

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDFIN LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **GOLDFIN LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including 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, statement of profit or loss, statement of comprehensive income, the statement of cash flows and the statement of changes in fund 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, 2024 and of the profit and comprehensive income, its cash flows and the changes in equity 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 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.



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 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.

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.

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- 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 cash flows and the statement of changes in equity 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, 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).

Other Matter

The financial statements of the Company for the year ended June 30, 2023 were audited by another firm of Chartered Accountants who vide their report dated October 03, 2023, expressed an unmodified opinion thereon.

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

LAHORE

DATED: 04 DEC 2024

UDIN: AR202410131WISMpPysw

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CHARTERED ACCOUNTANTS


GOLDFIN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	8	53,026,004	9,609,883
Intangible assets	9	9,937,951	403,214
Long term deposits	10	880,000	440,000
Deferred tax asset	11	2,788,467	7,004,744
		<u>66,632,422</u>	<u>17,457,841</u>
CURRENT ASSETS			
Advances - net of provisions	12	428,790,000	54,965,000
Advances, prepayments and other receivables	13	13,410,247	47,676,417
Taxation - net	23	3,722,148	-
Short term investments	14	101,216,795	41,908,493
Markup receivable	15	39,335,739	7,601,813
Cash and bank balances	16	110,575,841	42,071,137
		<u>697,050,770</u>	<u>194,222,860</u>
TOTAL ASSETS		<u><u>763,683,192</u></u>	<u><u>211,680,701</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100,000 (June 30, 2023: 100,000) ordinary shares of Rs. 10/- each	17.1	<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up share capital	17.2	137,250	137,250
Share premium - capital reserve	18	226,228,959	226,228,959
Advance against issue of shares	19	488,799,600	-
Special reserve fund	20	1,279,059	-
Unappropriated profit / (loss)		6,929,296	(17,372,832)
		<u>723,374,164</u>	<u>208,993,377</u>
NON-CURRENT LIABILITIES			
Lease liabilities	21	31,977,357	-
Deferred liability	22	2,370,391	-
		<u>34,347,748</u>	<u>-</u>
CURRENT LIABILITIES			
Current portion of lease liabilities	21	713,008	-
Taxation - net	23	-	18,447
Trade and other payables	24	5,248,272	2,668,877
		<u>5,961,280</u>	<u>2,687,324</u>
		<u>40,309,028</u>	<u>2,687,324</u>
TOTAL EQUITY AND LIABILITIES		<u><u>763,683,192</u></u>	<u><u>211,680,701</u></u>
CONTINGENCIES AND COMMITMENTS			
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The annexed notes from 1 to 48 form an integral part of these financial statements.

Tanig Mishra
CHIEF EXECUTIVE OFFICER

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DIRECTOR

GOLDFIN LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
Mark-up / return / interest earned	26	52,659,288	13,095,150
Non-markup / interest income			
Service fee	27	6,097,513	1,288,493
Processing fee	28	4,309,737	975,725
Other income	29	60,706,720	5,789,447
Total income		123,773,258	21,148,815
Non-markup / interest expense			
Cost of service	30	(5,178,937)	(1,437,241)
Selling and marketing expenses	31	(3,294,473)	(817,600)
General and administrative expenses	32	(72,510,672)	(25,802,993)
Finance cost	33	(6,435,323)	(1,631,150)
Other operating expenses	34	(834,287)	-
Total non-markup / interest expenses		(88,253,692)	(29,688,984)
Profit / (loss) before taxation and levy		35,519,566	(8,540,169)
Levy	35	(727,322)	(611,295)
Profit / (loss) before income tax		34,792,244	(9,151,464)
Taxation	35	(9,211,057)	7,004,744
Profit / (loss) after income tax		25,581,187	(2,146,720)

The annexed notes from 1 to 48 form an integral part of these financial statements.

Tauq Mohar

CHIEF EXECUTIVE OFFICER

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[Signature]
DIRECTOR

GOLDFIN LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 (Rupees)	2023 (Rupees)
Profit / (loss) after income tax	25,581,187	(2,146,720)
Other comprehensive income		
Items that will be reclassified subsequently to statement of profit or loss	-	-
Items that will not be reclassified subsequently to statement of profit or loss	-	-
Total comprehensive income / (loss) for the year	<u><u>25,581,187</u></u>	<u><u>(2,146,720)</u></u>

The annexed notes from 1 to 48 form an integral part of these financial statements.

Tauq Mohd
CHIEF EXECUTIVE OFFICER

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DIRECTOR

GOLDFIN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

Note	Issued, subscribed and paid up capital	Reserves			Total		
		Capital reserves		Revenue reserve			
		Share premium	Special reserve fund	Advance against issue of shares		Accumulated profit/(loss)	
Rupees							
	Balance as at July 01, 2022	110,180	31,409,495	-	-	(15,226,112)	16,293,563
	Loss for the year	-	-	-	-	(2,146,720)	(2,146,720)
	Other comprehensive income for the year	-	-	-	-	-	-
	Total comprehensive income for the year	-	-	-	-	(2,146,720)	(2,146,720)
	Transactions with owners in their capacity as owners:						
	Issue of share capital	27,070	194,819,464	-	-	-	194,846,534
	Balance as at June 30, 2023	137,250	226,228,959	-	-	(17,372,832)	208,993,377
	Profit for the year	-	-	-	-	25,581,187	25,581,187
	Other comprehensive income for the year	-	-	-	-	-	-
	Total comprehensive income for the year	-	-	-	-	25,581,187	25,581,187
	Special reserve fund @ 5%	-	-	1,279,059	-	(1,279,059)	-
	Transactions with owners in their capacity as owners:						
	Advance against issue of shares	-	-	-	488,799,600	-	488,799,600
	Balance as at June 30, 2024	137,250	226,228,959	1,279,059	488,799,600	6,929,296	723,374,164

The annexed notes from 1 to 48 form an integral part of these financial statements.

Tauq M Khan
CHIEF EXECUTIVE OFFICER


DIRECTOR

GOLDFIN LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 (Rupees)	2023 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation and levy	35,519,566	(8,540,169)
Adjustments for non-cash and other items		
Depreciation on property and equipment	8.1.1 5,470,951	1,137,945
Amortization of intangible assets	9 225,263	225,263
Depreciation on right-of-use asset	8.3 4,259,923	-
Workers' Welfare Fund	34 724,889	-
Provision for gratuity	22.1 2,370,391	-
Exchange loss / (gain)	33 (1,172,300)	(973,213)
Finance cost	33 6,435,323	1,533,961
Return on investments and bank deposits	27 (59,425,022)	(4,816,234)
Operating loss before working capital changes	(5,591,016)	(11,432,447)
Changes in working capital		
(Increase) / decrease in current assets		
Advances - net of provisions	12 (373,825,000)	(16,495,000)
Advances, prepayments and other receivables	13 34,465,257	(50,238,634)
Markup receivable	15 (31,303,879)	(219,838)
	(370,663,622)	(66,953,472)
Increase in current liabilities		
Trade and other payables	24 1,854,506	1,478,869
Cash used in operations	(374,400,132)	(76,907,050)
Tax paid	(9,167,626)	(514,106)
Finance cost paid	(235,617)	(1,631,150)
Net cash used in operating activities	(383,803,375)	(79,052,306)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital expenditure	(30,771,613)	(7,360,940)
Short term investments	(60,000,000)	(30,000,000)
Accrued profit received	60,364,815	2,714,249
Long term security deposits paid	(440,000)	(240,000)
Net cash used in investing activities	(30,846,798)	(34,886,691)
CASH FLOWS FROM FINANCING ACTIVITIES		
Running finance facility - net	-	(8,482,547)
Repayment of lease liabilities	(5,644,723)	-
Proceeds against issue of shares	488,799,600	-
Proceeds from issuance of shares	-	159,845,528
Net cash generated from financing activities	483,154,877	151,362,981
Net increase in cash and cash equivalents	68,504,704	37,423,984
Cash and cash equivalents at beginning of the year	42,071,137	4,647,153
Cash and cash equivalents at the end of the year	110,575,841	42,071,137

The annexed notes from 1 to 48 form an integral part of these financial statements.

Tauq Mohd
CHIEF EXECUTIVE OFFICER

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[Signature]
DIRECTOR

GOLDFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 NATURE AND STATUS OF THE COMPANY

1.1 GoldFin Limited (GoldFin) is a licensed Non-Banking Finance Company (NBFC) for Investment Finance Services. It was incorporated in Pakistan on February 17, 2020 as a Private Limited Company under the Companies Act, 2017. It was converted into a Public Limited Company on July 06, 2022 and was granted NBFC license by SECP on June 09, 2023. The validity of the license is for three years.

Presently, GoldFin's principal line of business consists of gold backed loans (GBL) as a premier platform that serves individuals/SMEs to offer GBL products to their customers in partnership / collaboration with GoldFin. At the same time GoldFin has its own organic business to offer gold backed loans.

1.2 The Company is a 99.99% owned subsidiary of GoldFin PTE. LTD ("Parent Company") incorporated in Singapore having its registered office at 68 Circular Road # 02-01, Singapore. The primary activity of the Parent Company is to hold and manage its subsidiary companies.

2 GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNIT

The registered office of the Company is situated at 264, Street 16, Sector AA, DHA, Phase 4, Lahore. The operational Head Office and branch offices of the Company are situated as listed below:

Office	Addresses
Head Office	280 Khursheed Plaza, Maulana Shaukat Ali Road , Kot Lakhpat. Lahore, Pakistan.
Branch office - Lahore	280 Khursheed Plaza, Maulana Shaukat Ali Road , Kot Lakhpat. Lahore, Pakistan.
Branch office - Lahore	House No. 9, Street No. 48, Mohallah Mahboob Park, Aziz Road, Chahmiran, Lahore, Pakistan.
Branch office - Gujranwala	Nobel Plaza, Shaheena Abad, Main G.T Road, Gujranwala.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

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- Provisions of and directives issued under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 ("NBFC Rules"), and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("NBFC Regulations"); and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017, NBFC Rules and NBFC Regulations differ from the IFRS Standards the provisions of and directives issued under the Companies Act, 2017 and Regulations are followed.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except where specific basis of measurement has been mentioned in relevant notes. In these financial statements, except for cash flow statement, all the transactions have been accounted for on accrual basis.

3.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency. The figures have been rounded off to nearest rupee.

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the period ended June 30, 2024

The following standards, amendments and interpretations are effective for the period ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

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The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 6 Material accounting policy information (June 30, 2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations 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 date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

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IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

5 CHANGE IN ACCOUNTING POLICIES

5.1 IFRS 9: Financial Instruments

The SECP, through SRO 1827(I)/2002 dated September 29, 2022, has notified that IFRS 9, Financial Instruments, is applicable for accounting periods ending on or after June 30, 2024. IFRS 9, Financial Instruments: Classification and Measurement, addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on an 'expected credit losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Company which are exposed to credit risk. Previously SECP vide its S.R.O 1827 (I)/2022 dated September 29, 2022 had extended the applicability of IFRS-9 for NBFC as "Reporting period/year ending on or after June 30, 2024". Now that this extension has expired and the Company has adopted the implementation of 'expected credit losses' (ECL) in the current year.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaced IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through OCI (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

I. Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

The revised provisions on the classification and measurement of financial assets (applicable mainly to advances - net of provisions) and financial liabilities (mainly trade creditors) have not affected Company's financial information. Consequently, the comparative figures have not been restated on the introduction of IFRS 9.

The accompanying notes explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at July 1, 2023. These financial assets classified as 'loans and receivables' have been classified as amortised cost.

ii. Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss (ECL) model, as opposed to an incurred credit loss model under IAS 39. The ECL model requires an entity to account for ECL and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

There is no financial impact from the transition or adoption of IFRS 9; hence, no adjustment is required to the opening balance for impairment.

iii. Transition

The Company has used the exemption not to restate comparative periods and any adjustments on adoption of IFRS 9 are to be recognized in statement of changes in equity as on July 1, 2023.

5.2 Guidance on accounting for minimum taxes and final taxes

During the year, the Company changed its accounting policy of recognizing the portion of income tax paid or payable for the year under the Ordinance, not based on the taxable profits of the Company, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the year under IAS-12.

The management believes that the new policy provides reliable and more relevant information to the users of the financial statements.

The change in accounting policy has been implemented, and last year's figures have been reclassified. However, the change has not been applied retrospectively because its impact on the Company has opted for Approach 2, which states that, the amount of tax calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' is recognized as current income tax expense. Any amount exceeding that designated as income tax is then recognized as a levy falling within the scope of IFRIC 21/IAS 37.

6 MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

6.1 Property and equipment

6.1.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and impairment in value, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit or loss during the year in which they are incurred.

6.1.2 Depreciation

Depreciation on all operating fixed assets is charged to statement of profit or loss on straight-line method so as to write off the historical cost of assets over estimated useful life at rates specified in the Note 8. The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant.

Full month's depreciation is charged on additions while no depreciation is charged in the month of disposals during the year. Impairment loss or its reversal, if any, is charged to the statement of profit or loss.

6.1.3 Impairment

The Company assesses at each reporting date whether there is any indication that property and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

6.1.4 Useful lives, residual values and impairment of property and equipment

Estimates with respect to depreciable lives, residual values, and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, as explained in Note 8.1, the Company reviews the value of the assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

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6.1.5 De-recognition of asset

An item of property and equipment is derecognized upon disposal, or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset, represented by the difference between the sale proceeds and the carrying amount of the asset, is recognized in statement of profit or loss.

6.1.6 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these are available for use.

6.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the organization and if the cost of such asset can be measured reliably. Cost of the intangible asset includes its purchase cost and any directly attributable cost of preparing the asset for its intended use.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis by applying the straight line method from the month when such asset is available for use.

Useful lives of intangible assets are reviewed at each year end and impact on amortization is adjusted, if significant.

The Company assesses at each reporting date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

6.3 Cash and bank balances

Cash and bank balances are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances.

6.4 Long term deposits

Long term deposits are stated at cost and are refundable or adjustable on maturity.

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6.5 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the statement of profit or loss in the year in which they are incurred.

6.6 Leases

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

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or

- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

6.6.1 Lessee

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

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

The lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in statement of profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The Company has elected to apply the practical expedient and not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight line basis over the lease term.

6.6.2 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of its assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

6.6.3 Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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6.6.4 Lease term and discount rates for lease

Estimates with respect to lease term are based on the analysis of the management of the Company keeping in view the contractual arrangement with the lessors. The rate used on transition to discount future lease payments under lease agreements represents the Company's incremental borrowing rate. The rate has been estimated using the KIBOR rates and adjusted to reflect the underlying lease term based on observable inputs.

Further, as explained in Note 6.6.1, the Company reviews incremental borrowing rate, life of right-of-use asset, and which contracts have a lease component, annually. Any change in the estimates in the future might affect the carrying amount of respective item of right-of-use asset, with a corresponding effect on the depreciation charge and lease liabilities.

6.7 Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, the amount of revenue and the associated cost incurred or to be incurred can be measured reliably and performance obligations are satisfied by transferring control of a good or service to a customer, either at a point in time or over time, of an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is recognized in accordance with the aforementioned principle by applying the following steps:

- Identify the contract with a customer;
- Identify the performance obligation in the contract;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations in the contract; and
- Recognize the revenue when (or as) the Company satisfies a performance obligation.

a) Markup on loan portfolio

Markup on the loan portfolio is accounted for on an accrual basis and collected with loan principal. This is calculated on the contractual rate of 23% (2023: 23%).

b) Income other than markup on loans

- Service income is recognized on contractual rates.
- The processing income is 1% for new and repeat customers, and 0.5% for rollover customers, capped at a maximum of Rs. 6,000. The fee is charged at the time of disbursement or rollover and recognized as income at a point in time.
- Profit on bank deposits is recognized as it accrues under the effective interest method.
- Return on investments is recognized on accrual basis.
- Other income is recognized on the currency translation on foreign currency balances.

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6.8 Loan portfolio

Loan portfolio includes secured loans, provided for a maximum tenure of 12 months.

Loan portfolio is stated net of impairment for non-performing loans, if any. At each reporting date, impairment for non-performing loans is recognized at higher of:

- Expected Credit Loss (ECL) as per IFRS 9; and
- Applicable regulatory requirements as disclosed in Note 3.1.

6.8.1 Impairment under IFRS 9

IFRS 9 requires a Company to determine an ECL amount on a probability-weighted basis as the difference between the cash flows that are due to the Company in accordance with the contractual terms of financial instruments and the cash flows that the Company expects to receive. ECL is measured based on the risk of default over one of two different time horizons, depending on whether the credit risk of the borrower has increased significantly since the exposure was first recognized.

- The loss allowance for those exposures that have not increased significantly in credit risk ('stage 1' exposures) is based on 12-months ECLs.
- The allowance for those exposures that have suffered a significant increase in credit risk ('stage 2' and 'stage 3' exposures) is based on lifetime ECLs.

Discount rate

This is the rate to discount an ECL to a present value at the reporting date using effective interest rate (EIR) at initial recognition.

Staging of loans portfolio

Stage 1 includes assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL is recognized and interest revenue is calculated on the gross carrying amount of the asset. Portfolio not exceeding 29 days past due is deemed as Stage 1 by the Company.

Stage 2 includes financial assets that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. Portfolio that has transitioned beyond 29 days but does not exceed 210 days past due is deemed as Stage 2 by the Company. Further to Stage 2 of the Company, this assessment incorporates all relevant, reasonable and supportable information, including forward-looking information, that is available without undue cost or effort. Such information might include:

- qualitative information; and
- non-statistical quantitative information.

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Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. Portfolio that has transitioned beyond 210 days is deemed as Stage 3 by the Company. There is a rebuttable presumption that default takes place no later than 90 days past due. The Company rebuts the presumption based on their normal operating cycle for recovering delayed receivables which is a common industry practice. Further to Stage 3 of the Company, default is dependent on occurrence of an event that establishes adverse credit condition of the obligor. In addition to the 210 day back-stop, the Company may refer to specific qualitative information to mark exposures that have defaulted.

6.8.2 Impairment under NBFC regulations

Non-Banking Finance Companies and Notified Entities regulations, 2008 ('Regulations') require the Company to classify its assets in a time based criteria and recognize impairment for non performing loans in accordance with regulation 25 and 25A.

Specific provision - Regulation 25

As per the criteria mentioned in Schedule X to the Regulations and circular SC/NBFC-1-196/Circular/2021/253, the Company is required to classify and recognize specific provision for portfolio at risk as follows:

Category	No. of days	Provisions to be recognized as a % of outstanding portfolio
OAEM (Other Assets Especially Mentioned)	0 to 89 days later	0%
Sub-standard	90 to 179 days later	25%
Doubtful	1 year to 1.5 year later	50%
Loss	1.5 year or more	100%

General provision - Regulation 25A

The Company, in light of the Regulation has assessed not to maintain the general provisions in respect of loan portfolio because of the highly liquid collateral maintained by the Company in the form of gold.

6.8.3 Expected credit loss for loan portfolio at risk

At each reporting date, impairment on receivables is determined at higher of criteria mentioned in Non-Banking Finance and Notified Entities Regulations, 2008 ('Regulations') rule 25 and 25A and expected credit loss model under IFRS 9. Judgment by management is required in the estimation of the amount and timing of future cash flows while determining the extent of impairment required. Such estimates are based on assumption about a number of factors including credit history of the counterparty. Actual cash flows may differ resulting in subsequent changes to the provisions.

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6.12.3 Estimate

The Company establishes provisions, based on reasonable estimates taking into account the applicable tax laws and the decisions by appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

A deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

6.13 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognized as a levy.

6.14 Provisions

Provisions are recognized when, and only when, the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow shall be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

6.15 Advances, prepayments and other receivables

Advances, prepayments and other receivables are carried at original cost less expected credit loss based on a review of all outstanding amounts at the year end.

6.16 Trade and other payables

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

6.17 Financial instruments

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities 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 included in statement of profit or loss for the year.

Major categories of financial assets represent investments, advances, deposits, loan portfolio, other receivables and cash and bank balances.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and mainly comprise creditors, accrued expenses, lease liabilities and other payables.

The classification depends on the purpose for which the financial assets were acquired. Management determined the classification of its financial assets at initial recognition. Subsequent to the initial recognition, loans, receivables and financial assets were carried at amortized cost using the effective interest method.

6.17.1 Non-derivative financial assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.

Debt instrument

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

(a) Financial assets at amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income/(expenses) together with foreign exchange gains and losses.

(b) Financial assets at fair value through other comprehensive income

The Company accounts for financial assets at fair value through other comprehensive income if they are held under a business model whose objective is "hold to collect" the associated cash flows, and sell, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Any gains or losses recognized in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

(c) Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at fair value through profit or loss. Assets in this category are classified as current assets. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other income / expenses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

6.17.2 Non-derivative financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognized in profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of profit or loss.

6.18 Contingencies and commitments

Contingent liabilities are disclosed when:

There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

There is a present obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

6.19 Transactions with related parties

The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods. Parties are said to be related if they are able to influence the operational and financial decisions of the Company and vice versa.

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Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other income / expenses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

6.17.2 Non-derivative financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognized in profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of profit or loss.

6.18 Contingencies and commitments

Contingent liabilities are disclosed when:

There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

There is a present obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

6.19 Transactions with related parties

The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods. Parties are said to be related if they are able to influence the operational and financial decisions of the Company and vice versa.

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SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates, associated assumptions and judgments are continually evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized 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 current and future periods. The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

	Note
- Estimate of useful lives, residual values and impairment of property and equipment	6.1.4
- Expected credit loss for loan portfolio at risk	6.8.3
- Lease term and discount rates for lease	6.6.4
- Contingencies and commitments	6.18
- Provisions	6.14
- Taxation	6.12

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8 PROPERTY AND EQUIPMENT

	Note	2024 Rupees	2023 Rupees
Operating fixed assets	8.1	23,166,687	9,609,883
Capital work in progress	8.2	1,983,858	-
Right-of-use assets	8.3	27,875,459	-
		<u>53,026,004</u>	<u>9,609,883</u>

8.1 Operating fixed assets

Description	Leasehold Improvements	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Total
	Rupees					

The following is the schedule of property and equipment:

Year ended June 30, 2024

Net carrying value basis

Opening net book value (NBV)	3,209,921	3,852,947	2,072,812	474,203	-	9,609,883
Additions (at cost)	6,824,743	3,935,251	3,715,781	1,687,980	2,864,000	19,027,755
Depreciation charge for the year	(1,755,137)	(1,490,479)	(1,048,053)	(678,240)	(499,042)	(5,470,951)
Closing net book value	<u>8,279,527</u>	<u>6,297,719</u>	<u>4,740,540</u>	<u>1,483,943</u>	<u>2,364,958</u>	<u>23,166,687</u>

Gross carrying value basis

Cost	10,567,068	8,533,619	6,335,016	2,621,030	2,864,000	30,920,733
Accumulated depreciation	(2,287,541)	(2,235,900)	(1,594,476)	(1,137,087)	(499,042)	(7,754,046)
Net book value	<u>8,279,527</u>	<u>6,297,719</u>	<u>4,740,540</u>	<u>1,483,943</u>	<u>2,364,958</u>	<u>23,166,687</u>

Year ended June 30, 2023

Net carrying value basis

Opening net book value (NBV)	824,935	1,201,469	936,209	424,275	-	3,386,888
Additions (at cost)	165,623	3,025	1,403,200	287,000	-	1,858,848
Transferred from capital work in progress	2,482,609	3,019,483	-	-	-	5,502,092
Depreciation charge for the year	(263,246)	(371,030)	(266,597)	(237,072)	-	(1,137,945)
Closing net book value	<u>3,209,921</u>	<u>3,852,947</u>	<u>2,072,812</u>	<u>474,203</u>	<u>-</u>	<u>9,609,883</u>

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Description	Leasehold Improvements	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Total
	Rupees					

Gross carrying value basis

Cost	3,742,325	4,598,368	2,619,235	933,050	-	11,892,978
Accumulated depreciation	(532,404)	(745,421)	(546,423)	(458,847)	-	(2,283,095)
Net book value	3,209,921	3,852,947	2,072,812	474,203	-	9,609,883
Useful life (years)	5	5	5	3	5	

	Note	2024 Rupees	2023 Rupees
8.1.1 The depreciation charge for the year has been allocated as follows:			
General and administrative expenses	32	5,470,951	1,137,945

8.1.2 Operating fixed assets include fully depreciated assets amounting to Rs. 0.453 million (2023: Rs. Nil) that are still in use as of the reporting date.

8.1.3 Leasehold improvements amount to Rs. 8.132 million (2023: Rs. 3.210 million) on buildings obtained through a right-of-use, as disclosed in Note 8.3.

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	Note	2024 Rupees	2023 Rupees
8.2 Capital work in progress			
Office improvements			
Opening balance		-	-
Additions	8.2.1	1,983,858	5,591,330
Transfer to operating fixed assets		-	(5,502,092)
Expensed out during the year		-	(17,391)
Transfer to advance against expense		-	(71,847)
Closing balance		<u>1,983,858</u>	<u>-</u>

8.2.1 This represents the advance to supplier against construction of a new gold vault at the branch office, Lahore.

8.3 Right-of-use assets

The following is the statement of right of use assets:

8.3.1 Buildings

Net carrying value basis

Opening net book value (NBV)		-	-
Additions (cost)		32,135,382	-
Depreciation charge	32	(4,259,923)	-
Closing net book value (NBV)	8.3.2	<u>27,875,459</u>	<u>-</u>

Gross carrying value basis

Cost		32,135,382	-
Accumulated depreciation		(4,259,923)	-
Closing net book value (NBV)		<u>27,875,459</u>	<u>-</u>

Depreciation rate % per annum		<u>10</u>	<u>10</u>
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8.3.2 This represents the lease contract for the operational Head office and branch offices of the Company, with a lease term of 10 years. The leases will expire between March 2030 to July 2033. Right-of-use assets are measured at the amount of lease liability at initial recognition, adjusted for any prepaid or accrued lease expenses.

8.3.3 The depreciation charge for the year has been allocated as

General and administrative expenses	32	<u>4,259,923</u>	<u>-</u>
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	Note	2024 Rupees	2023 Rupees
9 INTANGIBLE ASSETS			
Net carrying value basis:			
Opening net book value		403,214	628,477
Additions	9.1	9,760,000	-
Amortization charge for the year		(225,263)	(225,263)
Closing net book value		<u>9,937,951</u>	<u>403,214</u>
Gross carrying value basis:			
Cost		10,435,789	675,789
Accumulated amortization		(497,838)	(272,575)
Net book value		<u>9,937,951</u>	<u>403,214</u>
Useful life in years		<u>3</u>	<u>3</u>

9.1 This represents the new ERP software, namely Oracle Apex 22.2.0, consisting of its Loan Management System, Human Resource System and Financial System purchased from IDEV4, that was ready for use as on June 30, 2024.

10 LONG TERM DEPOSITS

Security deposits	10.1	<u>880,000</u>	<u>440,000</u>
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10.1 This represents security deposits given against leased rent premises. These deposits do not carry any interest or mark-up and are not recoverable within one year. IFRS 9 requires long-term non interest bearing financial assets to be discounted at average borrowing rate of the Company. The impact of discounting is immaterial, hence, these are not discounted.

11 DEFERRED TAX ASSET

Deferred tax asset - Net	11.1	<u>2,788,467</u>	<u>7,004,744</u>
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11.1 Deferred tax arisen during the year on the following items:

Deductible temporary differences

- Accelerated tax depreciation on operating fixed assets
- Lease liability-Net
- Business loss
- Minimum tax

378,757	(154,226)
1,396,323	-
966,418	7,112,001
46,969	46,969
<u>2,788,467</u>	<u>7,004,744</u>

11.2 The recognition of deferred tax asset is based upon whether it is more likely than not that sufficient taxable profits will be available against which the unutilized losses can be deducted. The deferred tax asset has been recognized on tax losses aggregating to Rs. 3.332 million (2023: Rs. 27.218 million) for tax years 2021 to 2023, and minimum taxes aggregating to Rs. 0.047 million (2023: Rs. 0.047 million) based on the projections keeping in view the future business prospects. Expiry of aggregate tax losses and minimum taxes is as follows:

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<u>Expiry Tax Year</u>	<u>Nature</u>	<u>Note</u>	<u>2024 Rupees</u>	<u>2023 Rupees</u>
2027	Business loss - 2021		-	3,339,751
2028	Business loss - 2022		-	10,911,314
2029	Business loss - 2023		3,332,476	12,966,408
			<u>3,332,476</u>	<u>27,217,473</u>
2026	Minimum tax - 2023		46,969	46,969
			<u>3,379,445</u>	<u>27,264,442</u>

11.3 The gross movement in the deferred tax asset during the year

Opening deferred tax		7,004,744	-
Charged to profit and loss	35	(4,216,277)	7,004,744
Closing deferred tax		<u>2,788,467</u>	<u>7,004,744</u>

11.4 The Company has an aggregate amount of deferred tax assets of Rs. 2.789 million (2023: Rs. 7.005 million) which represents management's best estimate of the probable benefits expected to be realized in future years in the form of reduced tax liability as the Company would be able to set off the profits earned in those years against taxable temporary differences relating to prior years. The Company has prepared financial projections for future taxable profits, to assess the recoverability of deferred tax assets. The projections involve certain key management assumptions underlying the estimation of future taxable profits. The determination of future taxable profits is most sensitive to certain key assumptions such as raise of deposits, growth in customer base, investment returns, potential provision against assets, interest rates and expected recoveries of classified loans. Any significant change in such assumptions may have an effect on the recoverability of the deferred tax assets. The management believes that it is probable that the Company will be able to achieve the profits and consequently, the deferred tax asset will be fully realized in future.

12 ADVANCES - NET OF PROVISIONS

Secured

Advances- gross	12.1	428,790,000	54,965,000
Provision for doubtful loans	12.2	-	-
		<u>428,790,000</u>	<u>54,965,000</u>
Number of borrowers as at June 30		<u>1,528</u>	<u>283</u>

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	Note	2024 Rupees	2023 Rupees
12.1 Movement of advances:			
Opening balance		54,965,000	38,470,000
Disbursement made during the year		446,920,000	63,210,000
Recoveries made during the year		(73,095,000)	(46,715,000)
		<u>428,790,000</u>	<u>54,965,000</u>
Bad debts written off	12.2	-	-
Closing balance		<u>428,790,000</u>	<u>54,965,000</u>

12.2 Provision for doubtful loans

12.2.1 As at June 30, 2024, there are no past due advances. Therefore, no specific provision is required to be recognized in the financial statements. Furthermore, no balances have been written off as bad debts during the year.

12.2.2 The general provision is not required due to the gold collateral backing, as per Clause 25A of the Non-Banking Finance Companies Regulations ("NBFC Regulations"), 2008.

12.3 Sources of funding used to finance Gross Loan Portfolio (GLP) are as follows:

	2024		2023	
	Rupees	Percent	Rupees	Percent
GoldFin Pte.	419,232,240	85.77%	226,195,993	99.99%
Tariq Mohar	27,774,000	5.68%	16,483	0.01%
Tariq Anwar	-	0.00%	16,483	0.01%
Nadeem Hussain	13,931,120	2.85%	-	0.00%
Planet N (Private) Limited	27,862,240	5.70%	-	0.00%
	<u>488,799,600</u>	<u>100%</u>	<u>226,228,959</u>	<u>100%</u>

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12.4 Portfolio quality report

The Company measures loan delinquency in form of an aged Portfolio at Risk (PAR) ratio. Loans are separated into classes depending on the number of days they are over-due. For each class of loan, the aged PAR ratio is calculated by dividing the outstanding principal balance of such class by outstanding principal balance of gross loan portfolio.

Loans are considered overdue if any due installment remains unpaid for more than 29 days. The number of days delay is based on the difference between reporting date (Cut off date) and repayment date. The classification and provisioning will be undertaken at the end of

During the year, loans were disbursed relating to single project with maximum tenure of 12 months, in accordance with needs of the borrowers. Loan repayments are scheduled on maturity dates based on the repayment terms.

The Company's main measure of credit delinquency is an aged portfolio-at-risk ratio. Loans are separated into classes depending on the number of days they are over-due. For each such class of loan, the outstanding principal balance of such loan is divided by the outstanding principal balance of the gross loan portfolio.

The following is the loan portfolio and specific provision loss as per aging as at June 30, 2024:

No. of days	Outstanding loan portfolio (Principal)			Loss reserve as per specific provision	
	Category	Share of total Percent	Amount in Rupees	Percent	Rupees
Current and up to 89 days late	OAEM	100.00%	428,790,000	0%	-
90 to 179 days later	Sub-standard	0.00%	-	25%	-
1 year to 1.5 year later	Doubtful	0.00%	-	50%	-
1.5 year or more	Loss	0.00%	-	100%	-
		<u>100.00%</u>	<u>428,790,000</u>		<u>-</u>

The following is the loan portfolio and specific provision loss as per aging as at June 30, 2023:

	Outstanding loan portfolio (Principal)			Loss reserve as per specific provision	
	Category	Share of total Percent	Amount in Rupees	Percent	Rupees
Current and up to 89 days late	OAEM	100.00%	54,965,000	0%	-
90 to 179 days later	Sub-standard	0.00%	-	25%	-
1 year to 1.5 year later	Doubtful	0.00%	-	50%	-
1.5 year or more	Loss	0.00%	-	100%	-
		<u>100.00%</u>	<u>54,965,000</u>		<u>-</u>

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	Note	2024 Rupees	2023 Rupees
13 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances: unsecured-considered good			
- to employees - against salary	13.1	1,200,807	335,737
Prepayments	13.2	2,740,946	1,147,926
Other receivables			
Receivable from Parent Company	13.3	6,793,493	5,691,078
Other receivables	13.4	1,483,400	39,585,557
		8,276,893	45,276,635
Sales tax receivable - Net		1,191,601	916,119
		<u>13,410,247</u>	<u>47,676,417</u>

13.1 This represents advance to employees against salaries in accordance with the terms of their employment. These advances are unsecured, interest free and are deductible from their salaries. These advances have not been discounted to present value using the effective interest rate method as the effect of discounting is considered to be immaterial by the management.

13.2 This represents payment made against group health policy for employees to EFU Health Insurance Limited.

13.3 This represents receivables due from the Parent Company for expenses incurred by the Company on behalf of the Parent Company. The markup charged on these balances at the rate of 1- year KIBOR per annum (2023: Nil).

13.3.1 The aging of receivable balances from the parent company at reporting date is as follows:

0 to 6 months	-	-
6 to 12 months	1,102,415	5,691,078
Above 12 months	5,691,078	-
	<u>6,793,493</u>	<u>5,691,078</u>

13.3.2 The maximum aggregate amount outstanding at any time during the year was Rs. 6.793 million.

13.4 This includes short term receivables from different companies on account of formal service agreements, advances against expenses and short term loans to Tez Financials Services Limited (an NBFC), that was recovered in entirety during the year. This loan was given as part of a business practice, where the Company used to give out loans to Tez Financials Services Limited prior to obtaining its license to operate as an NBFC.

14 SHORT TERM INVESTMENTS

Conventional

Term Deposit Receipts (TDRs)

Principal amount	100,000,000	40,000,000
Amortization- accrued income on TDRs	1,216,795	1,908,493
Amortized cost	<u>101,216,795</u>	<u>41,908,493</u>

14.1 Term Deposit Receipts (TDRs)

	2024				Maturity Date
	Rate of Interest	Principal amount	Accrued Interest	Amortized Cost	
	% per	Rupees	Rupees	Rupees	
U Microfinance Bank Limited	22-24%	30,000,000	793,973	30,793,973	August 16, 2024
Bank Alfalah Limited	18.5-21%	20,000,000	113,918	20,113,918	July 20, 2024
National Rural Support Programme	21%-21.50%	50,000,000	308,904	50,308,904	July 20, 2024
		<u>100,000,000</u>	<u>1,216,795</u>	<u>101,216,795</u>	

	2023				Maturity Date
	Rate of Interest	Principal amount	Accrued Interest	Amortized Cost	
	% per	Rupees	Rupees	Rupees	
National Rural Support Programme	21.50%	40,000,000	1,908,493	41,908,493	July 11, 2023
		<u>40,000,000</u>	<u>1,908,493</u>	<u>41,908,493</u>	

14.2 These represent investments in TDRs with terms ranging from 1 to 3 months. These investments carry a markup rate ranging from 18.5% to 24% (2023: 21.50%).

	Note	2024 Rupees	2023 Rupees
15 MARKUP RECEIVABLE			
Profit on Parent Company	15.1	1,281,698	-
Profit on savings accounts		430,047	700,341
Profit on loans receivables	26	37,623,994	6,901,472
		<u>39,335,739</u>	<u>7,601,813</u>

15.1 This represents the markup charged on balances outstanding from GoldFin PTE. LTD at the rate of 1- year KIBOR per annum (2023: Nil).

16 CASH AND BANK BALANCES

Cash in hand		13,640	-
Cash with banks:			
In current accounts - local currency		27,376,585	6,942,856
In saving accounts - local currency	16.1	83,185,616	35,128,281
		<u>110,562,201</u>	<u>42,071,137</u>
		<u>110,575,841</u>	<u>42,071,137</u>

16.1 The balance in saving accounts bear mark-up ranging from 20% to 21% (2023: 21.50%) per annum.

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	Note	2024 Rupees	2023 Rupees
17 SHARE CAPITAL			
17.1 Authorized share capital			
100,000 (June 30, 2023: 100,000) ordinary shares of Rs. 10/- each		<u>1,000,000</u>	<u>1,000,000</u>

17.2 Issued, subscribed and paid up share capital

2024 2023
Number of
ordinary shares

13,725 13,725 Fully paid in cash

137,250 137,250

17.3 Movement of share capital is as follows:

Opening balance	137,250	110,180
Right shares issued during the year	-	27,070
Closing balance	<u>137,250</u>	<u>137,250</u>

17.3.1 All ordinary shares rank equally with regard to the residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

17.4 There has been no movement in ordinary share capital during the year ended June 30, 2024.

18 SHARE PREMIUM - CAPITAL RESERVE

Share premium reserve 226,228,959 226,228,959

18.1 This reserve can be utilized by the Company only for the purposes specified in section 81(2) and 81(3) of the Companies Act, 2017.

19 ADVANCE AGAINST ISSUE OF SHARES

GoldFin PTE. LTD	19.1	419,232,240	-
Shareholders	19.1	27,774,000	-
Directors	19.1	13,931,120	-
Planet N (Private) Limited	19.2 & 19.3	27,862,240	-
		<u>488,799,600</u>	<u>-</u>

19.1 The Company has received an advance from GoldFin PTE. LTD., Tariq Mohar and Nadeem Hussain amounting to Rs. 419.232 million, Rs. 27.774 million and Rs. 13.931 million, respectively, against issue of right shares during the year. The Board has approved issue of right shares in a meeting held on May 03, 2024.

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19.2 The Company has received an advance from Planet N (Private) Limited on behalf of the Parent Company and shares will be issued to the Parent Company against this amount in the future. The Parent Company will issue the share in Singapore to Planet N (Private) Limited. However, the approval of the State Bank of Pakistan for the transaction is in process. The foreign exchange manual chapter 20, section 13, subsection- B (a) (iii) where resident Companies/firms and Founders are allowed to acquire the shares issued by the Parent Company against payment of funds to the Company locally in PKR. Consequently, the Company can issue shares of equal value in favor of the non-resident Parent Company on a repatriation basis.

19.3 Based on the management intention and agreement the advance has been classified as advance against issues of shares.

	2024 Rupees	2023 Rupees
20 SPECIAL RESERVE FUND		
Special reserve fund	<u>1,279,059</u>	<u>-</u>

20.1 As per Clause 32(3) of the NBFC Regulations, 2008 "A Non-Bank Micro Finance Company shall create a special reserve fund wherein at least 5% of its after-tax profits shall be credited and the special reserve fund shall be separately disclosed in the statement of financial position as part of the equity". Accordingly, the Company has created a special reserve fund during the year.

21 LEASE LIABILITIES

Opening balance	-	-
Add: Additions (cost)	32,135,382	-
Add: Interest expense for the year	6,199,706	-
Less: Payments made during the year	<u>(5,644,723)</u>	<u>-</u>
Closing balance	32,690,365	-
Less: Current portion of lease	<u>(713,008)</u>	<u>-</u>
	<u>31,977,357</u>	<u>-</u>

21.1 The contractual undiscounted cash flows to which the Company is committed under the lease agreement and the years in which they became due are as follows:

Maturity analysis-contractual undiscounted cash flow

Less than one year	6,464,554	-
One to five year	<u>70,654,066</u>	<u>-</u>
Total undiscounted lease liability	<u>77,118,620</u>	<u>-</u>

21.2 The Company discounted lease payments using its incremental borrowing rate applied at the range of 23.02% to 23.19% per annum.

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	Note	2024 Rupees	2023 Rupees
22 DEFERRED LIABILITY			
Staff retirement benefits-gratuity			
Opening balance		-	-
Charge during the year	22.1	2,370,391	-
Repayment during the year		-	-
Closing balance		<u>2,370,391</u>	<u>-</u>
22.1	The provision for gratuity has been made for employees at one gross salary for each completed year of service. The management believes that due to lower annual increment rate of salary in the Company the values determined by actuarial valuation method would not be materially different from the provision in the financial statements.		
23 TAXATION - NET			
Provision for the year	23.1	6,038,326	611,295
Less: Income tax		(9,760,474)	(592,848)
		<u>(3,722,148)</u>	<u>18,447</u>
23.1 Movement of provision			
Opening balance		611,295	46,969
Charged during the year	35	6,038,326	611,295
Less: adjustment / payment during the year		(295,071)	(46,969)
Less: prior year adjustment		(316,224)	-
Closing balance		<u>6,038,326</u>	<u>611,295</u>
24 TRADE AND OTHER PAYABLES			
Accrued expense		4,147,704	728,073
Withholding tax		345,679	557
Workers' Welfare Fund	24.1	724,889	-
Other payables		30,000	1,940,247
		<u>5,248,272</u>	<u>2,668,877</u>
24.1 Workers' Welfare Fund			
Opening balance		-	-
Provision for the year		724,889	-
Payment during the year		-	-
Closing balance		<u>724,889</u>	<u>-</u>

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25 CONTINGENCIES AND COMMITMENTS

25.1 The Company has no contingencies as at June 30, 2024 (2023: Nil).

25.2 The Company has rental lease commitments amounting to Rs. 28.227 million as at June 30, 2024 (2023: Nil).

	Note	2024 Rupees	2023 Rupees
26 MARK-UP ON FINANCING			
Local (Pakistan)			
Markup charged on loans over the period		<u>52,659,288</u>	<u>13,095,150</u>

26.1 This includes the markup charged on the loans disbursed to the borrowers at the rate of 23% per annum (2023 : 23%).

26.2 This includes service income charged from Tez Financials Services Limited amounting to Rs. 4.083 million (2023: Rs. 1.289 million).

27 SERVICE FEE

Service fee		7,085,582	1,288,493
Less: Sales tax		(988,069)	-
		<u>6,097,513</u>	<u>1,288,493</u>

28 PROCESSING FEE

Processing fee	28.1	4,998,983	975,725
Less: Sales tax		(689,246)	-
		<u>4,309,737</u>	<u>975,725</u>

28.1 This represents that the processing fee is 1% for new and repeat customers, and 0.5% for rollover customers, capped at a maximum of Rs. 6,000. The fee is charged at the time of disbursement or rollover.

29 OTHER INCOME

Profit on investments and bank deposit		59,425,022	4,816,234
Profit on Parent Company balances	15.1	1,281,698	973,213
		<u>60,706,720</u>	<u>5,789,447</u>

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	Note	2024 Rupees	2023 Rupees
30 COST OF SERVICE			
Collateral insurance expense		3,371,390	1,105,729
Shroff incentive		1,143,750	189,618
Collateral security bags		600,000	-
Platform fee expense		63,797	141,894
		<u>5,178,937</u>	<u>1,437,241</u>
31 SELLING AND MARKETING			
Advertisement expense		622,525	154,494
Other marketing expense		2,671,948	663,106
		<u>3,294,473</u>	<u>817,600</u>
32 GENERAL AND ADMINISTRATIVE			
Salaries and allowances	32.1	40,207,519	15,708,977
Repair and maintenance		1,632,884	257,990
Rents, rates and taxes		-	2,465,110
Legal and professional charges	32.2	7,483,075	1,417,343
Postage and courier		45,539	53,455
Printing and stationery		450,349	372,937
Utilities expense		2,402,060	912,531
Security expenses	32.3	4,456,177	1,810,316
Conveyance and travelling		1,021,774	98,158
Auditor's remuneration	32.4	500,000	200,000
General administrative expense		2,594,323	660,322
IT expense		1,678,040	482,646
Insurance expense		82,795	-
Depreciation on operating fixed assets	8.1	5,470,951	1,137,945
Depreciation on right of use asset	8.3	4,259,923	-
Amortization expense	9	225,263	225,263
		<u>72,510,672</u>	<u>25,802,993</u>
32.1	This includes Rs. 2.370 million (2023: Nil) in respect of staff retirement benefits - gratuity.		
32.2	This includes consultancy fee paid to Syed Nadeem Hussain amounting to Rs. 6 million (2023: Nil) as per his agreement with the Company.		
32.3	This represents the amount paid to Chagai Security Services (Private) Limited against security services as per the agreement with the Company.		
32.4 Auditor's remuneration			
Statutory audit fee		476,190	200,000
Sales tax		23,810	-
Out of pocket		-	-
		<u>500,000</u>	<u>200,000</u>

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	Note	2024 Rupees	2023 Rupees
33 FINANCE COST			
Markup on borrowings from banks		-	398,263
Markup on borrowings from associates		-	1,135,698
Finance cost on lease liabilities		6,199,706	-
Bank charges		235,617	97,189
		<u>6,435,323</u>	<u>1,631,150</u>
34 OTHER OPERATING			
Exchange loss - Net		109,398	-
Workers' Welfare Fund	24.1	724,889	-
		<u>834,287</u>	<u>-</u>
35 LEVY AND TAXATION			
35.1 Levy			
Minimum tax differential		<u>727,322</u>	<u>611,295</u>
35.1.1 Reconciliation:			
Current tax liability for the year as per the Ordinance		5,722,102	-
Portion of current tax liability as per tax laws, representing income tax under IAS 12		(4,994,780)	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37		<u>(727,322)</u>	<u>-</u>
		<u>-</u>	<u>-</u>
35.2 Current income tax:			
Current year	23.1	5,311,004	-
Prior year adjustment		(316,224)	-
		4,994,780	-
Deferred tax - relating to origination of temporary differences	11	4,216,277	(7,004,744)
		<u>9,211,057</u>	<u>(7,004,744)</u>
35.3			
Based on management's assessment of future profitability, the Company has paid minimum tax for the year and expects to transition to the normal tax regime. Therefore, it has adopted Approach 2. On the basis of this, the Company is anticipated to fall under normal tax regime (NTR). Hence, as per the guidelines of the Institute of Chartered Accountants of Pakistan for accounting of minimum taxes through circular No. 7/2024 dated May 15, 2024, the Company has opted for Approach 2, which states that, the amount of tax calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' is recognized as current income tax expense. Any excess over the amount designated as income tax, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.			

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	2024 Rupees	2023 Rupees
35.4 Reconciliation between tax expenses and accounting profit		
Accounting profit/ (loss) before taxation	35,519,566	(8,540,169)
Tax at applicable rate of 29% (2023: 29%)	10,300,674	-
Tax effect of deductions	(4,989,670)	-
Deferred taxation	4,216,277	-
Prior year adjustment	(316,224)	-
	<u>9,211,057</u>	<u>-</u>

35.5 The Company's tax provision for the prior year was recorded under Minimum Tax Regime of the Income Tax Ordinance, 2001, therefore, numerical reconciliation between tax expense and accounting profit has not been presented for prior year.

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remunerations, including all benefits to Chief Executive, directors and Executives of the Company were as follows:

	2024			
	Chief Executive	Directors	Executives	Total
	Rupees			
Managerial remuneration	4,357,500	9,990,000	3,180,800	7,538,300
House rent allowance	933,750	855,000	681,600	1,615,350
Utilities allowance	622,500	570,000	454,400	1,076,900
Medical allowance	311,250	285,000	227,200	538,450
	<u>6,225,000</u>	<u>11,700,000</u>	<u>4,544,000</u>	<u>10,769,000</u>
Number of persons	1	3	2	3
	2023			
	Chief Executive	Directors	Executives	Total
	Rupees			
Managerial remuneration	1,050,000	-	2,835,000	3,885,000
House rent allowance	225,000	-	607,500	832,500
Utilities allowance	150,000	-	405,000	555,000
Medical allowance	75,000	-	202,500	277,500
	<u>1,500,000</u>	<u>-</u>	<u>4,050,000</u>	<u>5,550,000</u>
Number of persons	1	3	1	2

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36.1 The number of directors at reporting date is 3 (2023: 3), excluding the Chief Executive. The directors have not been paid any meeting fee during the year.

	2024 Number	2023 Number
37 NUMBER OF EMPLOYEES		
Number of employees as at June 30	<u>39</u>	<u>18</u>
Average employees during the year	<u>33</u>	<u>15</u>

38 RECONCILIATION OF MOVEMENT OF LIABILITIES AND ADVANCE AGAINST ISSUE OF SHARES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Advance against issue of shares	Lease liabilities	Total
Balance as at July 01, 2023	-	-	-
Changes from financing cash flows			
Proceeds against issue of shares	488,799,600	-	488,799,600
Repayment of lease liabilities	-	(5,644,723)	(5,644,723)
Total changes from financing activities	<u>488,799,600</u>	<u>(5,644,723)</u>	<u>483,154,877</u>
Other changes			
Lease obtained	-	32,135,382	32,135,382
Interest expense for the year	-	6,199,706	-
As at June 30, 2024	<u>488,799,600</u>	<u>32,690,365</u>	<u>515,290,259</u>

38.1 There are no corresponding figures for advances against the issue of shares and lease liabilities.

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39 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of parent company, associated companies and directors of the Company. Significant transactions and balances with related parties, other than those disclosed elsewhere in these financial statements are as follows:

Name of parties	Nature of relationship	Nature of transactions	Note	2024		2023	
				Transactions during the year	Closing balance	Transactions during the year	Closing balance
Rupees							
GoldFin PTE. Ltd.	Parent	Advance against issue of shares	19	-	419,232,240	-	-
		Funds received		419,232,240	-	-	-
		Receivable balance	13	-	6,793,493	-	5,691,078
		Expenses paid by the company		1,211,813	-	5,691,078	-
		Exchange loss		109,398	-	-	-
		Markup receivable	15	-	1,281,698	-	-
		Markup charged on advances given		1,281,698	-	-	-
Directors	Key management personnel	Advance against issue of shares	19	-	41,705,120	-	-
		Remuneration		9,990,000	-	-	-
Planet N (Private)	Associate	Advance against issue of shares	19	-	27,862,240	-	-
		Funds received		27,862,240	-	-	-

39.1 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (Note 36)". There are no transactions with key management personnel other than under their terms of employment except otherwise stated.

39.2 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

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40 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial liabilities include creditors, liabilities against assets subject to finance lease, accrued and other liabilities. The major portion of these financial liabilities include liabilities against assets subject to finance lease. The Company's financial assets include long term deposits, advances - net of provisions, advances, prepayments and other receivables, short term investment, markup receivables, and cash and bank balances.

The Company may exposed to credit risk, liquidity risk, and market risk. The Company's senior management oversees the risk profile and is supported by the finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. This department also provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and risk appetite. The Board of Directors reviews and approves policies for managing each of these risks which are summarized below:

40.1 Credit risk

Credit Risk is the risk of financial loss to the Company if a borrower to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from borrowers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each borrower. The Company manages the customers with due emphasis on customers centricity and transparency, while controlling the credit risk by the following methods:

- Effective verification of customers demographics
- Cash flow based assessment to determine the credit worthiness of borrowers
- Effective credit history of the borrowers
- Retaining an appropriate loan to value ratio of the Gold Collateral
- Monitoring of debt on a continuous basis
- Proper follow up

40.1.1 Exposure to credit risk

The management of the Company believes that it is not exposed to major concentration of credit risk. The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

	2024	2023
	Rupees	Rupees
Advances - Net of provisions	428,790,000	54,965,000
Bank balances	110,562,201	42,071,137
Short term investments	101,216,795	41,908,493
Long term deposits	880,000	440,000
Markup receivable	39,335,739	7,601,813
Advances and other receivables	9,477,700	45,612,372
	<u>690,262,435</u>	<u>192,598,815</u>

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40.1.2 The aging analysis and impairment of the loan portfolio are disclosed in Note 12.4. The loss allowances for the loan portfolio as of June 30, 2024, reconcile with the opening loss allowances, which are Nil (2023: Nil).

40.1.3 Bank balances

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

2024	Short Term	Long Term	Rating Agency	Rupees
Bank Alfalah Limited	A1+	AAA	PACRA	2,953,240
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	15,651,930
Telenor Microfinance Bank Limited	A1	A	PACRA	8,771,415
United Bank Limited	A1+	AAA	JCR-VIS	64,851,687
NRSP Microfinance Bank	A2	A-	PACRA	12,483,982
U Microfinance Bank Limited	A1	A+	PACRA	6,175,934
				<u>110,888,188</u>

2023	Short Term	Long Term	Rating Agency	Rupees
Bank Alfalah Limited	A1+	AA+	PACRA	2,151,882
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	322,860
Telenor Microfinance Bank Limited	A1	A	PACRA	4,468,115
United Bank Limited	A1+	AAA	JCR-VIS	-
NRSP Microfinance Bank	A2	A-	PACRA	31,127,280
U Microfinance Bank Limited	A1	A+	PACRA	4,001,000
				<u>42,071,137</u>

40.1.4 Short term investments

The credit quality of Company's short term investments can be assessed with reference to external credit ratings as follows:

2024	Short Term	Long Term	Rating Agency	Rupees
U Microfinance Bank Limited	-	AA-	PACRA	30,793,973
Bank Alfalah Limited	-	AA+	PACRA	20,113,918
National Rural Support Programme	-	A-	PACRA	50,308,904
				<u>101,216,795</u>

2023	Short Term	Long Term	Rating Agency	Rupees
National Rural Support Programme	-	A-	PACRA	41,908,493

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40.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities, that are settled by delivering cash or other financial asset, or that such obligation will have to be settled in a manner unfavorable to Company. 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. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit limits.

The following are the contractual maturities of financial liabilities:

		2024				
	Carrying amount	Contractual cash flow	Less than one year	Between one and five years	More than five years	
Rupees						
Trade and other payables	5,248,272	5,248,272	5,248,272	-	-	
Lease liabilities	32,690,365	77,118,620	6,464,554	31,919,777	38,734,289	
	<u>37,938,637</u>	<u>82,366,892</u>	<u>11,712,826</u>	<u>31,919,777</u>	<u>38,734,289</u>	
		2023				
	Carrying amount	Contractual cash flow	Less than one year	Between one and five years	More than five years	
Rupees						
Trade and other payables	2,668,877	2,668,877	2,668,877	-	-	
Lease liabilities	-	-	-	-	-	
	<u>2,668,877</u>	<u>2,668,877</u>	<u>2,668,877</u>	<u>-</u>	<u>-</u>	

40.3 Market risk

(a) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has outstanding receivables from its Parent Company, GoldFin PTE. LTD. and is exposed to foreign exchange risk arising from the currency rate fluctuation, primarily with respect to the USD. The Company's exposure to currency risk is as follows:

	2024 USD	2023 USD
Receivable from Parent Company		
GoldFin PTE. LTD	24,407	20,016

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The following exchange rates were applied during the year:

	Average rate for the year		Reporting date rate	
	2024	2023	2024	2023
USD to PKR	282.95	246.55	278.80	287.10

Foreign Currency Sensitivity analysis

At June 30, 2024, if the rupee has weakened/strengthened by 5% against the US dollar with all other variable held constant, profit for the year would have been Rs. 0.340 million (2023: Rs. 0.287 million) lower/higher mainly as result of foreign exchange losses/gains on transaction of US dollar-denominated financial assets and liabilities.

(b) Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowing at fixed and variable interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Interest rate (%)	Note	2024 Rupees	2023 Rupees
Fixed rate instruments				
Advances - Net of provisions	23	12	428,790,000	54,965,000
Short term investments	18.5 to 24	14	101,216,795	41,908,493
Lease liabilities	23.02 to 23.19	21	32,690,365	-
			<u>562,697,160</u>	<u>96,873,493</u>
Variable rate instruments				
Saving accounts	20 to 21	16	<u>83,185,616</u>	<u>35,128,281</u>

Fair value Sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the date of statement of financial position would not affect the profit or loss of the Company.

Interest rate sensitivity analysis for variable rate instrument	Increase / decrease in %	Effect on (deficit) / (Rupees)
Financial Liabilities		
2024	1%	326,904
	-1%	(326,904)
2023	1%	-
	-1%	-

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(c) Other price risk

Other price risk represents 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 instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk as it does not have any exposure in equity securities.

40.4 Operational Risk Management

The Company is closely monitoring the situation and has invoked required actions to ensure the safety and security of the company staff and uninterrupted services to customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Company has significantly enhanced monitoring of cyber security risk during these times. Remote work capabilities were enabled for staff, where required, and related risk and control measures were assessed to ensure the Company's information assets are protected from emerging cyber threats and comply with regulatory protocols required under the circumstances. The Company is communicating with its customers on how they can connect with company through its full suits of channel including digital and online channels as well as enhancing customer's awareness pertaining to online fraud risk. The Company has taken all measures to ensure that services levels are maintained, customer complaints are resolved and turn around times are monitored and the company continues to meet the expectations of its employees and customers.

40.5 Liquidity Risk Management

In view of the relaxation granted by SECP for deferral of principal and rescheduling of loans there will be an impact on the maturity profile of the Company. The management of the Company is continuously monitoring the liquidity position and the Company is confident that the liquidity buffer currently maintained is sufficient to cater to any adverse movement in the cash flow maturity profile.

40.6 Equity Risk Management

The Company doesn't have any investment in shares, accordingly the Company is not exposed to equity risk.

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The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted price is readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and that price represents actual and regularly occurring market transactions on an arm's length basis.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date (Level 1)
- 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)
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount		Fair value			
		Under IAS 39	Under IFRS 9	Level 1	Level 2	Level 3	Total
		Rupees					
As at June 30, 2024							
Financial assets		Loans and receivables	Amortised cost				
Advances - Net of provisions	12	428,790,000	428,790,000	-	-	-	-
Cash and bank balances	16	110,575,841	110,575,841	-	-	-	-
Short term investments	14	101,216,795	101,216,795	-	-	-	-
Long term deposits	10	880,000	880,000	-	-	-	-
Markup receivable	15	39,335,739	39,335,739	-	-	-	-
Advances and other receivables	13	9,477,700	9,477,700	-	-	-	-
		<u>690,276,075</u>	<u>690,276,075</u>	-	-	-	-

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		Carrying amount		Fair value			
		Under IAS 39	Under IFRS 9	Level 1	Level 2	Level 3	Total
		Rupees					
As at June 30, 2024							
Financial liabilities		Amortised cost	Amortised cost				
Trade and other payables	24	-	5,248,272	-	-	-	-
Lease liabilities	21	-	32,690,365	-	-	-	-
		-	37,938,637	-	-	-	-

As at June 30, 2023

Financial assets		Loans and receivables	Amortised cost				
Advances - Net of provisions	12	54,965,000	54,965,000	-	-	-	-
Cash and bank balances	16	42,071,137	42,071,137	-	-	-	-
Short term investments	14	41,908,493	41,908,493	-	-	-	-
Long term deposits	10	440,000	440,000	-	-	-	-
Markup receivable	15	7,601,813	7,601,813	-	-	-	-
Advances and other receivables	13	45,612,372	45,612,372	-	-	-	-
		192,598,815	192,598,815	-	-	-	-
Financial liabilities		Amortised cost	Amortised cost				
Trade and other payables	24	2,668,877	2,668,877	-	-	-	-
Lease liabilities	21	-	-	-	-	-	-
		2,668,877	2,668,877	-	-	-	-

41.1 There are no financial instruments classified as fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL).

41.2 Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

41.3 Offsetting financial assets and financial liabilities

There is no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangement and similar agreements.

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The Board's policy is to maintain an efficient capital base so as to maintain investor / stakeholders, creditor and market confidence and to sustain the future development of its business. The Company's objectives when managing fund are to safeguard the Company's ability to continue as a going concern in order to provide services for the general public. The Company manages its fund structures and makes adjustments to it, in the light of changes in economic conditions. There were no changes to Company's approach to fund management during the period.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets.

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements. The Company is subject to externally imposed capital requirements and the Company has met the requirements.

	2024 Rupees	2023 Rupees
The proportion of debt to equity at the year end was:		
Lease liabilities	32,690,365	-
Less: Cash and bank balances	<u>(110,575,841)</u>	<u>(42,071,137)</u>
Net debt	(77,885,476)	(42,071,137)
Total equity	<u>723,374,164</u>	<u>208,993,377</u>
Total capital employed	<u>645,488,688</u>	<u>166,922,240</u>
Gearing ratio	<u>5:95</u>	<u>0:100</u>

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43 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. The following reclassification has been made during the year:

Nature	Reclassification from	Reclassification to	Amount Rupees
Prepayments	Prepayments	Advances, prepayments and other receivables	1,147,926
Accrued income on TDRs	Accrued profit on investments and deposits	on Short term investments	1,908,493
Profit on loans receivable	Advances, prepayments and other receivables	Markup receivable	6,901,472
Profit on savings accounts	Accrued profit on investments and deposits	on Markup receivable	700,341
Sales tax payable	Trade and other payables	Advances, prepayments and other receivables	49,964
Advance income tax	Tax refund due from government	the Taxation - net	592,848
Levy	Taxation	Levy	611,295

44 RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for establishment and over sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through management. The management oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

45 STATUTORY MINIMUM CAPITAL REQUIREMENT AND MANAGEMENT OF CAPITAL

Capital requirements applicable to the Company are set and regulated by the Securities and Exchange Commission of Pakistan ("SECP"). These requirements are put in place to ensure sufficient solvency margins. The Company manages its capital requirements by assessing its capital structure against the required level on a regular basis at the reporting date, the minimum equity requirement as per the NBFC Regulations for the non deposit taking NBFC is Rs. 100 million. As at June 30, 2024, the Company's total equity is Rs. 723.374 million.

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The Company manages its capital structure and makes adjustments to it in light of the changes in regulatory and economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the return on capital to shareholders or issue new shares.

46 SUBSEQUENT EVENTS

No significant events have occurred subsequent to June 30, 2024 other than those mentioned elsewhere in the financial statements.

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements was authorized for issue on 26 NOV 2024 by the Board of Directors of the Company.

48 GENERAL

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

Tanj Mohor
CHIEF EXECUTIVE

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DIRECTOR