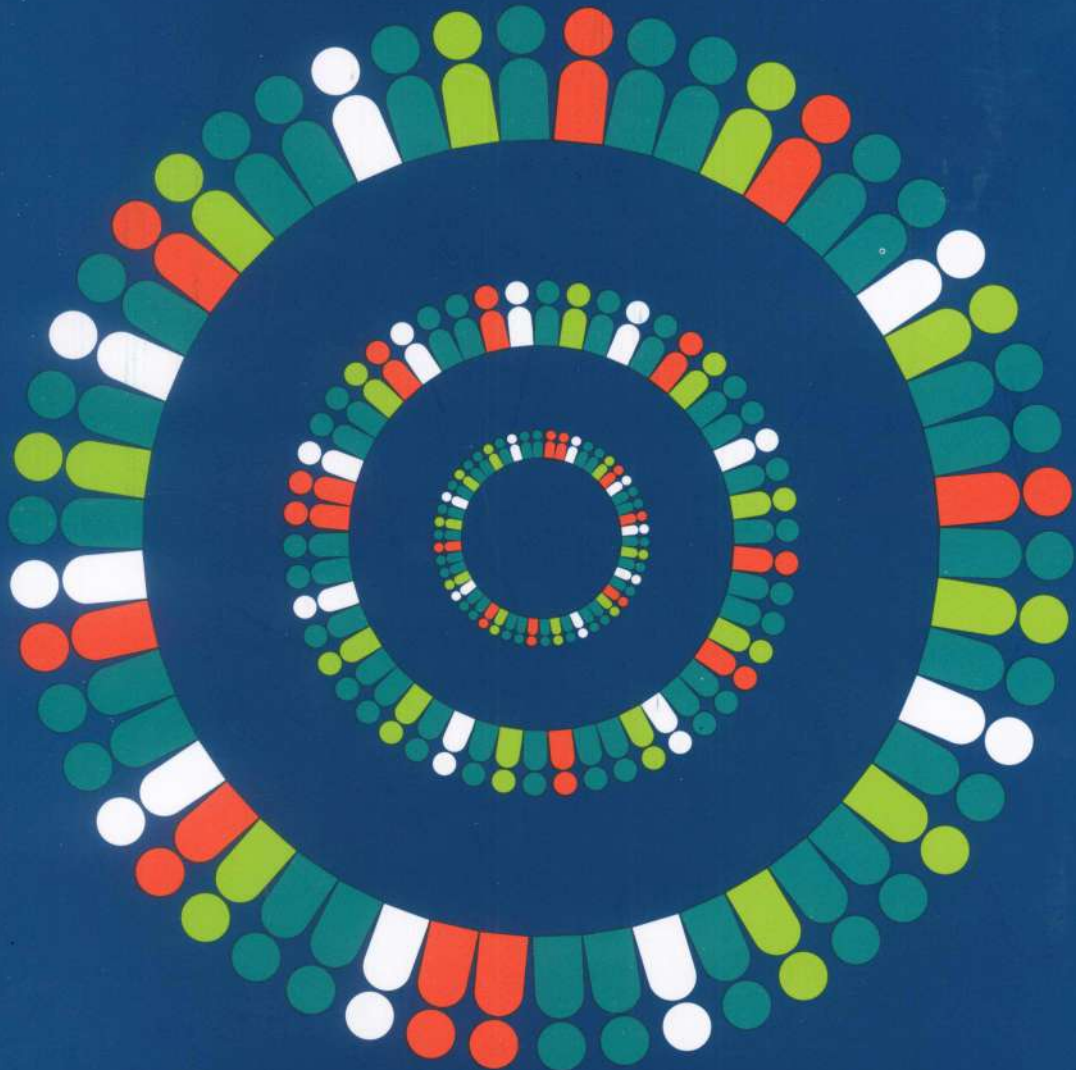


Chase Securities Pakistan (Private)
Limited
Financial Statements
For the year ended
June 30, 2025



INDEPENDENT AUDITOR'S REPORT

To the members of CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED** ("the Company"), which comprise the statement of financial position as at **June 30, 2025** and the statement of profit or loss, the statement of changes in equity, and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of changes in equity and statement of cash flow together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the loss for the year then ended, the changes in equity and its cash flows for the period 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 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.

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 requirement 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 operation, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

- b) the statement of financial position, the statement of profit or loss, the statement of 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 period 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).
- e) the company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared

The engagement partner on the audit resulting in this independent auditor's report is **Arslan Ahmed**.

Uly Hassan Nadeem

KARACHI

DATE: October 1, 2025

UDIN: AR202510311zTIDbFpUo

Dated: October 01, 2025

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Board of Directors of Chase Securities Pakistan (Private) Limited (CSPL) is pleased to present the Annual Report of CSPL as a Private Limited entity for the financial year ended June 30, 2025. These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Act, 2017.

The Directors' Report is prepared under section 226 of the Companies Act 2017.

NATURE OF BUSINESS

Chase Securities Pakistan (Private) Limited is a Private Limited Company and TREC holder of Pakistan Stock Exchange Limited (PSX). The Company is engaged in the business of share brokerage, investment banking, portfolio management and other related brokerage activities.

MANAGEMENT OBJECTIVES AND STRATEGIES

Our objective and strategy going forward is to remain focused on enhancing our brokerage services, providing excellent financial advisory, controlling risk, optimizing and expanding products and services and staying firm on the ethical and regulatory standards.

The Directors are pleased to report that:

- The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements;
- The system of internal control is sound and has been effectively implemented and monitored;
- The Company on account of statutory payment of taxes, duties, levies and charges has no outstanding liability as at the balance sheet date;
- Earnings per share (EPS) of the company for the year ended June 30th 2025 is Rs. 36.47.

Financial Statements

The Financial statements of the company have been audited and approved without qualification by the auditors of the company, UHY Hassan Naeem & Co. Chartered Accountants.



Market Review

The stock market continued its positive momentum in FY25 reaching all time high levels. The KSE-100 index posted healthy double-digit gains during the year, supported by improving macroeconomic stability, a favorable interest rate environment, and renewed investor confidence. The long-term IMF program provided an anchor for policy continuity, while gradual improvements in external account management and fiscal consolidation further strengthened market sentiment.

Despite these encouraging developments, structural challenges remain. Persistent inflationary pressures, a narrow tax base, and energy sector inefficiencies continue to weigh on economic activity. Moreover, timely execution of privatization initiatives and a disciplined fiscal framework are essential to sustain the reform momentum. Going forward, the pace of market performance will largely depend on policy consistency, investor confidence, and continued progress under the IMF-supported program.

Future Outlook

As we enter FY26, Chase Securities Pakistan Private Limited remains focused on consolidating the progress achieved thus far. Building upon the trust of our clients, we will continue to emphasize research-driven investment strategies, enabling investors to make informed decisions in a dynamic market environment.

Key strategic priorities for the coming year include:

1. **Research Excellence:** Strengthening our analytical depth and sector coverage to provide clients with actionable insights.
2. **Corporate Access:** Expanding engagement opportunities with listed companies, offering our clients greater visibility across diverse sectors.
3. **Digital Innovation:** Introducing enhanced trading platforms and investor-friendly digital solutions to improve accessibility, efficiency, and client experience.
4. **Investor Education:** Promoting financial literacy and awareness among retail investors, helping broaden participation in the capital markets.

We remain committed to our values of integrity, transparency, and professionalism. With these guiding principles, we aim to deliver sustainable growth while contributing to the development of Pakistan's capital markets in the years ahead.

AUDITORS

As recommended by the Finance Committee, the present auditors M/s UHY Hassan Naeem & Co. Chartered Accountants retire and being eligible, have offer themselves for re-appointment.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2024 is as under;

Name	No. of Shares	Shareholding %
Ali Nawaz	500,334	66.71%
Kumail Raza	125,332	16.71%
Mehdi Hassan	124,333	16.58%
Aimun Balock	1	-



ACKNOWLEDGEMENT

We acknowledge that the financial and operational efficiency which our company witnessed during the year under review would not have been without the untiring support and sound corporate governance rendered by the Board members and the enthusiastic, persistent and affirmative efforts of the staff of the company at all levels.

We would like to acknowledge the Securities and Exchange Commission of Pakistan, Central Depository Company of Pakistan Limited, National Clearing Company of Pakistan Limited and the management of Pakistan Stock Exchange Limited for their efforts to strengthen the capital markets and measures to protect investor rights.

For and on behalf of the Board of Directors



Ali Nawaz
Chief Executive Officer



Kumail Raza
Director

Dated: October 01, 2025



STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE CODE FOR
SECURITIES BROKER (GIVEN UNDER ANNEXURE – D OF SECURITIES
BROKERS LICENSING & OPERATIONS REGULATION 2016)

Chase Securities Pakistan (Private) Limited is in compliance with the Corporate Governance Code for Securities Brokers as mentioned in Annexure D of Regulation 16(1) (f) of Securities Brokers (Licensing & Operations) Regulations, 2016.



Ali Nawaz
Chief Executive Officer



Kumail Baza
Director



STATEMENT BY CHIEF EXECUTIVE OFFICER

I, Ali Nawaz, CEO of Chase Securities Pakistan (Private) Limited declare that there are no transactions entered into by Chase Securities Pakistan (Private) Limited during the year, which are fraudulent, illegal or violation of any securities market laws.



Ali Nawaz
Chief Executive Officer
Chase Securities Pakistan (Private) Limited



CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 (Rupees)	2024 (Rupees)
<u>Assets</u>			
<u>Non Current Assets</u>			
Property and equipment	4	12,961,314	4,958,028
Right of Use Asset	5	28,689,651	-
Intangible assets	6	3,792,887	4,865,040
Long term deposits	7	2,555,000	2,295,000
Deferred tax asset - net	8	1,153,565	55,072
		49,152,417	12,173,140
<u>Current Assets</u>			
Trade debts	9	269,077,528	63,655,833
Short-Term Investments	10	30,838	27,737
Investment in margin financing	11	111,140,081	7,898,167
Advances, deposits, prepayments and other receivables	12	398,115,598	162,867,807
Cash and bank balances	13	79,162,795	150,885,674
		857,526,840	385,335,218
		<u>906,679,257</u>	<u>397,508,358</u>
<u>Equity And Liabilities</u>			
<u>Capital Reserves</u>			
Authorized capital	14.1	100,000,000	100,000,000
Issued, subscribed and paid-up capital	14.2	75,000,000	75,000,000
Accumulated Profit/(Loss)		39,227,648	11,878,562
Director's Subordinated Loan		150,000,000	40,000,000
		264,227,648	126,878,562
<u>Non Current Liabilities</u>			
Lease Liability		18,451,573	-
		18,451,573	-
<u>Current Liabilities</u>			
Current portion of lease liability		5,418,185	-
Trade and other payable	15	422,321,718	218,341,502
Short term loan	16	142,657,347	2,700,000
Short term running finance	17	53,602,786	49,588,294
		624,000,036	270,629,796
Contingencies and commitments	18	-	-
		<u>906,679,257</u>	<u>397,508,358</u>

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


Chief Executive


Director

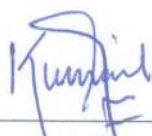
CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees)	2024 (Rupees)
Revenue	19	294,225,406	138,275,376
Administrative and general expenses	20	(277,666,959)	(123,865,252)
Expected credit loss		(389,687)	(882,235)
Finance cost	21	(20,211,685)	(16,397,625)
Other income	22	44,215,821	18,669,895
Profit/(loss) before income tax, minimum tax differential and final tax		40,172,896	15,800,159
Minimum tax - levy	23	(6,234,919)	(1,094,649)
Final taxes - levy	24	(795,764)	(92,695)
		(7,030,683)	(1,187,344)
Profit/(loss) before income tax		33,142,213	14,612,815
Inome Tax Expense	25	(5,793,127)	(5,273,456)
Profit/(loss) after income tax		27,349,086	9,339,359

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

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 Chief Executive


 Director

CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025 (Rupees)	2024 (Rupees)
Net profit/(Loss) for the year	27,349,086	9,339,359
Other comprehensive income:	-	-
Total Comprehensive Income	<u>27,349,086</u>	<u>9,339,359</u>

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

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Chief Executive



Director

CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed and paid-up capital	Accumulated Profit/(Loss)	Director's Subordinated Loan	Total
<i>-----Rupees-----</i>				
Balance as at June 30, 2023	75,000,000	2,539,203	-	77,539,203
Share capital issued	-	-	-	-
Net profit/(Loss) for the year	-	9,339,359	-	9,339,359
Director's Subordinated Loan		-	40,000,000	40,000,000
Balance as at June 30, 2024	75,000,000	11,878,562	40,000,000	126,878,562
Share capital issued	-	-	-	-
Net profit/(loss) for the year	-	27,349,086		27,349,086
Director's Subordinated Loan		-	110,000,000	110,000,000
Balance as at June 30, 2025	75,000,000	39,227,648	150,000,000	264,227,648

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

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Chief Executive



Director

CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees)	2024 (Rupees)
Cash Flow From Operating Activities			
Profit/(loss) before taxation		40,172,896	15,800,159
Adjustment:			
Depreciation of property and equipment		5,331,605	1,186,786
Amortization of intangible assets		1,143,153	825,220
Expected credit loss		389,687	882,235
Markup on lease liability		1,435,739	-
Capital gain/loss on investment		(10,901,370)	(263,314)
Gain on disposal of property and equipment		-	-
Operating profit before working capital changes		(2,601,186)	2,630,927
Changes in working capital			
Decrease / (increase) in long term deposits		(260,000)	21,760,825
Decrease / (increase) in trade debts		(205,811,382)	(53,599,003)
Decrease / (increase) in investment in marginal financing		(103,241,914)	(5,819,038)
Decrease/(increase) in advances, deposits and prepayments		(234,631,831)	(132,518,691)
(Decrease) / increase in trade and other payable		203,980,216	188,172,554
Net changes in working capital		(339,964,911)	17,996,647
Taxes paid		(14,538,263)	(6,249,366)
Net cash (used in)/generated from operating activities		(316,931,464)	30,178,367
Cash Flow From Investing Activities			
Payments for acquisition of property and equipment		(10,668,077)	(3,255,332)
Payments for acquisition of intangible assets		(71,000)	(2,089,760)
Payments and proceeds of Short term investment		10,898,269	10,511,982
Net cash generated from investing activities		159,192	5,166,890
Cash Flows From Financing Activities			
Proceeds from issuance of ordinary shares		-	-
Long Term Loan from Director		110,000,000	40,000,000
Proceeds from short term loan from directors		686,757,347	289,043,000
Repayment of short term loan from directors		(546,800,000)	(286,343,000)
Rentals against Lease		(8,922,446)	-
Net cash generated from financing activities		241,034,901	42,700,000
Net increase in cash and cash equivalent		(75,737,371)	78,045,257
Cash and cash equivalent at beginning of the year		101,297,380	23,252,123
Cash and cash equivalent at end of the year	26	25,560,009	101,297,380

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

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Chief Executive


Director

CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 Legal Status and Nature of Business

Chase Securities Pakistan (Private) Limited ('the Company') is a private limited Company incorporated under the Companies Act, 2017 on April 16, 2021. The Company is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited. The registered office of the Company is located at Room #402, Clifton Diamond, Plot # BC 10, Block 4 Clifton, Karachi and the company does not have any branch office. The principal activity of the Company is to carry on the business of stock, brokerage, underwriting and investment etc.

2 Basis of Preparation

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except Investments that are carried at fair value.

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgments

The preparation of financial statements is in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and judgments that have a significant effect on the financial statements that are in respect of the following:

- Property and equipment (note 4)
- Income Tax Expense (note 24)

2.5 Changes in accounting standards, interpretations and pronouncements

a) Standard, interpretations and amendments to approved published accounting standards that became effective during the year

The following amendments to published standards are mandatory for the financial year beginning on July 1, 2024 and are relevant to the company. However these do not have any significant impact on Company's Financial Statements.

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b) **Standard, interpretations and amendments to approved published accounting standards that are not yet effective**

Following are the amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2025.

Description effective for periods		Effective for periods beginning on or after
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 01, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 01, 2026
IFRS 17	Insurance Contracts	January 01, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 01, 2026

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material effect on the Company's financial statements in the period of initial application.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2025:

- IFRS 1 First Time Adoption of International Financial Reporting Standards)
- IFRIC 12 Service Concession Arrangement
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

3 **Material Accounting Policy Information**

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 **Taxation**

Income tax expense comprises of current, deferred and prior year tax. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

3.1.1 **Current Tax**

Provision for current tax is based on taxable income at the enacted or substantially enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years which arises from assessments/ developments made during the year, if any.

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3.1.2 Deferred Tax

Deferred tax is recognized using balance sheet method, in respect of temporary differences between the carrying amounts of asset and liabilities for financial reporting purposes and the amounts used for taxation purpose. The amount of deferred tax provided is based on the expected manner of realization or settlement or the carrying amount of assets and liabilities, using the enacted or substantively enacted rates or taxation.

The company recognizes deferred tax assets to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.2 Minimum Taxes levy

Any excess over the amount designated as income tax under the scope of IAS 12 "Income Taxes", is then recognised as a levy falling under the scope of IFRIC 21/IAS 37. Hence, any excess over the amount designated as income tax under the scope of IAS 12 "Income Taxes" should be classified as Minimum Taxes levy and not income tax in the profit and loss account.

3.3 Final Taxes levy

Any final taxes paid which is not based on the taxable income, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37. Hence, Final tax paid should be classified as Final Taxes levy and not income tax in the profit and loss account.

3.4 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost incurred to replace a component of an item of property and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account in the period in which they are incurred.

Depreciation on all property and equipment is charged to the profit and loss account using Straight Line method over the asset's useful life at the rates stated Note no. 4. The depreciation on property and equipment is charged full in the month of acquisition and no depreciation is charged in the month of disposal. Gains or losses on disposal of an item of property and equipment are recognized in the profit and loss account. The assets' residual value and useful life are reviewed at each financial year end, and adjusted if appropriate.

3.5 Intangible Assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

3.5.1 Trading Right Entitlement Certificate (TREC)

This is stated at cost less impairment if any, the carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and when the carrying amount exceeds its estimated recoverable amount, is it written down to its estimated recoverable amount.

3.5.2 Software

Costs directly associated with identifiable software that will have probable economic benefits exceeding costs beyond one year, are recognized as an intangible asset. Direct costs include the purchase costs of software and other directly attributable costs of preparing the software for its intended use.

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Computer software is measured initially at cost and subsequently stated at cost less accumulated amortization and accumulated impairment losses, if any.

3.5.3 Amortization

Intangible assets with indefinite useful lives are not amortized, instead they are systematically tested for impairment at each reporting date. Intangible assets with finite useful lives are amortized at straight line basis over the useful life of the asset (at the rate specified in note 6 to these financial statements).

3.6 Trade debts and other receivables

Trade debts and other receivables are recognized at fair value and subsequently measure at cost less impairment losses, if any. Actual credit loss experience over past years is used to base the calculation of expected credit loss. Trade debts and other receivables considered irrecoverable are written off.

3.7 Provisions

A provision is recognized in the financial statements when the company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

3.8 Trade and Other Payable

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.9 Revenue recognition

Brokerage Commission, corporate finance income and other income are recognized as and when services are rendered.

Dividend income is recognized when the right to receive the dividend is established.

Income on continuous funding system transactions and bank deposits is recognized on a time proportionate basis that takes in to account the effective yield.

Mark-up income from investment in margin financing system is calculated on outstanding balance at agreed rates and recorded in profit and loss account.

3.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.11 Contingent Liabilities

A Contingent liability is disclosed when the company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the company; or the company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of obligation cannot be measured with sufficient liability.

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3.12 Financial Instruments

3.12.1 Financial Assets

3.12.2 Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

Financial assets measured at "Amortized cost"

A financial asset is measured at amortized cost if it is held within 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 principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

Financial assets at "Fair value through other comprehensive income"

A financial asset is classified as at fair value through other comprehensive income when either:

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 or,

It is an investment in equity instrument which is designated as at fair value through OCI in accordance with the irrevocable election available to the Company at initial recognition.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

Financial assets at "Fair value through profit or loss"

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on different bases.

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

3.12.3 Subsequent measurement

Debt investments at "Fair value through other comprehensive income"

These assets are subsequently measured at fair value. Interest /markup income calculated using effective interest rate method, and impairment are recognized in the statement of profit and loss account. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit and loss account.

Equity Investments at "Fair value through other comprehensive income"

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit and loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never classified to the profit and loss account.

Financial asset at "Fair value through profit or loss"

These assets are subsequently measured at fair value. Net gains and losses, including any interest/markup or dividend income, are recognized in the statement of profit and loss account.

Financial assets measured at Amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/ markup income, and impairment are recognized in the statement of profit and loss account.

only

3.12.4 Non Derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the company becomes party to the respective contractual provisions. Non-derivative financial asset comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The company derecognizes the financial asset. When the contractual rights to the cash flows from the asset expires or it transfer the right to receive the contractual cash flow in a transaction in which substantially all risk and rewards of ownership of the financial assets are transferred or it neither transferred nor retain substantially all the of the risk and rewards of ownership and does not retain control over the transferred asset.

3.12.5 Offsetting of financial assets and financial liabilities

Financial Assets and financial liabilities are offset and the net amount is reported in the financial statements only when the company has a legally enforceable right to offset and the company intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statement only when permitted by the accounting and reporting standards as applicable in Pakistan.

3.12.6 Financial Liabilities

Financial Liabilities are initially recognized on trade date i.e. the date on which the company becomes party to thee respective contractual provisions. Financial Liabilities include markup bearing borrowings and trade and other payables. The company derecognizes the financial liabilities when contractual obligations are discharged, cancelled or expire. Financial liability other than fair value through profit and loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortized cost using effective interest rate method.

3.12.7 Impairment

Financial assets

The company recognized loss allowances for Expected Credit Losses (ECLs) in respect of financial asset measured at amortized cost.

The company measures loss allowance at an amount equal to life time ECLs, except for the following, which are measured at 12 month ECLs:

Debt securities that are determined to have low credit risk at 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.

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of 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 in the company's historical experience and informed credit assessment and including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of financial asset is written off when the company has no reasonable expectations of recovering of a financial asset in its entirety or a proportion thereof. The company individually makes an assessment with respect to the timing and amount of write-off based on whether there is reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for the recovery of amounts due.

why

3.13 Non- financial assets

The carrying amounts of company's non- financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment, if such indication exists, the asset's recoverable amount, being higher of value in use and fair value less cost to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together in to smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

why

4. PROPERTY AND EQUIPMENT

	2025					
	Office Equipment	Furniture and fixtures	Computers	Motor vehicles	Lease Hold Improvement	Total
	(Rupees)					
As at July 01, 2024						
Cost	1,805,475	889,175	4,124,295	162,000	-	6,980,945
Accumulated depreciation	(189,804)	(118,741)	(1,665,704)	(48,668)	-	(2,022,917)
Net book value at the beginning of the year	1,615,671	770,434	2,458,591	113,332	-	4,958,028
Changes during the year						
Additions during the year	2,388,878	492,867	2,248,187	-	5,538,145	10,668,077
Disposals - cost	(5,060)	-	(1,330,872)	-	-	(1,335,932)
Depreciation charge for the year	(275,029)	(103,624)	(1,399,515)	(32,400)	(794,727)	(2,605,296)
Disposals - Accumulated depreciation	422	-	1,276,015	-	-	1,276,437
Net book value at the end of the year	3,724,882	1,159,677	3,252,406	80,932	4,743,418	12,961,314
Analysis of net book value						
As at June 30, 2025						
Cost	4,189,293	1,382,042	5,041,610	162,000	5,538,145	16,313,090
Accumulated depreciation	(464,411)	(222,365)	(1,789,204)	(81,068)	(794,727)	(3,351,776)
Net book value at the end of the year	3,724,882	1,159,677	3,252,406	80,932	4,743,418	12,961,314
Depreciation rate (% per annum)	10%	10%	30%	20%	30%	
	2024					
	Office Equipment	Furniture and fixtures	Computers	Motor vehicles	Lease Hold Improvement	Total
	(Rupees)					
As at July 01, 2023						
Cost	534,929	445,455	2,583,229	162,000	-	3,725,613
Accumulated depreciation	(78,760)	(53,942)	(687,161)	(16,268)	-	(836,131)
Net book value at the beginning of the year	456,169	391,513	1,896,068	145,732	-	2,889,482
Changes during the year						
Additions during the year	1,270,546	443,720	1,541,066	-	-	3,255,332
Disposals - cost	-	-	-	-	-	-
Depreciation charge for the year	(111,044)	(64,799)	(978,543)	(32,400)	-	(1,186,786)
Disposals - Accumulated depreciation	-	-	-	-	-	-
Net book value at the end of the year	1,159,502	378,921	562,523	(32,400)	-	2,068,546
Analysis of net book value						
As at June 30, 2024						
Cost	1,805,475	889,175	4,124,295	162,000	-	6,980,945
Accumulated depreciation	(189,804)	(118,741)	(1,665,704)	(48,668)	-	(2,022,917)
Net book value at the end of the year	1,615,671	770,434	2,458,591	113,332	4,958,028	4,958,028
Depreciation rate (% per annum)	10%	10%	30%	20%	30%	

5. RIGHT OF USE ASSET

	2025							
	Cost				Depreciation			
	As at July 01, 2024	Additions during the year	Termination	As at June 30, 2025	As at July 01, 2024	Charge for the year	Termination	As at June 30, 2025
Right of use Asset - Vehicle	-	31,415,960	-	31,415,960	-	2,726,309	-	2,726,309
	-	31,415,960	-	31,415,960	-	2,726,309	-	2,726,309
	-	-	-	-	-	-	-	-
	2024							
	Cost				Depreciation			
	As at July 01, 2023	Additions during the year	Termination	As at June 30, 2024	As at July 01, 2023	Charge for the year	Termination	As at June 30, 2024
Right of use Asset - Vehicle	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

6. INTANGIBLE ASSETS

As at July 01, 2024

	2025		
	Computer Software	TREC - PSX	Total
	(Rupees)		
Cost	3,969,760	2,500,000	6,469,760
Accumulated ammortization	(1,604,720)	-	(1,604,720)
Net book value at the beginning of the year	2,365,040	2,500,000	4,865,040
Addition during the year	71,000		71,000
Disposals - cost			-
Ammortization for the year	(1,143,153)		(1,143,153)
Disposals - Accumulated ammortization			-
Net book value at the end of the year	1,292,887	2,500,000	3,792,887
Analysis of Net Book Value			
Cost	4,040,760	2,500,000	6,540,760
Accumulated ammortization	(2,747,873)	-	(2,747,873)
Net book value as at June 30, 2025	1,292,887	2,500,000	3,792,887
Rate of ammortization per annum (%)	30%	-	

As at July 01, 2023

	2024		
	Computer Software	TREC - PSX (Note 6.1)	Total
	(Rupees)		
Cost	1,880,000	2,500,000	4,380,000
Accumulated ammortization	(779,500)	-	(779,500)
Net book value at the beginning of the year	1,100,500	2,500,000	3,600,500
Addition during the year	2,089,760		2,089,760
Disposals - cost			-
Ammortization for the year	(825,220)		(825,220)
Disposals - Accumulated ammortization			-
Net book value at the end of the year	2,365,040	2,500,000	4,865,040
Analysis of Net Book Value			
Cost	3,969,760	2,500,000	6,469,760
Accumulated ammortization	(1,604,720)	-	(1,604,720)
Net book value as at June 30, 2024	2,365,040	2,500,000	4,865,040
Rate of ammortization per annum (%)	30%	-	

7. LONG TERM DEPOSITS

- Pakistan Stock Exchange Limited (PSX)
- National Clearing Company of Pakistan Limited (NCCPL)
- Rent deposits against rented premises

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2025 (Rupees)	2024 (Rupees)
-	-
1,500,000	1,500,000
1,055,000	795,000
2,555,000	2,295,000

8. DEFERRED TAX ASSET - NET

Deferred tax arises due to following elements:

Deferred tax asset arises due to:

Allowance for expected credit losses	390,992	281,128
Accelerated tax depreciation and amortization	762,573	(226,056)
Deferred tax asset - net	1,153,565	55,072

9. TRADE DEBTS

Trade receivables	9.2	270,425,776	64,625,240
Less: Expected credit loss	9.1	(1,348,248)	(969,407)
		269,077,528	63,655,833

9.1 Provision for expected credit loss

Opening	969,407	91,419
Provision recorded during the year	389,687	882,235
Less: Write off during the year	(10,846)	(4,247)
	1,348,248	969,407

9.2 The aging analysis of trade debts are as follows:

Past due 1 - 30 days	258,501,636	63,171,038
Past due 31 - 180 days	11,304,484	1,240,423
Past due 181 days - 1 year	217,926	184,959
More than one year	401,729	28,820
	270,425,776	64,625,240

9.3 Trade debts due from related parties

There is no trade debts due from any related party of the company

10. SHORT-TERM INVESTMENTS

Investment in quoted securities	-	-
Investment in mutual funds	30,838	27,737
	30,838	27,737

11. INVESTMENT IN MARGIN FINANCING

Investment in margin financing for clients held in the name of the company.	111,140,081	7,898,167
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Margin financing facility is provided to clients on markup of 28% (2024: KIBOR+3%) per annum.

12. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax - net	1,337,973	722,013
Nccpl's exposure deposit	346,938,670	139,952,491
Nccpl's profit and loss deposit	38,980,849	20,420,080
Prepayments	1,497,500	-
Advance to employees	361,000	-
Other receivables	8,999,606	1,773,223
uly	398,115,598	162,867,807

13. CASH AND BANK BALANCES

Cash at bank

Current accounts

Saving accounts

13.1

Cash in hand

39,432,229	38,673,183
39,727,294	112,212,491
79,159,523	150,885,674
3,272	-
79,162,795	150,885,674

13.1 This includes the amount of Rs. 30 million frozen as lien against bank guarantee. The company has obtained this bank guarantee from JS Bank to meet the PSX Base Minimum Capital requirement.

13.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 42.066 million (2024: 113.98 million).

14. SHARE CAPITAL

14.1 Authorized share capital

Authorized share capital comprises of 1,000,000 (2024: 1,000,000) Ordinary shares of Rs. 100 each.

14.2 Issued, subscribed and paid up capital

Issued, subscribed and paid up capital comprises of:

Ordinary share capital

2025 (Rupees)	2024 (Rupees)
75,000,000	75,000,000
75,000,000	75,000,000

14.2.1 The breakup of ordinary and preference share capital is as follows:

2025 (Numbers)	2024 (Numbers)		2025 (Rupees)	2024 (Rupees)
		Ordinary shares		
750,000	750,000	Ordinary shares of Rs. 100 each paid in cash	75,000,000	75,000,000
			75,000,000	75,000,000

14.2.2 Reconciliation of number of shares outstanding

Ordinary shares

Number of shares outstanding at the beginning of the year

Issued for cash

2025 (Numbers)	2024 (Numbers)
750,000	650,000
-	100,000
750,000	750,000

15. TRADE AND OTHER PAYABLES

Credit balances of clients

Dealer payables

Exposure and profit withheld

Accrued expenses

Other payables

15.1

2025 (Rupees)	2024 (Rupees)
228,293,184	162,908,766
15,464,436	29,587,752
147,837,789	20,672,015
23,604,741	2,537,650
7,121,568	2,635,319
422,321,718	218,341,502

15.1 Credit balances of clients held by the company in separate bank accounts.

why

16 SHORT TERM LOAN

Short term loan from director and related parties:

- Ali Nawaz

142,657,347	2,700,000
<u>142,657,347</u>	<u>2,700,000</u>

- 16.1 This loan is subordinated to all other liabilities and its carries a interest rate of 6 months KIBOR + 2%. The loan will be repayable within a year.

17 SHORT TERM RUNNING FINANCE

Running finance facilities of Rs. 250 Million have been arranged from commercial bank under markup arrangement. The aggregate finance are secured against pledge of shares of listed companies owned by directors and personal guarantee of directors of company. The markup charged on these facility ranges from 3 month KIBOR+2% per annum on daily outstanding balances payable quarterly.

18. CONTINGENCIES AND COMMITMENTS

- 18.1. There were no contingencies and commitments as at June 30, 2025.

19. REVENUE

Commission income
Income under Margin Financing system
Brokerage Commission On Sukuk
Nccpl T-Bills Brokerage Income
Less: Sales Tax

316,153,907	142,547,560
19,043,258	12,117,898
13,859	
13,044	
(40,998,662)	(16,390,082)
<u>294,225,406</u>	<u>138,275,376</u>

20. ADMINISTRATIVE AND GENERAL EXPENSES

Salaries, allowances and other benefits
Commission paid
Depreciation expense
Amortization expense
Printing, stationery and periodicals
Utilities and communication
Rent, rates and taxes
Transaction charges
Software expense
Repair and maintenance
Fee & Subscription
Auditor's remuneration
Bank Charges
Miscellaneous

20.1

2025 (Rupees)	2024 (Rupees)
41,589,337	29,089,922
129,666,390	68,262,192
5,331,605	1,186,786
1,143,153	825,220
298,609	307,471
4,768,567	3,407,086
5,464,715	3,111,553
14,681,089	5,172,984
51,207,349	2,992,560
1,336,950	708,513
13,476,766	4,203,535
270,000	237,600
359,295	138,765
8,073,134	4,221,065
<u>277,666,959</u>	<u>123,865,252</u>

20.1 Auditor's Remuneration

Audit services

Annual audit fee
Out of pocket expenses

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248,400	216,000
21,600	21,600
<u>270,000</u>	<u>237,600</u>

21 FINANCE COSTS

Markup on short term loan	-	14,760,995
Bank guarantee charges	373,000	409,908
Markup expense on client credit balance	11,359,706	420,479
Markup on lease liability	1,435,739	-
Markup on running finance	7,008,737	806,243
Markup Expense on MTS house investment	34,503	-
	<u>20,211,685</u>	<u>16,397,625</u>

22. OTHER INCOME

Capital gain/loss on investment	10,901,370	263,314
Profit on margin deposits	20,303,558	14,543,130
Income from dividends	355,949	5,424
Profit on bank deposit	12,654,944	3,858,027
	<u>44,215,821</u>	<u>18,669,895</u>

23. MINIMUM TAX - LEVY

This represents portion of minimum tax paid under relevant sub sections of section 113 of Income Tax Ordinance, 2001 (ITO, 2011), representing levy in terms of requirements of IFRIC 21/IAS 37.

24. FINAL TAX - LEVY

This represents portion of final taxes paid under relevant sub sections of section 5 and section 37a of Income Tax Ordinance, 2001 (ITO, 2011), representing levy in terms of requirements of IFRIC 21/IAS 37.

25. INCOME TAX EXPENSE

Income Tax Expense	<u>5,793,127</u>	<u>5,273,456</u>
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25.1 Major components of income tax expense are as under:

Current tax expense	6,891,620	4,603,814
Prior tax expense	-	696,368
Deferred tax	<u>(1,098,493)</u>	<u>(26,726)</u>
	<u>5,793,127</u>	<u>5,273,456</u>

Relationship between tax expense and accounting profit

Accounting profit/(loss) before income tax, minimum tax differential and final tax	40,172,896	15,800,159
less: Accounting Profit/(loss) subject to final tax levy	<u>(18,474,728)</u>	<u>(268,738)</u>
Accounting profit/(loss) before taxation	21,698,168	15,531,421
Tax at the applicable rate 29% (2024: 29%)	6,292,469	4,504,111
Prior tax expense	-	696,368
Other adjustments	<u>(499,342)</u>	<u>72,976</u>
	<u>5,793,127</u>	<u>5,273,455</u>

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25.2 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

Current tax liability for the year as per applicable tax laws	13,922,303	6,487,526
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(6,891,620)	(5,300,182)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(7,030,683)	(1,187,344)
Difference	-	-

26 CASH AND CASH EQUIVALENTS

Cash and bank balances	13	79,162,795	150,885,674
Short-term running finance	17	(53,602,786)	(49,588,294)
Cash and cash equivalents per statement of cash flows		25,560,009	101,297,380

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

27.1 Financial instrument by category

27.1.1 Financial assets

2025			
At fair value through profit or loss account	At fair value through OCI	At Amortized Cost	Total
Long-term deposits	-	2,555,000	2,555,000
Investment at fair value through profit and loss	30,838	-	30,838
Trade debts	-	269,077,528	269,077,528
Investment in margin financing	-	111,140,081	111,140,081
Advances, deposits and prepayments	-	398,115,598	398,115,598
Bank balances	-	79,162,795	79,162,795
30,838	-	860,051,002	860,081,840

2024			
At fair value through profit or loss account	At fair value through OCI	At Amortized Cost	Total
Long-term deposits	-	2,295,000	2,295,000
Investment at fair value through profit and loss	27,737	-	27,737
Trade debts	-	63,655,833	63,655,833
Investment in margin financing	-	7,898,167	7,898,167
Advances, deposits and prepayments	-	162,867,807	162,867,807
Bank balances	-	150,885,674	150,885,674
27,737	-	387,602,481	387,630,218

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27.1.2 Financial Liabilities at Amortized Cost

	2025	
	Amount	Total
Trade and other Payables	422,321,718	422,321,718
Short term loan	142,657,347	142,657,347
Short term running finance	53,602,786	53,602,786
	<u>618,581,851</u>	<u>618,581,851</u>
	2024	
	Amount	Total
Trade and other Payables	218,341,502	218,341,502
Short term loan	2,700,000	2,700,000
Short term running finance	49,588,294	49,588,294
	<u>270,629,796</u>	<u>270,629,796</u>

27.2 Financial risk management

The company primarily invests in marketable securities and are subject to varying degrees of risk.

The Board of Directors of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company has exposure to the following risks from its use of financial instruments:

Credit risk

Liquidity risk

Market risk

Operational risk

27.2.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking in to account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Exposure to Credit risk

Credit risk of the company arises principally from the trade debts, investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure.

Credit risk is minimized due to the fact that the company invest only in high quality financial assets, all transactions are settled/paid for upon delivery. The company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is as follows:

	2025 (Rupees)	2024 (Rupees)
Long term deposits	2,555,000	2,295,000
Investment at fair value through P&L	30,838	27,737
Trade debts	269,077,528	63,655,833
Investment in margin financing	111,140,081	7,898,167
Advances, deposits, prepayments and other receivables	396,777,625	162,145,794
Bank Balances	79,159,523	150,885,674
	<u>858,740,595</u>	<u>386,908,205</u>

27.2.2 Bank Balances

The Analysis below summarizes the credit quality of the company's bank balance:

AAA	33,048,882	36,089,962
AA+	4,092,654	1,840,398
AA-	384,200	110,073,180
AA	41,633,787	2,882,134
A+	-	-
	<u>79,159,523</u>	<u>150,885,674</u>

The credit rating agency are PACRA and JCR-VIS.

27.2.3 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of business.

2025				
carrying amount	contractual cash flows	up to one year	one to two years	Two to five years

Financial Liabilities

Trade and other payables	422,321,718	422,321,718	422,321,718	-	-
	<u>422,321,718</u>	<u>422,321,718</u>	<u>422,321,718</u>	<u>-</u>	<u>-</u>

2024				
carrying amount	contractual cash flows	up to one year	one to two years	Two to five years

Financial Liabilities

Trade and other payables	270,629,796	270,629,796	270,629,796	-	-
	<u>270,629,796</u>	<u>270,629,796</u>	<u>270,629,796</u>	<u>-</u>	<u>-</u>

On the balance sheet date, the company has cash and bank balances of Rs. 79.159 million (2024: 150.885 million) and Short-Term Investments of Rs. 30,838 (2024: 27,737) for repayment of liabilities.

27.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, management manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently there is no currency risk as all financial assets and liabilities are in PKR.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk. The interest rate risk is insignificant as all interest based assets are linked with market interest rate.

Other price risk

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instrument traded in the market.

The company's investment are exposed to market price risk arising from uncertainties about the future value of investment securities. The company manages the equity price through diversification and all instruments are made through surplus funds.

The 10 percent increase/(decrease) in market value of these instruments with all other variables held constant impact on profit and loss account of the company is as follows:

	Before Tax	
	10% Increase	10% Decrease
as at 30th June 2025	3,084	(3,084)
as at 30th June 2024	2,774	(2,774)

27.4 Fair value of Financial instruments

The Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. The company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

The company hold listed assets amounting to Rs. 20,838 (2024: 27,237) that are recorded at quoted price.

27.5 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2025			2024		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees					
Managerial remuneration	4,068,000	3,000,000	22,383,096	4,687,348	2,440,000	12,726,250
Bonus	-	-	1,935,000	-	-	1,699,800
	4,068,000	3,000,000	24,318,096	4,687,348	2,440,000	12,726,250
Number of persons (including those who worked part of the year)	1	1	11	1	1	5

29. RELATED PARTY TRANSACTIONS

Related parties comprise associated companies, companies where directors also hold directorship, retirement benefits fund and key management personnel. Significant transactions with related parties during the year are as under:

Name of the related party	Relationship with the related party	Transactions during the year and year end balances	2025 (Rupees)	2024 (Rupees)
Ali Nawaz	Sponsor/CEO	Salary	4,068,000	4,687,348
Ali Nawaz	Sponsor/CEO	Short term loan received	457,218,083	259,543,000
Ali Nawaz	Sponsor/CEO	Repayment of Short term loan	389,600,000	256,843,000
Ali Nawaz	Sponsor/CEO	long term loan received	96,400,000	30,000,000
Kumail Raza	Sponsor/Director	Receivable / (Payable)	(3,550)	(11,620)
Kumail Raza	Sponsor/Director	Salary	3,000,000	2,440,000
Kumail Raza	Sponsor/Director	Short term loan received	39,000,000	29,500,000
Kumail Raza	Sponsor/Director	Repayment of Short term loan	39,000,000	29,500,000
Kumail Raza	Sponsor/Director	long term loan received	10,000,000	10,000,000
Mehdi Hassan	Shareholder	Receivable / (Payable)	(11,292,722)	-
Mehdi Hassan	Shareholder	Short term loan received	10,000,000	-
Mehdi Hassan	Shareholder	Repayment of Short term loan	10,000,000	-
Sadaf Zehra	Wife of Sponsor/CEO	Receivable / (Payable)	(8,810,106)	(17,073,051)
Muhammad Raza	Brother of Sponsor/CEO	Receivable / (Payable)	(11,222)	(381,605)
Rubina	Mother of Sponsor/CEO	Receivable / (Payable)	-	(1,892,970)
Rukhsana Bano	Mother of Sponsor/Director	Receivable / (Payable)	(4,997)	(292,823)
Ume Salma	Wife of Sponsor/Director	Receivable / (Payable)	(666,386)	(16,677)

30. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
Assets				
1.1	Property and equipment	41,650,965	41,650,965	-
1.2	Intangible Assets	3,792,887	3,792,887	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities	-	-	-
1.5	Investment in Equity Securities (listed)	30,838	-	30,838
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking	-	-	-
1.8	Statutory or regulatory deposits	1,500,000	1,500,000	-
1.9	Margin deposits with exchange and clearing house.	346,938,670	-	346,938,670
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	2,552,500	2,552,500	-
1.12	Accrued interest, profit or mark-up	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-
1.15	Advances and receivables other than trade			
	(i) Loan to staff	-	-	-
	(ii) Advance tax	1,698,973	1,698,973	-
	(iii) Other cases	10,153,171	10,153,171	-
1.16	Receivables from clearing house or securities exchange(s)	38,980,849	-	38,980,849

1.17	Receivables from customers			
	i. Receivables against margin financing	111,140,081	1,059,837	110,080,244
	ii. Trade receivables not more than 5 days overdue	240,256,336	-	240,256,336
	iii. Trade receivables are overdue, or 5 days or more	28,977,656	10,147,766	18,829,890
	iv. Trade receivables from related parties.	1,191,784	1,191,784	-
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	42,066,009	-	42,066,009
	ii. Bank balance-customer accounts	37,093,514	-	37,093,514
	iii. Cash in hand	3,272	-	3,272
1.19	Subscription money against investment in IPO/ offer for sale (asset)	-	-	-
Total Assets		908,027,505	73,747,883	834,279,622
Liabilities				
2.1	Trade Payables			
	i. Payable to customers	376,130,973	-	376,130,973
2.2	Current Liabilities			
	i. Accruals and other payables	46,190,745	-	46,190,745
	ii. Short-term borrowings	196,260,133	-	196,260,133
	iii. Other liabilities as per accounting principles and included in the financial statements	5,418,185	-	5,418,185
2.3	Non-Current Liabilities			
	i. Long-Term financing obtained from financial instituion: Long term portion of financing obtained from a financial institution including amount due against finance lease	18,451,573	18,451,573	-
	ii. Staff retirement benefits	-	-	-
2.4	Subordinated Loans	150,000,000	150,000,000	-
2.5	Advance against shares for Increase in Capital.	-	-	-
Total Liabilites		792,451,609	168,451,573	624,000,036
Ranking Liabilities Relating to :				
3.1	Concentration in Margin Financing	-	-	35,218,544
3.2	Concentration in securites lending and borrowing	-	-	-
3.3	Net underwriting Commitments	-	-	-
3.4	Negative equity of subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment	-	-	-
3.8	Concentrated proprietary positions	-	-	-
3.9	Opening Positions in futures and options	-	-	-
3.10	Short selll positions	-	-	-
Total Ranking Liabilites		-	-	35,218,544
Grand Total		115,575,896	(94,703,690)	175,061,042

	2025 (Rupees)	2024 (Rupees)
31. CAPITAL ADEQUACY LEVEL		
Total Assets	906,679,257	397,508,358
Less: Total Liabilities	(642,451,609)	(270,629,796)
Less: Revaluation Reserves	-	-
Capital Adequacy Level.	264,227,648	126,878,562

While determining the value of total assets of TREC holder, the Notional value of the TREC held by Chase Securities Pakistan (Private) Limited as at year ended 30th June 2025 determined by Pakistan Stock Exchange has been considered.

32. OTHER DISCLOSURES UNDER REGULATION OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016:

The disclosures under the regulation 34(2), other than disclosed elsewhere in these annual financial statements are as follows:

32.1 Pattern of Shareholding

	2025 % of Holding	2024 % of Holding	2025 Number of Shares	2024 Number of Shares
Mr. Ali Nawaz	66.71%	66.71%	500,334	500,334
Mr. Kumail Raza	16.71%	16.71%	125,333	125,333
Mr. Mehdi Hassan	16.58%	16.58%	124,333	124,333

32.2 During the year there was no movement in shareholding of more than 5% of the shares.

32.3 As at June 30, 2025, company did not pledge any of its securities or securities of its customers with the financial institutions however the directors and their family member shares are pledged to obtain running finance facility amounting to Rs. 111.583 (2024: 110.867 million)

32.4 As at June 30, 2024, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs. 4,239.361 million (2024: 1820.292 million).

32.5 Company prepares these financial statements on the settlement date basis and accordingly account for income, assets and liabilities.

	2025 (Numbers)	2024 (Numbers)
33. NUMBER OF EMPLOYEES		
Total employees of the Company at the year end	24	17
Average employees of the Company during the year	24	14

34. CORRESPONDING FIGURES

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current year.

35 DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on

my ~~01 OCT 2025~~



Chief Executive



Director



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UHY INTERNATIONAL

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