



GRAYS LEASING LIMITED

**Condensed Interim
Financial Statements
for the period ended
31 March 2026
(Un-Audited)**

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Khawar Anwar Khawaja Mr. Muhammad Tahir Butt Mr. Khurram Anwar Khawaja Mr. Muhammad Ashraf Butt Mr. Omer Khawar Khawaja Mr. Muhammad Arshad Mrs. Nuzhat Khawar Khawaja	Chairman Chief Executive
AUDIT COMMITTEE	Mr. Muhammad Arshad Mr. Khurram Anwar Khawaja Mr. Omer Khawar Khawaja	Chairman
AUDITORS	HLB Ijaz Tabussum & Company Chartered Accountants Office # 1, 3rd floor Madina heights 87-E Maulana Shoukat Ali Road, Lahore st@hlbitc.com, matabussum@yahoo.com 03214428314 - 15	
COMPANY SECRETARY	Muhammad Adil Munir	
CHIEF FINANCIAL OFFICER	Muhammad Faisal Azam	
HEAD OF INTERNAL AUDIT	Saeed Ahmad Shaheen	
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Mr. Omer Khawar Khawaja Mr. Muhammad Tahir Butt Mr. Khurram Anwar Khawaja	Chairman
LEGAL ADVISOR	Lexicon Law Firm	
REGISTERED AND HEAD OFFICE	701-A, 7th Floor, City Towers 6-K, Main Boulevard, Gulberg - II, Lahore Tel: (042) 35770381 - 2 Fax: (042) 35770389 E-mail: info@graysleasing.com Website: www.graysleasing.com	
BANKERS	Meezan Bank Limited The Bank of Punjab Askari Bank Limited National Bank of Pakistan Habib Bank Limited State Bank of Pakistan Bank Al-Habib Limited	
SHARE REGISTRAR	Share Registrar Affairs CorpTec Associates (Pvt) Limited 503 - E, Johar Town Lahore. Ph: 042-35170335-37, Fax: 042-35170338	

DIRECTORS' REPORT

We are pleased to present the un-audited condensed interim financial statements for the period ended 31 March 2026, together with report of the Board of Directors of the company.

During the period ended 31 March 2026, the company transacted business worth Rupees 37.024 million as compared to Rupees 68.917 million on 31 March 2025. During the period ended 31 March 2026, the company earned a profit before and loss after tax of Rupees 0.360 million and Rupees 1.423 million respectively as compared to profit before and after tax of Rupees 5.63 million and Rupees 5.425 million during the corresponding period of 2025. Net investment stands at Rupees 422.126 million as on 31 March 2026 as compared to Rupees 442.616 million as on June 30, 2025. During the period ended 31 March 2026, there is net reversal in provision of Rupees 0.047 million against potential lease losses, resultantly the equity of the company comes to Rupees 75.367 million.

The Company experienced a challenging business environment during the current period, which is reflected in the overall financial performance. The leasing portfolio witnessed a decline compared to the corresponding period of last year. The decline in leasing business during the period is attributable to a combination of macroeconomic and industry-specific factors, including but not limited to:

- Inflationary Pressures
- Economic Uncertainty
- Unchanged taxation limits like threshold of 7.5 million, u/s 22(13)(a) of Income Tax Ordinance 2001.
- Increasing asset prices
- Tight liquidity conditions

Despite the aforesaid challenges, the Company remained focused on maintaining portfolio quality, strengthening risk management practices, and optimizing operational efficiency. The management remains cautiously optimistic about the future. With expected stabilization in macroeconomic indicators and potential easing of monetary policy, the Company anticipates gradual recovery in leasing demand. The Company, after its conversion into a Shariah Compliant Company in future, will also work on diversified Shariah-compliant financing avenues to enhance business growth.

Grays Leasing Limited is a non-deposit taking NBFIs therefore its credit rating is not mandatory.

The Directors wish to place on record their appreciation for the continued support of shareholders, regulators, customers, and employees during this challenging period.

For and on behalf of the board



Muhammad Tahir Butt
Chief Executive

Sialkot: 28 April 2026

ڈائریکٹرز رپورٹ

ہم کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2026 کو اختتام پذیر ہونے والی عبوری مالی اسٹیٹمنٹ بمعہ ڈائریکٹرز رپورٹ مسرت سے پیش کرتے ہیں۔

مرکزی کام اور مالی اعداد و شمار

زیر جائزہ 31 مارچ 2026 کے دورانیے کے اختتام پر کمپنی نے 37.024 ملین روپے کا کاروبار کیا 31 مارچ 2025 کے 68.917 ملین روپے کے مقابل۔ 31 مارچ 2026 کے دورانیے کے اختتام پر کمپنی کا ٹیکس سے قبل منافع 0.360 ملین اور بعد نقصان 1.423 ملین رہا جبکہ 2025 کے دورانیے میں ٹیکس سے قبل اور بعد میں منافع 5.63 ملین اور 5.4259 ملین رہا۔ حتمی سرمایہ کاری 31 مارچ 2026 کو 422.126 ملین روپے کی 30 جون 2025 کے 442.616 ملین کے مقابل۔ 31 مارچ 2026 کے دوران ممکنہ لیزز کے نقصانات کے برعکس وصولی 0.047 ملین ہے، جس کے نتیجے میں کمپنی کی اکوٹھی 75.367 ملین ہوگئی ہے۔

کمپنی کو موجودہ مدت کے دوران ایک مشکل کاروباری ماحول کا سامنا کرنا پڑا، جو مجموعی مالیاتی کارکردگی سے ظاہر ہوتا ہے۔ لیزنگ پورٹفولیو میں گزشتہ سال کی اسی مدت کے مقابلے میں کمی دیکھی گئی، اس مدت کے دوران لیزنگ کے کاروبار میں کمی کی وجہ سے میکرو اکنامک اور صنعت سے متعلق مخصوص عوامل کے امتزاج سے ہے، بشمول لیکن ان تک محدود نہیں۔

- افراط زر کے دباؤ
- اقتصادی غیر یقینی صورتحال
- انکم ٹیکس آرڈیننس 2001 کے (a) 22(13) u/s کے تحت 7.5 ملین کی حد جیسی ٹیکس کی غیر تبدیل شدہ حدود
- اثاثوں کی قیمتوں میں اضافہ
- سخت لیکویڈٹی حالات

متذکرہ بالا چیلنجوں کے باوجود، کمپنی پورٹفولیو کے معیار کو برقرار رکھنے، رسک مینجمنٹ کے طریقوں کو مضبوط بنانے اور آپریشنل کارکردگی کو بہتر بنانے پر مرکوز رہی۔ انتظامیہ مستقبل کے بارے میں میکرو اکنامک اشاریوں میں متوقع استحکام اور مانیٹری پالیسی میں ممکنہ نرمی کے ساتھ محتاط طور پر پر امید ہے۔ کمپنی لیزنگ کی مانگ میں بتدریج بحالی کی توقع رکھتی ہے۔ کمپنی مستقبل میں ایک شریعہ کمپلائنٹ کمپنی میں تبدیل ہونے کے بعد کاروبار کی ترقی کو بڑھانے کے لیے متنوع شریعت کے مطابق مالیاتی مواقع پر بھی کام کرے گی۔

گریزلیزنگ لمیٹڈ ایک نان ڈپازٹ والی نان بینکنگ فائیننشیل کمپنی (NBFC) ہے اس لیے کمپنی کی کریڈیٹ ریٹنگ کروانا ضروری نہیں۔

ڈائریکٹرز اس مشکل دور کے دوران شیئر ہولڈرز، ریگولیٹرز، صارفین کی مسلسل حمایت اور ملازمین کی محنت کے لیے اپنی تعریف ریکارڈ میں درج کرنا چاہتے ہیں۔

بجانب بورڈ

محمد طاہر بٹ

محمد طاہر بٹ


چیف ایگزیکٹو

سیالکوٹ، 28 اپریل 2026

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026**

	NOTE	UN-AUDITED	AUDITED
		31 MARCH 2026	30 JUNE 2025
		Rupees	Rupees
ASSETS			
Current assets			
Cash and bank balances		11,137,881	6,781,218
Advances and prepayments		983,972	628,272
Sales tax recoverable		665,970	574,775
Current maturity of non-current assets	4	151,874,354	160,997,093
Taxation - net		-	82,465
		164,662,177	169,063,823
Non-current assets			
Net investment in lease finance	4	136,381,547	147,702,187
Long term security deposits and prepayments		2,500	2,500
Fixed assets	5	420,779	570,704
		136,804,826	148,275,391
TOTAL ASSETS		301,467,003	317,339,214
LIABILITIES			
Current liabilities			
Loans from related parties	6	24,000,000	39,000,000
Accrued and other liabilities		5,702,936	5,774,295
Current maturity of non-current liabilities		137,665,037	103,564,399
Unclaimed dividend		777,785	777,785
Taxation - net		1,102,458	-
		169,248,216	149,116,479
Non-current liabilities			
Deposits on lease contracts		54,933,197	89,388,888
Deferred income tax liability	7	-	-
Employees' retirement benefit		2,124,967	2,250,417
		57,058,164	91,639,305
TOTAL LIABILITIES		226,306,380	240,755,784
NET ASSETS		75,160,623	76,583,430
REPRESENTED BY:			
Authorized share capital			
35,000,000 (30 June 2025: 35,000,000) ordinary shares of Rupees 10 each		350,000,000	350,000,000
Issued, subscribed and paid-up share capital			
21,500,000 (30 June 2025: 21,500,000) ordinary shares of Rupees 10 each		215,000,000	215,000,000
Statutory reserve		59,256,615	59,256,615
Accumulated loss		(199,095,992)	(197,673,185)
Shareholders' equity		75,160,623	76,583,430
CONTINGENCIES AND COMMITMENTS			
	8	75,160,623	76,583,430

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE OFFICER


KHURRAM ANWAR KHAWAJA
 DIRECTOR


MUHAMMAD FAISAL AZAM
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026**

NOTE	PERIOD ENDED		QUARTER ENDED		
	31 MARCH	31 MARCH	31 MARCH	31 MARCH	
	2026	2025	2026	2025	
	Rupees	Rupees	Rupees	Rupees	
REVENUE					
	Income from lease operations	14,337,776	17,169,918	3,608,752	5,130,973
	Other income	1,425,203	2,024,569	626,059	843,115
		<u>15,762,979</u>	<u>19,194,487</u>	<u>4,234,811</u>	<u>5,974,088</u>
EXPENDITURE					
	Administrative and other operating expenses	(15,297,463)	(13,486,720)	(4,484,151)	(4,302,006)
	Financial and other charges	(152,226)	(35,735)	(48,943)	(5,724)
4.1	Allowance for potential lease losses - net	46,661	10,491	-	-
		<u>(15,403,028)</u>	<u>(13,511,964)</u>	<u>(4,533,094)</u>	<u>(4,307,730)</u>
	PROFIT / (LOSS) BEFORE TAXATION	359,951	5,682,523	(298,283)	1,666,358
	Taxation	(1,782,758)	(257,390)	(544,674)	(280,338)
	PROFIT / (LOSS) AFTER TAXATION	<u>(1,422,807)</u>	<u>5,425,133</u>	<u>(842,957)</u>	<u>1,386,020</u>
	Earnings / (Loss) per share - basic and diluted	<u>(0.066)</u>	<u>0.252</u>	<u>(0.039)</u>	<u>0.064</u>

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE OFFICER



KHURRAM ANWAR KHAWAJA
 DIRECTOR


MUHAMMAD FAISAL AZAM
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026**

	PERIOD ENDED		QUARTER ENDED	
	31 MARCH 2026	31 MARCH 2025	31 MARCH 2026	31 MARCH 2025
	Rupees	Rupees	Rupees	Rupees
PROFIT / (LOSS) AFTER TAXATION	(1,422,807)	5,425,133	(842,957)	1,386,020
OTHER COMPREHENSIVE INCOME :				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	(1,422,807)	5,425,133	(842,957)	1,386,020

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE OFFICER


KHURRAM ANWAR KHAWAJA
 DIRECTOR


MUHAMMAD FAISAL AZAM
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026**

	Note	PERIOD ENDED	
		31 MARCH 2026	31 MARCH 2025
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	370,527	4,393,826
Finance cost paid		(152,226)	(35,735)
Income tax paid		(597,835)	(6,232,912)
Gratuity paid		(500,000)	(150,000)
NET CASH (USED IN) OPERATING ACTIVITIES		(879,534)	(2,024,821)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Investment in lease finance		20,490,040	(6,655,580)
Fixed assets - disposed off		100,000	-
Profit on bank deposits received		1,210	805,693
NET CASH (USED IN) / FROM INVESTING ACTIVITIES		20,591,250	(5,849,887)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deposits on lease contracts - net		(355,053)	236,571
Loan repaid to Anwar Khawaja Industries (Pvt) Ltd.		(21,525,000)	(12,000,000)
Loan received from Anwar Khawaja Industries (Pvt) Ltd.		6,525,000	14,000,000
NET CASH (USED IN) / FROM FINANCING ACTIVITIES		(15,355,053)	2,236,571
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		4,356,663	(5,638,137)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		6,781,218	11,669,152
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		11,137,881	6,031,015

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE OFFICER


KHURRAM ANWAR KHAWAJA
 DIRECTOR



MUHAMMAD FAISAL AZAM
 CHIEF FINANCIAL OFFICER


**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026**

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		CAPITAL RESERVE		ACCUMULATED LOSS	SHAREHOLDERS' EQUITY
	Rupees	Rupees	STATUTORY RESERVE	Rupees		
Balance as at 30 June 2024 (Audited)	215,000,000	59,256,615	-	(203,103,612)	71,153,003	
Profit for the period ended 31 March 2025	-	-	-	5,425,133	5,425,133	
Total comprehensive income for the period ended 31 March 2025	-	-	-	5,425,133	5,425,133	
Balance as at 31 March 2025 (Un-Audited)	215,000,000	59,256,615	-	(197,678,479)	76,578,136	
Profit for the quarter ended 30 June 2025	-	-	-	120,588	120,588	
Other comprehensive loss for the quarter ended 30 June 2025	-	-	-	(115,294)	(115,294)	
Total comprehensive income for the quarter ended 30 June 2025	-	-	-	5,294	5,294	
Balance as at 30 June 2025 (Audited)	215,000,000	59,256,615	-	(197,673,185)	76,583,430	
Loss for the period ended 31 March 2026	-	-	-	(1,422,807)	(1,422,807)	
Total comprehensive income / (loss) for the period ended 31 March 2026	-	-	-	(1,422,807)	(1,422,807)	
Balance as at 31 March 2026 (Un-Audited)	215,000,000	59,256,615	-	(199,095,992)	75,160,623	

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE OFFICER


KHURRAM ANWAR KHAWAJA
 DIRECTOR


MUHAMMAD FAISAL AZAM
 CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026**

1 LEGAL STATUS AND NATURE OF BUSINESS

Grays Leasing Limited (the Company) is a public limited Company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies, 2017). The Company's shares are listed on Pakistan Stock Exchange Limited. The Company is engaged in leasing business. It has been classified as a Non-Banking Finance Company (NBFC). Its registered office is situated at 701-A, 7th Floor, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.

- 1.1 As on the reporting date, equity of the Company is Rupees 75,160,623. The Company as a non-deposit taking NBFII meets the minimum equity requirement of Rupees 50,000 million. During the period, the Company has sanctioned new leases of Rupees 37,024,382 and recovered Rupees 59,284,059 against lease finance receivable. Further, during the period, the Company earned income of Rupees 14,337,776 from lease operations and has incurred profit before taxation of Rupees 359,951. Sponsors of the Company have sanctioned credit facilities of Rupees 50,000,000, out of which loans of Rupees 24,000,000 have been utilized by the Company for working capital requirements. The sponsors of the Company have explicitly provided a commitment to provide the necessary support to the Company, if the need arises, to address any liquidity and minimum equity requirement to enable the Company to continue its business.

2 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting, 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 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, and the NBFC Regulations differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, and the NBFC Regulations have been followed.

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2025. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2025.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2025.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026**

	Un-Audited 31 March 2026 Rupees	Audited 30 June 2025 Rupees
4 NET INVESTMENT IN LEASE FINANCE		
Lease rentals receivable	288,523,438	317,141,078
Add: Guaranteed residual value of leased assets	192,598,234	192,953,287
Gross investment in lease finance	481,121,672	510,094,365
Less: Unearned finance income	(58,995,329)	(67,477,982)
	<u>422,126,343</u>	<u>442,616,383</u>
Less: Allowance for potential lease losses (Note 4.1)	(133,870,442)	(133,917,103)
Net investment in lease finance - net off provision	288,255,901	308,699,280
Less: Current maturity shown under current assets	(151,874,354)	(160,997,093)
	<u>136,381,547</u>	<u>147,702,187</u>
4.1 Allowance for potential lease losses		
Balance as at 01 July	133,917,103	134,948,842
Less: Reversal of allowance for potential lease losses during the period	(46,661)	(323,168)
Allowance for potential lease losses - net	133,870,442	134,625,674
Less: Written off against allowance for potential lease losses	-	(708,571)
Balance as at 31 March	<u>133,870,442</u>	<u>133,917,103</u>
5 FIXED ASSETS		
Owned Assets (Note 5.1)	<u>420,779</u>	<u>570,704</u>
5.1 Owned Assets		
Opening book value	570,704	534,699
Add: Cost of additions during the period / year (Note 5.1.1)	-	146,935
	<u>570,704</u>	<u>681,634</u>
Less: Book value for deletion during the period / year (Note 5.1.2)	(67,864)	-
Less: Depreciation charged during the period / year	(82,061)	(110,930)
Closing book value	<u>420,779</u>	<u>570,704</u>
5.1.1 Additions during the period / year		
Computer equipment	-	146,935
5.1.2 Deletion during the period / year		
Owned vehicles		
Cost	630,000	-
Less: Accumulated depreciation	(562,136)	-
	<u>67,864</u>	<u>-</u>
6 LOAN FROM RELATED PARTY		
Anwar Khawaja Industries (Private) Limited - holding company (Note 6.1)	<u>24,000,000</u>	<u>39,000,000</u>

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026**

- 6.1 This unsecured loan is obtained from Anwar Khawaja Industries (Private) Limited - holding company for working capital requirements. This form part of total credit facilities of Rupees 50 million (30 June 2025: Rupees 50 million). This loan is interest free and is repayable till 30 June 2026.
- 6.1.1 As on the reporting date, un-utilized credit facilities from related parties comprise of Rupees 26 million (30 June 2025: Rupees 11 million).

	Un-Audited 31 March 2026 Rupees	Audited 30 June 2025 Rupees
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7 DEFERRED INCOME TAX

The deferred income tax liability / (asset) originated due to timing differences relating to:

Taxable temporary differences on:

Accelerated tax depreciation	63,920,079	68,117,234
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Deductible temporary differences on:

Un-absorbed tax depreciation	(66,431,507)	(67,274,574)
Provision for WWF	-	(516,350)
Provision for gratuity	(616,240)	(326,310)
Net deferred income tax (asset) / liability	<u>(3,127,668)</u>	<u>-</u>
Deferred tax asset not recognized	<u>3,127,668</u>	<u>-</u>
	<u>-</u>	<u>-</u>

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

Subsequent to the reporting date, 30th June 2025, the Company received orders from the Income Tax Department, issued by the Deputy Commissioner Inland Revenue (DCIR), pertaining to the assessment years from 1999 to 2003. In these orders, additions have been made in respect of the taxability of lease rentals on accrual basis instead of a receipt basis, along with certain disallowances relating to depreciation and other expenses. As a result, an aggregate tax demand of Rupees 82.301 million has been raised. The Company filed an appeal against these orders before the Commissioner Inland Revenue (Appeals) and resutantaly the the orders have been remanded back to the Income Tax Department. Based on the advice of its legal counsel, the Company expects a favorable outcome of the matters. Accordingly, no provision has been made in these financial statements.

8.2 Commitments

Commitment arising from lease of low value recognized on a straight-line basis as expense under the practical expedients applied by the Company with respect to IFRS 16. The amount of future payments under these leases and the period in which these payments will become due are as follows:

	Un-Audited 31 March 2026 Rupees	Audited 30 June 2025 Rupees
Not later than one year	300,000	300,000
Later than one year and not later than five years	275,000	500,000
	<u>575,000</u>	<u>800,000</u>

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026**

	PERIOD ENDED (Un-Audited)	
	31 MARCH 2026	31 MARCH 2025
	Rupees	Rupees
9 CASH GENERATED FROM OPERATIONS		
Profit before taxation	359,951	5,682,523
Adjustments for non-cash charges and other items:		
Depreciation on fixed assets	82,061	78,603
Provision for gratuity	374,550	333,557
Finance cost	152,226	35,735
Allowance for potential lease losses - net	(46,661)	(10,491)
Gain on sale of fixed asset	(32,136)	-
Profit on bank deposits	(1,210)	(805,693)
Working capital changes (Note 9.1)	(518,254)	(920,408)
	<u>370,527</u>	<u>4,393,826</u>
9.1 Working capital changes		
(Increase) / decrease in current assets:		
Advances and prepayments	(355,700)	(221,037)
Sales tax recoverable	(91,195)	(91,420)
	(446,895)	(312,457)
Decrease in current liabilities:		
Accrued and other liabilities	(71,359)	(607,951)
	<u>(518,254)</u>	<u>(920,408)</u>

10 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of holding company, associated undertakings, other related group companies, directors of the Company, Chief Executive Officer of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties is as follows:

Un-Audited			
PERIOD ENDED		QUARTER ENDED	
31 March 2026	31 March 2025	31 March 2026	31 March 2025

i) Transactions

Holding company

Rent expense of office building	225,000	225,000	75,000	75,000
Loan repaid	21,525,000	12,000,000	-	-
Loan received	6,525,000	14,000,000	-	8,500,000

Other Related Parties

Director

Lease rentals received	-	650,478	-	289,773
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Chief Financial Officer / Executive

Deduction of advance against salary	287,684	252,000	100,000	102,500
Lease rentals received	373,300	291,620	124,500	95,500
Remuneration	1,241,676	1,291,280	413,892	463,760

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026**

	Un-Audited 31 March 2026 Rupees	Audited 30 June 2025 Rupees
ii) Period end balances		
Holding company		
Loan payable	24,000,000	39,000,000
Chief Financial Officer		
Loan receivable	239,299	382,500
Net investment in lease finance	1,012,440	1,361,050
Deposit against lease contract	280,000	280,000

11 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2025.

12 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 28-April-2026.

14 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison. However, no significant rearrangements or reclassifications have been made.

15 GENERAL

Figures have been rounded off to nearest of Rupee.



MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE OFFICER



KHURRAM ANWAR KHAWAJA
DIRECTOR



MUHAMMAD FAISAL AZAM
CHIEF FINANCIAL OFFICER

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