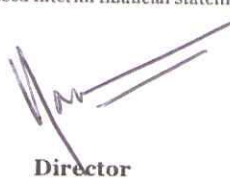


PARWAAZ FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT JUNE 30, 2025

ASSETS	Note	Un-audited June 30, 2025 (Rupees)	Audited December 31, 2024 (Rupees)
NON-CURRENT ASSETS			
Property and equipment	5	39,610,382	45,510,646
Right of use asset		20,561,357	23,570,333
Intangible assets		43,893,948	42,063,507
Long term financing - net	6	877,664,639	690,572,646
Financing on behalf of parent entity	7	264,052,763	361,124,609
Long term advances and deposits	8	27,749,575	3,776,875
Deferred tax asset		1,252,922	-
		1,274,785,586	1,166,618,616
CURRENT ASSETS			
Advances, deposits, prepayments and other receivables	9	114,982,403	81,804,708
Short term financing - net	10	1,935,899,520	1,612,082,492
Short term investments	11	947,684,716	20,803,448,517
Current portion of long term financing - net	6	415,671,852	249,325,707
Current portion of financing on behalf of parent entity	7	1,219,953,346	561,318,481
Taxation - net		18,394,934	22,840,585
Cash and bank balances	12	167,101,600	253,559,533
		4,819,688,371	23,584,380,023
TOTAL ASSETS		6,094,473,957	24,750,998,639
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital (300,000,000 ordinary shares of Rs. 10 each)	13	3,000,000,000	3,000,000,000
Issued, subscribed and paid up capital (150,000,000 ordinary shares of Rs. 10 each)	13	1,500,000,000	1,500,000,000
Capital reserve - net of tax		67,386,742	67,386,742
Revenue reserve: unappropriated profit		255,784,935	251,662,918
		1,823,171,677	1,819,049,660
NON-CURRENT LIABILITIES			
Subordinated loan	14	1,441,420,184	1,484,412,177
Payable to parent entity	15	429,581,180	417,558,327
Long term borrowings	16	1,012,231,123	-
Lease liability		12,984,621	10,711,329
Deferred tax liability		-	23,511,038
		2,896,217,108	1,936,192,871
CURRENT LIABILITIES			
Accrued and other liabilities	17	146,731,826	142,343,790
Short term borrowings	18	-	20,283,693,837
Current portion of payable to parent entity	15	1,219,953,346	561,318,481
Current portion of lease liability		8,400,000	8,400,000
		1,375,085,172	20,995,756,108
TOTAL EQUITY AND LIABILITIES		6,094,473,957	24,750,998,639
CONTINGENCIES AND COMMITMENTS			
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The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

PARWAAZ FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	Six month period ended June 30, 2025 (Rupees)	Six month period ended June 30, 2024 (Rupees)
Markup on financing	20	203,258,715	178,036,318
Income other than markup on financing	21	230,126,474	185,590,014
Total income		433,385,189	363,626,332
Finance cost	22	(242,663,587)	(157,330,482)
		190,721,602	206,295,850
Administrative expenses	23	(163,090,223)	(160,331,745)
Profit before provision and taxation		27,631,379	45,964,105
Net impairment loss on financial assets		(18,585,065)	(3,809,545)
Profit before taxation		9,046,314	42,154,560
Taxation	24	(4,924,297)	(14,331,191)
Profit after taxation		4,122,017	27,823,369
Other comprehensive income		-	-
Total comprehensive income		4,122,017	27,823,369
Earnings per share			
- Basic	25.1	0.03	0.19
- Diluted	25.2	0.03	0.19

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

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Chief Executive Officer


Director


Chief Financial Officer

PARWAAZ FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Revenue reserve	Capital reserve		
	Unappropriated profit	Equity portion of subordinated loan - net of tax	Total shareholders equity	
	Issued, subscribed and paid-up capital			
	----- (Rupees) -----			
Balance as at January 01, 2024 (Audited)	1,500,000,000	198,871,778	67,386,742	1,766,258,520
Profit for the period	-	27,823,369	-	27,823,369
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	27,823,369	-	27,823,369
Balance as at June 30, 2024 (Un-audited)	1,500,000,000	226,695,147	67,386,742	1,794,081,889
Balance as at January 01, 2025 (Audited)	1,500,000,000	251,662,918	67,386,742	1,819,049,660
Profit for the period	-	4,122,017	-	4,122,017
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	4,122,017	-	4,122,017
Balance as at June 30, 2025 (Un-audited)	1,500,000,000	255,784,935	67,386,742	1,823,171,677

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

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Chief Executive Officer


Director



Chief Financial Officer

PARWAAZ FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2025

		Six month period ended June 30, 2025	Six month period ended June 30, 2024
	Note	(Rupees)	(Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		9,046,314	42,154,560
Adjustments for:			
Markup earned on financing			
Profit earned on term deposit receipts, saving accounts and treasury bills	20	(203,258,715)	(178,036,318)
Finance cost	21	(215,896,344)	(178,864,343)
Net impairment loss on financial assets	22	242,663,587	157,330,482
Amortization on Intangibles		18,585,065	3,809,545
Depreciation on right of use asset		7,362,631	4,038,180
Depreciation on property and equipment	5	3,008,976	2,764,352
		6,352,254	4,868,327
		<u>(141,182,546)</u>	<u>(184,089,765)</u>
Operating loss before working capital changes		(132,136,232)	(141,935,205)
Effect of changes in working capital:			
Increase in long term financing	6	(348,925,005)	(132,754,094)
Increase in short term financing	10	(346,915,226)	(143,416,178)
Increase in financing on behalf of parent entity	7	(561,563,019)	(455,530,799)
Increase in long term deposits		-	(100,000)
(Increase) / Decrease in advances, deposits, prepayments and other receivables	9	(441,920,372)	8,858,124
Increase in payable to parent entity	15	670,657,718	441,571,942
Increase in accrued and other liabilities	17	4,388,034	11,156,667
		<u>(1,024,277,870)</u>	<u>(270,214,338)</u>
Cash used in operations		(1,156,414,102)	(412,149,543)
Receipt of markup on financing		190,892,349	149,749,176
Receipt of income on term deposit receipts, savings accounts and treasury bills		613,032,687	168,108,222
Taxes paid		(25,242,604)	(22,254,870)
Bank charges paid		(71,677)	(43,004)
		<u>778,610,755</u>	<u>295,559,524</u>
Net cash used in operating activities		(377,803,347)	(116,590,019)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	5	(451,990)	(30,095,114)
Purchase of intangibles		(9,193,072)	-
Receipt on investments - net		20,112,904,634	-
Additions to capital work in progress		-	(306,625)
		<u>20,103,259,572</u>	<u>(30,401,739)</u>
Net cash generated from/(used in) investing activities		20,103,259,572	(30,401,739)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of markup on subordinated loan	14	(128,997,535)	(225,643,971)
Payment of markup on green bond		(4,414,523)	-
Payment of short-term borrowings		(20,417,747,270)	-
Receipt of long term borrowings	16	996,386,003	-
Net cash used in financing activities		(19,554,773,325)	(225,643,971)
Net increase/(decrease) in cash and cash equivalents		170,682,900	(372,635,729)
Cash and cash equivalents at beginning of the period		253,559,533	1,879,541,383
Cash and cash equivalents at end of the period	26	<u>424,242,433</u>	<u>1,506,905,654</u>

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

PARWAAZ FINANCIAL SERVICES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Parwaaaz Financial Services Limited ("the Company") was incorporated on December 23, 2020 under the Companies Act, 2017 as a company limited by shares. The Company obtained license to carry out investment finance services as a Non-banking Finance Company ("NBFC") under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the NBFC Rules") and Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("the NBFC Regulations") on June 22, 2021.

The objective of the Company is to provide financing primarily to Small and Medium Enterprises (SMEs) within Pakistan. The Company also intends to provide business development services to SMEs.

The registered office of the Company is 4th Floor 34 S, Main boulevard Gulberg 2, Lahore, Punjab.

The ultimate parent of the Company is Karandaaz Pakistan.

The Company has complied with insurance coverage requirement as required by NBFC Rules 2003. In accordance with Sub-section 09 of Section 07 (NBFC rules 2003), the Company has obtained sufficient insurance coverage from an insurance company rated minimum A- by a credit rating agency registered with the Commission against any losses that may be incurred as a result of employee's fraud or gross negligence.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned long-term rating of A+ (2024: nil) and short-term rating of A1 (2024: nil) to Parwaaaz Financial Services Limited on September 26, 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and notified entities Regulations, 2008 (here-in-after mentioned as 'the NBFC rules and NBFC regulations');
- Directives issued by the Securities and Exchange Commission of Pakistan ("SECP"); and
- Provisions of directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984.

Where the requirements of the Companies Act, 2017, the NBFC rules and NBFC regulations and the directives issued by the SECP differ with the requirements of IAS 34 and IFAS, the requirements of the Companies Act, 2017, the NBFC Rules and NBFC Regulations, or the requirements of the said directives shall prevail.

2.2 Basis of presentation and measurement

These condensed interim financial statements are un-audited but subject to limited scope review. These condensed interim financial statements do not include all the information and disclosures required in an audited financial statements and therefore should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2024.

These condensed interim financial statements have been prepared under the historic cost convention except otherwise stated. These condensed interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company.

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The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended December 31, 2024, whereas the comparative statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flow are extracted from the un-audited condensed interim financial statements for six month period ended June 30, 2024.

2.3 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

2.3.1 Standards, amendments and interpretations to approved accounting standards that are effective in current period

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements apart from those which have been disclosed in the annual audited financial statements of the Company for the year ended December 31, 2024.

3 Use of estimates and judgments

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgements, estimates and assumptions made by the management in applying the Company's accounting policies and the factors used in making those estimates and associated assumptions were the same as those that were applied to the annual audited financial statements for the year ended December 31, 2024.

4 MATERIAL ACCOUNTING POLICY INFORMATION

4.1 The material accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited financial statements of the company for the year ended December 31, 2024, except for the changes disclosed in note 4.4.

4.2 The financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended December 31, 2024.

4.3 Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

4.4 Long term borrowings

Long-term borrowings are initially recognized at the fair value of consideration received, net of directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method, with interest expense recognized in profit or loss at the effective interest rate and coupon payments recorded in accordance with contractual terms.

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		Un-audited June 30, 2025	Audited December 31, 2024
5	Property and equipment	Note	Rupees
	Property & equipment	5.1 & 5.2	<u>39,610,382</u> <u>45,510,646</u>

Un-audited
Six month period ended June 30, 2025

	Computer equipment	Office Equipment	Furniture and Fixtures	Motor Vehicle	Total
	-----Rupees-----				

Net carrying value basis

Six months period ended June 30, 2025

Opening net book value as at January 01, 2025	3,599,367	2,037,455	31,568,826	8,304,998	45,510,646
Additions (at cost) during the period	377,500	74,490	-	-	451,990
Depreciation charge for the period	(1,309,433)	(254,992)	(3,833,627)	(954,202)	(6,352,254)
Closing net book value as at June 30, 2025	<u>2,667,434</u>	<u>1,856,953</u>	<u>27,735,199</u>	<u>7,350,796</u>	<u>39,610,382</u>

Gross carrying value basis

As at June 30, 2025

Cost at period end	9,914,793	2,507,356	38,542,919	9,540,004	60,505,072
Accumulated depreciation	(7,247,359)	(650,403)	(10,807,720)	(2,189,208)	(20,894,690)
Net book value	<u>2,667,434</u>	<u>1,856,953</u>	<u>27,735,199</u>	<u>7,350,796</u>	<u>39,610,382</u>
Depreciation rate per annum	<u>33%</u>	<u>20%</u>	<u>20%</u>	<u>20%</u>	

Audited

Net carrying value basis

Year ended December 31, 2024

	-----Rupees-----				
Year ended December 31, 2024					
Opening net book value (NBV) as at January 01, 2024	5,663,760	254,954	264,678	147,779	6,331,171
Additions (at cost) during the year	919,085	2,105,351	19,617,306	9,390,505	32,032,247
Transfer from CWIP	-	-	18,575,113	-	18,575,113
Depreciation charge for the year	(2,983,478)	(322,850)	(6,888,271)	(1,233,286)	(11,427,885)
Closing net book value as at December 31, 2024	<u>3,599,367</u>	<u>2,037,455</u>	<u>31,568,826</u>	<u>8,304,998</u>	<u>45,510,646</u>

Gross carrying value basis

As at December 31, 2024

Cost at period end	9,537,293	2,432,866	38,542,919	9,540,004	60,053,082
Accumulated depreciation	(5,937,926)	(395,411)	(6,974,093)	(1,235,006)	(14,542,436)
Net book value	<u>3,599,367</u>	<u>2,037,455</u>	<u>31,568,826</u>	<u>8,304,998</u>	<u>45,510,646</u>
Depreciation rate per annum	<u>33%</u>	<u>20%</u>	<u>20%</u>	<u>20%</u>	

5.2 Depreciation expense for the period on entity's owned property & equipment has been charged to administrative expenses as referred in Note 23.

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6	Long term financing - net	Note	Un-audited	Audited
			June 30, 2025	December 31, 2024
			----- Rupees -----	
	Financing - gross	6.1	1,303,271,200	954,346,195
	Less:			
	Current maturity		(415,671,852)	(249,325,707)
	Provision for expected credit loss:			
	Stage 1 & 2 ECL		(9,934,709)	(14,447,842)
	Stage 3 ECL		-	-
	Total Provision		(9,934,709)	(14,447,842)
	Net long term financing		877,664,639	690,572,646

6.1 This represents term finance facilities provided on a markup basis, with rates ranging from 13.13% to 18.18% per annum (December 31, 2024: 14.18% to 25.99%). These loans are repayable over 3 to 7 years from the disbursement date and are secured through personal guarantees of directors, mortgages, or charges over plant and machinery.

Additionally, it covers musharikhah finance facilities offered to customers at a profit rate of 13.89% to 15.18% per annum (December 31, 2024: 15.14%). These facilities have a repayment term of 3.5 to 5 years and are secured by assets covered under the musharikhah agreement.

7 Financing on behalf of parent entity

This represents loans disbursed by the Company to the identified borrowers under programs originated by Karandaz Pakistan through agency agreement as referred in note 15.

	Note	Un-audited	Audited
		June 30, 2025	December 31, 2024
		----- Rupees -----	
Financing on behalf of parent entity		1,484,006,109	922,443,090
Less: Current portion		(1,219,953,346)	(561,318,481)
Net financing on behalf of parent entity		264,052,763	361,124,609

8 Long term advances and deposits

Employee loans	8.1	37,089,467	-
Less: Current portion		(13,116,767)	-
		23,972,700	-
Security deposits		3,776,875	3,776,875
		27,749,575	3,776,875

8.1 This includes loans to key management personnel of Rs. 36,670,276 (December 31, 2024: Rs. Nil).

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		Un-audited June 30, 2025	Audited December 31, 2024
9	Advances, deposits, prepayments and other receivables	----- Rupees -----	
	Prepayments	7,810,998	2,920,467
	Other receivables	17,840,082	8,054,628
	Accrued interest on financing	73,462,022	61,263,246
	Accrued interest on term deposit receipts (TDRs) and savings accounts	2,752,534	9,566,367
	Current portion of long term advances to employees	13,116,767	-
		<u>114,982,403</u>	<u>81,804,708</u>

9.1 This includes an amount of Rs. 1,731,737 (December 31, 2024: Rs. 1,274,284) receivable from parent entity against management fee for managing its portfolio under agency agreement and expenses incurred on behalf of parent entity.

		Un-audited June 30, 2025	Audited December 31, 2024
10	Short term financing - net	----- Rupees -----	
	Financing - gross	2,047,387,825	1,700,472,600
	Less:		
	Provision for expected credit loss:		
	Stage 1 & 2 ECL	(50,221,055)	(59,155,973)
	Stage 3 ECL	(61,267,250)	(29,234,135)
	Total Provision	(111,488,305)	(88,390,108)
	Net short term financing	<u>1,935,899,520</u>	<u>1,612,082,492</u>

10.1 This represents short term finance facilities provided on markup basis. The markup on these loans ranges from 13.13% to 36% (December 31, 2024: 13.14% to 32%) per annum. These are secured against personal guarantees of directors, mortgagors, charge over plant and machinery and/or post dated cheques.

		Un-audited June 30, 2025	Audited December 31, 2024
11	Short term investments	----- Rupees -----	
	Amortised cost		
	Pakistan Investment Bonds	-	1,527,685,174
	Treasury Bills	947,684,716	19,275,763,343
		<u>947,684,716</u>	<u>20,803,448,517</u>

11.1 These have been redeemed at Rs. 1,541,920,180 (December 31, 2024: Nil) in the month of January 2025 and carried markup of 13.25% (December 31, 2024: 13.25%) per annum.

11.2 The redemption value of these Treasury Bills amounts to Rs. 989,629,898 (December 31, 2024: Rs 19,443,089,000). These carry effective markup rate ranging from 10.90% to 19.19% (December 31, 2024: 11.89% to 21.95%) per annum. These instruments have maturity falling in the months of September, November, August, December 2025 and January 2026.

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	Note	Un-audited June 30, 2025	Audited December 31, 2024
		----- Rupees -----	
12	Cash and bank balances		
	Cash at bank:		
	Savings accounts	167,101,475	253,537,968
	Cash in hand	125	21,565
		<u>167,101,600</u>	<u>253,559,533</u>

12.1 The rate of markup on these accounts ranges from 6.13% to 11.50% (December 31, 2024: 8.69% to 20.57%) per annum.

13 Share capital and reserves

13.1 Authorised share capital

Un-audited June 30, 2025 (Number of shares)	Audited December 31, 2024	Un-audited June 30, 2025	Audited December 31, 2024
		----- Rupees -----	
<u>300,000,000</u>	<u>300,000,000</u>	<u>3,000,000,000</u>	<u>3,000,000,000</u>

13.2 Issued, subscribed and paid up share capital

Un-audited June 30, 2025 (Number of shares)	Audited December 31, 2024	Un-audited June 30, 2025	Audited December 31, 2024
		----- Rupees -----	
<u>150,000,000</u>	<u>150,000,000</u>	<u>1,500,000,000</u>	<u>1,500,000,000</u>
			Ordinary shares of Rs.10 each, fully paid in cash

13.3 Movement in ordinary shares

There was no movement in ordinary shares during the period.

13.4 Karandaaz Pakistan holds 149,999,996 shares representing 99.99% shares of the Company.

13.5 All ordinary shares rank equally with regard to the company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the company.

	Note	Un-audited June 30, 2025	Audited December 31, 2024
		----- Rupees -----	
14	Subordinated loan		
	Subordinated loan from parent entity	1,441,420,184	1,484,412,177

14.1 This represents the liability component of a subordinated loan classified as a compound financial instrument, obtained under an agreement between Karandaaz Pakistan (the parent entity) and the Company, dated November 28, 2022, following SECP approval. The loan has a tenure of five years and currently carries a markup of 3-month KIBOR minus 2% per annum, payable quarterly. The loan is subordinated to other indebtedness of the Company.

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		Un-audited June 30, 2025	Audited December 31, 2024
	Note	----- Rupees -----	
15	Payable to parent entity		
	Payable to parent entity	1,649,534,526	978,876,808
	Less: Current portion	<u>(1,219,953,346)</u>	<u>(561,318,481)</u>
	Net payable to parent entity	<u><u>429,581,180</u></u>	<u><u>417,558,327</u></u>

15.1 This represents amount payable to Karandaaz Pakistan under the agency agreement and addendum to aforesaid agreement between the two companies which has been provided to borrower entities.

16 Long term borrowings

		Un-audited June 30, 2025	Audited December 31, 2024
	Note	----- Rupees -----	
	Long term borrowings - Green bonds	<u><u>1,012,231,123</u></u>	<u><u>-</u></u>

16.1 During the period, the Company issued Rs. 1,000,000,000 Green Bonds (1,000 Term Finance Certificates at par value of Rs. 1,000,000 each) through a private placement to nine institutional investors, which is expected to be listed on the Pakistan Stock Exchange. These instruments rated AA- by PACRA, are to provide financing relating to renewable energy, clean agriculture, and transportation initiatives. This issuance was supported by Karandaaz Pakistan with a Debt Service Reserve Arrangement (DSRA). Major terms of these bonds are as follows:

Maturity date: 3 years from the issue date

Profit rate, payment and frequency: 3-month KIBOR plus 1% per annum, with quarterly interest payments payable in arrears and within 5 days of due date.

Principal repayments: Amortization of principal will occur in four quarterly installments during the last year and payable along with profit within 5 days of due date.

		Un-audited June 30, 2025	Audited December 31, 2024
	Note	----- Rupees -----	
17	Accrued and other liabilities		
	Payable to parent entity	38,387,464	12,142,602
	Provident fund payable	74,307,235	58,990,177
	Accrued liabilities	1,184,575	27,272,544
	Tax deducted at source	6,317,179	4,934,606
	Other payables	26,282,215	39,003,861
	Unearned rentals	253,158	-
		<u><u>146,731,826</u></u>	<u><u>142,343,790</u></u>

17.1 Payable to parent entity

Interest accrued on financing on behalf of parent entity	38,387,464	12,142,602
	<u><u>38,387,464</u></u>	<u><u>12,142,602</u></u>

17.2 The Company is in the process of establishing a separate trust to manage the provident fund.

		Un-audited June 30, 2025	Audited December 31, 2024
	Note	----- Rupees -----	
18	Short term borrowings		
	Short term borrowings	-	<u><u>20,283,693,837</u></u>

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18.1 This represented short-term borrowings taken from Allied bank at 3-months KIBOR minus 2% per annum which was reinvested in PIBs and T-bills. These borrowings have matured in the month of January 2025.

19 **Contingencies and commitments**

19.1 There are no known contingencies at the reporting date.

19.2 The Company has commitments in respect of contractual obligations amounting to Rs. 13,251,600 as at June 30, 2025 (December 31, 2024: Rs. 17,702,100).

	Note	Un-audited Six month period ended June 30, 2025	Un-audited Six month period ended June 30, 2024
		----- Rupees -----	
20	Markup on financing		
	Markup on long term financing	71,178,271	43,387,546
	Markup on short term financing	125,001,520	134,648,772
	Income from diminishing musharakah	7,078,924	-
		203,258,715	178,036,318

20.1 This represents markup on financing on long term basis bearing markup as mentioned in note 6 to these condensed interim financial statements.

20.2 This represents markup on financing on short term basis bearing markup as mentioned in note 10 to these condensed interim financial statements.

20.3 This represents income from diminishing musharakah on long term basis bearing markup as mentioned in note 6 to these condensed interim financial statements.

	Note	Un-audited Six month period ended June 30, 2025	Un-audited Six month period ended June 30, 2024
		----- Rupees -----	
21	Income other than markup on financing		
	Interest income on treasury bills	193,120,769	149,909,252
	Interest income on savings accounts	22,775,575	28,955,091
	Management fee from parent entity	4,344,431	2,204,644
	Processing fee on financing	5,035,796	4,521,027
	Other income	4,849,903	-
		230,126,474	185,590,014

21.1 This includes an amount of Rs. 4,643,500 pertaining to grant income from Palladium International Limited that supports companies in green initiatives such as renewable energy, clean agriculture, and transportation, under its Mobilist Product Platform Programme. As per the agreement, Palladium reimburses 50% of the Parwaaz Green Action Bond's technical assistance costs through a cost-sharing arrangement.

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	Note	Un-audited	Un-audited
		Six month period ended June 30, 2025	Six month period ended June 30, 2024
		----- Rupees -----	
22	Finance cost		
	Markup on subordinated loan	22.1	86,005,542
	Markup on short-term borrowing	22.2	134,053,433
	Bank charges		71,677
	Financial charges on lease liability		2,273,292
	Markup on long term borrowings	22.3	20,259,643
		242,663,587	157,330,482

22.1 This represents markup on subordinated loan from Karandaz Pakistan as mentioned in note 14 to these condensed interim financial statements.

22.2 This represents markup on short-term borrowings taken from Allied bank at 3-months KIBOR minus 2% per annum which was invested in PIBs and T-bills as mentioned in note 18 to these condensed interim financial statements.

22.3 This represents markup on long term borrowings bearing markup as mentioned in note 16 to these condensed interim financial statements.

	Note	Un-audited	Un-audited
		Six month period ended June 30, 2025	Six month period ended June 30, 2024
		----- Rupees -----	
23	Administrative expenses		
	Salaries, wages and benefits		107,276,196
	Legal and professional fees		5,950,742
	Auditors remuneration		1,360,000
	Travel, lodging and per diems		9,546,247
	Short term lease expense		3,511,605
	Utilities		2,419,851
	Depreciation on property and equipment	5	6,352,254
	Depreciation on right of use asset		3,008,976
	Amortization on intangibles		7,362,631
	Printing and stationery		399,872
	Marketing/branding		688,152
	Fees and subscription		7,068,799
	Vehicle operations and maintenance		250,229
	Consultancy		1,698,992
	Insurance expense		249,419
	Office expenses		1,530,229
	Digital portfolio cost		2,228,529
	Directors' fees		2,187,500
		163,090,223	117,503,980
			117,503,980
			5,065,892
			1,119,998
			9,273,911
			3,881,886
			3,718,739
			4,868,337
			2,764,352
			4,038,180
			499,587
			792,725
			1,211,791
			285,810
			-
			183,082
			2,208,975
			664,500
			2,250,000
		163,090,223	160,331,745

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24	Taxation		Un-Audited Six month period ended June 30, 2025	Un-Audited Six month period ended June 30, 2024
			(Rupees)	(Rupees)
	Income tax:			
	- Current period		29,688,255	13,699,352
	- Deferred taxation		(24,763,958)	631,839
			<u>4,924,297</u>	<u>14,331,191</u>

25	Earnings per share		Un-Audited Six month period ended June 30, 2025	Un-Audited Six month period ended June 30, 2024
		Note	(Rupees)	(Rupees)
25.1	Basic earnings per share			
	Profit for the period		4,122,017	27,823,369
	Weighted average number of ordinary shares	13	150,000,000	150,000,000
	Basic earnings per share		0.03	0.19

25.2	Diluted earnings per share			
	Profit for the period		4,122,017	27,823,369
	Weighted average number of ordinary shares	13	150,000,000	150,000,000
	Diluted earnings per share		0.03	0.19

25.2.1 For the purpose of diluted earnings per share the weighted average number of shares for the period ended June 30, 2024 has been restated to correct a computational error.

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	Note	Un-audited Six month period ended June 30, 2025	Un-audited Six month period ended June 30, 2024
		----- Rupees -----	
26	Cash and cash equivalents		
	Cash and bank balances	167,101,600	386,908,173
	Short term investments	257,140,833	1,119,997,481
		<u>424,242,433</u>	<u>1,506,905,654</u>

26.1 This represents short term investments with original maturities of less than 3 months.

27 Related party transactions

The Company's related parties comprise of its directors, associated undertakings, parent company and key management personnel. Remuneration of CEO and key management personnel has been disclosed in note 28. Other significant transactions with related parties and the balances with them are as follows:

Relationship with the Company	Nature of transactions	Un-audited Six month period ended June 30, 2025	Un-audited Six month period ended June 30, 2024
		----- Rupees -----	
1) Parent	Management fee charged by the Company	4,344,431	2,204,644
	Interest on financing on behalf of parent entity	56,931,482	12,246,551
	Principal on financing on behalf of parent entity	649,099,685	66,119,754
	Repayment on financing on behalf of parent entity	520,807,594	76,020,020
	Financing on behalf of parent entity	1,210,662,704	521,650,553
	Expenses incurred by company on behalf of parent entity	1,414,396	420,308
	Advance received under agency agreement	1,191,235,997	517,591,962
	Markup on subordinated loan	86,005,542	154,955,180
2) Directors	Meeting fee paid to the directors	2,187,500	2,250,000
3) Group Entities	Fee for renewal of exemption Certification of CCP - Infra Zamin Pakistan Limited	-	100,000
	Fee for renewal of exemption Certification of CCP - Pakistan Microfinance Company Limited (PMICL)	-	100,000

All transactions with related parties have been carried out at mutually agreed terms and conditions.

	Un-audited June 30, 2025	Audited December 31, 2024
		----- Rupees -----
Period / Year end balances		
Payable to parent entity	1,687,921,990	991,019,410
Accrued markup on subordinated loan	-	57,358,323
Liability portion of subordinated loan	1,441,420,184	1,484,412,177
Capital Reserve (equity portion of subordinated loan - net of tax)	67,386,742	67,386,742
Receivable from parent entity	1,731,737	1,274,284
CCP exemption renewal fee receivable - PMICL	100,000	100,000

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28 **Remuneration of chief executive (CEO) and key management personnel**

The aggregate amount charged in the condensed interim financial statements for the period for remuneration, to the Chief Executive and executives is as under:

Un-audited			
Six month period ended June 30, 2025			
----- Rupees -----			
Note	Chief Executive Officer	Executives	Total
Managerial remuneration	16,320,506	72,963,803	89,284,309
Company's contribution to provident fund	3,264,100	12,417,760	15,681,860
Reimbursements	926,322	6,750,730	7,677,052
	20,510,928	92,132,293	112,643,221
Number of persons	1	28	29

Un-audited			
Six month period ended June 30, 2024			
----- Rupees -----			
	Chief Executive Officer	Executives	Total
Managerial remuneration	15,393,000	67,035,350	82,428,350
Company's contribution to provident fund	1,419,300	5,514,042	6,933,342
Reimbursements	1,034,987	5,807,627	6,842,614
	17,847,287	78,357,019	96,204,306
Number of persons	1	26	27

28.1 This includes communication and fuel reimbursements allowed to employees as per the Company's policy.

29 **Events after the reporting period**

There are no reportable events after the reporting period.

30 **Corresponding figures**

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation. However, no significant re-arrangements or reclassifications have been made in these condensed interim financial statements during the period.

31 **Authorization of financial statements**

These condensed interim financial statements were authorized for issue on _____, 2025 by the Board of Directors of the Company.

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Chief Executive Officer


Director


Chief Financial Officer