net Carrying amount at December 31,		8,334,624

**6 INTANGIBLE ASSETS**

Computer software and license	6.1	391,700
		127,488

6.1 Following is a statement of intangible assets:

Description	2025				Amortisation rate (% per annum)			
	Cost		Accumulated amortisation			Net book value		
	As at January 1, 2025	As at December 31, 2025	As at January 1, 2025	As at December 31, 2025			As at December 31, 2025	
Computer software and license	9,302,548	371,888	9,674,436	9,175,060	107,676	9,282,736	391,700	33%

2024

Description	2024				Amortisation rate (% per annum)			
	Cost		Accumulated amortisation			Net book value		
	As at January 1, 2024	As at December 31, 2024	As at January 1, 2024	As at December 31, 2024			As at December 31, 2024	
Computer software and license	9,302,548	-	9,302,548	9,024,185	150,875	9,175,060	127,488	33%

6.2 The cost of fully amortised intangible assets which are still in the Company's use as at December 31, 2025 amounted to Rs 9.060 million (2024: Rs. 8.912 million).

	Note	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
<b>7 NET INVESTMENT IN FINANCE LEASE</b>			
Gross investment in finance lease	7.1	2,322,126,979	2,058,924,622
Less: allowance for expected credit losses	28	(24,629,853)	(32,395,285)
Investment in finance lease		2,297,497,126	2,026,529,337
Less: current maturity	7.1 & 11	(905,144,244)	(907,267,031)
		<u>1,392,352,882</u>	<u>1,119,262,306</u>

**7.1 Details of investment in finance lease:**

	Note	2025		
		Not later than one year	Later than one year and less than five years	Total
				(Rupees)
Minimum lease payments		848,914,764	915,156,110	1,764,070,874
Add: residual value of leased assets		252,328,153	584,905,186	837,233,339
Gross investment in finance lease		1,101,242,917	1,500,061,296	2,601,304,213
Less: unearned finance income		(178,434,450)	(100,742,784)	(279,177,234)
		922,808,467	1,399,318,512	2,322,126,979
Less: allowance for expected credit losses	28	(17,664,223)	(6,965,630)	(24,629,853)
		<u>905,144,244</u>	<u>1,392,352,882</u>	<u>2,297,497,126</u>

	Note	2024		
		Not later than one year	Later than one year and less than five years	Total
				(Rupees)
Minimum lease payments		830,325,000	743,206,224	1,573,531,224
Add: residual value of leased assets		294,305,193	476,906,758	771,211,951
Gross investment in finance lease		1,124,630,193	1,220,112,982	2,344,743,175
Less: unearned finance income		(196,965,277)	(88,853,276)	(285,818,553)
		927,664,916	1,131,259,706	2,058,924,622
Less: allowance for expected credit losses	28	(20,397,885)	(11,997,400)	(32,395,285)
		<u>907,267,031</u>	<u>1,119,262,306</u>	<u>2,026,529,337</u>

**7.2** The net investment in finance lease is secured against aggregated amount of leased assets and security deposit of Rs. 837.233 million (2024: Rs. 771.212 million). The above security deposit averages about 24.00% (2024: 22.00%) of the cost of leased asset. The implicit rate of return on lease ranges between 15.00% and 30.00% per annum (2024: 16.00% - 30.00% per annum).

**7.3** Lease rentals received during the year were Rs 866.811 million (2024: Rs. 840.207 million) and income of Rs. 9.618 million (2024: Rs. 5.624 million) was suspended during the year December 31, 2025.

	Note	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
<b>8 LONG TERM FINANCES AND LOANS</b>			
<b>Considered good</b>			
Vehicle finance / Term Loan - secured	8.1	1,126,888,139	862,716,536
Less: allowance for expected credit losses	28	(20,909,585)	(793,336)
		1,105,978,554	861,923,200
Less: current maturity	11	(472,792,546)	(409,131,868)
		<u>633,186,008</u>	<u>452,791,332</u>

8.1 This represents vehicle finance / term loan offered to various customers on a mark-up basis. The mark-up on these loans ranges from 16% to 29% (2024: 16.00% to 29.00%) per annum. These are secured against immoveable property, personal guarantees and lien over vehicles along with post dated cheques.

8.2 Income of Rs. 961,174 was suspended as at December 31, 2025 (December 31, 2024: Nil)

9	LONG-TERM LOANS TO EMPLOYEES	Note	2025 ----- (Rupees) -----	2024 -----
	Loans to key management personnel		7,720,635	416,550
	Other employees		5,193,689	11,868,491
		9.1	<b>12,914,324</b>	<b>12,285,041</b>
	Less: current maturity			
	Loans to key management personnel		(4,010,000)	(416,550)
	Other employees		(2,458,002)	(3,761,789)
		11	<b>(6,468,002)</b>	<b>(4,178,339)</b>
			<b>6,446,322</b>	<b>8,106,702</b>

9.1 These represent interest free loans provided to employees of the Company for the purchase of vehicle and meeting their emergent expenditure. The loans are secured against lien on vehicles and provident fund balances and are recoverable within three to five years.

9.2	Movement of carrying amount of loans to key management personnel and employees:	2025 ----- (Rupees) -----	2024 -----
	Opening balance	12,285,041	7,651,988
	Disbursements during the year	10,908,411	7,487,850
	Repayments during the year	(7,100,382)	(4,709,454)
	Fair value adjustment	(3,178,746)	1,854,657
	Closing balance	<b>12,914,324</b>	<b>12,285,041</b>

9.3 The maximum aggregate amount due from the employees at the end of any month during the year was Rs. 15.77 million (2024: Rs. 11.08 million).

10	DEFERRED TAXATION	Note	2025 ----- (Rupees) -----	2024 -----
	<b>Deferred tax assets arising on deductible temporary differences</b>			
	- Allowance for expected credit losses		13,206,437	9,624,700
	- Lease liability against right-of-use assets		1,652,068	3,110,629
	- Net investment in finance lease		12,221,524	25,122,621
	- Accelerated tax depreciation and amortisation		1,444,679	737,310
	- Provision for gratuity		1,054,862	4,315,992
			<b>29,579,570</b>	<b>42,911,251</b>
	<b>Deferred tax liabilities arising on taxable temporary differences</b>			
	- Right-of-use assets		1,629,738	2,417,041
			<b>1,629,738</b>	<b>2,417,041</b>
			<b>27,949,832</b>	<b>40,494,210</b>

11	CURRENT MATURITY OF NON CURRENT ASSETS			
	Current maturity of:			
	Net Investment in finance lease	7	905,144,244	907,267,031
	Long term finances and loans	8	472,792,546	409,131,868
	Long-term loans to employees	9	6,468,002	4,178,339
			<b>1,384,404,793</b>	<b>1,320,577,238</b>



	Note	2025	2024
		Rupees	
<b>17</b>	<b>LONG-TERM BORROWINGS</b>		
	Allied Bank Limited - Facility 1	17.1	-
	United Bank Limited - Facility 1	17.2	-
	Allied Bank Limited - Facility 2	17.3	-
	Habib Bank Limited - Facility 1	17.4	116,666,670
	United Bank Limited - Facility 2	17.5	240,000,000
	JS Bank Limited - Facility 1	17.6	255,000,000
	Allied Bank Limited - Facility 3	17.7	183,333,333
		<b>795,000,003</b>	<b>643,333,344</b>
	Less: Repayable within 12 months	<b>(253,333,336)</b>	<b>(286,666,678)</b>
		<b>541,666,667</b>	<b>356,666,666</b>

**17.1** This represents the term finance facility extended by Allied Bank Limited under an agreement entered into with the Company on April 20, 2022. The facility is secured against a pari passu hypothecation charge over the Company's present and future book debts, deposits and receivables for a value of Rs. 267 million and markup is charged at the rate of 3 months KIBOR plus 75 basis points and were matured on April 28, 2025.

**17.2** This represents the term finance facility extended by United Bank Limited under an agreement entered into with the Company on September 30, 2022. The facility is secured against pari passu hypothecation charge over the Company's present and future book debts, deposits and receivables for a value of Rs. 267 million and markup is charged at the rate of 3 months KIBOR plus 100 basis points and were matured on September 30, 2025.

**17.3** This represents the term finance facility extended by Allied Bank Limited under an agreement entered into with the Company on December 20, 2022. The facility is secured against a pari passu hypothecation charge over the Company's present and future book debts, deposits and receivables for a value of Rs. 267 million and markup is charged at the rate of 3 months KIBOR plus 75 basis points and were matured on December 31, 2025.

**17.4** This represents the term finance facility extended by Habib Bank Limited under an agreement entered into with the Company on July 03, 2024. The facility is secured against a pari passu hypothecation charge over the Company's present and future book debts, deposits and receivables for a value of Rs. 267 million and markup is charged at the rate of 3 months KIBOR plus 75 basis points and are due to mature latest by July 30, 2027.

**17.5** This represents the term finance facility extended by United Bank Limited under an agreement entered into with the Company on December 20, 2024. The facility is secured against a pari passu hypothecation charge over the Company's present and future book debts, deposits and receivables for a value of Rs. 400 million and markup is charged at the rate of 3 months KIBOR plus 75 basis points and are due to mature latest by December 26, 2029.

**17.6** This represents the term finance facility extended by JS Bank Limited under an agreement entered into with the Company on March 12, 2025. The facility is secured against a pari passu hypothecation charge over the Company's current assets with 25% margin and markup is charged at the rate of 3 months KIBOR plus 75 basis points and are due to mature latest by March 12, 2030.

**17.7** This represents the term finance facility extended by Allied Bank Limited under an agreement entered into with the Company on August 29, 2025. The facility is secured against a pari passu hypothecation charge over the Company's present and future book debts, deposits and receivables of a value of Rs. 267 million with 25% margin over all the present and future and markup is charged at the rate of 3 months KIBOR plus 75 basis points and are due to mature latest by August 29, 2028.

## **18 RETIREMENT BENEFIT OBLIGATIONS**

### **18.1 General Description**

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at December 31, 2025, using the "Projected Unit Credit Method". Provision has been made in the financial statements to cover obligation in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned scheme is as follows:

	Note	2025 ----- (Rupees) -----	2024 -----
Present value of defined benefit obligations	18.2.1	18,606,517	14,882,730
Fair Value of Plan assets	18.2.4	(14,969,063)	-
Payable		<u>3,637,454</u>	<u>14,882,730</u>
<b>18.2 The basis of recognition together with details as per actuarial valuation are as under:</b>			
		<b>2025</b>	<b>2024</b>
Discount rate		12.25%	15.50%
Salary increase rate		11%	20%
Withdrawal rate		Moderate	Moderate
Mortality rate		SLIC 2001-05	SLIC 2001-05
	Note	2025 ----- (Rupees) -----	2024 -----
<b>18.2.1 Change in present value of defined benefit obligation</b>			
Present value of defined benefit obligation		14,882,730	11,379,122
Current service cost		2,568,472	2,273,965
Interest cost on defined benefit obligation		1,804,651	1,708,020
Benefits paid		(301,773)	(719,280)
Actuarial (gains) / losses from changes in financial assumptions		710,000	1,050,703
Experience adjustments		(1,057,563)	(809,800)
Present value of defined benefit obligation		<u>18,606,517</u>	<u>14,882,730</u>
<b>18.2.2 Changes in Fair Value of Plan Assets</b>			
Contribution		15,035,823	-
Interest income on plan assets		-	-
Benefits Paid		(301,773)	-
Return on plan asset excluding interest income		235,013	-
Fair value at the end of year		<u>14,969,063</u>	<u>-</u>
<b>18.2.3 Plan Assets at December 31, 2025 comprise of cash and/or deposits.</b>			
<b>18.2.4 Expense recognised in Statement of profit or loss</b>			
Current service cost		2,568,472	2,273,965
Past service cost		-	-
Interest cost on defined benefit obligation		1,804,651	1,708,020
Expense charged to profit and loss		<u>4,373,123</u>	<u>3,981,985</u>
<b>18.2.5 Total Remeasurements Chargeable in Statement of other comprehensive income</b>			
Remeasurement of plan obligation:			
Actuarial (gains)/losses from changes in demographic assumptions		-	-
Actuarial (gains)/losses from changes in financial assumptions		710,000	1,050,703
Experience adjustments		(1,057,563)	(809,800)
Total remeasurements chargeable in other comprehensive income		<u>(347,563)</u>	<u>240,903</u>
Return on plan assets, excluding interest income		(235,013)	-
		<u>(582,576)</u>	<u>240,903</u>

### 18.2.6 Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting date, while holding all other assumptions constant:

	Change in assumption (%)	Increase / (decrease) in defined	
		Increase in assumption ----- (Rupees) -----	Decrease in assumption ----- (Rupees) -----
Discount rate	1	18,018,940	19,260,177
Salary growth rate	1	19,259,890	18,009,185

In presenting the above sensitivity analysis, the present value of the retirement benefit obligation has been calculated using the projected unit credit method at the end of the reporting date, which is the same as that applied in calculating the retirement benefit obligation liability recognised in the statement of financial position.

### 18.2.7 The gratuity scheme exposes the Company to the following risks:

<b>Longevity risk:</b>	The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.
<b>Salary increase risk:</b>	The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.
<b>Withdrawal risk:</b>	The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

### 18.2.8 The weighted average duration of retirement benefit obligations as at December 31, 2025 is 3 years.

### 18.2.9 The expected maturity analysis of undiscounted retirement benefit obligation is:

	Undiscounted payments ----- (Rupees) -----	
	2025	2024
Year 1	2,338,637	346,619
Year 2	13,271,171	2,465,072
Year 3	194,297	13,504,467
Year 4	226,954	219,836
Year 5	294,932	266,337
Year 6	363,473	321,289
Year 7	6,711,092	371,831
Year 8	318,443	7,060,151
Year 9	367,558	334,157
Year 10	416,266	397,323
Year 11 and above	70,613,034	75,935,791

### 18.2.10 Estimated expenses to be charged to statement of profit or loss in financial year 2026

	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
Current service cost	2,718,790	-
Interest Cost on defined benefit obligation	1,918,092	-
Interest Income on Plan assets	(1,517,972)	-
<b>Amount charged to statement of profit &amp; loss</b>	<b>3,118,910</b>	<b>-</b>

### 19 LOAN FROM HOLDING COMPANY

Money market facility	545,000,000	565,000,000
-----------------------	-------------	-------------

- 19.1 This represents the money market facility extended by the Holding Company, under an agreement entered into with the Company on September 20, 2023, for the purpose of meeting working capital requirements of the Company.
- 19.2 The facility is secured against hypothecation charge on the Company's assets including its loan and lease portfolio and all receivables for a value of Rs. 1,000 million thereto and markup is charged at the rate of KIBOR plus 75 basis points and is due to mature latest by October 17, 2026.

	Note	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
<b>20 PAYABLE TO HOLDING COMPANY</b>			
Rent expense incurred on behalf of the Company		-	71,120
Other payables	20.1	1,883,086	5,348,604
		<u>1,883,086</u>	<u>5,419,724</u>

- 20.1 This includes amounts payable in respect of service level agreement and other general and administrative expenses paid by Holding Company on behalf of the Company and rental received from customer on behalf of the Holding Company. The balance is net of payments made by the Company on behalf of Holding Company.

	Note	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
<b>21 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Accrued expenses		12,160,624	10,627,200
Accrued interest on loan from Holding Company		12,874,229	19,446,057
Accrued interest on long term borrowing		4,728,492	6,611,061
Provision for Provincial Workers' Welfare Fund	21.1	20,819,086	17,432,164
Withholding taxes payable		1,446,044	831,828
Advance from customers		237,404	237,324
Other payables		264,725	410,486
		<u>52,530,604</u>	<u>55,596,120</u>

- 21.1 The management considered that the Sindh Workers Welfare Fund Act is limited only to the province of Sindh and till the time there is any mechanism available for apportionment of total income relevant to province of Sindh, no Sindh Workers Welfare Fund liability to Sindh Revenue Board can be paid out. On these grounds, foreseeing the expected Workers Welfare Fund (the WWF) demand and penal actions from Sindh Revenue Board, NBF1 & Modaraba Association of Pakistan on behalf of all its member have filed a Constitutional Petition (CP) No. CP.D.3879/2017 with the Honorable Sindh High Court (the Court) in which the Court have decided the case that trans-provincial entities may be treated independently of Provincial fiscal laws for the payment of the WWF.

	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
<b>22 LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS</b>		
Lease liability against right-of-use assets - property	5,696,785	10,726,306
Present value of minimum lease payments	5,696,785	10,726,306
Less: current portion	(4,611,194)	(5,722,242)
	<u>1,085,591</u>	<u>5,004,064</u>
Outstanding amount at the start of the year	10,726,306	6,331,350
Modification / Additions of lease	(2,717,641)	4,984,402
Interest expense	1,036,370	1,225,878
Payments of lease rental	(3,348,250)	(1,815,324)
Closing balances	<u>5,696,785</u>	<u>10,726,306</u>
<b>Contractual maturity of lease liabilities</b>		
- upto 1 year	4,611,194	5,722,242
- 1 to 2 years	1,085,591	5,004,064
- More than 2 years	-	-
	<u>5,696,785</u>	<u>10,726,306</u>

**23 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2025 (December 31, 2024: Nil).

		2025	2024
	Note	----- Rupees -----	
<b>24</b>	<b>INCOME FROM LEASING OPERATIONS</b>		
Lease finance income		232,688,804	289,606,600
Front-end fee		7,223,447	4,417,925
Documentation charges		2,880,000	1,850,000
Others		11,329,450	7,013,004
		<u>254,121,701</u>	<u>302,887,529</u>
<b>25</b>	<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Salaries and other allowances	25.1 & 25.2	74,970,199	59,542,507
Utilities		1,073,246	1,063,094
Insurance		1,397,499	978,715
Communication		1,270,774	1,193,161
Legal and professional charges		3,907,514	2,965,337
Depreciation	4.1	7,457,354	6,411,582
Amortisation	6.1	107,676	150,875
Travelling		755,510	1,166,742
Auditors' remuneration	25.4	899,829	856,980
Vehicle running expenses		7,023,092	5,920,837
Printing and stationery		626,779	616,152
Donation		1,000,000	-
Repairs and maintenance		1,685,606	1,079,967
Office general expenses		2,011,853	1,417,515
Directors' fee for attending meetings		7,800,000	2,550,000
		<u>111,986,931</u>	<u>85,913,464</u>
<b>25.1</b>	<b>Salaries and benefits</b>	25.1.1	73,445,359
	Contribution to defined contribution plan	25.1.2	1,524,840
			<u>74,970,199</u>
			<u>58,160,855</u>
			<u>1,381,652</u>

**25.1.1** This include Rs. 4.373 million (2024: Rs. 3.982 million) charged against defined benefit plans.

**25.1.2 Defined contribution plan - provident fund**

During the year an amount of Rs. 1,524,840 (2024: Rs. 1,381,652) has been charged to the statement of profit or loss in respect of the Company's contributions to the employees provident fund.

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

**25.2** These include Rs. 12.297 million (2024: Rs. 10.915 million) allocated to the Company in respect of employees of finance, internal audit, credit risk management and other departments of Holding Company utilised by the Company under the Service Level Agreement entered into between the two entities.

**25.3** As per Rule 9 of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, NBFCs require to obtain insurance coverage against any losses that may be incurred as a result of employee's fraud or gross negligence. Accordingly, the company has obtained insurance coverage for the year ended December 31, 2025.

		2025	2024
		----- (Rupees) -----	
<b>25.4</b>	<b>Auditors' remuneration</b>		
Annual audit fee		543,375	517,500
Half yearly review fee		181,125	172,500
Sales tax on audit fee		66,654	63,480
Out of pocket expenses		108,675	103,500
		<u>899,829</u>	<u>856,980</u>

	Note	2025 ----- (Rupees) -----	2024 -----
<b>26 FINANCE COST</b>			
Finance cost on loan from Holding Company		49,662,412	123,541,395
Finance cost on long term borrowings		94,576,073	75,218,158
Finance cost on lease liability against right-of-use assets		1,036,370	1,225,878
Others		203,987	113,523
		<u>145,478,842</u>	<u>200,098,954</u>
<b>27 OTHER INCOME</b>			
Profit on bank balances		6,917,658	16,316,850
Management fee	27.1	663,732	2,241,876
Other		4,756,381	-
		<u>12,337,771</u>	<u>18,558,726</u>

27.1 This primarily includes management fee in respect of leases transferred to the Holding Company.

**28 ALLOWANCE FOR EXPECTED CREDIT LOSSES**

	2025		
	Finance leases	Finances and loans	Total
	----- Rupees -----		
Balance at beginning of the year	32,395,285	793,336	33,188,621
Provision made during the year	-	20,116,249	20,116,249
Reversal made during the year	(7,765,432)	-	(7,765,432)
	<u>(7,765,432)</u>	<u>20,116,249</u>	<u>12,350,817</u>
Balance at the end of the year	<u>24,629,853</u>	<u>20,909,585</u>	<u>45,539,438</u>

	2024		
	Finance leases	Finances and loans	Total
	----- Rupees -----		
Balance at beginning of the year	16,589,227	1,935,537	18,524,764
Provision made during the year	15,806,058	(1,142,201)	14,663,857
Reversal made during the year	-	-	-
	<u>15,806,058</u>	<u>(1,142,201)</u>	<u>14,663,857</u>
Balance at the end of the year	<u>32,395,285</u>	<u>793,336</u>	<u>33,188,621</u>

	Note	2025 ----- (Rupees) -----	2024 -----
<b>28 LEVIES</b>			
Alternative corporate tax u/s 113C		6,011,890	-
<b>29 TAXATION</b>			
Current		20,667,232	66,374,013
Prior year		(585,881)	-
Deferred		12,544,378	(5,389,171)
	29.1	<u>32,625,729</u>	<u>60,984,842</u>

29.1 The returns of income for tax year 2021, 2022, 2023, 2024 and 2025 have been filed and are treated to be deemed assessment under the provisions of section 120 of the Income Tax Ordinance, 2001. Till date no tax year has been opened for assessment by the tax authorities.

	2025	2024
	(Rupees)	
<b>29.2 Relationship between tax expense and accounting profit</b>		
Profit before provision & taxation	165,959,163	253,496,964
Tax on income @ 29% (2024: 29%)	48,128,157	73,514,120
Super tax liability	-	4,282,194
Tax effect of expenses that are not deductible in determining taxable profit	-	(11,422,301)
Others	(27,460,925)	-
<b>Tax charge</b>	<b>20,667,232</b>	<b>66,374,013</b>

### 30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year in respect of the remuneration and benefits to the Chief Executive, Directors and Executives are as follows:

	2025			
	Chief Executive Officer *	Directors	Executives **	Total
	Rupees			
Managerial remuneration	7,577,829	-	3,306,996	10,884,825
Other allowances	6,200,037	-	2,705,724	8,905,761
Bonus and incentives	5,016,213	-	1,730,336	6,746,549
Fee for attending Board meetings ***	-	7,800,000	-	7,800,000
	<b>18,794,079</b>	<b>7,800,000</b>	<b>7,743,056</b>	<b>34,337,135</b>
Number of persons	<b>1</b>	<b>6</b>	<b>2</b>	<b>9</b>

	2024			
	Chief Executive Officer *	Directors	Executives **	Total
	Rupees			
Managerial remuneration	6,765,915	-	2,875,644	9,641,559
Other allowances	5,535,747	-	2,352,804	7,888,551
Bonus and incentives	4,976,400	-	1,560,057	6,536,457
Fee for attending Board meetings ***	-	2,550,000	-	2,550,000
	<b>17,278,062</b>	<b>2,550,000</b>	<b>6,788,505</b>	<b>26,616,567</b>
Number of persons	<b>1</b>	<b>6</b>	<b>2</b>	<b>9</b>

\* The Chief Executive Officer is provided with a Company maintained car and mobile phone as per the terms of employment.

\*\* Executives are on the payroll of the Holding Company and their cost is charged to the Company under service level agreement.

\*\*\* This represents fee paid to independent directors / non executive directors.

### 31 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprises of Holding Company, directors and key management personnel of the Company, entities under common control (including provident fund) and other group companies.

The details of transactions carried out with related parties during the year and balances outstanding with them as at the year end are as follows:

	2025	2024
	----- (Rupees) -----	
<b>31.1 Transactions with related parties during the year</b>		
<b>Holding Company</b>		
<b>Loan from holding Company</b>		
Opening Balance	565,000,000	600,000,000
Borrowing during the period	2,285,000,000	2,435,000,000
Repayment during the period	(2,305,000,000)	(2,470,000,000)
Closing Balance	<u>545,000,000</u>	<u>565,000,000</u>
<b>Accrued interest on loan from holding Company</b>		
Opening Balance	19,446,057	24,015,137
Finance cost during the period	49,662,412	123,541,395
Repayment during the period	(56,234,240)	(128,110,475)
Closing Balance	<u>12,874,229</u>	<u>19,446,057</u>
<b>Payable</b>		
Opening Balance	5,419,724	7,466,936
Expenses during the period	12,514,846	10,914,797
Expenses borne on behalf of Holding Company	(2,610,644)	(1,979,833)
Repayment during the period	(13,440,840)	(10,982,176)
Closing Balance	<u>1,883,086</u>	<u>5,419,724</u>
Dividend paid by the Company	<u>120,000,000</u>	<u>-</u>
<b>Awwal Corporate Restructuring Company Limited</b>		
<b>Lease Liability</b>		
Outstanding amount at the start of the year	4,878,370	4,984,402
Modification / Additions of lease	412,942	61,968
Interest expense	(2,507,400)	(168,000)
Payments of lease rental	1,221,390	-
Closing balances	<u>4,005,302</u>	<u>4,878,370</u>
<b>Payable</b>		
Opening Balance	-	-
Expenses during the period	1,231,248	-
Repayment during the period	(1,126,898)	-
Closing Balance	<u>104,350</u>	<u>-</u>
<b>Director &amp; key Management personnel</b>		
Remuneration of CEO	<u>18,794,079</u>	<u>17,278,062</u>
Loan to CEO	<u>2,250,000</u>	<u>416,550</u>
Fee for attending board meetings	<u>7,800,000</u>	<u>2,550,000</u>
<b>Primus Leasing Limited employee provident fund</b>		
Charge in respect of Provident Fund	<u>1,524,840</u>	<u>1,381,652</u>
Contribution to Provident Fund	<u>3,049,680</u>	<u>2,763,304</u>
<b>Primus Leasing Limited employee gratuity fund</b>		
Charge in respect of Gratuity Fund	<u>4,373,123</u>	<u>3,981,985</u>

	2025	2024
	----- (Rupees) -----	
<b>31.2 Balances with related parties as at year end</b>		
Payable to Holding Company	1,883,086	5,419,724
Accrued Mark up on loan from Holding Company	12,874,229	19,446,057
Loan outstanding from Holding Company	545,000,000	565,000,000
Payable to employee gratuity fund	3,637,454	14,882,730
Payable to ACRC	104,350	-
Lease Liability on ROU asset payable to ACRC	4,005,302	4,878,370

**31.3** Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S. No.	Name of related party	Basis of association / relationship	Aggregate % of shareholding
1	Pak Brunei Investment Company Limited	Holding Company	100%
2	Primus Leasing Limited staff provident fund	Staff retirement plan	N/A
3	Payable to defined benefit plan	Permanent Staff	N/A
4	Mr. Irfan Ahmed	Chief Executive Officer	N/A
5	Mr. S M Aamir Shamim	Director	N/A
6	Mr. Abdul Jaleel Shaikh	Director	N/A
7	Mr. Zafar Iqbal Sobani	Director	N/A
8	Mr. Ayyaz Ahmad	Director	N/A
9	Mr. Rashid Rahman Mir	Director	N/A
10	Ms. Lalarukh Ejaz	Director	N/A

**31.4** Amounts due to and from related parties have been disclosed separately in the statement of financial position and in the respective notes to the financial statements.

	2025	2024
	----- (Rupees) -----	
<b>32 EARNINGS PER SHARE- BASIC AND DILUTED</b>		
Profit for the year after taxation	114,970,727	177,848,265
	----- (No. of Shares) -----	
Weighted average number of ordinary shares	100,000,000	100,000,000
	----- (Rupees) -----	
Earnings per share - basic and diluted	1.15	1.78
<b>33 STAFF STRENGTH</b>	Number of staff	
Total number of employees at the end of the year	13	13
Average number of employees during the year	12	12

34 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	At fair value through profit -----	2025	2024
		Amortised cost ----- Rupees -----	Amortised cost ----- Rupees -----
<b>Financial assets</b>			
Net investment in finance lease	-	2,322,126,979	2,058,924,622
Finances and loans	-	1,126,888,139	862,716,536
Loans to employees	-	12,914,324	12,285,041
Long-term deposits	-	685,000	685,000
Accrued mark-up	-	18,131,685	9,758,934
Bank balances	-	56,978,068	379,749,402
Other receivables	-	1,538,554	1,015,927
	-	<u>3,539,262,749</u>	<u>3,325,135,462</u>
<b>Financial liabilities</b>			
Loan from Holding Company	-	545,000,000	565,000,000
Payable to Holding Company	-	1,883,086	5,419,724
Lease liability against right-of-use assets	-	5,696,785	10,726,306
Accrued expenses and other liabilities	-	30,028,070	37,094,804
Long-term borrowing	-	795,000,003	643,333,344
	-	<u>1,377,607,944</u>	<u>1,261,574,178</u>

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks which mainly include market risk, credit risk and liquidity risk. The Board of Directors of the Company has the overall responsibility for the 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.

35.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices (e.g. foreign exchange rates, interest rates, equity prices, etc.). The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing returns to shareholders.

Market risk comprises three types of risks: currency risk, yield / interest rate risk and other price risk.

35.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present, is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

35.1.2 Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's floating interest rates financial assets. Financial instruments include balances of Rs. 3.449 billion (2024: Rs. 2.922 billion) which are subject to interest rate risk. The yield / interest rate risk is also mitigated by floating rate lending. Accordingly changes in market interest rate on financial assets would be mitigated by changes in market interest rate of financial liabilities.

a) Sensitivity analysis for variable rate financial instruments

The Company has extended KIBOR based leases and finances to various counter parties that expose the Company to cash flow interest risk. In case of increase / decrease in KIBOR by 100 basis points on the last repricing date with all other variables held constant, the profit before tax for the year ended December 31, 2025 would have been higher / lower by Rs. 34.249 million (2024: Rs. 28.885 million).

**b) Sensitivity analysis for fixed rate financial instruments**

As at December 31, 2025, the Company maintains balances with banks in savings accounts which are interest bearing and expose the Company to fair value interest rate risk. The income from these financial assets is substantially independent of changes in market interest rates except for changes, if any, arising as a result of fluctuations in their respective fair values.

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

The maturity analysis and interest rate profile of the Company's financial instruments are as follows:

Effective yield / interest rate %	2025					Not exposed to yield / interest rate risk	Total
	Exposed to yield / interest rate risk						
	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years		
	----- Rupees -----						
<b>On-balance sheet financial instruments</b>							
<b>Financial assets</b>							
Net investment in finance lease	78,751,101	257,388,524	586,668,842	1,399,318,512	-	-	2,322,126,979
Finances and loans	57,801,452	133,400,929	302,499,750	633,186,008	-	-	1,126,888,139
Loans to employees	-	-	-	-	-	12,914,324	12,914,324
Long-term deposits	-	-	-	-	-	685,000	685,000
Accrued mark-up	-	-	-	-	-	18,131,685	18,131,685
Other Receivables	-	1,538,554	-	-	-	-	1,538,554
Bank balances	53,880,028	-	-	-	-	3,098,040	56,978,068
<b>Total</b>	<b>190,432,581</b>	<b>392,328,007</b>	<b>889,168,592</b>	<b>2,032,504,520</b>	<b>-</b>	<b>34,829,049</b>	<b>3,539,262,749</b>
<b>Financial liabilities</b>							
Payable to Holding Company	-	-	-	-	-	1,883,086	1,883,086
Lease liability against right-of-use assets	5,510,046	36,514	150,225	-	-	-	5,696,785
Loan from Holding Company	545,000,000	-	-	-	-	-	545,000,000
Long-term borrowing	16,666,667	63,333,334	173,333,335	541,666,667	-	-	795,000,003
Long term deposits	-	-	-	-	-	837,233,339	837,233,339
Accrued expenses and other liabilities	-	-	-	-	-	30,028,070	30,028,070
<b>On-balance sheet gap (a)</b>	<b>567,176,713</b>	<b>63,369,848</b>	<b>173,483,560</b>	<b>541,666,667</b>	<b>-</b>	<b>869,144,495</b>	<b>2,214,841,283</b>
<b>Off-balance sheet financial instruments</b>							
<b>Off-balance sheet gap (b)</b>	<b>(376,744,132)</b>	<b>328,958,159</b>	<b>715,685,032</b>	<b>1,490,837,853</b>	<b>-</b>	<b>(834,315,446)</b>	<b>1,324,421,466</b>
<b>Total interest rate sensitivity gap (a+b)</b>	<b>(376,744,132)</b>	<b>(47,785,973)</b>	<b>667,899,059</b>	<b>2,158,736,912</b>	<b>2,158,736,912</b>	<b>2,158,736,912</b>	<b>2,158,736,912</b>
<b>Cumulative interest rate sensitivity gap</b>							

2024

Effective yield / interest rate %	Exposed to yield / interest rate risk					Not exposed to yield / interest rate risk	Total
	Upto one month	Over one month to three months	Over three months to one year	Over one year to five years	Over five years		

Rupees

**On-balance sheet financial instruments**

<b>Financial assets</b>							
Net investment in finance lease	16.62% - 28.68%	73,589,965	143,847,478	551,244,892	1,290,242,287	-	2,058,924,622
Finances and loans	16% - 28%	74,151,587	92,881,172	241,750,244	453,933,533	-	862,716,536
Loans to employees	-	-	-	-	-	-	12,285,041
Long-term deposits	-	-	-	-	-	-	685,000
Accrued mark-up	-	-	-	-	-	-	9,758,934
Other Receivables	-	1,015,927	-	-	-	-	1,015,927
Bank balances	14.50% - 20.50%	372,996,933	-	-	-	-	379,749,402
<b>Total</b>		520,738,485	237,744,577	792,995,136	1,744,175,820	-	3,325,135,462

**Financial liabilities**

Payable to Holding Company		-	-	-	-	-	5,419,724
Lease liability against right-of-use assets	16.78% - 23.31%	37,390	1,373,953	604,110	8,710,853	-	10,726,306
Loan from Holding Company	17.01% - 23.66%	565,000,000	-	-	-	-	565,000,000
Long-term borrowing		33,333,333	51,666,666	201,666,679	356,666,666	-	643,333,344
Long term deposits		-	-	-	-	-	771,211,951
Accrued expenses and other liabilities		-	-	-	-	-	37,094,804
<b>Total</b>		598,370,723	53,040,619	202,270,789	365,377,519	-	2,032,786,129

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

	(77,632,238)	184,703,958	590,724,347	1,378,798,301	-	(784,245,035)	1,292,349,333
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**Off-balance sheet financial instruments**

<b>Off-balance sheet gap (b)</b>	-	-	-	-	-	-	-
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**Total interest rate sensitivity gap (a+b)**

	(77,632,238)	184,703,958	590,724,347	1,378,798,301	-	-	-
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**Cumulative interest rate sensitivity gap**

	(77,632,238)	107,071,720	697,796,067	2,076,594,368	2,076,594,368	-	2,076,594,368
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### 35.1.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market.

Currently, the Company does not have any instruments which expose it to price risk.

### 35.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The risk is generally limited to principal amounts and accrued profit thereon, if any. The Company has established procedures to manage credit exposure including credit approval limit, credit exposure limits, collateral and guarantee requirements. These procedures incorporate both internal guidelines as well as the requirements of the NBFC Rules and the NBFC Regulations. The Company also manages credit risk through an independent credit department which evaluates customers' credit worthiness and obtains adequate securities where applicable.

All investing transactions are settled / paid for upon delivery. The Company's policy is to enter into financial instrument contracts by following internal guidelines for approval.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, 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 concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. As at December 31, 2025, the assets which were subject to credit risk amounted to Rs. 3.449 billion (2024: Rs 2.922 billion). The maximum exposure to credit risk at the reporting date is the carrying amount of these financial assets.

The Company controls the credit quality of receivables through diversification of activities to avoid undue concentration of risks with individuals, groups or specific industry segments. For such purpose, the Company has established exposure limits for single lessees and industrial sectors. The Company has an effective rental monitoring system which allows it to evaluate customers' credit worthiness and identify potential problem accounts. An allowance for potential lease losses is maintained at a level which, in the judgment of management, is adequate to provide for potential losses on lease portfolios that can be reasonably anticipated. The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history.

The credit quality of the Company's bank balances is assessed with reference to external credit ratings which in all cases are above the minimum investment grade rating.

Particulars	Long-term rating	Short-term rating	Rating agency	As at December 31, 2025 -----Rupees-----
<b>Bank balances</b>				
Bank Alfalah Limited	AA+	A-1+	PACRA	27,382,993
United Bank Limited	AAA	A-1+	VIS	24,949,011
Meezan Bank Limited	AAA	A-1+	VIS	904,502
Habib Bank Limited	AAA	A-1+	VIS	2,393,802
Allied Bank Limited	AAA	A-1+	PACRA	539,345
National Bank of Pakistan	AAA	A-1+	VIS	8,100
JS Bank	AA	A-1+	PACRA	800,315
State Bank of Pakistan	Unrated	Unrated	-	10,000

The Company does not hold any other financial assets which are rated.

#### 35.2.1 Credit rating and probability of default (PD) estimation process

The Company's PD estimation process is based on the probability of default assigned to each customer according to their historical credit losses experience, adjusted for forward-looking information.

The carrying value of non-performing receivables is as follows:

Days past due	-----2025-----		
	Finance Lease (net of security deposit)	Finances & Loans	Total
91 - 180 Days	-	25,771,978	25,771,978
181 - 360 Days	34,708,503	-	34,708,503
361 - 390 Days	-	-	-
More than 390 days	34,943,971	2,560,805	37,504,776
	69,652,474	28,332,783	97,985,257
Less: Specific provision	24,629,853	20,909,585	45,539,438
Net of provision	45,022,621	7,423,198	52,445,819
Coverage ratio	35.36%	73.80%	46.48%

  

Days past due	-----2024-----		
	Finance Lease (net of security deposit)	Finances & Loans	Total
91 - 180 Days	23,783,026	-	23,783,026
181 - 360 Days	10,080,412	-	10,080,412
361 - 390 Days	-	-	-
More than 390 days	12,659,870	-	12,659,870
	46,523,308	-	46,523,308
Less: Specific provision	32,395,285	-	32,395,285
Net of provision	14,128,023	-	14,128,023
Coverage ratio	69.63%	0.00%	69.63%

### 35.3 Liquidity risk

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

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

	2025				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
	----- Rupees -----				
Payable to Holding Company	1,883,086	1,883,086	1,883,086	-	-
Lease liability against right-of-use assets	5,696,785	2,221,176	1,245,816	548,640	426,720
Loan from Holding Company	545,000,000	557,874,229	557,874,229	-	-
Long term borrowings	795,000,003	950,903,349	107,195,159	251,119,044	592,589,145
Accrued expenses and other liabilities	30,028,070	30,028,070	30,028,070	-	-
	1,377,607,944	1,542,909,910	698,226,360	251,667,684	593,015,865

	2024				
	Carrying amount	Contractual cash flows	Upto three months	More than three months and upto one year	More than one year
Rupees					
Payable to Holding Company	5,419,724	5,419,724	5,419,724	-	-
Lease liability against right-of-use assets	10,726,306	2,221,176	1,245,816	548,640	426,720
Loan from Holding Company	565,000,000	584,446,057	584,446,057	-	-
Long term borrowings	643,333,344	799,236,690	107,195,159	251,119,044	440,922,486
Accrued expenses and other liabilities	37,094,804	37,094,804	37,094,804	-	-
	<u>1,261,574,178</u>	<u>1,428,418,451</u>	<u>735,401,560</u>	<u>251,667,684</u>	<u>441,349,206</u>

### 36 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholders' value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. As at the reporting date, the Company is primarily financed through equity and borrowing from the Holding Company.

The Company is subject to externally imposed minimum equity requirement laid down under the NBFC Rules, 2003 and the NBFC Regulation, 2008 for providing leasing services and, being a non-deposit taking NBFC, is required to maintain minimum equity of Rs 50 million at all times. The Company has maintained and complied with this minimum equity requirement throughout the current year.

### 37 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all financial assets and liabilities is considered not to be significantly different from book values as the items are either short-term in nature or are periodically repriced.

#### Fair value hierarchy

As per the requirements of IFRS 13 "Fair Value Measurement", the Company shall classify fair value instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2025, the Company does not hold any financial asset at fair value.

38 CORRESPONDING FIGURES

Corresponding figures have been reclassified and rearranged in these financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

38 EVENTS AFTER THE REPORTING DATE

The Board of Directors have proposed a final dividend for the year ended December 31, 2025 of Re. 0.5 per share (2024: Re. 1.20 per share), amounting to Rs. 50 million (2024: Rs. 120 million) at their meeting held on 23 Feb 2026, for approval of the members at the annual general meeting to be held on \_\_\_\_\_. The financial statements for the year ended December 31, 2025 do not include the effect of these appropriations which will be accounted for in the financial statements for the year ending December 31, 2025.

40 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 23 FEB 2026 by the Board of Directors of the Company.

41 GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.





CHIEF EXECUTIVE OFFICER



DIRECTOR