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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TASDEEQ INFORMATION SERVICES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **TASDEEQ INFORMATION SERVICES LIMITED,** formerly known as **AEQUITAS INFORMATION SERVICES LIMITED**, **(**the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the company's affairs as at December 31, 2023 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' 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 auditors' 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.

Auditors' 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 auditors' 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:

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- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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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, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, 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 December 31, 2022 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon vide their report dated April 7, 2023.

The engagement partner on the audit resulting in this independent auditors' report is Sajjad Hussain Gill.

BDO Ebrahim & Co

LAHORE

DATED: APRIL 06, 2024

UDIN: AR202310087Rq94ciTMC

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

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TASDEEQ INFORMATION SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	7	49,209,457	39,524,605
Intangible assets	8	448,906,260	364,683,141
Right of use assets	9	3,429,913	4,577,364
Long term deposits		-	2,269,600
Deferred tax assets-net	10	55,309,537	61,581,320
		556,855,167	472,636,030
CURRENT ASSETS			
Trade debts - unsecured	11	18,042,047	28,769,716
Advances, prepayments and other receivables	12	23,131,625	17,789,497
Tax refunds due from government	13	516,060	2,598,737
Cash and bank balances	14	34,220,474	26,847,303
		75,910,206	76,005,253
TOTAL ASSETS		632,765,373	548,641,283
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	15	750,000,000	500,000,000
Issued, subscribed and paid-up share capital	15	500,000,000	500,000,000
Advance against issue of shares	16	102,387,829	-
Accumulated losses		(232,268,624)	(163,788,608)
		370,119,205	336,211,392
NON-CURRENT LIABILITIES			
Deferred liabilities	17	36,178,460	29,887,937
Lease liability	18	1,576,169	1,809,082
		37,754,629	31,697,019
CURRENT LIABILITIES			
Current portion of lease liability	18	2,587,859	4,526,344
Trade and other payables	19	189,553,680	111,311,265
Other payables	20	-	19,595,263
Loan from associates - unsecured	21	32,750,000	45,300,000
		224,891,539	180,732,872
		262,646,168	212,429,891
TOTAL EQUITY AND LIABILITIES		632,765,373	548,641,283
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes from 1 to 37 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR**

TASDEEQ INFORMATION SERVICES LIMITED

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023 Rupees	2022 Rupees
Revenue from contracts with customers - net	23	167,258,124	203,730,970
Cost of revenue	24	(36,944,408)	(32,383,403)
Gross profit		130,313,716	171,347,567
General and administrative expenses	25	(170,784,321)	(158,185,682)
Operating profit		(40,470,605)	13,161,885
Finance cost	26	(26,102,013)	(14,223,269)
Other operating expense	27	(1,343,794)	(502,189)
Other income	28	14,149,769	4,458,041
Loss before taxation		(53,766,643)	2,894,468
Taxation	29	(15,321,435)	(11,626,634)
Loss for the year		(69,088,078)	(8,732,166)

The annexed notes from 1 to 37 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR**

TASDEEQ INFORMATION SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023 Rupees	2022 Rupees
Loss for the year		(69,088,078)	(8,732,166)
Other comprehensive income		-	-
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement loss on defined benefit plan	17	856,425	(777,817)
Related deferred tax	10	(248,363)	225,567
		608,062	(552,250)
Items that may be reclassified to profit or loss in subsequent periods		-	-
Total comprehensive loss for the year		(68,480,016)	(9,284,416)

The annexed notes from 1 to 37 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR**

TASDEEQ INFORMATION SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	Capital reserves		Revenue reserve	
	Issued, subscribed and paid-up share capital	Advance against issue of shares	Accumulated loss	Total
	Rupees			
Balance as at 31 December, 2021	500,000,000	-	(154,504,192)	345,495,808
Total comprehensive income for the year:				
Loss after taxation	-	-	(8,732,166)	(8,732,166)
Other comprehensive loss for the year	-	-	(552,250)	(552,250)
	-		(9,284,416)	(9,284,416)
Balance as at 31 December 2022	500,000,000	-	(163,788,608)	336,211,392
Total comprehensive income for the year:				
Loss after taxation	-	-	(69,088,078)	(69,088,078)
Advance against issue of shares	-	102,387,829	-	102,387,829
Other comprehensive income for the year	-	-	608,062	608,062
	-	102,387,829	(68,480,016)	33,907,813
Balance as at 31 December 2023	500,000,000	102,387,829	(232,268,624)	370,119,205

The annexed notes from 1 to 37 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

TASDEEQ INFORMATION SERVICES LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(53,766,643)	2,894,468
Adjustment for non-cash and other items:			
Depreciation on property and equipment	7	9,342,998	7,023,848
Depreciation on right-of-use asset	9	2,743,930	3,131,524
Amortization of intangible assets	8	1,646,016	758,508
Allowance for expected credit loss on trade debts	25	663,030	704,829
Amortization of government grant		-	(719,048)
Mark-up on lease liability	26	772,350	848,298
Mark-up on loan from associated companies	26	13,650,573	7,597,436
Mark-up long-term loan and bank charges		37,567	532,985
Mark-up on delayed payment	26	11,638,652	-
Provision for gratuity	25	13,589,988	10,145,385
Unrealized exchange loss	27	1,343,794	502,189
Gain on disposal of assets	28	(10,172,398)	-
Security deposit written off		2,269,600	569,876
Payable written off		-	(737,164)
Operating profit before working capital changes		(6,240,543)	33,253,134
Working capital changes:			
(Increase)/decrease in current assets:			
Trade debts	11	10,064,639	6,035,316
Advances, prepayments and other receivables	12	(3,259,451)	(3,070,602)
Tax refund due from government	13	-	3,919,239
		6,805,188	6,883,953
Increase in current liabilities:			
Trade and other payables	19	32,162,611	68,338,442
Cash generated from operations		32,727,257	108,475,529
Tax paid		(9,298,015)	(12,989,323)
Mark-up paid		(7,615,584)	(7,597,436)
Gratuity paid	17	(1,506,350)	(158,000)
Bank charges		(37,567)	(15,251)
Net cash flows generated from operating activities		14,269,741	87,715,519
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment	7	(23,855,450)	(7,879,725)
Proceeds from sale of operating fixed assets	7	15,000,000	-
Additions to intangible assets	8	(3,944,183)	(1,341,780)
Additions to capital work in progress	8	(81,924,952)	(68,576,070)
Net cash used in investing activities		(94,724,585)	(77,797,575)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease laibilities	18	(2,009,814)	(4,908,530)
Repayment of long term loan		-	(9,514,725)
Amount received against issuance of shares	16	102,387,829	-
Loan obtained from associated company	21	31,350,000	30,000,000
Repayment of loan from associated company		(43,900,000)	(4,200,000)
Net cash generated from financing activities		87,828,015	11,376,745
Net increase in cash and cash equivalents		7,373,171	21,294,689
Cash and cash equivalents at the beginning of the year		26,847,303	5,552,614
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		34,220,474	26,847,303

The annexed notes from 1 to 37 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

TASDEEQ INFORMATION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Tasdeeq Information Services Limited (the Company) formerly named as 'Aequites Information Service Limited' was incorporated in Pakistan on March 25, 2016 as a public limited company under the Companies Ordinance, 1984 (repealed by the Companies Act, 2017). The Company's registered office is located at Building 8, Sector B, Commercial Area, Phase V, DHA, Lahore. The main objectives of the Company are to carry out the business of a Credit Information Company for collecting credit information as permissible by law relating to debtors of banks, financial institutions, non-banking financial institutions, non-financial companies and other lenders or authorities including retailers, insurance companies, utility providers and also to collect and maintain any credit information, with respect to individuals, partnerships, corporations, institutions, trusts, estates, cooperatives, associations, Government or Governmental subdivisions or agencies or any other entity.

1.2 Change in Company's Name

Under section 12 of Companies Act, 2017 (XIX of 2017), the name of '**Aequitas Information Service Limited**' has been changed to **Tasdeeq Information Service Limited** on February 10, 2023 and the said Company has been duly incorporated as a Company Limited by shares under the provision of the said Act.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

Head Office	3rd Floor, Awami Complex, 1-4 Usman Block, New Garden Town, Lahore.
Regional Office	3rd Floor, PNSC Building, Moulvi Tameezuddin Khan Road, Karachi.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The 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 Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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3.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for recognition of certain staff retirement benefits which are measured at present value.

3.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency for the Company.

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 year ended December 31, 2023

The following stantdards, amendments and interpretations are effective for the year ended December 31, 2023. 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	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	January 01, 2023

4.2 New accounting standards, amendments and IFRS 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.

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Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
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

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting
IFRS 17	Insurance Contracts

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

These financial statements have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standard Board as adopted by Securities and Exchange Commission of Pakistan (SECP), requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors involving a higher degree of expectations of future events that are believed to be reasonable under the circumstances. These 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 the revision and future periods, if the revision affects both current and future periods. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

	Notes
Allowance for expected credit loss	**6.8.5**
Taxation	**6.9**
Impairment of non-financial	**6.2**
Deferred Liabilties	**6.11**

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6 MATERIAL ACCOUNTING POLICIES

6.1 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment loss, if any, except for capital work in progress which is stated at cost less impairment loss, if any. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to the acquisition or construction including expenditures on material, labor and overheads directly relating to construction, erection and installation of items of property and equipment.

Capital work-in-progress is stated at cost less identified impairment losses, if any. 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 they are available for use.

Depreciation is charged to statement of profit or loss by applying the straight line method as per the useful lives specified in Note 7, which are considered appropriate to write off the cost of the assets over their useful economic lives. Depreciation on additions is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed. Normal repairs and maintenance costs are charged to statement of profit or loss for the year. Major renewals and improvements are capitalized. Gains and losses on disposals are determined by comparing the sale proceeds with the carrying value and are included in the statement profit or loss.

6.2 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in profit and loss account. 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.

Impaired assets are reviewed for possible reversal of the impairment at each statement of financial position date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognized. A reversal of impairment loss is recognized in the profit and loss account.

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6.3 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

6.3.1 Research and development costs for CIB application

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing The intangible asset so that The asset will be available for use or sale
- Its intention to complete and Its ability and intention to use or sell The asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated impairment losses. The Company's core business is to use CIB Application to process data and extract various reports and analysis which makes the CIB application a key asset for the Company's operations. As a result, CIB application is assessed as having an indefinite useful life.

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6.3.2 Software

The Company made upfront payments to acquire software. The software have been acquired for a period of 3 years with the option of renewal at the end of the year.

A summary of the policies applied to the Company's intangible assets is, as follows:

	CIB Application	**Software**
Useful lives	Indefinite	Finite (3 years)
Amortization method	No amortization	Amortized on a straight-line basis over the useful lives
Internally generated or acquired	Internally generated	Acquired

6.4 Leases

Right of use assets

The right of use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

Lease liability

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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6.5 Trade debts

Trade debts and other receivables are recognized and carried at original invoiced amount which is the fair value of the consideration to be received in future for goods sold. The Group is required to recognize allowance for doubtful debts on all financial assets carried at amortized cost in accordance with Expected Credit Loss (ECL) requiring to recognize the loss irrespective whether the loss event has occurred.

6.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at the book value which approximates their fair value. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and cash at banks in current and savings accounts.

6.7 Trade and other payables

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

6.8 Financial Instruments

6.8.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

6.8.2 Classification & subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial assets measured at amortized cost comprise of advances to be settled in cash, deposits, trade debts, other receivables and bank balances.

Debt Instrument - FVOCI

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL.

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. However, the Company has no such instrument at the reporting date.

Equity Instrument - FVOCI

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. However, the Company has no such instrument at the reporting date.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

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On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. However, the Company has no such instrument at the reporting date.

Financial assets – Business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities comprise lease liabilities, trade and other payables, long term financing and loan from associates.

6.8.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6.8.4 Trade receivables, deposits and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

6.8.5 Impairment

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company recognizes loss allowance for Expected Credit Losses (ECLs), except for the following, which are measured at 12-month ECLs, on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company applies the IFRS 9 simplified approach to measure the expected credit losses which uses a lifetime expected loss allowance. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Management uses actual credit loss experience over a past years to base the calculation of ECL.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

6.8.6 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

6.9 Taxation

Current Tax

The charge for current year is higher of the amount computed on taxable income at the current rates of taxation after taking into account tax credits and rebates, if any, and minimum tax computed at the prescribed rate on turnover or alternative corporate tax. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of the Institute of Chartered Accountants of Pakistan.

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Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the statement of profit or loss, except in case of items charged or credited directly to equity in which case it is included in the consolidate statement of comprehensive income.

6.10 Revenue Recognition

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1. Identify contract (s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company contracts with its customers for providing various credit information related reports against an agreed price, which generally include single performance obligation. The performance obligation is satisfied upon delivery of report to the customer which is monthly. The management has concluded that revenue from sale of services should be recognized at the point in time when control of the report is transferred to the customer, which is when the customer obtains the required reports from the Company. Invoices are generated at each month and revenue is recognized at that point in time, as the control has been transferred to the customers.

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6.11 Staff retirement benefits

Defined benefit plan (Gratuity Fund)

The Company operates an un-funded gratuity scheme for all its permanent employees who have attained retirement age, died or resigned during service period and have served for the minimum qualification period. Provision is based on the actuarial valuation of the scheme carried out as at June 30, 2023 using the Projected Unit Credit Method in accordance with IAS-19 "Employee Benefits" and resulting vested portion of past service cost has been charged to income in the current year. The remeasurement gains / losses as per actuarial valuation done at financial year end are recognized immediately in other comprehensive income and all other expenses are recognized in accordance with IAS 19 "Employee Benefits" in the consolidated statement of profit or loss account.

BDO

7 PROPERTY AND EQUIPMENT

	Note	2023 (Rupees)	2022 (Rupees)
Operating fixed assets	7.1	49,209,457	39,524,605

7.1 Operating fixed assets

The following is the schedule of property and equipment:

Description	Furniture and fixtures	Office and other equipments	Computer and Accessories	Specialised server and IT Equipment	Leasehold Improvements	Total
	(Rupees)					
Net carrying value basis						
Year ended December 31, 2023						
Opening net book value (NBV)	4,074,330	2,381,355	4,273,326	28,795,594	-	39,524,605
Additions / transfer (at cost)	2,342,480	4,171,200	2,698,700	1,001,520	13,641,550	23,855,450
Disposals (NBV)	(2,791,567)	(2,036,033)	-	-	-	(4,827,600)
Depreciation charge	(737,536)	(415,509)	(2,349,705)	(4,324,672)	(1,515,576)	(9,342,998)
Closing net book value	2,887,707	4,101,013	4,622,321	25,472,442	12,125,974	49,209,457
Gross carrying value basis						
Year ended Decmeber 31, 2023						
Cost	4,067,669	4,392,929	13,425,334	43,246,721	13,641,550	78,774,203
Accumulated depreciation	(1,179,962)	(291,916)	(8,803,013)	(17,774,279)	(1,515,576)	(29,564,746)
Net book value	2,887,707	4,101,013	4,622,321	25,472,442	12,125,974	49,209,457
Net carrying value basis						
Year ended Decmeber 31, 2022						
Opening net book value (NBV)	4,742,018	2,399,932	2,359,158	29,167,620	-	38,668,728
Additions / transfer (at cost)	68,000	415,900	3,718,658	3,677,167	-	7,879,725
Depreciation charge	(735,688)	(434,477)	(1,804,490)	(4,049,193)	-	(7,023,848)
Closing net book value	4,074,330	2,381,355	4,273,326	28,795,594	-	39,524,605
Gross carrying value basis						
Year ended December 31, 2022						
Cost	6,476,851	4,074,465	10,726,634	42,245,201	-	63,523,151
Accumulated depreciation	(2,402,521)	(1,693,110)	(6,453,308)	(13,449,607)	-	(23,998,546)
Net book value	4,074,330	2,381,355	4,273,326	28,795,594	-	39,524,605
Depreciation rate % per annum	10 to 20	10	30	10	33	

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7.2 The depreciation charge for the year has been allocated as follows:

	Note	2023 Rupees	2022 Rupees
Cost of revenue	24	4,324,672	4,049,193
General and administrative expenses	25	5,018,326	2,974,655
		9,342,998	7,023,848

7.2.1 Depreciation expense related to specialized servers and IT equipment is charged to direct cost, as it is the directly attributable cost to revenue.

7.2.2 Operating fixed assets includes fully depreciated assets amounting to Rs. 4,935,706 (2022: Rs.4,276,173).

7.3 The following operating fixed assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Gain	Particulars of buyers
	(Rupees)					
Furniture and fixtures	4,751,662	1,960,093	2,791,569	5,300,000	2,508,431	Tenx (Private) Limited
Office equipment	3,852,736	1,816,703	2,036,033	9,700,000	7,663,967	Tenx (Private) Limited
Total - December 31, 2023	8,604,398	3,776,796	4,827,602	15,000,000	10,172,398	

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		Note	2023 Rupees	2022 Rupees
8	**INTANGIBLE ASSETS**			
	Operating intangible assets	8.1 & 8.2	428,036,308	302,238,141
	Capital work-in-progress	8.3	20,869,952	62,445,000
			448,906,260	364,683,141

8.1 Computer softwares

	Note	2023 Rupees	2022 Rupees
Net carrying value			
Opening balance		1,233,977	650,705
Addition during the year		2,944,183	1,341,780
Amortization charge	24	(1,646,016)	(758,508)
Net book value		2,532,144	1,233,977
Gross carrying value			
Cost		7,950,197	5,006,014
Accumulated amortization		(5,418,053)	(3,772,037)
Net book value		2,532,144	1,233,977
Amortization % per annum		**33**	**33**

8.1.1 The amortization charge for the year has been allocated as follows:

	Note	2023 Rupees	2022 Rupees
Cost of revenue	24	1,646,016	758,508

8.2 CIB application

	2023 Rupees	2022 Rupees
Net carrying value		
Opening balance	301,004,164	265,869,335
Addition during the year	1,000,000	-
Transferred from capital work in progress	123,500,000	35,134,829
Net book value	425,504,164	301,004,164
Gross carrying value		
Cost	425,504,164	301,004,164
Accumulated amortization	-	-
Net book value	425,504,164	301,004,164

8.2.1 Impairment test on intangible assets with indefinite useful lives

The company is considered as a single CGU.

	2023 Rupees	2022 Rupees
Carrying amount allocated to CGU	448,906,260	364,683,141

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This relates to the CIB application as mentioned in note 8.2. The Company performed its annual impairment test in December 2023 and December 2022. The recoverable amount of the CGU of Rs 5,354 million as at December 31, 2023 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by Board of Directors covering a five-year period. The pre-tax discount (WACC) rate applied to cash flow projections is 24% and cash flows beyond the five-year period are extrapolated using a 5% growth rate that is the same as the long-term average growth rate for economy. It was concluded that the fair value less costs of disposal cannot be estimated, therefore, value in use has been compared with the carrying amount. As a result of this analysis, management has not recognised any impairment charge.

Key assumptions used in discounted cashflows calculations

The calculation of value in use for CGU is most sensitive to the following assumptions:
- Discount rates
- Growth rates used to extrapolate cashflows beyond the forecast period.

Discount rates

Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company which is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the investors. Segment-specific risk (Banks and technology companies) is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Growth rates

Growth rate estimates are used to extrapolate cashflows beyond the five-year forecast period are based on GDP rates published in "Economic Survey of Pakistan 2022 to 2023".

Sensitivity to changes in assumptions

Growth Rates

The effect of new entrants and change in market demand is not expected to have an adverse impact on the forecasts. A decline in long-term growth rate by 1% will decrease the recoverable amount by Rs 489.711 million.

Discount rates

A rise in the pre-tax discount rate by 1% will result in the decrease in the recoverable amount by Rs. 326.478 million.

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	Note	2023 Rupees	2022 Rupees
8.3 Capital Work in Progress-Internally Generated			
CIB Application	8.3.1	20,869,952	62,445,000

8.3.1 Movement of carrying amount is as follows:

	Note	2023 Rupees	2022 Rupees
Opening balance		62,445,000	29,003,759
Additions (at cost)		81,924,952	68,576,070
Transferred to operating intangible assets	8.2	(123,500,000)	(35,134,829)
Closing balance		20,869,952	62,445,000

9 RIGHT-OF-USE ASSETS

The following is the statement of right-of use assets:

9.1 Buildings

	Note	2023 Rupees	2022 Rupees
Net carrying value basis			
Opening net book value (NBV)		4,577,364	7,708,888
Additions (Cost)		6,173,842	-
Disposals (at NBV)		(4,577,364)	-
Depreciation charge		(2,743,930)	(3,131,524)
Closing net book value (NBV)	9.1.1	3,429,913	4,577,364
Gross carrying value basis			
Cost		6,173,842	15,297,858
Accumulated deprecaition		(2,743,929)	(10,720,494)
Closing net book value (NBV)		3,429,913	4,577,364
Depreciation rate (%) per annum		**40%**	**20%**

9.1.1 Right of use asset comprise of rented premises i.e Head office Lahore. The lease will expire on June 30, 2025.

10 DEFERRED TAX ASSET-NET

	Note	2023 Rupees	2022 Rupees
Deferred tax assets-net	10.1	55,309,537	61,581,320

10.1 Deferred tax arisen during the year on the following items

Deductible / (taxable) temporary differences

	2023 Rupees	2022 Rupees
-Accelerated tax depreciation on property and equipment	(5,295,182)	(5,732,412)
- Right of use	(882,614)	-
- Intangibles	(50,798,708)	-
	(56,976,504)	(5,732,412)

BDO

	Note	2023 Rupees	2022 Rupees
- Provision for expected credit loss		812,363	620,084
- Provision for gratuity		10,491,753	8,667,502
- Lease liability-net		1,207,574	509,838
- Brought forward losses		99,774,351	57,516,308
		112,286,041	67,313,732
		55,309,537	61,581,320

10.2 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. 216 million (December 31, 2022: Rs.210 million) for tax years 2018 to 2023, based on the projections keeping in view the future business prospects. Expiry of aggregate tax losses is as follows:

Expiry Tax Year	**Nature**	2023	2022
2024	Business loss	20,105,697	20,105,697
2025	Business loss	60,543,503	60,543,503
2026	Business loss	46,990,011	46,990,011
2027	Business loss	35,048,056	35,048,056
		162,687,267	162,687,267
No Expiry	Depreciation and amortization loss	53,629,658	47,582,985
		216,316,925	210,270,252

10.3 The gross movement in the deferred tax asset during the year is as follow:

	Note	2023	2022
Opening deferred tax as at January 01,		61,581,320	59,993,064
Charged to profit and loss	29	(6,023,420)	1,362,689
Charged to other comprehensive income		(248,363)	225,567
Closing deferred tax as at December 31,		55,309,537	61,581,320

11 TRADE DEBTS

	Note	2023	2022
Unsecured			
Considered good		20,843,297	30,907,936
Less: provision for expected credit losses (ECL)	11.1	(2,801,250)	(2,138,220)
		18,042,047	28,769,716

11.1 Movement of expected credit loss is as follows:

	2023	2022
Opening balance	2,138,220	1,433,391
Expected credit loss for the year	663,030	704,829
Closing balance	2,801,250	2,138,220

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	Note	2023 Rupees	2022 Rupees

12 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2023 Rupees	2022 Rupees
Advances - unsecured, considered good			
- to employees against expenses	12.1	211,201	144,065
- to suppliers		948,750	500,760
Prepayments	12.2	13,771,010	8,944,008
Other receivables (related parties)	12.3	8,200,664	8,200,664
		23,131,625	17,789,497

12.1 This includes advances provided to employees to meet business expenses. These advances do not carry any interest or mark-up.

12.2 This includes payment made against annual subscription for software (i.e; IBM, Microsoft office, Kasperk antivirus) and CISCO hardware.

12.3 Receivables due from related parties include the following unsecured amounts on account of expenses incurred by the Company on behalf of the related parties:

	2023	2022
Aequitas (Private) Limited	4,240,000	4,240,000
Tenx (Private) Limited	3,960,664	3,960,664
	8,200,664	8,200,664

12.3.1 This includes current account balances with the related parties which will be settled in normal course of business. The aging of receivable balances from the related parties at reporting date is as follows:

	2023	2022
0 to 6 months	-	-
6 to 12 months	-	-
Above 12 months	8,200,664	8,200,664
	8,200,664	8,200,664

12.3.2 The maximum aggregate amounts outstanding at any time during the year were as follows:

	2023	2022
Aequitas (Private) Limited	4,240,000	4,240,000
Tenx (Private) Limited	3,960,664	3,960,664
	8,200,664	8,200,664

13 TAX REFUNDS DUE FROM GOVERNMENT

	2023	2022
Advance tax	9,814,075	2,598,737
Less: Provision for taxation	(9,298,015)	-
	516,060	2,598,737

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	Note	2023 Rupees	2022 Rupees

14 CASH AND BANK BALANCES

	Note	2023 Rupees	2022 Rupees
Cash at banks			
- current accounts		716,370	575,403
- saving accounts	14.1	33,504,104	26,271,900
		34,220,474	26,847,303

14.1 These carry profit at the rate ranging from 17.61% to 20.50% (2022: 5.3% to 17.61%) per annum.

15 SHARE CAPITAL

15.1 Authorized share capital

	2023 Rupees	2022 Rupees
75,000,000 (December 31, 2022: 50,000,000) ordinary shares of Rs. 10/- each	750,000,000	500,000,000

15.1.1 During the year, the Company has increased its authorised share capital from Rs. 500.00 million to Rs. 750.00 million as approved by Board of Directors in the meeting held on April 28, 2023.

15.2 Issued, subscribed and paid up share capital

	2023 Rupees	2022 Rupees
50,000,000 (December 31, 2022: 50,000,000) ordinary shares of Rs. 10/- each	500,000,000	500,000,000

15.2.1 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

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		Note	2023 Rupees	2022 Rupees
16	**ADVANCE AGAINST ISSUE OF SHARES**	16.1	102,387,829	-

16.1 This represents advance received from Mumtaz Hussain, Usman Haider, Sardar Ali, Mubashar Maqbool, Aequitas Private Limited and Analytics Private Limited against issue of right shares dated December 15, 2023. (2022 : Nil). The Board has approved issue of right shares in a meeting held on September 18, 2023.

17 DEFERRED LIABILITIES

	Note	2023 Rupees	2022 Rupees
Gratuity payable - unfunded	17.1.1	36,178,460	29,887,937

17.1 Gratuity payable - unfunded

General description

The scheme provides for terminal benefits for all its permanent employees who qualify for the scheme. The defined benefit payable to each employee at the end of his service comprises of total number of years of his service multiplied by last drawn basic salary including cost of living allowance.

Annual charge is based on actuarial valuation carried out by an independent approved valuer M/S Nauman Associates as at December 31, 2023 using the Projected Unit Credit method.

The Company faces the following risks on account of gratuity:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macro-economic factors), the benefit amount increases as salary increases.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Demographic Risks: Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal Risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

	Note	2023 Rupees	2022 Rupees

17.1.1 The amounts recognized in the financial statements are as follows:

	Note	2023	2022
Opening liability		29,887,937	19,122,735
Current service cost	17.1.2	9,723,358	7,907,746
Interest cost on defined benefit obligation	17.1.2	3,866,630	2,237,639
Benefits due but not paid		(4,936,690)	-
Benefits paid		(1,506,350)	(158,000)
Actuarial loss from changes in financial assump	17.1.3	74,230	173,087
Experience adjustment		(930,655)	604,730
Closing liability		36,178,460	29,887,937

17.1.2 The amounts recognized in profit and loss are as follows:

	Note	2023	2022
Current service cost		9,723,358	7,907,746
Interest cost on defined benefit obligation		3,866,630	2,237,639
	25.1	13,589,988	10,145,385

17.1.3 Remeasurements recognized in other comprehensive income (OCI) are as follows:

	2023	2022
Actuarial loss from changes in financial assumptions	74,230	173,087
Experience adjustment	(930,655)	604,730
	(856,425)	777,817

17.1.4 Significant actuarial assumptions

	2023	2022
Discount rate used for interest cost	**14.50%**	**11.75%**
Discount rate used for year-end obligation	**15.50%**	**14.50%**
Salary increase used for year end obligation	**14.50%**	**13.50%**
Next salary is increased at	**Jan 01, 2024**	**Jan 01, 2023**

17.1.5 Estimated expenses to be charged to Statement of profit or loss for the year ended December 31, 2024 shall be Rs. 15,705,583 (December 31, 2023: Rs. 13,126,771).

17.1.6 Sensitivity Analysis

	2023	2022
Discount Rate + 100 bps	34,451,407	28,339,239
Discount Rate - 100 bps	38,190,865	31,692,715
Salary Increase + 100 bps	38,251,295	31,742,687
Salary Increase - 100 bps	34,367,917	28,268,175

	2023	2022
17.1.7 Mortality Rates	**SLIC 2001-2005**	**SLIC 2001-2005**

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18 LEASE LIABILITIES

The liabilities against assets represents lease of buildings. The amount of future payments for the period in which the lease payments become due are as follows:

	Note	2023 Rupees	2022 Rupees
Unsecured			
Opening balance as at January 01,		6,335,426	10,395,658
Add: Addition during the year		6,173,842	-
Less: Disposals during the year		(6,335,426)	-
Less: Payments made during the year		(2,782,164)	(4,908,530)
Add: Interest expense for the year		772,350	848,298
Closing balance as at December 31,		4,164,028	6,335,426
Contractual maturity of remaining lease commitments			
Within one year		2,990,826	4,993,506
Between two and five years		1,607,569	1,872,644
Total un-discounted lease commitments		4,598,395	6,866,150
Discounted lease liability using the incremental borrowing rate		4,164,028	6,335,426
Current portion		(2,587,859)	(4,526,344)
Non-current portion		1,576,169	1,809,082

19 TRADE AND OTHER PAYABLES

	Note	2023 Rupees	2022 Rupees
Trade and other creditors		7,787,719	5,759,772
Accrued expenses	19.1	19,177,432	15,572,612
Withholding tax payable		6,795,529	6,206,803
Sales tax payable		2,308,915	2,081,409
Payable to related parties	19.2	153,484,085	81,690,669
		189,553,680	111,311,265

19.1 This includes Rs.1,525,000 payable (2022: 400,000) to directors for attending board meetings during the year.

19.2 This includes balances payable to following related parties against purchase of services and shared expenses:

	2023 Rupees	2022 Rupees
Tenx (Private) Limited	141,323,905	76,343,187
Pakistan Microfinance Network	3,743,271	3,448,811
Aequitas (Private) Limited	7,235,774	1,138,799
The Pakistan Credit Rating Agency Limited	1,181,135	759,872
	153,484,085	81,690,669

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	Note	2023 Rupees	2022 Rupees
20 OTHER PAYABLES			
	20.1	-	19,595,263

20.1 As per State Bank of Pakistan Letter No. EPD/INT/A-28811-12/12(1211)-2018 shares of Mr. Syed Sajjad Razvi, a non-resident shareholder of the Company, have been registered on a repatriable basis and any proceeds from the sales of such shares are to be remitted by the Company through Faysal Bank Limited as the authorized dealer for repatriation of dividends and disinvestment proceeds. The amount represents sale proceeds received by the Company from existing shareholders namely The Pakistan Credit Rating Agency Limited (Rs. 12,733,007; 697,699 shares), Mubashar Maqbool (Rs. 5,725,390; 313,720 shares) and Sardar Ali (Rs. 1,136,866; 62,294 shares) for onward payment to Syed Sajjad Razvi against disinvestment of his 1,073,713 shares to above shareholders of the Company.The transaction was pending receipt of tax exemption certificate from Federal Board of Revenue following which respective amounts were to be remitted by Faysal Bank Limited. During the year, the amount has been paid back to Pakistan Credit Rating Agency Limited, whereas the amounts held on behalf of Sardar Ali and Mubashar Maqbool have been paid by the Company during the year.

21 LOAN FROM ASSOCIATES - UNSECURED

	Note	2023	2022
Aequitas (Private) Limited	21.1	2,750,000	15,300,000
The Pakistan Credit Rating Agency Limited	21.2	30,000,000	30,000,000
Add: mark-up on amount due to related party		6,096,975	7,597,436
		38,846,975	52,897,436
Less: accrued mark-up shown as paid / other payable		(6,096,975)	(7,597,436)
		32,750,000	45,300,000

21.1 The Company has obtained a loan from Aequitas (Private) Limited (related party) in order to meet short term working capital requirements. The agreement is with effect from July 01, 2021 and the lender has provided Rs. 19.5 million which can be increased up to Rs. 20 million if needed, as requested by the Company. The loan is repayable on demand at the option of the lender. Till the loan is repaid, interest will be paid at the rate of one-month KIBOR plus 3% per annum. The amount of interest will be calculated from the date amount is credited in the bank account of company till the repayment. This interest is payable at the end of each quarter.

21.2 The Company has obtained a loan from Pakistan Credit Rating Agency Limited (a related party) in order to meet short term working capital requirements. The agreement is with effect from January 18, 2022 and the lender has provided Rs. 30 million. The loan is repayable within one year. Till the loan is repaid, interest will be paid at the rate higher of: three-month KIBOR plus 3% per annum or at the rate paid by the company to any other sponsor shareholder. The amount of interest will be calculated from the date amount is credited in the bank account of company till the repayment in full. This interest is payable at the end of each quarter, if the due interest is not made within 15 days of the quarter end then the service charges of 1% per annum will be applicable.

	Note	2023 Rupees	2022 Rupees

21.3 Movement in short term loan from associate

		2023 Rupees	2022 Rupees
Balance as at January 01,		45,300,000	19,500,000
Loan obtained during the year		31,350,000	30,000,000
Paid / adjustment during the year		(43,900,000)	(4,200,000)
Mark-up accrued year		6,096,975	7,597,436
Mark-up paid year		(6,096,975)	(7,597,436)
Balance as at December 31,		32,750,000	45,300,000

22 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments to be reported at year end (31 December 2022: Nil).

23 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

		2023 Rupees	2022 Rupees
Gross revenue		191,585,283	234,822,241
Less: sales tax		(24,327,159)	(31,091,271)
		167,258,124	203,730,970

23.1 Timing of revenue recognition

		2023 Rupees	2022 Rupees
Revenue recognized at a point in time		167,258,124	203,730,970

The geographical market disaggregation of the Company's revenue relates to Pakistan.

24 COST OF REVENUE

	Note	2023 Rupees	2022 Rupees
Data center charges		5,402,948	5,312,400
Amortization of intangibles		1,646,016	758,508
Service Level Agreement CIB Application		6,730,521	9,135,000
Service Level Agreement other software		12,391,177	9,435,722
Service Level Agreement Hardware		6,449,074	3,692,580
Depreciation of operating fixed assets	7.2	4,324,672	4,049,193
		36,944,408	32,383,403

25 GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2023 Rupees	2022 Rupees
Salaries, wages and other benefits	25.1	110,924,988	99,962,081
Rent, rates and taxes	25.2	6,815,537	4,706,855
Travelling and conveyance		3,410,923	8,966,376
Advertisement		8,228,154	4,643,566
Facilitation fee		11,017,042	12,418,187
Legal and professional		2,150,396	4,891,184
Utilities		4,201,337	4,342,754
Office expense		3,358,187	2,538,727

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	Note	2023 Rupees	2022 Rupees
Repair and maintenance		2,223,869	818,715
Insurance		1,642,732	1,521,181
Fee and subscriptions		3,675,000	1,950,000
Entertainment		2,404,170	1,409,163
Charity and donation	25.3	664,443	788,379
Security services		227,065	266,000
Auditor's remuneration	25.4	925,000	885,000
Printing and stationery		490,193	696,630
Security deposit written off		-	569,876
Provision for expected credit loss		663,030	704,829
Depreciation of operating fixed assets	7	5,018,326	2,974,655
Depreciation of right of use assets	9	2,743,929	3,131,524
		170,784,321	158,185,682

25.1 Salaries, wages and other benefits include Rs.13,589,988 (2022: Rs. 10,145,385) in respect of gratuity fund contribution by the Company.

25.2 Rent, rates, and taxes include lease payments made for three guest houses in Karachi, Lahore and Islamabad with lease terms of 12 months.

25.3 Charity and donation amounting to Rs. 664,443 for the year ended December 31, 2023 (December 31, 2022: Rs. 788,397) were paid to Akhuwat Islamic Microfinance.

25.4 Auditors' remuneration

	2023	2022
Statutory audit fee	800,000	800,000
Out of pocket expenses	85,000	85,000
Punjab sales tax	40,000	-
	925,000	885,000

26 FINANCE COST

	Note	2023	2022
Mark-up on lease liability		772,350	848,298
Mark-up on loan from associated company		13,650,573	7,597,436
Mark-up on long term loan		-	517,734
Delayed payment interest	26.1	11,638,652	5,244,550
Bank charges		40,437	15,251
		26,102,013	14,223,269

26.1 This includes interest charged on delayed payments to Tenx (Private) Limited at the rate of 3 months KIBOR plus 3%, as per the agreement .

27 OTHER OPERATING EXPENSE

	2023	2022
Exchange loss	1,343,794	502,189

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		Note	2023 Rupees	2022 Rupees
28	**OTHER INCOME**			
	Interest income on savings account		2,219,307	3,001,829
	Amortization of government grant		-	719,048
	Payables written off	28.1	-	737,164
	Gain on sale of operating fixed assets	7	10,172,398	-
	Gain on sale of right of use assets		1,758,064	
			14,149,769	4,458,041

28.1 These relates to the payable standing for the past three years.

		Note	2023 Rupees	2022 Rupees
29	**TAXATION**			
	Current:			
	- For the year		6,778,089	12,989,323
	- Prior year		2,519,926	-
			9,298,015	12,989,323
	Deferred tax			
	Deferred tax expense/(income)	29.1	6,023,420	(1,362,689)
			15,321,435	11,626,634

29.1 The Company's tax provision for the year / period is 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 both years.

30 FINANCIAL INSTRUMENTS

30.1 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent 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 and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

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

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30.2 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Carrying amount			Fair value			
	Amortised cost	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	Rupees						
2023							
Financial assets							
Trade receivable	18,042,047	-	18,042,047	-	-	-	-
Other receivables	8,200,664	-	8,200,664	-	-	-	-
Cash and bank balances	34,220,474	-	34,220,474	-	-	-	-
	60,463,185	-	60,463,185	-	-	-	-
Financial liabilities							
Lease liability	-	4,164,028	4,164,028	-	-	-	-
Loan from associates - unsecured	-	32,750,000	32,750,000				
Creditors, accrued and other liabilities	-	161,271,804	161,271,804	-	-	-	-
	-	198,185,832	198,185,832	-	-	-	-
2022							
Financial assets							
Long term deposits	2,269,600	-	2,269,600	-	-	-	-
Trade receivable	28,769,716	-	28,769,716	-	-	-	-
Other receivables	8,200,664	-	8,200,664	-	-	-	-
Cash and bank balances	26,847,303	-	26,847,303	-	-	-	-
	66,087,283	-	66,087,283	-	-	-	-
Financial liabilities							
Lease liability	-	6,335,426	6,335,426	-	-	-	-
Loan from associates - unsecured	-	45,300,000	45,300,000				
Creditors, accrued and other liabilities	-	87,450,441	87,450,441	-	-	-	-
	-	139,085,867	139,085,867	-	-	-	-

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30.3 Financial risk management

The Company's activities expose it to a variety of financial risks:

- Credit risk
- Liquidity risk
- Market risk (including currency risk, interest rate risk and price risk)

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

30.4 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management. 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.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

30.5 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted, without taking into account the fair value of any collateral. The Company does not have significant exposure to any individual counter party.

30.5.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2023 Rupees	2022 Rupees
Trade debts - unsecured	11	18,042,047	28,769,716
Bank balances	14	34,220,474	26,847,303
Other receivables	12	8,200,664	8,200,664
Long term security deposit		-	2,269,600
		60,463,185	66,087,283

Bank balances

The Company held balance amounting to Rs. 34.22 million as at December 31, 2023 with banks which are rated A+ based on PACRA and VIS ratings.

Impairment on banks has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Company considers its bank balances have low credit risk based on the external ratings of the counterparties.

12 month probabilities of default are based on historical data supplied by VIS rating agency & PACRA for each credit rating. Loss given default (LGD) parameters generally reflect assumed recovery rates based on recovery rates assumed in Basel Guidelines for unsecured exposures.

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	Credit Ratings		Rating	2023	2022
	Short term	Long term	Agency	Rupees	Rupees
Bank Balances					
Askari Bank Limited	A-1+	AA+	PACRA	715,943	330,427
Faysal Bank Limited	A-1+	AA	PACRA	9,785,989	26,516,876
Samba Bank Limited	A1	AA	PACRA	23,689,657	-
Meezan Bank Limited	A-1+	AAA	VIS	28,885	-
				34,220,474	26,847,303

Counterparties without external credit ratings

These include trade debts and other advances such as insurance prepayment etc. For trade debts, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The information about the credit risk exposure on the Company's trade debts using a provision matrix is given below:

Trade Debts - Unsecured	Trade Receivable				
	Days past due				
December 31, 2023	<90 days	90- 180 days	181- 270 days	>270 days	Total
	(Rupees)				
Expected credit loss rate	2.40%	22.26%	93.78%	93.78%	
Estimated total gross carrying amount	17,815,759	2,339,061	940,614	1,036,180	20,843,297
Expected credit loss	426,856	520,621	882,077	971,696	2,801,250

Trade Debts - Unsecured	Trade Receivable				
	Days past due				
	<90 days	90- 180 days	181- 270 days	>270 days	Total
December 31, 2022	(Rupees)				
Expected credit loss rate	0.16%	0.74%	2.55%	12.10%	
Estimated total gross carrying amount	1,742,656	8,345,273	4,657,009	16,162,998	30,907,936
Expected credit loss	2,758	61,447	118,574	1,955,441	2,138,220

30.5.2 Concentration risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is limited and is exposed to concentrations of credit risk as the financial assets are held with a limited number of institutions.

	2023 Rupees	2022 Rupees
Banking companies	34,220,474	26,847,303
Trade debts and other advances	26,242,711	40,310,616
	60,463,185	67,157,919

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30.6 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner unfavorable to the Company. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of adequate funds through committed credit facilities. 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, working capital loan from related parties and maintain an appropriate level of bank balance to minimize risk.

30.6.1 Exposure to liquidity risk

Contractual maturities of financial labilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The cash flows are undiscounted.

	Carrying amount	On demand	Upto one year or less	One to five years	Above five years
			Rupees		
Non-derivatives financial Liabilities					
2023					
Lease liability	4,164,028	-	2,990,826	1,607,569	-
Trade and other payables	189,553,680	-	189,553,680	-	-
Loan from an associates	32,750,000	2,750,000	30,000,000	-	-
	226,467,708	2,750,000	222,544,506	1,607,569	-
Non-derivatives financial Liabilities					
2022					
Lease liability	6,335,426	-	4,993,506	1,872,644	-
Trade and other payables	111,311,265	-	111,311,265	-	-
Loan from an associates	45,300,000	15,300,000	30,000,000	-	-
	162,946,691	15,300,000	146,304,771	1,872,644	-

30.7 Market risk

Market risk is the risk that changes In market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial Instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

30.7.1 Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments are as follows:

	Effective rate		Carrying amount	
	2023	2022	2023	2022
	---------(Percentage)-----------		Amount in Rupees	
Non derivative financial assets				
Fixed rate instruments:				
Bank balances - saving	17.61 % - 20.5%	5.3%-17.61%	34,220,474	26,847,303
Non derivative financial liabilities				
Variable rate instruments:				
Lease liability	15.24%	10.35%	4,164,028	6,335,426
Loan from an associate	Kibor + 3%	Kibor + 3%	32,750,000	45,300,000
Delayed payment interest	12%-25.90%	Kibor + 3%	11,638,652	5,244,550
			36,914,028	51,635,426

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Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of one percent in interest rates at the reporting date would have increase / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant.

	Increase Rupees	Increase Rupees
As at December 31, 2023	34,040	253,635

30.7.2 Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short and long term borrowings of the Company has variable rate pricing that is mostly dependent on KIBOR as indicated in respective notes.

30.7.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on import of project related capital items mainly denominated in US dollars, foreign currency cash and bank balances and foreign currency loans. The Company's exposure to foreign currency risk for US Dollars is as follows:

	USD 2023	**USD 2022**
Foreign currency transaction	69,398	56,218

The following significant exchange rates have been applied:

	Average rate for the year		**Reporting date rate**	
	2023	**2022**	**2023**	**2022**
US Dollars	254.65	202.43	282.40	226.90

The weakening of PKR against foreign currencies would have an equal but opposite impact on the post tax profits.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / (loss) for the year and assets / liabilities of the Company.

30.8 Other price risk

Price risk represents the risk that the fair value or future cash flows of 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 market. The Company is not exposed to other price risk due to its nature of business.

30.9 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

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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. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and bank balances as disclosed in Note 14. Total capital includes equity as shown in the statement of financial position plus net debt. The gearing ratio as at December 31, 2023 is as follows:

	Note	2023 Rupees	2022 Rupees
Lease liability		4,164,028	6,335,426
Loan from an associate		32,750,000	45,300,000
Bank balances		34,220,474	26,847,303
Net Debt		71,134,502	78,482,729
Total equity		370,119,205	336,211,392
Total capital employed		441,253,707	414,694,121
Gearing ratio		16:84	19:81

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31 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of directors of the Company, associated companies where directors have control. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2023 Rupees	2022 Rupees
Nature of transactions		
Director - Sardar Ali		
Advance against share purchase	-	1,136,866
Paid to Syed Sajjad Rizvi	689,997	-
Advance against issue of shares	446,869	-
Director - Usman Haider		
Advance against issue of shares	7,732,370	-
Associated Company - Aequitas (Private) Limited		
Expenses incurred on behalf of the Company	7,750,000	1,825,400
Advance against issue of shares	38,900,000	-
Reimbursement in respect of expenses	5,000,000	2,502,762
Mak-up on loan	6,096,975	2,888,907
Short term loan	-	4,200,000
Expenses incurred by the Company on behalf of the associated company	-	1,020,072
Associated Company - Tenx (Private) Limited		
Purchase of services	65,310,000	57,518,160
Payments made against purchase of services	26,008,552	9,676,281
Software related costs incurred on behalf of the Company	9,337,991	4,985,483
Expenses incurred on behalf of the Company	15,841,406	8,523,296
Expenses incurred by the Company on behalf of the associated company	10,267,407	23,895,559
Reimbursement in respect of expenses	-	7,779,738
Mark-up on delayed payments	11,536,689	5,244,550
Shareholder-The Pakistan Credit Rating Agency Limited		
Expenses incurred on behalf of the Company	1,113,985	1,298,745
Expenses incurred by the Company on behalf of the associated company	1,425,567	1,843,274
Interest on loan payable	7,367,255	4,708,529
Payments made by the Company	6,843,234	3,293,745
Repayment of deposit against share purchase	12,733,007	12,733,007
Short term loan	-	30,000,000
Associated Company - Pakistan Microfinance Network		
Fees billed by related party	10,498,161	11,978,762
Payments made by the Company	10,203,701	17,884,809
Close Family Member of CEO - Owais Murad Hussain Syed		
Purchase of consultancy services	800,000	4,800,000
Payments made against consultancy services	800,000	4,800,000

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	2023 Rupees	2022 Rupees
Shareholder-Mubashar Maqbool		
Advance against share purchase	-	5,725,390
Paid to Syed Sajjad Razvi	3,474,933	-
Advance against issue of shares	16,783,100	-
CEO- Mumtaz Hussain		
Advance against issue of shares	10,000,000	-

31.1 Names of related parties along with basis of relationship, with whom the Company entered into transactions during the year, are as follows:

Name of related party	Basis of relationship	2023 Percentage of shareholding	2022
Sardar Ali	Shareholder and Director	2%	2%
Usman Haider	Shareholder and Director	4%	4%
Aequitas (Private) Limited	Associated company	17%	16%
Tenx (Private) Limited	Associated company	16%	15%
The Pakistan Credit Rating Agency Limite	Shareholder	21%	20%
Pakistan Microfinance Network	Associated company	7%	7%
Owais Murad Hussain Syed	Close family member of CEO	0%	0%
Mubasahar Maqbool	Shareholder	9%	9%
Mumtaz Hussain	CEO	2%	2%

31.2 Year end balance

	2023	2022
Payable to		
Aequitas (Private) Limited	(9,985,774)	(1,136,866)
Tenx (Private) Limited	(141,323,905)	(76,343,187)
The Pakistan Credit Rating Agency	(31,181,135)	(43,492,879)
Pakistan Microfinance Network	(3,743,271)	(3,448,811)

32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executives	
	2023	2022	2023	2022
	Rupees			
Managerial remuneration	21,000,000	21,000,000	85,002,235	67,321,903
Medical allowances	467,509	467,509	2,306,155	1,521,970
Reimbursements	810,345	810,345	3,381,582	2,435,710
	22,277,854	22,277,854	90,689,972	71,279,583
Number	1	1	27	19

32.1 Executives includes employees other than chief executive and directors whose basic salary exceeds Rs. 1,200,000 during the year.

32.2 Managerial remuneration includes salaries and wages.

32.3 Chief Executive is provided with a Company maintained car in accordance with the policy of the Company.

32.4 Directors fee during the year amounted to a total of Rs. 2,175,000 (December 31, 2022: Rs. 1,950,000) for attending Board of Directors meeting.

32.5 The Company has 9 (December 31, 2022: 9) Directors including Chief Executive. No remuneration is being paid to any Director except Chief Executive.

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33 RECONCILIATION OF THE MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities			Equity	
	Loan from Associate	Lease liability	Long term loan	Advance against issue of shares	Total
	Rupees				
Balance as at January 01, 2023	45,300,000	6,335,426	-	-	51,635,426
Changes from financing cash flows					
Loans received during the year	31,350,000	-	-	-	31,350,000
Loans repaid during the year	(43,900,000)	-	-	-	(43,900,000)
Finance cost paid during the year	(13,650,573)	-	-	-	(13,650,573)
Lease rentals paid	-	(2,782,164)	-	-	2,782,164
Total changes from financing cash flows	(26,200,573)	(2,782,164)	-	-	(28,982,737)
Other changes					
Lease obtained	-	6,173,842	-	-	6,173,842
Finance cost charged to profit or loss	13,650,573	772,350	-	-	14,422,923
Termination of leases	-	(6,335,426)	-	-	6,335,426
Advance against issue of shares	-	-	-	102,387,829	-
Total liability related other changes	13,650,573	610,766	-	102,387,829	116,649,168
Closing as at December 31, 2023	32,750,000	4,164,028	-	102,387,829	139,301,857
Balance as at January 01, 2022	19,500,000	10,395,658	8,996,991	-	38,892,649
Changes from financing cash flows					
Loans received during the year	30,000,000	-	-	-	30,000,000
Loans repaid during the year	(4,200,000)	-	(9,514,725)	-	(13,714,725)
Finance cost paid during the year	(7,597,436)	-	-	-	(7,597,436)
Lease rentals paid	-	(4,908,530)	-	-	(4,908,530)
Total changes from financing cash flows	18,202,564	(4,908,530)	(9,514,725)	-	3,779,309
Other changes					
Finance cost charged to profit or loss	7,597,436	848,298	517,734	-	8,963,468
Amortization of transaction cost	-	-	-	-	-
Unwinding of lease liabilities	-	-	-	-	-
Total liability related other changes	7,597,436	848,298	517,734	-	8,963,468
Closing as at December 31, 2022	45,300,000	6,335,426	-	-	51,635,426

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34	NUMBER OF EMPLOYEES	2023	2022
	Number of employees as at 31 December	39	47
	Average number of employees for the year	43	43

35 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the year.

36 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 06-April-2024 by the Board of Directors of the Company.

37 GENERAL

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

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CHIEF EXECUTIVE OFFICER **DIRECTOR**