

ISLAMIC NPC COMPANY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023**

**Independent Auditor's Report
To the members of Islamic NPC Company Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the annexed financial statements of the **Islamic NPC Company Limited (the Company)** which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of its profit and other comprehensive income, the changes in equity and its cash flows 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 Annual Report but does not include the financial statements and our auditor's report thereon.

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

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

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Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other 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 and returns;
- c) investments made, expenditures incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh.


Crowe Hussain Chaudhury & Co.
Chartered Accountants

Karachi

Date: **04 SEP 2025**

UDIN: AR202310207vdKPe5Hn9

ISLAMIC NPC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
Rupees in '000			
ASSETS			
Non-current assets			
Receivable from Government of Pakistan under sale and leaseback transactions	4	203,658,176	157,196,812
Current assets			
Rent receivable	5	476,837	360,351
Bank balances	6	8,026,496	3,925,694
		8,503,333	4,286,045
TOTAL ASSETS		212,161,509	161,482,857
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital	7	100	100
Issued, subscribed and paid-up share capital	7	100	100
Unappropriated profit		4,501,468	1,532,073
		4,501,568	1,532,173
LIABILITIES			
Non-current liabilities			
Payable to individual investors	8	57,100,493	51,206,496
Payable to banks	9	95,342,725	47,919,442
Current liabilities			
Payable to individual investors	8	51,214,958	58,070,874
Profit payable	10	3,948,413	2,705,681
Commission payable	11	52,471	47,419
Accrued expenses	12	881	772
		55,216,723	60,824,746
TOTAL LIABILITIES		207,659,941	159,950,684
TOTAL EQUITY AND LIABILITIES		212,161,509	161,482,857

The annexed notes from 1 to 25 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER


DIRECTOR

ISLAMIC NPC COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

Note **2023** **2022**
Rupees in '000

INCOME

Rental income
Exchange gain / (loss) - net

13	14,208,647	9,203,931
14	821,135	7,667
	15,029,782	9,211,598

EXPENSES

Operating expenses
Administrative expenses

15	12,058,320	7,869,294
16	2,067	1,982
	12,060,387	7,871,276
	2,969,395	1,340,322

Profit for the year

The annexed notes from 1 to 25 form an integral part of these financial statements.

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Saira Ahmed

CHIEF EXECUTIVE OFFICER

Harish Bhat

DIRECTOR

ISLAMIC NPC COMPANY LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	Rupees in '000	
Profit for the year	2,969,395	1,340,322
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,969,395</u>	<u>1,340,322</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR

ISLAMIC NPC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

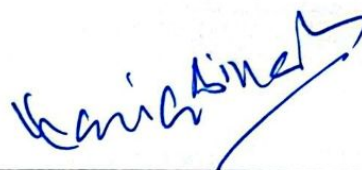
	Issued, subscribed and paid-up share capital	Unappropriated profit	Total
	Rupees in '000		
Balance as at June 30, 2021	100	191,751	191,851
Total comprehensive income	-	1,340,322	1,340,322
Balance as at June 30, 2022	100	1,532,073	1,532,173
Total comprehensive income	-	2,969,395	2,969,395
Balance as at June 30, 2023	100	4,501,468	4,501,568

The annexed notes from 1 to 25 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR

ISLAMIC NPC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

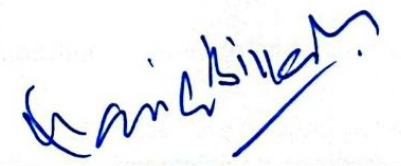
	2023	2022
Note	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	2,969,395	1,340,322
Increase / (decrease) in current liabilities		
Profit payable	1,242,732	1,669,753
Commission payable	5,052	(6,898)
Accrued expenses	109	(1,919)
	1,247,893	1,660,936
(Increase) / decrease in current assets		
Rent receivable	(116,486)	(193,759)
Net cash generated from operating activities	4,100,802	2,807,499
CASH FLOWS FROM INVESTING ACTIVITIES		
Receivable from Government of Pakistan under sale and leaseback transactions	(46,461,364)	(85,567,237)
Net cash used in investing activities	(46,461,364)	(85,567,237)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payable to individual investors	(961,919)	51,208,459
Payable to banks	47,423,283	34,358,778
Net cash generated from financing activities	46,461,364	85,567,237
Net increase in cash and cash equivalents during the year	4,100,802	2,807,499
Cash and cash equivalents at the beginning of the year	3,925,694	1,118,195
Cash and cash equivalents at the end of the year	8,026,496	3,925,694

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The annexed notes from 1 to 25 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER


DIRECTOR

ISLAMIC NPC COMPANY LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 STATUS AND NATURE OF BUSINESS

- 1.1** The Islamic NPC Company Limited (the Company) was incorporated in Pakistan on September 24, 2020 as an unlisted public limited company under the Companies Act, 2017. The Company has been established as a Special Purpose Vehicle (SPV) to facilitate shariah compliant financing for the Federal Government in the form of Sale and Lease back transactions. The Company is fully owned by the Government of Pakistan (GoP). The registered office of the Company is located at Room 208, Q Block, Finance Division, Pak Secretariat, Islamabad, Pakistan. The Company's operations are managed by the State Bank of Pakistan (SBP) vide its board resolution dated October 15, 2020 (at its Head Office in Karachi), which has also been notified in SRO 212 (1) / 2021 at para 3 (II) (2) (b) issued by the Finance Division.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). In addition the disclosure requirements of fifth schedule of the Companies Act, 2017 have also been complied.

- Where the disclosure requirements of the fifth schedule of the Companies Act, 2017 differ from the IFRS issued by IASB, the requirements of the IFRS issued by IASB have been followed.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention.

2.3 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current year

2.3.1 New standards, amendments and improvements effective during the year

There are certain amendments to the standards and new interpretations that are mandatory for the Company's accounting periods beginning on July 1, 2022, but are considered not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not stated in these financial statements.

2.3.2 Standards, interpretations of and amendments to the published accounting and reporting standards that are not yet effective

	Effective date (annual periods beginning on or after)
Standards	
- IFRS 3 Reference to the Conceptual Framework (Amendments)	January 1, 2022
- IAS 1 Classification of Liabilities as Current or Non-current (Amendments)	January 1, 2023
- IAS 1 Disclosure of Accounting Policies (Amendments)	January 1, 2023
- IAS 8 Definition of Accounting Estimates (Amendments)	January 1, 2023
- IFRS 16 Leases-Subsequent measurements of sale and leaseback transactions (Amendments)	January 1, 2024

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

The above amendments and improvements are not expected to have any material impact on the Company's financial statements in the period of initial application.

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2.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Financial instruments

3.1.1 Financial assets

3.1.1.1 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).

a) At amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 3.1.1.2.

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

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). 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 3.1.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit or loss.

c) Fair value through profit or loss (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 instrument that is subsequently measured at fair value and is not part of a hedging relationship is recognised in the statement of profit or loss in the period in which it arises.

3.1.1.2 Impairment

The Company assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with its financial instruments carried at amortised cost and FVOCI. The measurement of ECL reflects:

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

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

In evaluating the adequacy of ECL, the management considers various factors, including the nature and characteristics of the obligor, current economic conditions, credit concentrations, historical loss experience and delinquencies.

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3.1.1.3 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when 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.

3.1.1.4 Regular way contracts

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

3.1.2 Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost except for:

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

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

3.1.3 Initial recognition

Financial assets and financial liabilities 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.

3.1.4 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.

3.1.5 Write-offs

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Against each outstanding exposure which stands as impaired, the Company makes an assessment with respect to the timing and amount of write-off based on the expectation of recovery. However, financial assets that are written off remain subject to legal enforcement activities for recovery of amounts due.

3.2 Receivable from Government of Pakistan under sale and leaseback transactions

This represents sale and lease back transactions executed between the Company and the Government of Pakistan (GoP). The sale transaction was executed in various tranches between the Company [special purpose vehicle (SPV)] and the President of Pakistan on behalf of GoP for sale of different Government assets.

Simultaneously with the execution of sales agreement, the ijarah agreements for the respective areas / parts have been executed between the Company and the President of Pakistan on behalf of GoP for a maximum period of five years. A purchase undertaking has been executed between the GoP and the Company that certain areas / parts of Government properties purchased will be sold back to GoP on conclusion of ijarah agreement. Accordingly, the transaction is typically a sale and lease back transaction.

As per the requirements of IFRS 15 "Revenue from contracts with customers", the said transaction does not fall under a sale transaction. IFRS 16 "Leases" has excluded such type of transaction from its scope and the same needs to be accounted for in accordance with the requirements of IFRS 9 "Financial Instruments". Accordingly, the sale and lease back transaction has been accounted for under IFRS 9.

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3.3 Payable to individual investors and banks

Payable to Individual Investors and banks comprise of following:

- Payable to individual investors
- Payable to banks

3.3.1 Payable to Individual Investors represent certificates Issued by the Company through agent banks to eligible investors. The eligible investors are:

- (a) Every non-resident Pakistani having National Identity Card for Overseas Pakistanis, foreigners having Pakistan Origin Cards, members of Overseas Pakistanis Foundation, an employee or official of the Federal Government or a Provincial Government posted abroad who are eligible to open foreign currency value account (FCVA) and non-resident Pakistani Rupee value account (NRVA); and
- (b) Resident Pakistanis having assets abroad, duly declared in latest tax return filed with the Federal Board of Revenue.

The details of certificates held by Individual Investors is maintained by the agent banks. The rate of profit on such certificates is higher as compared to balance payable to banks. The process for profit determination is given in note 3.5 to these financial statements.

The investments in certificates held by individual investors can be made in Pakistani Rupees (PKR), United States Dollar (USD), Great Britain Pound (GBP) and Euro (EUR) with varying maturities from 3 months to 5 years.

3.3.2 The balances payable to banks represent amounts that are transitory in nature. The amount for the participating banks has been divided into PKR, USD, GBP and EUR.**3.4 Revenue recognition**

Rental income is recorded monthly on the basis of rates agreed between the Company and the GoP as mentioned in note 13.1 to these financial statements.

3.5 Profit distribution expense

Profit distribution expense is accrued monthly on the basis of rates announced at each month end. The rate of profit is determined based on separate Modaraba pools created for certificates held by individual investors and balance payable to banks based on the guidance provided in SRO 817(1)/2020 dated September 7, 2020. For certificates held by individual investors, profit is paid to Banks bi-annually for 3 years and 5 years certificates and at maturity for 3 months, 6 months and 1 year certificates. For balance payable to banks, profit is paid to Banks on 6 monthly basis in the months of March and September.

3.6 Commission expense

Commission expense is accrued at the time of sale of certificates by the agent banks to the eligible investors which is communicated to the Company on a daily basis and is paid to agent banks on quarterly basis.

3.7 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak rupees at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the closing rate of exchange prevailing at the reporting date.

Exchange gains and losses are taken to the statement of profit or loss.

3.8 Cash and Cash Equivalents

Cash and cash equivalents include local and foreign currency accounts with SBP - Banking Service Corporation (BSC), a subsidiary of SBP.

3.9 Taxation

The income of the Company is exempt from tax under clause 66 table 1 (xxxvii) of Part I of second schedule to Income Tax Ordinance, 2001.

3.10 Share Capital

Ordinary shares are classified as equity and are recorded at face value. Incremental costs, if any, directly attributable to the issuance of shares, are recognised in equity.

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	Note	2023	2022
		Rupees in '000	
4 RECEIVABLE FROM GOVERNMENT OF PAKISTAN UNDER SALE AND LEASEBACK TRANSACTIONS			
The currency wise breakup of financial assets carried at amortised cost is as follows:			
PKR		27,500,000	27,500,000
USD		159,010,718	117,991,699
GBP		12,453,496	8,497,982
EURO		4,693,962	3,207,131
	4.1	<u>203,658,176</u>	<u>157,196,812</u>

- 4.1** These pertain to acquisition of certain properties of GoP under sale and lease back arrangement. The amount comprises of Rs. 27,500 million (2022: Rs 27,500 million), \$ 556 million (2022: \$ 576 million), £ 34.2 million (2022: £ 34.2 million) and € 15 million (2022: € 15 million).

	Note	2023	2022
		Rupees in '000	
5 RENT RECEIVABLE			
The currency wise breakup of rent receivable is as follows:			
PKR		127,842	104,726
USD		327,878	241,921
GBP		16,102	10,673
EURO		5,015	3,031
	5.1 & 5.2	<u>476,837</u>	<u>360,351</u>

- 5.1** This pertains to the rent receivable from GoP under sale and lease back arrangement at the rates of 11-15.5% (2022: 11%), 7%-8% (2022: 7%), 6.5%-7.5% (2022: 6.5%), and 6.50% (2022: 5.75%) for PKR, USD, GBP and EURO respectively.

	Note	2023	2022
		Rupees in '000	
5.2 The ageing analysis of above rent receivables from related party is as follows:			
Not past due		476,837	360,351
Past due but not impaired			
- up to 1 year		-	-
- more than one year		-	-
		<u>476,837</u>	<u>360,351</u>

6 BANK BALANCES

The currency wise breakup of bank balances is as follows:

PKR		1,399,942	861,603
USD		5,812,191	2,701,862
GBP		463,028	213,194
EURO		351,335	149,035
	6.1	<u>8,026,496</u>	<u>3,925,694</u>

- 6.1** These balances are maintained in current accounts with SBP-BSC.

7 SHARE CAPITAL

7.1 Authorised share capital

2023	2022	2023	2022
Number of shares		Rupees in '000	
<u>10,000</u>	<u>10,000</u>	<u>100</u>	<u>100</u>
Ordinary shares of Rs 10 each			

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7.2 Issued, subscribed and paid-up share capital**2023 2022****Note****2023****2022****Number of shares****Rupees in '000**

Ordinary shares of Rs 10 each

10,000 10,000

Fully paid in cash

7.3

100100**7.3**

As at June 30, 2023, the GoP and directors of the Company hold 99.97% and 0.03% shares of the Company respectively.

8 PAYABLE TO INDIVIDUAL INVESTORS**Note****2023****2022****Rupees in '000**

Payable to individual investors

8.1

57,100,49351,206,496**8.1****June 30, 2023****PKR****USD****GBP****EURO****Total****Note****Rupees in '000**

Payable to individual investors

16,426,172

86,311,505

3,987,304

1,590,470

108,315,451

Less: current portion

(11,326,440)(36,970,708)(1,935,208)(982,602)(51,214,958)

8.1.1

5,099,73249,340,7972,052,096607,86857,100,493**June 30, 2022****PKR****USD****GBP****EURO****Total****Note****Rupees in '000**

Payable to individual investors

19,815,345

83,004,088

5,264,028

1,193,909

109,277,370

Less: current portion

(10,898,963)(43,037,267)(3,320,674)(813,970)(58,070,874)

8.1.1

8,916,38239,966,8211,943,354379,93951,206,496**8.1.1**

This pertains to certificates issued by the Company, through agent banks, to eligible persons for the purpose of cash generation for GoP and are recognised as payable to individual investors. The amount pertaining to matured and pre-matured certificate(s) is transferred to payable to banks.

9 PAYABLE TO BANKS**Note****2023****2022****Rupees in '000**

The currency wise breakup of payable to banks is as follows:

PKR

11,073,828

7,684,653

USD

72,699,214

34,987,612

GBP

8,466,192

3,233,954

EURO

3,103,491

2,013,223

9.1

95,342,72547,919,442**9.1**

This pertains to the amount provided by banks to the Company for the purpose of cash generation for GoP. As certificates are issued by the Company to eligible individuals, the proportionate amount will be transferred to payable to individual investors.

10 PROFIT PAYABLE**Note****2023****2022****Rupees in '000**

Profit payable to individual investors

10.1

2,782,658

2,372,160

Profit payable to banks

10.2

1,165,755

333,521

3,948,4132,705,681

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10.1	The currency wise breakup of profit payable to individual investors is as follows:	Note	2023	2022
			Rupees in '000	
	PKR		660,685	545,099
	USD		2,026,934	1,742,662
	GBP		69,100	65,271
	EURO		25,939	19,128
		10.1.1	<u>2,782,658</u>	<u>2,372,160</u>
10.1.1	This pertains to profit due to individual investors according to the approved rates for each currency, ranging from 9.49% - 15.51% (2022: 9.49% - 11.01%) per annum in PKR, 5.49% - 8% (2022: 5.49% - 7.02%) per annum in USD, 5.24% - 7.5% (2022: 5.24% - 6.51%) per annum in GBP and 4.0% - 6.5% (2022: 4.74% - 5.76%) per annum in EURO.			
10.2	The currency wise breakup of profit payable to banks is as follows:	Note	2023	2022
			Rupees in '000	
	PKR		287,347	119,814
	USD		795,476	187,687
	GBP		69,727	17,797
	EURO		13,205	8,223
		10.2.1	<u>1,165,755</u>	<u>333,521</u>
10.2.1	This pertains to profit due to banks according to the approved rates of each currency ranging from 8.27% - 11.01% (2022: 8.24% - 8.26%) per annum in PKR, 3.01% - 4.5% (2022: 2.99% - 3.01%) per annum in USD, 2.49% - 3.5% (2022: 2.49% - 2.5%) per annum in GBP, and 1.75% - 1.77% (2022: 1.74% - 1.76%) per annum in EURO.			
11	COMMISSION PAYABLE	Note	2023	2022
			Rupees in '000	
	The currency wise breakup of commission payable is as follows:			
	PKR		7,630	8,598
	USD		42,089	35,022
	GBP		2,026	3,274
	EURO		726	525
		11.1	<u>52,471</u>	<u>47,419</u>
11.1	This pertains to the amount payable to agent banks for issuance of certificates to eligible persons at the rates of 0.0625% (2022: 0.0625%), 0.125% (2022: 0.125%) and 0.25% (2022: 0.25%) for 3 months, 6 months, and 1 year or above respectively.			
12	ACCRUED EXPENSES		2023	2022
			Rupees in '000	
	Auditor's remuneration payable		324	162
	Shariah advisor fee payable		450	600
	Other liabilities		107	10
			<u>881</u>	<u>772</u>
13	RENTAL INCOME	Note	2023	2022
			Rupees in '000	
	The currency wise breakup of rental income is as follows:			
	PKR		3,509,863	2,523,219
	USD		9,788,114	6,125,663
	GBP		671,862	382,693
	EURO		238,808	172,356
		13.1	<u>14,208,647</u>	<u>9,203,931</u>

etc

- 13.1** This represents rental income earned during the year from GoP at the rates of 11%-15.5 (2022: 11%), 7%-8% (2022: 7%), 6.5%-7.5% (2022: 6.5%) and 5.75% (2022: 5.75%) for PKR, USD, GBP and EURO respectively.

		2023	2022
	Note	Rupees in '000	
14	EXCHANGE GAIN / (LOSS) - NET		
	The currency wise breakup of exchange gain / (loss) is as follows:		
	USD	659,541	3,088
	GBP	84,003	2,753
	EURO	77,591	1,826
		<u>821,135</u>	<u>7,667</u>
15	OPERATING EXPENSES		
	Profit distribution expense	15.1 11,857,755	7,597,601
	Commission expense	15.2 200,565	271,693
		<u>12,058,320</u>	<u>7,869,294</u>

15.1 PROFIT DISTRIBUTION EXPENSE

The currency wise breakup of profit distribution expense is as follows:

Profit distribution expense - Individual investors

PKR	2,191,465	2,045,658
USD	5,814,190	4,676,207
GBP	373,334	230,936
EURO	79,250	54,950
15.1.1	<u>8,458,239</u>	<u>7,007,751</u>

Profit distribution expense - Banks

PKR	1,000,420	220,374
USD	2,185,349	297,438
GBP	172,450	40,825
EURO	41,297	31,213
15.1.2	<u>3,399,516</u>	<u>589,850</u>
	<u>11,857,755</u>	<u>7,597,601</u>

- 15.1.1** This represents profit distribution expense recognised during the year for individual investors at the rates ranging from 9.49% - 15.51% (2022: 9.49% - 11.01%) per annum, 5.49% - 8% (2022: 5.49% - 7.02%) per annum, 5.24% - 7.5% (2022: 5.24% - 6.51%) per annum and 4.0% - 6.5% (2022: 4.74% - 5.76%) per annum for PKR, USD, GBP and EURO respectively.

- 15.1.2** This represents profit distribution expense recognised during the year / period for banks at the rates ranging from 8.27% - 11.01% (2022: 8.24% - 8.26%) per annum, 3.01% - 4.5% (2022: 2.99% - 3.01%) per annum, 2.49% - 3.5% (2022: 2.49% - 2.5%) per annum and 1.75% - 1.77% (2022: 1.74% - 1.76%) per annum for PKR, USD, GBP and EURO respectively.

		2023	2022
	Note	Rupees in '000	
15.2	Commission Expense		
	The currency wise breakup of commission expense is as follows:		
	PKR	36,716	51,008
	USD	150,958	204,665
	GBP	9,329	12,542
	EURO	3,562	3,478
	15.2.1	<u>200,565</u>	<u>271,693</u>

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- 15.2.1** This represents the commission expense pertaining to agent banks for certificates sold to eligible persons at the rates of 0.0625% (2022: 0.0625%), 0.125% (2022: 0.125%) and 0.25% (2022: 0.25%) for 3 months, 6 months, and 1 year or above respectively.

		2023	2022
		Rupees in '000	
16 ADMINISTRATIVE EXPENSES	Note		
Auditor's remuneration	16.1	162	162
Shariah advisor fee		1,800	1,800
Other		105	20
		<u>2,067</u>	<u>1,982</u>
16.1 Auditor's remuneration			
Fee for statutory audit		162	162
Fee for audit of other certifications		-	-
		<u>162</u>	<u>162</u>

17 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company include the GoP as major shareholder, directors and key management personnel. During the year, there were no transactions with related parties except for transactions with the GoP as disclosed in notes 4, 5 and 13 to these financial statements.

		2023	2022
		Rupees in '000	
18 FINANCIAL INSTRUMENTS BY CATEGORY			
Financial Assets - at amortised cost			
Receivable from Government of Pakistan under sale and leaseback transactions		203,658,176	157,196,812
Rent receivable		476,837	360,351
Bank balances		8,026,496	3,925,694
		<u>212,161,509</u>	<u>161,482,857</u>
Financial Liabilities - at amortised cost			
Payable to individual investors		108,315,451	109,277,370
Payable to banks		95,342,725	47,919,442
Profit payable		3,948,413	2,705,681
Commission payable		52,471	47,419
Accrued expenses		881	772
		<u>207,659,941</u>	<u>159,950,684</u>

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to certain financial risks. Such financial risks emanate from various factors that include, but are not limited to market risk, credit risk and liquidity risk.

The Company currently finances its operations through financing pools (Payable to individual investors and payable to banks) and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk. The Company's risk management policies and objectives are as follows:

19.1 Credit risk and concentration of credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures and continually assessing the creditworthiness of counterparties.

The Company has total financial assets amounting to Rs 212,162 million (2022: Rs 161,483 million), out of which Rs 203,658 million (2022: Rs 157,197 million), pertains to financial assets under sale and lease back arrangement with GoP and Rs 477 million (2022: Rs 360 million) pertains to rent receivable from GoP. The Company is not exposed to credit risk with respect to these financial assets.

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Credit risk arises from bank balances of the Company. The Company has total bank balances of Rs. 8,026 million (2022: Rs 3,926 million) placed with SBP - BSC. The management does not expect non-performance from SBP-BSC on its obligations to the Company.

19.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines open.

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

Contractual maturities of financial liabilities	2023						Carrying amount liabilities
	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	
	Rupees in '000						
Payable to individual investors	34,847,480	16,367,478	5,289,276	51,811,217	-	108,315,451	108,315,451
Payable to banks	-	-	-	-	95,342,725	95,342,725	95,342,725
Profit payable	3,142,366	806,047	-	-	-	3,948,413	3,948,413
Commission payable	52,471	-	-	-	-	52,471	52,471
Accrued expenses	881	-	-	-	-	881	881
	38,043,198	17,173,525	5,289,276	51,811,217	95,342,725	207,659,941	207,659,941

Contractual maturities of financial liabilities	2022						Carrying amount liabilities
	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	
	Rupees in '000						
Payable to individual investors	42,305,565	15,765,309	5,473,492	45,733,004	-	109,277,370	109,277,370
Payable to banks	-	-	-	-	47,919,442	47,919,442	47,919,442
Profit payable	1,320,276	275,619	1,109,786	-	-	2,705,681	2,705,681
Commission payable	47,419	-	-	-	-	47,419	47,419
Accrued expenses	772	-	-	-	-	772	772
	43,674,032	16,040,928	6,583,278	45,733,004	47,919,442	159,950,684	159,950,684

19.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, profit rate risk and price risk.

19.3.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company primarily has foreign currency exposures in US Dollars (USD), Euro (EUR) and Great British Pound (GBP). The details of balances are as follows:

	2023	2022
	USD in '000	
Financial assets at amortised cost	556,000	576,000
Rent receivable	1,146	1,181
Payable to individual investors	(301,799)	(405,201)
Payable to banks	(254,201)	(171,821)
Profit payable	(9,869)	(9,423)
Commission payable	(528)	(171)
Bank balances	20,323	13,190
Net foreign currency exposure	11,072	3,755

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	2023	2022
	EUR in '000	
Financial assets at amortised cost	15,000	15,000
Rent receivable	16	14
Payable to individual investors	(5,082)	(5,584)
Payable to banks	(9,917)	(9,416)
Profit payable	(125)	(128)
Commission payable	(2)	(2)
Bank balances	1,123	697
Net foreign currency exposure	1,011	581
	2023	2022
	GBP in '000	
Financial assets at amortised cost	34,200	34,200
Rent receivable	44	43
Payable to individual investors	(10,950)	(21,185)
Payable to banks	(23,250)	(13,015)
Profit payable	(381)	(334)
Commission payable	(6)	(13)
Bank balances	1,272	858
Net foreign currency exposure	929	554

At June 30, 2023, if the Pakistani Rupee had weakened / strengthened by 1% against the USD, Euro, and GBP with all other variables held constant, profit for the year would have been higher / lower by Rs. 38.213 million (2022: Rs 10.308 million).

19.3.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in the market profit rates. Sensitivity to profit rate arises due to mismatches of financial assets and financial liabilities that mature or reprice in a given period.

The Company manages these mismatches through profit rate on financing to Gopi at the date of contract and announcing returns to Banks only after considering the projected expenses of the company.

Description	June 30, 2023							
	Profit rate	Exposed to profit rate risk			Not exposed to profit rate risk			Total
		Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
-----Rupees in '000-----								
Financial assets								
Receivable from Government of Pakistan under sale and leaseback transactions	5.75% - 15.5%	-	203,658,176	203,658,176	-	-	-	203,658,176
Rent receivable	-	-	-	-	476,837	-	476,837	476,837
Bank balances	-	-	-	-	8,026,496	-	8,026,496	8,026,496
		-	203,658,176	203,658,176	8,503,333	-	8,503,333	212,161,509
Financial liabilities								
Payable to individual investors	4.0% - 15.51%	51,214,958	57,100,493	108,315,451	-	-	-	108,315,451
Payable to banks	1.75% - 11.01%	-	95,342,725	95,342,725	-	-	-	95,342,725
Profit payable	-	-	-	-	3,948,413	-	3,948,413	3,948,413
Commission payable	-	-	-	-	52,471	-	52,471	52,471
Accrued expenses	-	-	-	-	881	-	881	881
		51,214,958	152,443,218	203,658,176	4,001,765	-	4,001,765	207,659,941
		(51,214,958)	51,214,958	-	4,501,568	-	4,501,568	4,501,568

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Description	June 30, 2022							
	Profit rate	Exposed to profit rate risk			Not exposed to profit rate risk			Total
		Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
Rupees in '000								
Financial assets								
Receivable from Government of Pakistan under sale and leaseback transactions	5.75% - 11%	-	157,196,812	157,196,812	-	-	-	157,196,812
Rent receivable	-	-	-	-	360,351	-	360,351	360,351
Bank balances	-	-	-	-	3,925,694	-	3,925,694	3,925,694
		-	157,196,812	157,196,812	4,286,045	-	4,286,045	161,482,857
Financial liabilities								
Payable to individual investors	4.74% - 11.01%	58,070,874	51,206,496	109,277,370	-	-	-	109,277,370
Payable to banks	1.74% - 8.26%	-	47,919,442	47,919,442	-	-	-	47,919,442
Profit payable	-	-	-	-	2,705,681	-	2,705,681	2,705,681
Commission payable	-	-	-	-	47,419	-	47,419	47,419
Accrued expenses	-	-	-	-	772	-	772	772
		58,070,874	99,125,938	157,196,812	2,753,872	-	2,753,872	159,950,684
		(58,070,874)	58,070,874	-	1,532,173	-	1,532,173	1,532,173

At June 30, 2023 a change of 100 basis points (1%) in profit rates, with all other variables held constant, would not have any impact on profit for the year.

19.3.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company does not have any investments traded in the market, therefore, the Company is not subject to price risk.

19.3.4 Operational risk

Operational risk is the potential for loss resulting from inadequate or failed internal processes and systems, human error, or from impact of external events (including legal risks). Operational risk is inherent in the Company's activities and, as with the other risk types, is managed through an overall framework with checks and balances that includes recognised ownership of the risk by the businesses and an independent risk management oversight.

For the identified operational risks, operational risk control owners are put in place and made responsible for performance of checks and testing of identified controls in their areas and reporting of the same to the concerned individual about any exceptions or deviations for corrective and preventive actions.

19.4 Capital Risk Management

The Company's prime objective is to work as an SPV for GoP through sale and lease back transactions. To ensure that capital adequacy is maintained the Company holds financial assets (receivable from GoP) and financial liabilities (payable to banks) in equal amounts. Further, profit is announced on monthly basis after incorporating the requirement to maintain sufficient resources to manage the Company's operational expenses.

20 FAIR VALUE DISCLOSURES

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. As at June 30, 2023, the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Fair value hierarchy

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cash flows) (Level 3).

The Company does not hold any financial instruments at fair value as at June 30, 2023.

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21 NUMBER OF EMPLOYEES

Number of employees

2023**2022**22

Average number of employees during the year

22**22 REMUNERATION TO KEY MANAGEMENT PERSONNEL**

Key management personnel of the Company include members of the Board of Directors of the Company, and other executives of the Company who have responsibility for planning, directing and controlling the activities of the Company.

The Company's operations are managed by SBP. The Chief Executive Officer (Additional Finance Secretary, Finance Division) and Company Secretary (Director Finance, SBP) are working by virtue of their ex-officio positions and are not entitled for any remuneration.

23 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for the purpose of comparison.

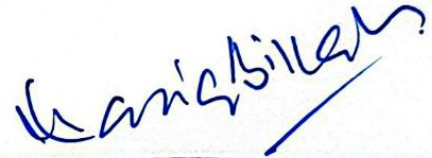
24 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 06 AUG 2025 by the Board of Directors of the Company.

CNC


CHIEF EXECUTIVE OFFICER

DIRECTOR