Pearl Securities Limited

Financial Statements

For the year ended 30 June 2025

DIRECTORS' REPORT

The Board of Directors is pleased to present the Annual Report of the Company together with the audited financial statements for the year ended June 30, 2025, and the independent auditors' report thereon.

Market Review

FY2025 was a landmark year for our capital markets, with the benchmark KSE-100 index closing at an all-time high of 125,627 points, compared to 78,445 points a year earlier, a remarkable gain of 60%. This performance was supported by stronger corporate earnings, sustained investor confidence, and improved macroeconomic fundamentals.

This bullish sentiment was reinforced by macroeconomic stabilization measures, a significant decline in inflation, and continued progress on structural reforms under the International Monetary Fund's (IMF) program. Market activity remained vibrant across all segments, including equities, Government securities, and ETFs, contributing to a deeper and more diversified capital market.

Market capitalization surged to PKR 15.24 trillion (FY2024: PKR 10.37 trillion), reflecting broad-based participation across asset classes, including renewed activity on the GEM Board. On the macroeconomic front, inflation moderated significantly in the latter half of the year, foreign exchange reserves strengthened, and the exchange rate exhibited relative stability. Monetary policy also turned towards easing, with interest rates declined from historically high levels of 22% to 11%, which supported investor confidence and liquidity.

Review of Operations

FY2025 marked a year of strategic consolidation and a financial turnaround for the Company. The Board and management pursued a focused strategy centered on optimizing the financial structure, managing risks, and capitalizing on improved market conditions.

The Company delivered a profit after tax of PKR 30.67 million compared with a loss of PKR 9.82 million in FY2024. Operating revenues rose to PKR 195.55 million (FY2024: PKR 161.41 million), supported by higher brokerage activity. While capital gains on investments declined to PKR 164.23 million (FY2024: PKR 271.10 million), overall profitability improved due to disciplined cost management and a significant reduction in finance cost, which decreased to PKR 211.28 million from PKR 301.18 million a year earlier.

The balance sheet also strengthened, with equity rising to PKR 423.08 million from PKR 224.10 million last year, as a result of improved reserves and fair value adjustments. Short-term borrowings were substantially reduced from PKR 1.26 billion to PKR 718.12 million, underscoring the Company's efforts to deleverage and enhance financial sustainability.

These results reflect a decisive improvement in the Company's financial health and position Pearl Securities Limited on a solid path toward sustainable growth. The Board wishes to record its deep appreciation for the strategic guidance of its members, whose oversight was critical to this turnaround.

Future Outlook

The outlook for FY2026 remains cautiously optimistic. Stability in both micro- and macroeconomics indicators, together with monetary easing, a relatively stable exchange rate, and sustained structural reforms, are expected to support business confidence and trading activity. However, challenges remain, particularly if the form of geopolitical volatility, fluctuation in energy prices, and domestic political uncertainties.

Pearl Securities Limited will continue to focus on prudent financial management, diversification of revenue streams, and leveraging opportunities in new market products. The Board is confident that the foundations laid in FY2025 will enable the Company to build a sustainable growth and creating long-term value for stakeholders.

Acknowledgement

The Board expresses its sincere gratitude to our valued clients, whose trust is our greatest asset, and to our bankers for their continued support and cooperation. We also extend our appreciation to the Securities and Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX), Central Depository Company (CDC), and National Clearing Company of Pakistan Limited (NCCPL) for their regulatory guidance and facilitation.

A special note of thanks is due to our dedicated employees, whose commitment and hard work were pivotal in achieving this year's successful results.

Farah Zubair
Chief Executive Officer

M. Naeem Mehmood Shahid
Director

Karachi: September 24, 2025

INDEPENDENT AUDITOR'S REPORT

To The Members of Pearl Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Pearl Securities Limited** ("the Company") which comprise the statement of financial position as at **30 June 2025**, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including material accounting policies and other explanatory information for the year then ended, 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, the statement of 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 **30 June 2025** and of its profits, other comprehensive income, the changes in equity and the 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

1. 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.

2. 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.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. 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.

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

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

Report on Other Legal and Regulatory Requirements

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

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

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of 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;

d) no zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980);

e) the Company was in compliance with the requirements of Section 78 of the Securities Act, 2015 and section 62 of the Futures Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared; and

f) the Company was in compliance with the relevant requirements of Futures Brokers (Licensing and Operations Regulations), 2018 as at the date on which the statement of financial position was prepared.

Other matter(s)

The financial statements of the Company for the year ended June 30, 2024 were audited by another firm of chartered accountants who had expressed an unqualified opinion vide their audit report dated 31 October 2024.

The engagement partner on the audit resulting in this independent auditor's report is ***Farrukh V. Junaidy.***

Chartered Accountants

Karachi

Date: 30 SEP 2025

UDIN: AR202510653erQuVD9AL

PEARL SECURITIES LIMITED
Statement of Financial Position
As at 30 June 2025

	Notes	2025	2024
		---- (Rupees) ----	
SHARE CAPITAL & RESERVES			(Restated)
Authorized capital			
50,000,000 (2024: 50,000,000) ordinary shares of Rs. 10 each		**500,000,000**	500,000,000
Issued, subscribed and paid-up capital	4	**144,136,000**	144,136,000
Revenue reserve - unappropriated profit		**202,700,180**	164,601,751
Remeasurement of post retirement benefit		**3,315,391**	1,257,399
Fair value reserve		**26,930,523**	(131,894,908)
Sponsors' loan		**46,000,000**	46,000,000
		423,082,094	224,100,242
NON-CURRENT LIABILITIES			
Long term portion of liability against lease	5	**4,752,096**	938,909
Staff retirement benefits	6	**42,182,682**	40,911,493
		46,934,778	41,850,402
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	7	**421,428,907**	443,866,254
Accrued markup		**36,707,966**	106,205,653
Short term borrowings	8	**718,116,097**	1,255,774,951
Current portion of liability against lease	5	**2,154,280**	838,738
Taxation - net		**5,398,031**	-
		1,183,805,281	1,806,685,596
Contingencies and commitments	9	-	-
Total equity and liabilities		**1,653,822,153**	2,072,636,240
NON-CURRENT ASSETS			
Property and equipment	10	**52,005,898**	38,984,683
Right-of-use assets	11	**5,904,077**	1,671,042
Intangible assets	12	**2,750,000**	2,750,000
Deferred taxation	13	**9,961,210**	34,557,702
Long term deposits	14	**15,157,979**	17,507,979
		85,779,164	95,471,406
CURRENT ASSETS			
Short term investments	15	**387,225,529**	202,412,863
Receivable against margin financing transactions		**60,762,220**	40,801,293
Trade debts	16	**621,836,289**	1,487,657,584
Advances, deposits, prepayments and other receivables	17	**149,525,738**	82,237,925
Taxation - net		**10,229,783**	2,828,752
Cash and bank balances	18	**338,463,430**	161,226,417
		1,568,042,989	1,977,164,834
		1,653,822,153	2,072,636,240

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Director

PEARL SECURITIES LIMITED
Statement of Profit or Loss
For the year ended 30 June 2025

	Notes	2025	2024
		(Rupees)	
Operating revenue	19	**195,553,893**	161,410,513
Capital gain on short term investment		**164,229,132**	271,102,032
Operating and administrative expenses	20	**(183,566,142)**	(158,160,124)
Unrealised loss on investments carried at fair value through profit or loss	15	**(491,030)**	(804,887)
Operating profit for the year		**175,725,853**	273,547,534
Finance cost	21	**(211,283,957)**	(301,177,853)
Other income	22	**56,032,286**	26,216,458
Profit / (loss) before levies, & taxation for the year		**20,474,182**	(1,413,861)
Levies		**(2,153,730)**	(6,015,599)
Profit / (loss) before taxation for the year		**18,320,452**	(7,429,460)
Taxation	23	**12,350,844**	(2,388,171)
Profit / (loss) after taxation for the year		**30,671,296**	(9,817,631)

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Director

PEARL SECURITIES LIMITED
Statement of Comprehensive Income
For the year ended 30 June 2025

	2025	2024
	(Rupees)	
		Restated
Profit / (loss) after taxation for the year	**30,671,296**	(9,817,631)
Other comprehensive income for the year		
Item that will not reclassified subsequently to Profit or loss		
Remeasurement of staff retirement obligation - net of deferred tax	**2,057,992**	(1,637,935)
Remeasurement of investment at FVOCI - net of deferred tax	**166,252,564**	(6,199,811)
Realized gain / (loss) - Investments carried at FVOCI	**7,427,133**	(26,155,110)
	173,679,697	(32,354,921)
Total comprehensive income / (loss) for the year	**206,408,985**	(43,810,487)

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Director

PEARL SECURITIES LIMITED
Statement of Changes in Equity
For the year ended 30 June 2025

			Capital Reserve		Revenue reserve	
	Issued, subscribed and paid-up capital	Sponsors' Loan	Fair value reserve	Remeasurement of post retirement benefits - net of tax	Unappropriated profit	Total
	-----	-----	-----	Rupees -----	-----	-----
Balance as at July 01, 2023	144,136,000	46,000,000	(151,850,207)	2,895,334	200,574,492	241,755,619
Loss after taxation for the year	-	-	-	-	(9,817,631)	(9,817,631)
Other comprehensive loss for the year	-	-	(6,199,811)	-	-	(6,199,811)
Transfer of fair value reserve of equity instrument designated at FVOCI - restated	-	-	26,155,110	-	(26,155,110)	-
Remeasurement gain on post retirement benefits - net of tax	-	-	-	(1,637,935)	-	(1,637,935)
Balance as at 30 June 2024	**144,136,000**	**46,000,000**	**(131,894,908)**	**1,257,399**	**164,601,751**	**224,100,242**
Profit after taxation for the year	-	-	-	-	30,671,296	30,671,296
Other comprehensive income for the year	-	-	166,252,564	-	-	166,252,564
Transfer of fair value reserve of equity instrument designated at FVOCI	-	-	(7,427,133)	-	7,427,133	-
Remeasurement loss on post retirement benefits - net of tax	-	-	-	2,057,992	-	2,057,992
Balance as at 30 June 2025	**144,136,000**	**46,000,000**	**26,930,523**	**3,315,391**	**202,700,180**	**423,082,094**

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer **Director**

PEARL SECURITIES LIMITED

Statement of Cash flows

For the year ended 30 June 2025

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		---------------- (Rupees)	---------------
Profit / (loss) before levies, & taxation for the year		**20,474,182**	(1,413,861)
Adjustments for:			
- Depreciation	*10*	**4,774,420**	3,675,612
- Depreciation on Right of use assets	*11*	**3,639,067**	1,878,065
- Unrealized loss on investments caried at FVTPL	*15*	**491,030**	804,887
- Provision for gratuity	*6*	**9,981,769**	8,772,650
- Gain on disposal of fixed assets	*22*	**(19,507,077)**	(5,803,599)
- Finance cost	*21*	**211,283,957**	301,177,853
		210,663,166	310,505,468
Decrease / (increase) in current assets			
Trade debts	*16*	**865,821,295**	172,455,311
Receivable against margin financing		**(19,960,927)**	(29,585,767)
Advances, deposits, prepayments and other receivables	*17*	**(67,287,813)**	(21,058,922)
(Decrease) / increase in current liabilities			
Creditors, accrued and other liabilities	*7*	**(11,114,291)**	90,804,861
Short term borrowings	*8*	**(537,658,854)**	(147,803,546)
		229,799,410	64,811,937
Financial charges paid		**(279,226,986)**	(264,304,694)
Taxes paid		**(7,401,031)**	(17,797,136)
Gratuity paid	*6*	**(5,812,000)**	(4,179,384)
Net cash generated from operating activities		**168,496,741**	87,622,330
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	*10*	**(21,134,906)**	(6,321,183)
Proceeds from disposal of property and equipment		**22,846,348**	9,474,001
Investments disposed / (purchased) during the year		**8,976,861**	(21,827,162)
Long term deposits	*14*	**2,350,000**	400,000
Net cash generated from / (used in) investing activities		**13,038,303**	(18,274,344)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability	*5*	**(4,298,031)**	(1,804,061)
Net cash used in financing activities		**(4,298,031)**	(1,804,061)
Net increase in cash and cash equivalents		**177,237,013**	67,543,925
Cash and cash equivalents at the beginning of the year		**161,226,417**	93,682,492
Cash and cash equivalents at the end of the year	*18*	**338,463,430**	161,226,417

The annexed notes 1 to 38 form an integral part of these financial statements.

Chief Executive Officer

Director

1. STATUS AND NATURE OF BUSINESS

Pearl Securities Limited ("the Company") was incorporated as a private limited company on May 8, 2000 under the repealed Companies Ordinance, 1984 (now the Companies Act 2017) and was subsequently converted into public limited Company on April 27, 2009. The Company is a corporate member of Pakistan Stock Exchange Limited (PSX).

The Company is Trading Right Entitlement Certificate (TREC) holder of PSX and a member of Pakistan Mercantile Exchange Limited (PMEX). The Company is principally engaged in brokerage of shares, stocks, securities, commodities and other financial instruments, securities research, financial consultancy and underwriting. The company has a network of seven branches (June 30, 2024: Six branches) across Pakistan.

1.1 Geographical locations of business units

Locations	Addresses
Head office / registered office	Suit # 204, 2nd Floor, Business & Finance Center, I.I Chundrigarh Road, Karachi.
Branches	
Pakistan stock exchange	Suit # 137, 3rd Floor, Stock Exchange Building, Karachi.
Islamabad Branch	Suit # 1011, 10th Floor, Stock Exchange Towers, Islamabad.
Peshawar Branch	Ground Floor, State Life Building, Peshawar Cantt, Peshawar.
Lahore Branch	Suit # 218, 2nd Floor, Siddiq Trade Center - 2, Qazi Bashir Road, Opp DC office, Mardan.
Kohat Branch	Office no 5 & 6, Al-Madina Plaza, Near Central Science College, University Road, Chakar Kot, Kohat
Lahore Branch	Suit # 417, 4th Floor LSE Building 19 Khayaban-e-Awan-e-Iqbal, Lahore.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except certain financial assets and financial liabilities which have been stated at their fair values.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions 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 periods.

In the process of applying the Company's accounting policies, management has made the following estimates and judgment which are significant to the financial statements:

		Note
a)	Carrying amount of property, plant and equipment	*3.1*
b)	Impairment of financial assets	*3.3*
c)	Provision against trade debts and other receivables	*3.7*
d)	Provision for current and deferred taxation	*3.8*
e)	Trade creditors, accrued expenses and other liabilities	*3.12*

2.5 New and amended standards and interpretations to the approved accounting standards

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial statements.

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

		Effective date (annual reporting 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
Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cash Flows)		January 01, 2026

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or exempted by SECP as at 30 June 2025;

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRIC 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 Property and equipment

Owned

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit and loss account by applying the reducing balance method systematically on yearly basis at the rates specified in note 16. Depreciation on additions to property and equipment is charged from the month in which an item is acquired while no depreciation is charged in the month the item is disposed off.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such an indication exists the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount; and the impairment losses are recognized in the profit and loss account.

The residual value, depreciation method and the useful lives of each part of property and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal of assets, if any are included in profit and loss account for the current year.

Normal repairs and maintenance costs are charged to profit and loss account in the period of its occurrence, while major renovations and improvements are capitalized only when it is probable that the future economic benefits associated with the item will flow to the entity and its cost can be measured reliably. Disposal of assets is recognized when significant risk and rewards incidental to the ownership have been transferred to the buyers.

3.2 Intangible assets

These represent TREC of Pakistan Stock Exchange Limited and membership cards of Pakistan Mercantile Exchange Limited. These intangible assets have indefinite useful life and are stated at revalued amount.

The carrying amount of intangible assets are reviewed at each balance sheet date to assess whether they are in excess of their recoverable. Provisions are made for decline in values, other than temporary, of these assets where the carrying values exceed estimated recoverable amounts.

Amortization is charged from the month of addition to the month proceeding the month of retirement / disposal, by applying reducing balance method.

3.3 Financial instruments

a) *Initial recognition*

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

b) *Classification of financial assets*

The Company classifies its financial instruments in the following categories:

- at fair value through profit and loss ("FVTPL"),

- at fair value through other comprehensive income ("FVTOCI"), or

- at amortised cost.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

By default, all other financial assets are subsequently measured at FVTPL.

c) *Classification of financial liabilities*

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or

- Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as 'instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

d) *Subsequent measurement*

(i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

(ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

(iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

e) *Impairment of financial assets at amortised cost*

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost as more fully explained in note 3.7.

f) Derecognition

(i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

(ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

3.4 Off-setting for financial assets and financial liabilities

Financial assets and liabilities are off set and the net amount is reported in the balance sheet only when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.5 Investments

Investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investments, except in case of held for trade investments, in which case the transaction costs are charged off to the profit and loss account.

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention.

3.6 Long term deposits

These are stated at cost which represents the fair value of consideration given.

3.7 Trade debts

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

3.8 Taxation

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and rebates available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill. be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3.9 Revenue recognition

- Brokerage and commission income is recognised as and when such services are provided and when performance obligations have been satisfied and right to receive the consideration in exchange for services has been established.
- Dividend income is recognized when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Realized capital gain / (loss) on sale of investments carried at 'fair value through profit or loss' is recognized in the statement of profit or loss on the date of sale. The realized capital gain / (loss) on investments carried at 'fair value through other comprehensive income' is recorded in fair value reserve and transferred from fair value reserve to retained earning on the date of the sale of investment.
- Unrealised capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss' are included in statement of profit or loss in the period in which they arise.
- Unrealised capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through other comprehensive income' are taken directly to other comprehensive income.
- Interest income is recognized on a time proportion basis that takes into account the effective yield.
- Income on continuous funding system is recognized on an accrual basis.
- All other incomes are recognized on an accrual basis.

3.10 Expenses

All expenses are recognized in the profit and loss account on an accrual basis.

3.11 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.12 Creditors, accrued and other liabilities

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in future for goods and services received.

3.13 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks.

3.14 Leases

a) Right-of-use assets

The Company recognises the right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made or before the commencement dates less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

c) Short term leases and leases of low-value assets

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

3.15 Sponsor's loan

According to Technical Release - 32 issued by the Institute of Chartered Accountants of Pakistan (ICAP) according to which a loan to an entity by the director which is agreed to be paid at the discretion of the entity does not pass the test of liability as is to be recorded as equity at face value. This is not subsequent re-measured. The decision by the entity at any time in future to deliver cash or any other financial asset settle the director's loan would be a direct debit to equity.

3.16 Prior period error

During the year ended 30 June 2025, the Company has restated prior year financial statements in accordance with IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors to account for the transfer of loss on disposed off equity securities carried at Fair value through other comprehensive income. The loss on equity securities carried at FVTOCI has not been transferred in other comprehensive income. The effect of restatement resulted in changes in statement of financial position, statement of comprehensive income and statement of changes in equity. Since the restatement resulted in changes in only prior year, therefore third statement of financial position have not been presented.

4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

This comprises fully paid-up ordinary shares of Rs. 10 each as follows:

2025	2024		2025	2024
Number of shares			---------- (Rupees) ----------	
14,413,600	14,413,600	Issued for cash	144,136,000	144,136,000

4.1 Pattern of shareholding

Categories of shareholders	2025 Shares held	2024 Percentage
Members		
Mrs. Fatima Usman	4,418,100	30.652%
Mrs. Naik Perveen	972,555	6.747%
Mr. Muhammad Arfeen Dhedhi	972,625	6.748%
Mr. Amir Nazeer Dhedhi	972,625	6.748%
Ms. Alia Dhedhi	972,625	6.748%
Mr. Sajid Anwar	500	0.003%
Mr. M. Asadullah Sheikh	500	0.003%
Mrs. Farzana Asad	432,270	2.999%
Government of KPK GPI Fund	5,670,300	39.340%
Directors and their spouse(s) and minor children		
Ms. Farah Zubair	500	0.003%
Mr. Pervez Mirza Chughtai	500	0.003%
Mr. Muhammad Naeem Mehmood Shahid	500	0.003%
	14,413,600	100.00%

4.2 Other disclosures under Regulation 34(2) of the Securities Brokers (Licensing and Operations) Regulations, 2016:

Shareholders holding 5% or more	2025 Shares held	2024 Percentage
Mrs. Fatima Usman	4,418,100	30.652%
Mrs. Naik Perveen	972,555	6.747%
Mr. Muhammad Arfeen Dhedhi	972,625	6.748%
Mr. Amir Nazeer Dhedhi	972,625	6.748%
Ms. Alia Dhedhi	972,625	6.748%
Government of KPK GPI Fund	5,670,300	39.340%

5. LIABILITY AGAINST FINANCE LEASE

	Notes	2025	2024
		---------- (Rupees) ----------	
As at 01 July		1,777,647	2,404,505
Addition		7,872,102	1,341,238
Interest		1,554,658	238,296
Payment of rental		(4,298,031)	(2,206,392)
As at 30 June		6,906,376	1,777,647
Less: Current maturity	5.1	2,154,280	838,738
		4,752,096	938,909

5.1 LIABILITY AGAINST FINANCE LEASE

	30 June 2025			30 June 2024		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
	---------- Rupees ----------			---------- Rupees ----------		
Less than one year	3,274,808	1,120,528	2,154,280	1,124,598	285,860	838,738
More than one years	5,386,724	634,628	4,752,096	1,168,449	229,540	938,909
	8,661,532	1,755,156	6,906,376	2,293,047	515,400	1,777,647

6. STAFF RETIREMENT BENEFITS

6.1 The company have established a Fund - Pearl Securities Limited - Employees' Unfunded Gratuity Scheme for all its permanent employees. The gratuity under the scheme are payable on retirement at the age of 60 or earlier of cessation of services. The amount of gratuity payable is equal to the one months' gross salary for each year eligible for service with the company subject to a minimum qualifying period of service of 5 years.

6.2 Principal actuarial assumptions

The latest actuarial valuation of unfunded gratuity scheme was carried out by Anwar Associates Consulting actuaries as at 30 June 2025. The principal actuarial assumptions based on actuarial report for the year ended 30 June 2025 are as follows:

	2025	2024
	--------- Rates ---------	
Discount rate	12.50%	14.00%
Salary increase rate	11.50%	13.00%
Mortality rates	SLIC (2001-05)	SLIC (2001-05)-1

6.3 The amount recognized in statement of financial position

	Notes	2025	2024
		------- (Rupees) -------	
Present value of defined benefit obligation	6.4	42,182,682	40,911,493
Fair value of plan assets		-	-
		42,182,682	40,911,493

6.4 Movement in present value of defined benefit obligation

	Notes	2025	2024
Present value of obligation as at 01 July		40,911,493	33,706,000
Current service cost	6.5	4,654,000	3,635,000
Interest cost on defined benefit obligation	6.5	5,327,769	5,137,650
Re-measurement (gain) / loss	6.6	(2,898,580)	2,612,227
Actual benefit paid during the year		(5,812,000)	(4,179,384)
Present value of defined benefit obligation as at 30 June		42,182,682	40,911,493

6.5 Cost recognized in statement of profit or loss

	2025	2024
Current service cost	4,654,000	3,635,000
Net interest	5,327,769	5,137,650
	9,981,769	8,772,650

6.6 Re-measurement recognized in statement of other comprehensive income

	2025	2024
Gain due to change in financial assumptions	-	-
(Loss) / gain due to change in experience adjustment	(2,898,580)	2,612,227
	(2,898,580)	2,612,227

6.7 Maturity profile

Expected benefit payment	2025 Rupees
Year 1	2,887,051
Between 1-2 years	960,413
Between 2-3 years	1,113,273
Between 3-4 years	1,282,864
Between 4-5 years	12,473,585
Between 6-10 years	41,539,293

6.8 Sensitivity analysis on significant actuarial assumptions:

	Notes	2025	2024
		(Rupees)	
Current liability		42,182,682	40,911,493
Discount rate: +1% (2024: +1%)		38,535,359	37,932,269
Discount rate: -1% (2024: -1%)		46,728,629	46,058,910
Long term salary increase: +1% (2024: +1%)		46,790,854	46,136,913
Long term salary increase: -1% (2024: -1%)		38,405,876	37,789,118

6.9 Expected gratuity expense for the year ended June 30, 2026 works out to be Rs.9,751,547.

7. CREDITORS, ACCRUED AND OTHER LIABILITIES

	Note	2025	2024
		(Rupees)	
Creditors for purchase of shares	*7.1*	288,755,457	138,377,292
Creditors of PMEX - Client		6,143	6,143
Creditors of MM - Client		110,564,223	283,876,455
Sindh sales tax on brokerage services		3,585,007	2,055,995
Commission payable to traders		9,343,443	3,078,333
Accrued and other liabilities		9,174,634	16,472,036
		421,428,907	443,866,254

7.1 This includes an amount of Rs. 232 (2024: Rs. 116) payable to related party of the Company.

8. SHORT TERM BORROWINGS

	Note	2025	2024
		(Rupees)	
From banking companies - secured			
Bank Makramah Limited	*8.1*	-	194,803,267
Soneri Bank Limited	*8.2*	-	7,831,433
United Bank Limited	*8.3*	595,214,331	590,672,393
Silk Bank Limited - repurchase agreement	*8.4*	-	98,507,600
Sindh Bank Limited	*8.5*	122,901,766	293,160,571
Askari Bank Limited	*8.6*	-	70,799,687
		718,116,097	1,255,774,951

8.1 This represents running finance facility with a limit of Rs. 223 million (2024: Rs.223 million) against ready marketable shares of quoted companies and personal guarantee of the Chief Executive Officer of the company for meeting the working capital requirements and carrying markup at the rate of 3 months KIBOR plus 200 bps per annum subject to quarterly revisions, which at the year end amounted to 13.15% per annum (2024: 23.99% per annum). The facility will expire on 30 June 2025.

8.2 This represents running finance facility with a limit of Rs. 250 million (2024: Rs.250 million) against ready marketable shares of quoted companies and personal guarantee of the Chief Executive Officer of the company for meeting the working capital requirements and carrying markup at the rate of 3 months KIBOR plus 250 bps per annum subject to quarterly revisions, which at the year end amounted to 13.65% per annum (2024: 21.99% per annum).The facility is secured by pledge of shares with 30% to 50% margin. The facility will expire on 31 January 2026, however the facility is unutilised as at the year end.

8.3 This represents running finance facility with a limit of Rs. 600 million (2024: Rs. 600 million) for meeting the working capital requirements and carrying markup at the rate of 3 months KIBOR plus 250 bps per annum subject to quarterly revisions, which at the year end stood at 13.65% per annum (2024: 24.49% per annum).The facility is secured with first Pari Passu charge on Rs. 1.14 billion receivables of the Company. The facility is to be reviewed again on 31 January 2026.

8.4 This represents short repo borrowings against T-bill amounting to Rs. Nil (2024: Rs. 98,507,600) which expired during the year.

8.5 This represents running finance facility with a limit of Rs. 350 million (2024: Rs.350 million) for meeting the working capital requirements and carrying markup at the rate of 3 months KIBOR plus 375 bps per annum subject to quarterly revisions, which at the year end stood at 13.65% per annum (2024: 25.74% per annum).The facility is secured by pledged of shares of listed companies with 35% margin. The facility will expire on 31 January 2026.

8.6 This represents running finance facility with a limit of Rs. 200 million (2024: Rs. 200 million) for meeting the working capital requirements and carrying markup at the rate of 1 months KIBOR plus 200 bps per annum subject to quarterly revisions, which at the year end stood at 13.39% per annum (2024: 24.49% per annum).The facility is secured by pledge of shares with 35% margin. The facility will expire on 31 December 2025.

8.7 The unavailed credit facilities by the Company as at 30 June 2025 amounted to Rs. 904.89 million (2024: Rs. 465.7 million).

9. CONTINGENCIES AND COMMITMENTS

9.1 The Assistant Commissioner SRB has passed 3 orders in respect of short payment of sales tax amounting to Rs. 280,808,039 along with penalty amounting to Rs. 14,040,401 in respect of financial year 2011 to 2018 on other charges recovered from customers. The Company has filed appeal before the Commissioner Appeals against the impugned order however, decision in appeal is pending. The Company is having fair chances of success in appeal, therefore, no provision has been recorded in these financial statements.

	2025	2024
	(Rupees)	
Against future sale	**40,855,165**	255,622,810
Against future buy	**8,732,985**	12,885,620

10. PROPERTY AND EQUIPMENTS

	Office premises	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
	----------	----------	----------	(Rupees)	----------	----------
COST						
As at 1 July 2024	17,073,212	6,278,359	9,081,911	12,313,169	29,727,251	74,473,902
Additions	-	-	1,878,757	1,298,049	17,958,100	21,134,906
Disposals	-	-	(457,745)	(298,952)	(15,539,000)	(16,295,697)
As at 30 June 2025	17,073,212	6,278,359	10,502,923	13,312,266	32,146,351	79,313,111
ACCUMULATED DEPRECIATION						
As at 01 July 2024	-	2,722,037	3,912,794	8,784,974	20,669,414	35,489,219
For the year	-	363,733	611,982	861,163	2,936,542	4,774,420
Disposals	-	(81,012)	(276,517)	(201,422)	(12,396,475)	(12,956,426)
As at 30 June 2025	-	3,004,758	4,248,259	9,444,715	10,609,481	27,267,213
Written down value	17,073,212	3,273,601	6,254,664	3,867,551	21,536,870	52,045,898
Depreciation rates	-	10%	10%	20%	20%	

	Office premises	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
	----------	----------	----------	(Rupees)	----------	----------
COST						
As at 1 July 2023	15,396,625	8,763,883	9,393,050	18,131,459	33,563,251	85,248,268
Additions	1,676,587	2,626,980	1,744,066	273,559	-	6,321,183
Disposals	-	(5,112,504)	(2,055,205)	(6,091,883)	(3,836,000)	(17,095,549)
As at 30 June 2024	17,073,212	6,278,359	9,081,911	12,313,169	29,727,251	74,473,902
ACCUMULATED DEPRECIATION						
As at 01 July 2023	-	6,462,845	4,338,458	13,701,471	20,735,976	45,238,750
For the year	-	305,154	645,808	882,458	1,842,106	3,675,612
Disposals	-	(4,045,962)	(1,071,502)	(5,798,955)	(2,508,668)	(13,425,147)
As at 30 June 2024	-	2,722,037	3,912,794	8,784,974	20,069,414	35,489,219
Written down value	17,073,212	3,556,322	5,169,117	3,528,195	9,657,837	38,984,683
Depreciation rates	-	10%	10%	20%	20%	

11. RIGHT-OF-USE ASSETS

	2025	2024
	(Rupees)	
Cost		
Opening balance	6,640,124	5,298,886
Addition during the year	7,872,102	1,341,238
Disposal during the year	-	-
Closing balance	14,512,226	6,640,124
Accumulated depreciation		
Opening balance	4,969,082	3,091,017
Charge for the year	3,639,067	1,878,065
Disposal	-	-
Closing balance	8,608,149	4,969,082
Carrying amount	5,904,077	1,671,042
Useful life	3 years	3 years

12. INTANGIBLE ASSETS

	2025	2024
Trading Right Entitlement Certificate (TREC)	2,500,000	2,500,000
Pakistan Mercantile Exchange Limited - membership card	250,000	250,000
	2,750,000	2,750,000

12.1 Under the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, the Company has received a TREC in lieu of its membership card of KSE. TREC is measured at notional value determined by PSX.

13. DEFERRED TAXATION

	2025			
	Opening	Profit or loss	Other comprehensive income	Closing
	(Rupees)			
On taxable temporary difference:				
Accelerated depreciation allowance	(5,727,054)	3,054,558	-	(2,672,496)
Right of use assets	(128,056)	(1,584,126)	-	(1,712,182)
Investment - FVTOCI	-	-	(4,752,445)	(4,752,445)
On deductible temporary difference:				
Provision for expected credit losses	4,788,852	-	-	4,788,852
Provision for gratuity	12,081,079	992,487	(840,588)	12,232,978
Liability against leased assets	146,600	1,856,249		2,002,849
Investment - FVOCI	23,275,548	-	(23,275,548)	-
Investment - FVTPL	120,733	(47,079)	-	73,654
	34,557,702	4,272,089	(28,868,581)	9,961,210

	2024			
	Opening	Profit or loss	Other comprehensive	Closing
	(Rupees)			
On taxable temporary difference:				
Accelerated depreciation allowance	(6,264,001)	536,947	-	(5,727,054)
Right of use assets	(640,282)	512,226	-	(128,056)
On deductible temporary difference:				
Provision for for expected credit losses	4,788,852	-	-	4,788,852
Provision for gratuity	8,085,200	3,021,587	974,292	12,081,079
Liability against leased assets	697,306	(550,706)	-	146,600
Investment - FVOCI	24,072,123	-	(796,575)	23,275,548
Investment - FVTPL	(48,370)	169,103	-	120,733
	30,690,828	3,689,157	177,717	34,557,702

14. LONG TERM DEPOSITS

	Note	2025	2024
		(Rupees)	
Pakistan Stock Exchange Limited	14.1	9,305,979	11,655,979
National Clearing Company of Pakistan Limited		1,400,000	1,400,000
Pakistan Mercantile Exchange Limited	14.2	3,250,000	3,250,000
Central Depository Company of Pakistan Limited		100,000	100,000
Others		1,102,000	1,102,000
		15,157,979	17,507,979

14.1 This represents deposit placed with PSX for taking exposure in regular and future market.

14.2 This represents deposit placed with PMEX for taking exposure in commodity market.

15. SHORT TERM INVESTMENT	Note	2025	2024
		(Rupees)	
Financial assets classified as FVTPL			
Shares of listed companies - carrying amount		**53,068,839**	16,077,287
Less: Unrealized loss on revaluation of fair value		**(491,030)**	(804,887)
through profit or loss	*15.1*	**52,577,809**	15,272,400
Financial assets classified as FVTOCI			
Shares of listed companies - average cost		**302,964,752**	342,310,919
Add: Unrealized gain on revaluation of fair value through		**31,682,968**	(155,170,456)
other comprehensive income		**334,647,720**	187,140,463
		387,225,529	202,412,863

15.1 Financial assets classified as FVTPL

Scrip	Number of shares 2025	Number of shares 2024	30 June 2025 Carrying value	30 June 2025 Fair value	30 June 2024 Carrying value	30 June 2024 Fair value
	(Number)		Rupees		Rupees	
Al-Tahur Limited	**16,500**	-	**691,661**	**663,960**	-	-
Attock Refinery Limited	-	3,000	-	-	2,032,507	1,757,950
Bank Makramah Limited	**565,000**	171,255	**2,817,948**	**2,988,850**	321,109	319,157
Bawany Air Products Limited	**52,694**	-	**2,613,102**	**2,168,358**	-	-
Citi Pharma Limited	**5,500**	-	**468,988**	**461,835**	-	-
Engro Fertilizers Limited	**17,259**	38,359	**3,430,679**	**3,203,098**	6,499,110	6,370,020
Fauji Cement Company Limited	**29,908**	-	**1,326,737**	**1,330,877**	-	-
Flying Cement Company Limited	-	72,720	-	-	712,125	595,630
Ghandhara Automobiles Limited	-	7,000	-	-	1,281,031	1,223,040
K-Electric Limited	**18,666**	-	**106,543**	**97,997**	-	-
Oil & Gas Development Company Limited	**13,533**	20	**2,881,476**	**2,984,838**	2,729	2,707
Pak Elektron Limited	-	20,200	-	-	563,824	499,142
Pakistan Hotels Developers Limited	**24,025**	-	**1,325,064**	**1,210,860**	-	-
Pakistan Petroleum Limited	**34,717**	-	**5,771,455**	**5,907,792**	-	-
Pakistan Refinery Limited	**39,048**	200	**1,385,771**	**1,345,257**	6,756	4,640
Pakistan State Oil Company Limited	**25,257**	-	**9,378,999**	**9,535,275**	-	-
Sui Southern Gas Company Limited	**25,000**	-	**1,048,016**	**1,009,750**	-	-
Thatta Cement Company Limited	**70,000**	-	**14,792,731**	**13,310,500**	-	-
The Hub Power Company Limited	**6,796**	27,500	**937,600**	**936,557**	4,638,035	4,484,700
United Bank Limited	**19,398**	-	**4,092,062**	**5,453,005**	-	-
	963,988	344,451	**53,068,839**	**52,577,809**	16,077,287	15,272,399

15.2 Financial assets classified as FVTOCI

Scrip	Number of shares 2025	2024	30 June 2025 Cost	Fair value	30 June 2024 Cost	Fair value
	(Number)		Rupees		Rupees	
Ansari Sugar Mills Limited	2,062,285	2,062,285	41,244,026	11,981,876	41,244,026	11,581,876
Bank Makramah Limited	50,000,000	50,000,000	167,400,000	264,500,000	167,400,000	92,000,000
Cnergyico PK Limited	1,272,852	1,272,852	34,819,496	9,075,435	35,356,506	4,977,480
Ferozsons Laboratories Limited	-	300	-	-	58,700	74,823
First Capital Equities Limited	997,000	997,000	35,094,380	4,077,730	35,308,380	10,289,160
Flying Cement Company Limited	-	152,875	-	-	2,084,717	1,271,920
Hascol Petroleum Limited	175,440	187,300	3,462,537	1,694,750	4,134,906	1,160,625
Honda Atlas Cars (Pakistan) Limited	-	12,982	-	-	4,113,262	3,679,358
Ibrahim Fibers Limited	-	100	-	-	30,990	40,000
K-Electric Limited	31,274	440,765	167,392	164,189	2,359,159	2,040,742
Murree Brewery Company Limited	-	3,850	-	-	2,295,212	1,863,393
Pak Agro Packaging Limited	104,000	104,000	2,574,000	1,092,000	2,574,000	856,960
Pakistan Refinery Limited	20,000	20,000	675,581	678,600	675,581	404,000
Pakistan Stock Exchange Limited	1,260,000	1,837,953	11,786,804	35,242,200	17,190,323	25,564,178
Sui Northern Gas Pipelines Limited	-	5,000	-	-	354,950	317,350
Telecard Limited	-	90	-	-	630	600
TPL Corp Limited	-	2,000	-	-	11,840	9,380
TRG Pakistan Limited	105,874	523,374	5,815,309	6,982,940	26,201,413	32,475,387
Worldcall Telecom Limited	100,000	105,363	225,237	158,000	236,141	133,912
	56,128,725	57,348,491	302,964,752	334,647,720	342,310,920	187,140,464

15.3 Fair value of shares pledged with banking companies against various short term running finance facilities as at June 30, 2025 amounted to Rs. 1,255.30 million (2024: Rs. 834.078 million). Total value of pledged securities with financial institutions indicating separately securities belonging to customers and Company are as under:

	30 June 2025 No. of securities	Amount (Rs.)	30 June 2024 No. of securities	Amount (Rs.)
Customers	43,553,158	799,836,321	179,382,812	654,881,994
Company	54,504,153	455,294,218	53,294,956	179,196,936
	98,057,311	1,255,130,539	232,677,768	834,078,930

16. TRADE DEBTS

	Note	2025	2024
		(Rupees)	
Receivable from clients against:			
Purchase of shares on behalf of clients		620,494,710	1,479,917,208
Money market and forex		1,341,579	7,740,376
		621,836,289	1,487,657,584
Considered doubtful		16,513,282	16,513,282
		638,349,571	1,504,170,866
less: Provision against expected credit losses		(16,513,282)	(16,513,282)
		621,836,289	1,487,657,584

16.1 Provision against expected credit losses

	2025	2024
As at July 1	16,513,282	16,513,282
(Reversal) / charge for the year	-	-
As at June 30	16,513,282	16,513,282

16.2 Treatment of amount receivable from customers

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

16.3 The ageing analysis of the trade receivable from equity clients as at the reporting date is as follows:

	30 June 2025		30 June 2024	
	Gross	**Impairment**	Gross	Impairment
	Rupees		Rupees	
Past due 1 - 30 days	**460,216,863**	**-**	1,490,051,339	-
Past due 31 - 60 days	**150,613,704**	**-**	3,774,891	-
Past due 61 - 90 days	**4,952,148**	**-**	1,121,400	-
Past due 91 - 180 days	**7,354,144**	**-**	4,206,236	-
Past due 180 days	**15,212,712**	**16,513,282**	18,997,428	16,513,282
	638,349,571	**16,513,282**	1,518,151,294	16,513,282

16.4 This includes an amount of Rs. 981 (2024: Rs. 981) and 2,576,257 (2024: Rs. 1,014,158) receivable from Mr. Pervez Mirza Chughtai and Mr. M Naeem Mehmood Shahid respectively, related parties of the Company.

17. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	**2025**	2024
		(Rupees)	
Advances to staff- considered good		**13,784,483**	16,288,971
Trade deposit	*17.1*	**124,177,164**	56,458,684
Prepayments		**842,546**	516,738
Other deposits and receivable		**10,721,545**	8,973,532
		149,525,738	82,237,925

17.1 This represent deposit with National Clearing Company Pakistan Limited against the exposure margin in respect of trade in future and ready market. These deposits carry profits at rates ranging from 8% to 10% per annum (2024: 4.5% to 15% per annum).

18. CASH AND BANK BALANCES

	Note	**2025**	2024
		(Rupees)	
Cash in hand		**1,679,378**	2,818,482
At banks:			
- Clients' accounts - current		**296,478,082**	153,716,290
- House current accounts		**39,670,443**	3,876,114
- House savings accounts	*13.1*	**635,527**	815,531
		338,463,430	161,226,417

18.1 The interest rates on saving accounts range from 10% to 12% per annum (2024: from 2% to 20 per annum%

18.2 Detail of customer assets held in designated bank accounts and CDC are as follows:

	2025	2024
	(Rupees)	
Customers assets held in designated bank accounts	**296,478,082**	153,716,290
Customers assets held in the CDC (in numbers)	**270,387,623**	759,567,204
Customers assets held in the CDC (in rupees)	**4,249,354,919**	3,356,727,237

19. OPERATING REVENUE

	Note	2025	2024
		(Rupees)	
Equity brokerage commission		197,270,001	155,681,735
Inter - bank brokerage commission		27,616,973	26,712,145
Less: Sales tax on commission		(29,333,081)	(20,983,367)
		195,553,893	161,410,513

20. OPERATING AND ADMINISTRATIVE EXPENSES

	Note	2025	2024
Salaries, benefits and other allowances	20.1	89,997,455	77,618,519
Penalty		10,131,996	-
Insurance		1,036,378	1,028,087
Utilities		5,007,138	4,309,945
Printing and stationery		988,947	1,172,018
Entertainment		2,698,981	2,416,209
Communication		6,456,629	8,541,714
Vehicle running		5,799,355	6,124,863
Repairs and maintenance		5,836,457	7,920,189
Traveling and conveyance		805,076	1,238,322
Depreciation on RoU	11	3,639,067	1,878,065
Legal and professional charges		2,601,336	4,426,971
Consultancy		11,525,000	10,200,000
Fee and subscriptions		2,981,399	3,381,083
Auditors' remuneration	20.2	818,100	743,084
Sindh Workers' Welfare Fund		876,514	-
Sindh Workers' Profit Participation Fund		2,147,459	-
Rent, rates and taxes		5,608,970	5,862,359
Depreciation	10	4,774,420	3,675,612
Transaction and settlement cost		18,011,814	14,873,941
Business promotion		2,423,651	2,749,145
		183,566,142	158,160,124

20.1 This includes remuneration to Chief Executive Officer and amounting to Rs. 3,330,000 (2024: Rs. 2,720,000).

20.2 Auditors' remuneration

	2025	2024
	(Rupees)	
Annual audit fee	700,000	634,800
Out of pocket expenses	57,500	57,500
Sindh sales tax @ 8%	60,600	50,784
	818,100	743,084

21. FINANCE COST

	2025	2024
Markup on short term borrowing	208,358,068	300,080,886
Markup on lease liability	1,554,658	238,296
Bank charges	1,371,231	858,671
	211,283,957	301,177,853

	2025	2024
22. OTHER INCOME	(Rupees)	
Income from Financial Assets		
Return on short term investment	**5,090,245**	75,449
Return on margin financing & MTS	**11,679,273**	7,720,689
Dividend income	**10,090,443**	2,938,008
Return on cash margins with PSX & PMEX	**9,512,877**	9,474,319
Markup on profit or loss sharing account	**152,371**	206,394
	36,525,209	20,412,859
Income from Non-Financial Assets		
Gain on disposal of fixed assets	**19,507,077**	5,803,599
	56,032,286	26,216,458

23. TAXATION

- Current	**(3,244,301)**	(5,704,379)
- Prior years	**11,323,056**	(372,948)
- Deferred	**4,272,089**	3,689,156
	12,350,844	(2,388,171)

23.1 The Company has filed income tax return for the tax year 2024 (financial year ended 30 June 2024) which is deemed to have been assessed under the Income Tax Ordinance, 2001 unless selected by the taxation authorities for audit purposes.

24. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

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

24.1 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 into 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 placement or other arrangements to fulfill their obligations. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

Exposure to credit risk

Credit risk of the Company arises principally from trade debts, loans and advances, trade deposits, bank balances and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits accordingly to their worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk as disclosed in note 16.3 which ultimately affects the recoverability of trade debts. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

All balances are denominated in local currency, the maximum exposure to credit risk at the reporting date is as follows:

		Carrying amount	
		2025	2024
	Note	**(Rupees)**	
Long term deposits	*14*	**15,157,979**	17,507,979
Short term investments	*15*	**387,225,529**	202,412,863
Receivable against margin financing transactions		**60,762,220**	40,801,293
Trade debts	*16*	**621,836,289**	1,487,657,584
Advances, deposits and other receivables	*17*	**148,683,192**	81,721,187
Bank balances	*18*	**336,784,053**	158,407,935
		1,570,449,262	1,988,508,841

Ageing of trade debtors

The ageing of trade debts has been disclosed in note 16.3 to the financial statements. No impairment has been recognized except as disclosed in respect of these debts as the security against the same is adequate or counter parties have sound financial standing.

Bank balances

Bank balances are only held with reputable banks having sound credit ratings. The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

Bank	Rating agency	Long term rating	Short term rating	Rupees	%
JS Bank Limited	PACRA	AA	A1+	1,660,079	0.49%
Bank Al Habib Limited	PACRA	AAA	A1+	533,726	0.16%
Bank Makramah Limited	VIS	BBB-	A-3	24,596,654	7.30%
Bank Islami Pakistan Limited	PACRA	AA-	A1	76,176	0.02%
Bank of Khyber	PACRA	A+	A1	175,159	0.05%
Habib Metropolitan Bank Limited	PACRA	AA+	A1+	78,448,336	23.29%
Habib Bank Limited	VIS	AAA	A1+	31,768,429	9.43%
Askari Bank Limited	PACRA	AA+	A1+	113,152,364	33.60%
Bank Alfalah Limited	PACRA	AAA	A1+	5,320,385	1.58%
MCB Bank Limited	PACRA	AAA	A1+	12,811,896	3.80%
National Bank of Pakistan	PACRA	AAA	A1+	28,952	0.01%
Meezan Bank Limited	VIS	AAA	A1+	43,823,825	13.01%
Dubai Islamic Bank Pakistan Limited	VIS	AA	A1+	20,061,158	5.96%
Soneri Bank Limited	PACRA	AA-	A1+	966,293	0.29%
Faysal Bank Limited	VIS	AA+	A1+	1,030,299	0.31%
United Bank Limited	VIS	AAA	A1+	2,330,222	0.69%

24.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulties 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 the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities:

	2025			
	Carrying amount /	**Contractual cash flows**	**Upto one year**	**One to five years**
	(Rupees)			
Financial liabilities				
Staff retirement benefits	**42,182,682**	**42,182,682**	**-**	**42,182,682**
Creditors, accrued and other liabilities	**421,428,907**	**421,428,907**	**421,428,907**	**-**
Accrued markup	**36,707,966**	**44,688,278**	**-**	**44,688,278**
Short term borrowings	**718,116,097**	**718,116,097**	**718,116,097**	**-**
Lease liabilities	**6,906,376**	**8,661,532**	**3,274,808**	**5,386,724**
	1,225,342,028	**1,235,077,496**	**1,142,819,812**	**92,257,684**

	2024			
	Carrying amount /	Contractual cash flows	Upto one year	One to five years
	(Rupees)			
Financial liabilities				
Staff retirement benefits	40,911,493	40,911,493	-	40,911,493
Creditors, accrued and other liabilities	443,866,254	443,866,254	443,866,254	-
Accrued markup	106,205,653	106,205,653	-	106,205,653
Short term borrowings	1,255,774,951	1,255,774,951	1,255,774,951	-
Lease liabilities	1,777,647	2,293,047	1,124,598	1,168,449
	1,848,535,998	1,849,051,298	1,700,765,803	148,285,595

24.3 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 a change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company manage market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines. The Company is exposed to interest rate risk and other price risk only.

24.3.1 Interest rate risk

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 interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was as follows:

	Carrying amount	
	2025	2024
Variable rate instruments	(Rupees)	
- Bank balances in profit and loss sharing accounts	**635,527**	815,531

Sensitivity analysis for fixed rate instruments

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

A summary of the Company's interest rate gap position, categorized by the earlier of contractual re-pricing or maturity dates as at the year end was as follows:

	Rate		2024	
	2025	2024	**2025**	2024
			---------- (Rupees) ----------	
Financial assets				
Receivable against margin financing transactions	**15% to 31%**	16% to 31%	**60,762,220**	40,801,293
Bank balances	**10% to 12%**	9% to 20%	**635,527**	815,531
			61,397,747	41,616,824
Financial liabilities				
Short term borrowings	**13% to 23%**	21% to 26%	**718,116,097**	1,255,774,951
Cummulative gap			**(656,718,350)**	(1,214,158,127)

24.3.2 Price risk

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

The Company's investments in listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Company manages the risk through portfolio diversification, as per recommendation of Investment Committee of the Company. The Company regularly monitors the performance of investees and assess their financial performance on an on-going basis.

24.3.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company, at present, is not exposed to currency risk as all transactions are carried out in Pak Rupees.

24.4 Operational risk

Operational risk is the risk of direct and indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risk arise from all of the Company's activities.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles
- requirement for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirement for the periodic assessment of operational risk faced, and the procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

24.5 Fair value of financial assets and liabilities

The Company measures fair value of its financial and non-financial assets that are measured at fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in active market

Level 2: Valuation techniques based on observable inputs

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of assets that are traded in active markets are based on quoted market prices. For all other assets the Company determines fair values using valuation techniques unless the instruments do not have a market \ quoted price in an active market and whose fair value cannot be reliably measured.

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in the valuation technique mainly include risk-free rate, equity risk premium, long term growth rate and projected rates of increase in revenues, other income and expenses. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the balance sheet date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of judgment and estimation in the determination of fair value. Judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates, etc.

The investment in equity securities have been carried at fair value as per level 1 category. As at the reporting date, the Company had equity securities having fair value of Rs. 387.23 million (2024: Rs. 202.41 million).

24.6 Financial instruments by categories

Financial assets as per statement of financial position	June 30, 2025 Assets at fair value through profit or loss	Assets at fair value through other comprehensive income	Assets at amortised cost	Total
	(Rupees)			
Long term deposits	-	-	15,157,979	15,157,979
Short term investments	52,577,809	334,647,720	-	387,225,529
Receivable against margin financing transactions	-	-	60,762,220	60,762,220
Trade debts	-	-	621,836,289	621,836,289
Advances, deposits & other receivables	-	-	148,683,192	148,683,192
Cash & bank balances	-	-	338,463,430	338,463,430
	52,577,809	334,647,720	1,184,903,110	1,572,128,639

Financial liabilities as per statement of financial position	June 30, 2025 Liabilities at amortised cost	Total
	(Rupees)	
Staff retirement benefits	42,182,682	42,182,682
Lease liability	6,906,376	6,906,376
Creditors, accrued and other liabilities	421,428,907	421,428,907
Accrued markup	36,707,966	36,707,966
Short term borrowings	718,116,097	718,116,097
	1,225,342,028	1,225,342,028

Financial assets as per statement of financial position	Assets at fair value through profit or loss	Assets at fair value through other comprehensive income	Assets at amortised cost	Total
	June 30, 2024			
	---------- (Rupees) ----------			
Long term deposits	-	-	17,507,979	17,507,979
Short term investments	15,272,400	187,140,463	-	202,412,863
Receivable against margin financing transactions	-	-	40,801,295	40,801,295
Trade debts	-	-	1,487,657,584	1,487,657,584
Advances, deposits & other receivables	-	-	81,721,187	81,721,187
Cash & bank balances	-	-	161,226,417	161,226,417
	15,272,400	187,140,463	1,788,914,480	1,991,327,323

Financial liabilities as per statement of financial position	Liabilities at amortised cost	Total
	June 30, 2024	
	---------- (Rupees) ----------	
Staff retirement benefits	40,911,493	40,911,493
Lease liability	1,777,647	1,777,647
Creditors, accrued and other liabilities	443,866,254	443,866,254
Accrued markup	106,205,653	106,205,653
Short term borrowings	1,255,774,951	1,255,774,951
	1,848,535,998	1,848,535,998

25. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios and optimal capital structures in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Furthermore, the Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

Net capital requirements of the Company are set and regulated by PSX. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities. The Company manages its net capital requirements by assessing its capital structure against required capital level on a regular basis.

26. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise subsidiaries, directors and their close family members, major shareholders of the Company, key management personnel and other companies under common management. Transactions with related parties are on arm's length. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment and are disclosed in note __ to the financial statements. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Transactions with related parties	*Relationship*	**2025**	2024
		---------- **(Rupees)** ----------	
Commission charged during the year			
Mr. M Naeem Mehmood Shahid	Director	**315**	998
Mr. Safeer Ahmad	Director	**9,561**	9,734

Balances with related parties *Trade receivables / (trade creditors)*	*Relationship*	2025	2024
		(Rupees)	
Mr. Pervez Mirza Chughtai	Director	981	981
Mr. M Naeem Mehmood Shahid	Director	2,576,257	1,014,158
Mr. Safeer Ahmad	Director	(232)	(116)

27. BASE MINIMUM CAPITAL / CAPITAL ADEQUACY LEVEL

In compliance with the Regulation 19.2 of the Rule Book of Pakistan Stock Exchange Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker under Securities Brokers (Licensing and Operations) Regulations 2016 is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). As per the said regulation, as at 30 June 2025, the Company is required to maintain BMC of Rs. 28.98 million. Further in accordance with Regulation 6.8 of the CDC Regulations, every securities broker is restricted to hold assets under custody based on the capital adequacy level maintained by the broker. The capital adequacy level maintained by the Company as at the reporting date is computed as follows:

	2025	2024
	(Rupees)	
Total assets	1,653,822,153	2,072,636,240
less: Total liabilities	(1,230,740,059)	(1,848,535,998)
	423,082,094	224,100,242

27.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate as at ended as determined by Pakistan Stock Exchange has been considered.

28. DISCLOSURE UNDER REGULATION 5(4) OF RESEARCH ANALYST REGULATIONS, 2015

At present, the Company employs 3 members (2024: 3 members) in its research department including one Head of Research, one Analyst and one Database officer. All members report to Head of Research who in turn reports to CEO.

Compensation structure of research analysts is flat and is subject to qualification, experience and skillset of the person. However, the compensation of anyone employed in the research department does not in any way depend on the contents / outcome of the research report.

During the year ended 30 June 2025, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs. 2.65 million (2024: Rs. 2.29 million), which comprises basic salary, medical allowances, gratuity and other benefits as per Company policy.

29. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration including benefits applicable to the Chief Executive, Directors and Executives of the Company are given below:

	2025			2024		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees)					
Managerial remuneration	3,380,000	-	36,522,203	2,720,000	-	23,692,783
Fee for attending meetings	25,000	50,000	-	25,000	30,000	-
	3,405,000	50,000	36,522,203	2,745,000	30,000	23,692,783

29.1 The total number of employees as at year end were 58 (2024: 50), whereas, average number of employees during the year were 59 (2024: 61).

30. LIQUID CAPITAL BALANCE

The liquid capital statement has been prepared in accordance with regulation 6(3) and schedule III of the Securities Brokers (Licensing and Operations) Regulations, 2016.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1. Assets				
1.1	Property & Equipment	57,909,975	100%	-
1.2	Intangible Assets	2,750,000	100%	-
1.3	Investment in Govt. securities	-	-	-
1.4	Investment in debt securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure up to 1 year	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure up to 1 year	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years	-	-	-
1.5	Investment in equity securities			
	i. If listed 15% or VaR of each [security] on the cutoff date as computed by the [clearing house] for respective [security] whichever is higher [Provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.]	387,225,529	124,395,364	262,830,165
	If unlisted, 100% of carrying value	-	100%	-
1.6	Investment in subsidiaries	-	100%	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher	-	-	-
	ii. If unlisted, 100% of net value	-	100%	-
1.8	Statutory or regulatory deposits/ basic deposits with exchanges, clearing house or central depository or any other entity (i) 100% of net value, [however, any excess amount of cash deposited with securities exchange to comply with requirements of Base minimum capital, may be taken in the calculation of LC.]	15,157,979	100%	-
1.9	Margin deposits with exchange and clearing house	124,177,164	0%	124,177,164
1.10	Deposit with authorized intermediary against borrowed securities under SLB	-	-	-
1.11	Other deposits and prepayments		100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100%	-
1.13	Dividends receivables	-	-	-
1.14	Amount receivable against Repo financing Amount paid as purchaser under the REPO agreement. Securities purchased under repo arrangement shall not be included in the investments	-	-	-

	[illegible]	[illegible]	[illegible]	[illegible]
1.15	Advances and Receivables other than trade receivables	-	100%	-
	i. Short term loan to employees No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	13,784,483	-	13,784,483
	ii. Advance tax No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	10,229,783	-	10,229,783
1.15	iii. Other advances & receivables In all other cases, 100% of net value	21,525,391	100%	-
1.16	Receivables from clearing house or securities exchange(s) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains	74,444,263	0%	74,444,263
1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut	60,762,220	28,030,326	32,731,894
	ii. In case receivables are against margin trading, 5% of the net balance sheet value	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value	313,960,634	-	313,960,634
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts	249,944,674	21,647,187	228,297,487
	vi. 100% haircut in the case of amount receivable from related parties		100%	-
1.18	Cash and bank Balances			
	i. Proprietary accounts	40,305,971	-	40,305,971
	ii. Customers accounts	296,478,082	-	296,478,082
	iii. Cash in hand	1,679,378	-	1,679,378
1.19	Subscription money against investment in IPO/ offer for sale (asset)			
	i. No haircut may be applied in respect of amount paid as subscription money provided that shares have not [been] allotted or are not included in the investments of securities broker	-	-	-
1.20	**Total Assets**	**1,670,335,436**		**1,398,919,304**
2. Liabilities				
2.1	Trade payables			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	399,325,822	-	399,325,822
2.2	Current Liabilities			
	i. Statutory & regulatory dues	3,585,007	-	3,585,007
	ii. Accruals & other payables	55,226,043	-	55,226,043
	iii. Short term borrowings	718,116,097	-	718,116,097
	iv. Current portion - subordinated loan	-	-	-
	v. Current portion - long term liabilities	-	-	-
	vi. Deferred liabilities	-	-	-
	vii. Provision for taxation	5,398,031	-	5,398,031

	[illegible]	[illegible]	[illegible]	[illegible]
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	Non-current liabilities			
	i. Long term financing	-	-	-
	ii. Staff retirement benefits	42,182,682	42,182,682	-
	iii. other liabilities as per accounting principles and included in the financial statements	6,906,376	-	6,906,376
2.4	Subordinated Loans 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	46,000,000	100%	-
2.5	Advance against shares for increase in capital of securities broker 100% Haircut may be allowed in respect of advance against shares if: (a) The existing authorized share capital allows the proposed enhanced share capital (b) Board of Directors of the company has approved the increase in capital (c) Relevant Regulatory approvals have been obtained (d) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed (e) Auditor is satisfied that such advance is against the increase of capital	-	100%	-
2.6	Total Liabilities	1,276,740,059		1,188,557,376
3.	**Ranking Liabilities relating to**			
3.1	Concentration in margin financing The amount calculated [on] client-to-client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances	11,758,560	-	11,758,560
3.2	Concentration in securities lending and borrowing The amount by which the aggregate of (i) amount deposited by the borrower with NCCPL, (ii) cash margins paid and (iii) the market value of securities pledged as margins exceed the 110% of the market value of shares borrowed.	-	-	-
3.3	Net underwriting Commitments			
	(a) **in the case of rights issue:** if the market value of securities is less than or equal to the subscription price, the aggregate of (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitment exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment	-	-	-
	(b) in any other case: 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency.	-	-	-
3.6	Amount payable under REPO	-	-	-

	[illegible]	[illegible]	[illegible]	[illegible]
3.7	Repo adjustment In the case of financier/ purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/ seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser	-	-	-
3.8	Concentrated proprietary positions If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market value of a security exceeds 51% of the proprietary position, then 10% of the value of such security	26,748,885	-	26,748,885
3.9	Opening Positions in futures and options			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	Short sell positions			
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts	-	-	-
3.11	Total Ranking Liabilities	38,507,445		38,507,445

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	1,398,919,304
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(1,188,557,376)
(iii) Less: Total ranking liabilities (serial number 3.11)	(38,507,445)
Liquid Capital Balance	171,854,483

31. SHARES OF CLIENTS APPEARING IN CDC HOUSE ACCOUNT

2025	Shares appearing in CDC House Account	Shares of the Company	Shares of the clients held by the Company
	(Rupees)		
AKD Hospitality Limited	200,000	-	200,000
Bank Makramah Limited	117,027,946	50,205,000	66,822,946
TRG Pakistan Limited	135,930	134,374	1,556
	117,363,876	50,339,374	67,024,502

2024	Shares appearing in CDC House Account	Shares of the Company	Shares of the clients held by the Company
	(Rupees)		
AKD Hospitality Limited	200,000	-	200,000
Bank Makramah Limited	66,822,946	-	66,822,946
TRG Pakistan Limited	524,930	523,374	1,556
	67,547,876	523,374	67,024,502

32. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 24 SEP 2025 by the Board of Directors of the Company.

33. GENERAL

- The comparative figures have been reclassified / re-arranged where considered necessary for better presentation. However, no material reclassification has been made in these financial statements except for reclassification of consultancy expense amounting to Rs. 10.2 million which were previously classified in legal & professional expenses.
- Figures have been rounded off to the nearest rupee.

Chief Executive

Director