# BAWANY SECURITIES (PRIVATE) LIMITED
# FINANCIAL STATEMENTS
# FOR THE YEAR ENDED JUNE 30, 2025

## DIRECTORS' REPORT

On behalf of the Board of Directors of the Company, I am pleased to present our report together with the audited financial statement of the Company for the year June 30, 2025.

**Performance Overview**

The following depicts the Company's performance in the current year.

| | Rupees |
|---|---|
| Operating revenue | 78,727,511 |
| Operating expenses | (26,410,293) |
| Operating profit | **52,317,218** |
| Other charges | (3,547,467) |
| Finance cost | (1,507,436) |
| Other income | 9,979,149 |
| **Profit before levies and income tax** | **57,241,464** |
| Levies | (305,881) |
| **Profit before income tax** | **56,935,583** |
| Income tax | (1,517,724) |
| **Profit after income tax** | **55,417,859** |

**Capital Market Review & Outlook**

In Financial Year 2025, the Pakistan Equity Market performed exceptionally well, experiencing improvement in both trading value and volume compared to FY24. Despite anticipated economic difficulties and political instability, the market's performance exceeded expectations. This positive momentum, reflected in the KSE-100 Index trading at a reasonable Price to Earnings ratio, gradually drew investors back into the market. Those who had previously exited found renewed confidence in the market's performance, leading to a partial resurgence in trading activity.

**Dividend:**

The Directors do not recommended any dividend during the year due to cash flow requirement during next financial year.

**External Auditors**

The retiring auditors, M/s. Nasir Javaid Maqsood Imran., Chartered Accountants, being eligible, have offered themselves for reappointment

Dated:

**Director** **Chief Executive**

**BAWANY SECURITIES (PRIVATE) LIMITED**
**STATEMENT OF FINANCIAL POSITION**
**AS AT JUNE 30, 2025**

| | Note | Rupees 2025 | Rupees 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property & equipment | **4** | 6,678,505 | 7,702,989 |
| Intangible assets | **5** | 3,304,802 | 3,328,289 |
| Long term advances & deposits | **6** | 6,650,000 | 4,400,000 |
| | | **16,633,307** | **15,431,278** |
| **CURRENT ASSETS** | | | |
| Trade receivables | **7** | 56,605,069 | 24,208,714 |
| Receivable against margin financing | **8** | 4,125,481 | - |
| Advances, deposits & other receivables | **9** | 39,732,654 | 17,502,216 |
| Short term investment | **10** | 184,398,265 | 218,790,582 |
| Bank balances | **11** | 47,096,280 | 53,526,241 |
| | | **331,957,749** | **314,027,753** |
| **TOTAL ASSETS** | | **348,591,056** | **329,459,031** |
| **EQUITY AND LIABILITIES** | | | |
| **CAPITAL AND RESERVES** | | | |
| **Authorized Capital** | | | |
| 10,000,000 (2024: 10,000,000) ordinary shares of Rs. 10/- each | | **100,000,000** | **100,000,000** |
| Issued, subscribed and paid-up capital | **12** | 96,150,000 | 96,150,000 |
| Unappropriated profit | | 95,402,774 | 39,984,915 |
| | | **191,552,774** | **136,134,915** |
| **LIABILITIES** | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Subordinated loan | **13** | 15,420,000 | 15,420,000 |
| Deferred tax liability | **14** | 2,137,259 | 5,036,779 |
| | | **17,557,259** | **20,456,779** |
| **CURRENT LIABILITIES** | | | |
| Current maturity of subordinated loan | **13** | 115,000,000 | 163,115,889 |
| Short term borrowings | **15** | - | - |
| Trade payables | | 11,851,621 | 1,773,318 |
| Accrued expenses & other liabilities | **16** | 3,523,119 | 2,823,299 |
| Taxation - net | | 9,106,283 | 5,154,831 |
| | | **139,481,023** | **172,867,337** |
| **CONTINGENCIES AND COMMITMENTS** | **17** | - | - |
| **TOTAL EQUITY AND LIABILITIES** | | **348,591,056** | **329,459,031** |

*The annexed notes from 1 to 30 form an integral part of these financial statements.*

**Chief Executive** **Director**

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

| | Note | Rupees 2025 | Rupees 2024 |
|---|---|---|---|
| **REVENUE** | | | |
| Operating revenue | **18** | 40,085,926 | 21,546,002 |
| Gain on investment | | 38,641,585 | 51,905,543 |
| | | **78,727,511** | **73,451,545** |
| Administrative expenses | **19** | (26,410,293) | (15,761,743) |
| Other charges | **20** | (3,547,467) | (551,766) |
| Finance cost | **21** | (1,507,436) | (681,302) |
| | | **(31,465,196)** | **(16,994,811)** |
| **Profit from operations** | | **47,262,315** | **56,456,734** |
| Other income | **22** | 9,979,149 | 17,883,525 |
| **Profit before levies and income tax** | | **57,241,464** | **74,340,259** |
| Levies | **23** | (305,881) | (84,063) |
| **Profit before income tax** | | **56,935,583** | **74,256,196** |
| Income Tax | **24** | (1,517,724) | (15,717,592) |
| **Profit after income tax** | | **55,417,859** | **58,538,605** |

*The annexed notes from 1 to 30 form an integral part of these financial statements.*

**Chief Executive** **Director**

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

| | Note | Rupees 2025 | Rupees 2024 |
|---|---|---|---|
| **Profit after income tax** | | **55,417,859** | **58,538,605** |
| Other comprehensive income | | **-** | **-** |
| **Total comprehensive income for the year** | | **55,417,859** | **58,538,605** |

*The annexed notes from 1 to 30 form an integral part of these financial statements.*

**Chief Executive** **Director**

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

| | Note | Rupees 2025 | Rupees 2024 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Profit before levies and income tax** | | **57,241,464** | **74,340,259** |
| **Add / (less) : Items not involved in movement of fund:** | | | |
| Depreciation of property and equipment | | 1,024,484 | 1,202,747 |
| Amortization of software | | 23,487 | 33,553 |
| Gain on investment | | (38,641,585) | (51,905,543) |
| Unrealized gain on investment in treasury bills | | (6,381,026) | (7,902,888) |
| Provision for doubtful debts | | 3,407,607 | 415,034 |
| Trade receivables written off | | 139,860 | 136,732 |
| Finance cost | | 1,507,436 | 681,302 |
| | | **(38,919,738)** | **(57,339,063)** |
| Cash generated from operating activities before working capital changes | | **18,321,726** | **17,001,196** |
| **Net change in working capital** | **(a)** | (51,521,618) | 152,678,951 |
| | | **(33,199,892)** | **169,680,147** |
| Long term deposits refunded / (paid) - net | | (2,250,000) | (250,000) |
| Finance costs paid | | (1,507,436) | (681,302) |
| Income tax and levies paid | | (771,672) | (809,073) |
| **Net cash (used in) / generated from operating activities** | | **(37,729,000)** | **167,939,772** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from disposal of / (investment in) treasury bills | | 51,505,466 | (62,826,360) |
| Proceeds from disposal of / (investment in) securities of public companies | | 27,909,462 | (52,812,662) |
| **Net cash generated from / (used in) investing activities** | | **79,414,928** | **(115,639,022)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Repayment of loan to directors | | (48,115,889) | - |
| **Net cash used in financing activities** | | **(48,115,889)** | **-** |
| **Net (decrease) / increase in cash and cash equivalents** | | **(6,429,961)** | **52,300,750** |
| Cash and cash equivalent at beginning of the year | | 53,526,241 | 1,225,491 |
| **Cash and cash equivalent at end of the year** | **25** | **47,096,280** | **53,526,241** |
| **(a) Statement of change in working capital** | | | |
| **(Increase) / decrease in current assets** | | | |
| Trade receivables | | (35,943,822) | (12,552,895) |
| Receivables against margin financing | | (4,125,481) | - |
| Advances, deposits, pre-payments & other receivables | | (22,230,438) | 1,697,993 |
| | | **(62,299,741)** | **(10,854,902)** |
| **Increase / (decrease) in current liabilities** | | | |
| Trade payables | | 10,078,303 | 1,110,556 |
| Accrued expenses & other liabilities | | 699,820 | 162,423,297 |
| | | **10,778,123** | **163,533,853** |
| **Net change in working capital** | | **(51,521,618)** | **152,678,951** |

*The annexed notes from 1 to 30 form an integral part of these financial statements.*

**Chief Executive** **Director**

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

| | Issued, subscribed & paid up capital | Unappropriated profit | Total |
|---|---|---|---|
| | *Rupees* | *Rupees* | *Rupees* |
| **Balance as at June 30, 2023** | **96,150,000** | **(18,553,690)** | **77,596,310** |
| Profit for the year | - | 58,538,605 | **58,538,605** |
| **Balance as at June 30, 2024** | **96,150,000** | **39,984,915** | **136,134,915** |
| Profit for the year | - | 55,417,859 | **55,417,859** |
| **Balance as at June 30, 2025** | **96,150,000** | **95,402,774** | **191,552,774** |

*The annexed notes from 1 to 30 form an integral part of these financial statements.*

**Chief Executive** **Director**

**BAWANY SECURITIES (PRIVATE) LIMITED**
**NOTES TO THE ACCOUNTS**

## 1 CORPORATE AND GENERAL INFORMATION

### 1.1 Legal status and operations

Bawany Securities (Private) Limited ('the Company') was incorporated in Pakistan as a private company on August 07, 2014 under the Companies Ordinance, 1984 (which has now been repealed by the enactment of the Companies Act, 2017 in May 2017). The Company is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Room No. 524, 5th Floor, Pakistan Stock Exchange Building, Karachi, Pakistan. The principal activities of the Company are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.

## 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 as applicable in Pakistan comprise of:

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

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

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

### 2.2 Basis of measurement

Items in these financial statements have been measured at their historical cost except for short term investments in quoted equity securities which are carried at fair value.

### 2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

### 2.4 Use of estimates and judgments

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the 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 current and future periods.

**2.5 Changes in accounting standards, interpretations and pronouncements**

**a) Standards and amendments to approved accounting standards that are effective**

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 01, 2024. However, these do not have any significant impact on the Company's financial reporting.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2025. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

## 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

**3.1 Property and equipment**

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 4. Depreciation is charged when the asset is available for use till the asset is disposed off.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

**3.2 Intangible assets**

Intangible assets having definite useful life are stated at cost less accumulated amortization and impairment losses, if any however, Intangible assets having indefinite life are stated at cost less impairment losses, if any.

Subsequent cost is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization is charged to the statement of profit or loss using reducing balance method over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged in the month in which the asset is disposed off.

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist than the assets recoverable amount is estimated. The recoverable amount is the greater of its value and fair value less cost to sell.

### 3.2.1 Trading Right Entitlement Certificate

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

### 3.2.2 Pakistan Mercantile Exchange - Membership card

Membership card represents corporate membership of Pakistan Mercantile Exchange with indefinite useful life. This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether this is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, this is written down to its estimated recoverable amount.

### 3.2.3 Computer software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method.

## 3.3 Financial instruments

### 3.3.1 Financial assets - Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place. However, the Company follows trade date accounting for its own (the house) investments. Trade date is the date on which the Company commits to purchase or sell its asset.

The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost;

(b) financial assets measured at fair value through other comprehensive income (FVOCI); and

(c) financial assets measured at fair value through profit or loss (FVTPL).

**(a) Financial assets measured at amortized cost**

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

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

**(b) Financial assets at FVOCI**

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

**(c) Financial assets at FVTPL**

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

### 3.3.2 Financial assets - Subsequent measurement

**(a) Financial assets measured at amortized cost**

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit and loss.

**(b) Financial assets at FVOCI**

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

**(c) Financial assets at FVTPL**

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

### 3.3.3 Financial liabilities - Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortized cost or 'At Fair Value - Through Profit or Loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

## 3.4 Impairment

### 3.4.1 Financial assets

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade debts and receivables from margin financing, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

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

**3.4.2 Impairment of non-financial assets**

The carrying amout of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an assets or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized to the statement of profit or loss.

**3.5 Derecognition**

**3.5.1 Financial assets**

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

**3.5.2 Financial liabilities**

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

**3.6 Off-setting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount is reported in the financial statements if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

**3.7 Investments**

Investment in shares of listed companies are classified as "At Fair Value - Through Profit or Loss" and is initially measured at cost and subsequently is measured at fair value determined using the market value at each reporting date. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Net gains and losses are recognized in statement profit or loss.

**3.8 Settlement date accounting**

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention wuch as 'T+2' purchases and sales are recognized at the settlement date. Trade date is the date on which the Company commits to purchase or sale an asset.

**3.9 Trade debts and receivables against margin financing**

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized on the settlement date as this is the point in time that the payment of the consideration by the customer becomes due.

**3.10 Cash and cash equivalents**

Cash and cash equivalents in the statement of cash flows includes cash in hand, balance with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts / short term borrowings. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### 3.11 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. Trade payables in respect of securities purchased are recorded at settlement date of transaction.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

### 3.12 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in statement of comprehensive income, in which case it is recognised in equity or in statement of comprehensive income respectively.

**i) Current**

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

**ii) Deferred**

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible differences, carry forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

**iii) Levies**

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

### 3.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

### 3.14 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

- Brokerage, consultancy, advisory fee and commission etc. are recognized as and when such services are provided.
- Income from bank deposits, reverse repo and margin deposits is recognized at effective yield on time proportion basis.
- Dividend income is recorded when the right to receive the dividend is established.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account for the period in which they arise.
- Rental income from investment properties is recognized on accrual basis.
- Income on financial assets (including margin financing) is recognised on time proportionate basis taking into account effective / agreed rate of the instrument.
- Unrealised gains / (losses) arising from mark to market of investments classified as 'available for sale' are taken directly to other comprehensive income.
- Gains / (losses) arising on revaluation of derivatives to fair value are taken to profit and loss account under other income / other expenses.
- Other/miscellaneous income is recognized on accrual basis.

### 3.15 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Borrowing costs are recognised as an expense in the period in which these are incurred, except to the extent that they are directly attributable to the acquisition or construction of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) in which case these are capitalised as part of cost of that asset.

## 4 PROPERTY AND EQUIPMENT

| | Office | Office equipments | Vehicle | Computer equipments | Furniture & fixtures | Electrical Installation | Total |
|---|---|---|---|---|---|---|---|
| | *(Rupees)* | *(Rupees)* | *(Rupees)* | *(Rupees)* | *(Rupees)* | *(Rupees)* | *(Rupees)* |
| **Net carrying value basis** | | | | | | | |
| **Year ended June 30, 2025** | | | | | | | |
| Opening net book value | 3,400,690 | 17,974 | 3,799,585 | 260,465 | 53,105 | 171,170 | **7,702,989** |
| Additions during the year (at cost) | - | - | - | - | - | - | **-** |
| Disposals at net book value | - | - | - | - | - | - | **-** |
| Depreciation charge for the year | (340,069) | (2,696) | (569,938) | (78,140) | (7,966) | (25,676) | **(1,024,484)** |
| Closing net book value | **3,060,621** | **15,278** | **3,229,647** | **182,326** | **45,139** | **145,495** | **6,678,505** |
| **Gross carrying value basis** | | | | | | | |
| **As at June 30, 2025** | | | | | | | |
| Cost | 8,241,000 | 81,970 | 7,284,000 | 1,665,275 | 142,180 | 483,340 | **17,897,765** |
| Accumulated depreciation | (5,180,379) | (66,692) | (4,054,353) | (1,482,950) | (97,041) | (337,846) | **(11,219,260)** |
| **Net book value** | **3,060,621** | **15,278** | **3,229,647** | **182,326** | **45,139** | **145,495** | **6,678,505** |
| **Net carrying value basis** | | | | | | | |
| **Year ended June 30, 2024** | | | | | | | |
| Opening net book value | 3,778,545 | 21,146 | 4,470,100 | 372,093 | 62,477 | 201,377 | **8,905,738** |
| Additions during the year (at cost) | - | - | - | - | - | - | **-** |
| Disposals at net book value | - | - | - | - | - | - | **-** |
| Depreciation charge for the year | (377,855) | (3,172) | (670,515) | (111,628) | (9,372) | (30,207) | **(1,202,749)** |
| Closing net book value | **3,400,690** | **17,974** | **3,799,585** | **260,465** | **53,105** | **171,170** | **7,702,989** |
| **Gross carrying value basis** | | | | | | | |
| **As at June 30, 2024** | | | | | | | |
| Cost | 8,241,000 | 81,970 | 7,284,000 | 1,665,275 | 142,180 | 483,340 | **17,897,765** |
| Accumulated depreciation | (4,840,310) | (63,996) | (3,484,415) | (1,404,810) | (89,075) | (312,170) | **(10,194,776)** |
| **Net book value** | **3,400,690** | **17,974** | **3,799,585** | **260,465** | **53,105** | **171,170** | **7,702,989** |
| **Annual rate of depreciation (%)** | **10** | **15** | **15** | **30** | **15** | **15** | |

| | Notes | Rupees 2025 | Rupees 2024 |
|---|---|---|---|

## 5 INTANGIBLE ASSETS

| | | | |
|---|---|---|---|
| Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited | **5.1** | 2,500,000 | 2,500,000 |
| Membership card - Pakistan Mercantile Exchange Limited | | 750,000 | 750,000 |
| Computer software | **5.2** | 54,802 | 78,289 |
| | | **3,304,802** | **3,328,289** |

**5.1** This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. TREC has been recognized at cost less accumulated impairment losses.

### 5.2 Computer software

| | | |
|---|---|---|
| Opening net book value | 78,289 | 111,842 |
| Amortization for the year | (23,487) | (33,553) |
| Closing net book value | **54,802** | **78,289** |
| **Annual rate of amortization (%)** | **30** | **30** |

## 6 LONG TERM ADVANCES & DEPOSITS

| | | |
|---|---|---|
| Pakistan Mercantile Exchange Limited | 750,000 | 750,000 |
| National Clearing Company of Pakistan Limited | 1,400,000 | 1,400,000 |
| Central Depository Company of Pakistan Limited | 100,000 | 100,000 |
| Deposit against Base Minimum Capital requirement | - | 250,000 |
| Advance against purchase of motor vehicle | 2,500,000 | - |
| Advance against office at Pakistan Mercantile Exchange Limited | 1,900,000 | 1,900,000 |
| | **6,650,000** | **4,400,000** |

## 7 TRADE RECEIVABLES

| | | | |
|---|---|---|---|
| Receivable from clients against trading of securities | | 62,691,819 | 20,263,710 |
| Provision for doubtful debts | **7.1** | (6,086,750) | (2,679,143) |
| | | **56,605,069** | **17,584,567** |
| Receivable from National Clearing Company of Pakistan Limited | | - | 6,624,147 |
| | | **56,605,069** | **24,208,714** |

### 7.1 Provision for doubtful debts

| | | | |
|---|---|---|---|
| Opening balance | | 2,679,143 | 2,264,109 |
| Charge during the year | | 3,407,607 | 415,034 |
| Closing balance | **7.1.1** | **6,086,750** | **2,679,143** |

| | Notes | Rupees 2025 | Rupees 2024 |
|---|---|---|---|

**7.1.1 Aging analysis**

| | | |
|---|---|---|
| Upto 90 days | 57,980,365 | 15,738,342 |
| More than 90 but upto 180 days | 1,478 | 319,424 |
| More than 180 but upto 360 days | 479,112 | 1,526,801 |
| More than 360 days | 4,230,864 | 2,679,143 |
| | **62,691,819** | **20,263,710** |

**7.2** Due from related parties which are not impaired and their maximum amount outstanding at any time during the year calculated with reference to month end balances are as follows:

| Name of related party | Amount due | | Maximum amount outstanding at any time during the year | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | ----------Rupees---------- | | | |
| Mustafa Bawany | 3,714,598 | 94,112 | 24,013,071 | 2,923,187 |
| Mahmood Bawany | 11,024,576 | - | 16,908,474 | - |
| Syed Danish Ali | 1,519,401 | 1,519,401 | 1,519,401 | 72,546 |
| Ahmed Bawany | 5,974,057 | 2,000 | 6,037,892 | 2,000 |
| Abdullah Bawany | 26,452,821 | - | 57,661,658 | - |
| Muzammil Mahmood Bawany | 2,883,130 | 292,701 | 27,957,877 | 4,281,236 |
| | **51,568,584** | **1,908,214** | **134,098,373** | **7,278,969** |

**7.2.1 Aging analysis - related party**

| Name of related party | 1 - 90 days | 91 - 180 days | 181 - 360 days | More than 360 days | Total gross amount due |
|---|---|---|---|---|---|
| | ----------Rupees---------- | | | | |
| Mustafa Bawany | 3,714,598 | - | - | - | 3,714,598 |
| Mahmood | 11,024,576 | - | - | - | 11,024,576 |
| Syed Danish Ali | - | - | - | 1,519,401 | 1,519,401 |
| Ahmed Bawany | 5,974,057 | - | - | - | 5,974,057 |
| Abdullah Bawany | 26,452,821 | - | - | - | 26,452,821 |
| Muzammil Mahmood Bawany | 2,883,130 | - | - | - | 2,883,130 |
| | **50,049,183** | **-** | **-** | **1,519,401** | **51,568,584** |

| | | | |
|---|---|---|---|
| **7.3** | Total value of securities pertaining to clients held in the Central Depository Company of Pakistan | **154,593,918** | **34,836,596** |
| **7.4** | Value of clients' securities pledged with National Clearing Company of Pakistan Limited | **9,315,755** | **458,200** |
| **7.5** | Value of clients' securities pledged with Financial Institutions | **9,895,370** | **-** |

**7.6** *The securities are valued using market rate at the year end*

**8 RECEIVABLE AGAINST MARGIN FINANCING**

This amount represents Margin Financning facility provided to clients through National Clearing Company of Pakistan Limited. This amount is secured against securities of clients held in house accounts under pledged status.

| | Notes | Rupees 2025 | Rupees 2024 |
|---|---|---|---|
| **9 ADVANCES, DEPOSITS AND OTHER RECEIVABLES** | | | |
| Deposit against exposure margin requirement | **9.1** | 38,349,570 | 9,295,009 |
| Profit receivable on investment in treasury bills | | 1,369,520 | 7,902,888 |
| Other receivables | | 13,564 | 304,319 |
| | | **39,732,654** | **17,502,216** |

**9.1** This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market.

| | | | |
|---|---|---|---|
| **10 SHORT TERM INVESTMENT** | | | |
| ***Investments at fair values through profit & loss*** | | | |
| Quoted equity securities | | 128,054,760 | 115,772,248 |
| Gain on investment | | 38,641,585 | 40,191,974 |
| **Market value** | | **166,696,345** | **155,964,222** |
| ***Investment at amortized cost*** | | | |
| Investment in treasury bills | | **17,701,920** | **62,826,360** |
| **GRAND TOTAL** | | **184,398,265** | **218,790,582** |

**10.1** Securities having market value of **Rs: 23,157,860/-** (**2024: 1,699,190/-**) are pledged with commercial banks for the purpose of borrowings.

**10.2** Securities having market value of **Rs: 58,546,047/-** (**2024: 12,060,700/-**) are pledged with Pakistan Stock Exchange Limited for the purpose of base minimum capital requirement and National Clearing Company of Pakistan Limited for the purpose of exposure requirements.

| | | | |
|---|---|---|---|
| **11 BANK BALANCES** | | | |
| Cash at bank | | | |
| - in current accounts | | 46,103,725 | 2,232,563 |
| - in saving accounts | **11.1** | 992,555 | 51,293,678 |
| | | **47,096,280** | **53,526,241** |

**11.1** The return on these balances is 8% to 19% (2024: 11% to 19%) per annum on daily product basis.

| | | | |
|---|---|---|---|
| **11.2** ***Bank balance pertains to:*** | | | |
| Clients | | 11,751,940 | 1,773,319 |
| Brokerage House | | 35,344,340 | 51,752,923 |
| | | **47,096,280** | **53,526,241** |

| Notes | Rupees 2025 | Rupees 2024 |
|---|---|---|

## 12 ISSUED, SUBSCRIBED & PAID-UP-CAPITAL

**Number of shares**

| 2025 | 2024 | | | |
|---|---|---|---|---|
| 9,615,000 | 9,615,000 | Ordinary shares of Rs. 10 each fully paid in cash | 96,150,000 | 96,150,000 |
| **9,615,000** | **9,615,000** | | **96,150,000** | **96,150,000** |

## 12.1 PATTERN OF SHAREHOLDING

| Name of shareholders | 2025 | 2024 | 2025 | 2024 |
|---|---|---|---|---|
| | Number of Shares | | Percentage of Holding | |
| Ahmed Bawany | 100 | 100 | 0.001% | 0.001% |
| Mahmood Bawany | 9,614,900 | 9,614,700 | 99.999% | 99.997% |
| Anum | - | 100 | 0.000% | 0.001% |
| Syed Danish Ali | - | 100 | 0.000% | 0.001% |
| | **9,615,000** | **9,615,000** | **100%** | **100%** |

## 13 SUBORDINATED LOAN

| | | | |
|---|---|---|---|
| Total loan from directors | | 130,420,000 | 178,535,889 |
| Less: Current maturity shown under current liabilities | | (115,000,000) | (163,115,889) |
| Long term loan from directors | **13.1** | **15,420,000** | **15,420,000** |

| | Notes | Rupees 2025 | Rupees 2024 |
|---|---|---|---|

**13.1** This represents an unsecured, interest-free subordinated loan obtained from the directors of the Company. The loan is repayable at the discretion of the Company and has been provided by the directors to support the Company's investment activities in securities and generation of capital gains.

## 14 DEFERRED TAXATION

***Taxable temporary difference - Deferred tax liability***

| | | | |
|---|---|---|---|
| Unrealized gain on re-measurement of investment | | 5,796,238 | 6,028,796 |
| Accelerated amortization | | 8,604 | - |
| | | **5,804,842** | **6,028,796** |

***Deductible temporary difference - Deferred tax asset***

| | | | |
|---|---|---|---|
| Capital loss on short term investments | | 8,638,326 | 3,236,560 |
| Minimum tax credit | | 262,208 | - |
| Alternative Corporate tax | | 2,373,616 | - |
| Provision for doubtful debts | | 955,658 | 776,951 |
| Decelerated depreciation | | 76,101 | 215,066 |
| | | **12,305,909** | **4,228,577** |
| | | **(6,501,067)** | **1,800,219** |
| Unrecognised deferred tax asset | **14.1** | 8,638,326 | 3,236,560 |
| **Deferred tax liability** | | **2,137,259** | **5,036,779** |

**14.1** Deferred tax asset amounting to Rs. 8.64 million (2024: Rs. 3.24 million) has not been recognized in respect of the realized capital losses on short term investments because it is not probable that future capital gain on securities will be available against which the Company can use the benefits therefrom.

## 15 SHORT TERM BORROWINGS - SECURED

| | | | |
|---|---|---|---|
| Running finance obtained from JS Bank Limited | **15.1** | - | - |
| | | - | - |

**15.1** This represents a short-term running finance facility amounting to Rs. 100 million obtained from JS Bank Limited to meet the working capital requirements of the Company and to finance daily clearing obligations of PSX and settlement of clients' trades. The facility carries a markup at the rate of 3 Month KIBOR plus 550 basis points. In case of timely payment of the quarterly markup, a reduced rate of 3 Month KIBOR plus 250 basis points will be applied. It is secured against a pledge of shares with 35% margin or as per the approved list of JS Bank Limited, personal guarantees of directors holding more than 10% of shareholding and lien over treasury bills either in the name of the company or its directors and shareholders with minimum margin of 10%.

| | Notes | Rupees 2025 | Rupees 2024 |
|---|---|---|---|

## 16 ACCRUED EXPENSES & OTHER LIABILITIES

| | | | |
|---|---|---|---|
| Accrued expenses | | 846,400 | 452,016 |
| Sales tax payable | | 732,562 | 54,493 |
| Gratuity payable | | - | 339,000 |
| Payable to National Clearing Company of Pakistan Limited | | - | 1,893,876 |
| Other liabilities | | 1,944,157 | 83,914 |
| | | **3,523,119** | **2,823,299** |

## 17 CONTINGENCIES AND COMMITMENTS

There are no outstanding contingencies and commitments as at June 30, 2025 (June 30, 2024: Nil).

## 18 OPERATING REVENUE

| | | | |
|---|---|---|---|
| Brokerage commission including sales tax on services | | 43,710,678 | 23,691,844 |
| Less: Sales tax on services | | (5,663,957) | (2,715,227) |
| Net brokerage commission excluding sales tax on services | | **38,046,721** | **20,976,617** |
| Dividend income | | 2,039,205 | 569,385 |
| | | **40,085,926** | **21,546,002** |

## 19 ADMINISTRATIVE EXPENSES

| | | | |
|---|---|---|---|
| Staff salaries and other benefits | | 6,827,162 | 5,893,535 |
| Directors' remuneration | **19.1** | 1,727,000 | 1,159,750 |
| Rent rates and taxes | | 293,756 | 313,390 |
| Computer software and I.T expenses | | 2,160,228 | 1,342,387 |
| Printing and stationery | | 54,454 | 70,885 |
| Travelling & conveyance | | 87,050 | 67,668 |
| Utility charges | | 820,627 | 517,387 |
| Entertainment | | 394,135 | 95,381 |
| Repairs and maintenance | | 20,000 | 1,500 |
| Fees and subscription | | 294,668 | 364,550 |
| Insurance expense | | - | 140,308 |
| Legal and professional charges | | 145,000 | 1,577,058 |
| Auditor's remuneration | **19.2** | 350,000 | 290,000 |
| Postage and courier | | - | 22,000 |
| Service and transaction charges | | 5,569,930 | 1,570,202 |
| Depreciation | | 1,024,484 | 1,202,747 |
| Amortization of software | | 23,487 | 33,553 |
| Commission expense | | 5,599,004 | 879,441 |
| Donation | **19.3** | - | 220,000 |
| Penalty | | 710,000 | - |
| Others | | 309,309 | - |
| | | **26,410,293** | **15,761,743** |

**19.1 Remuneration of Chief Executive and Directors**

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Chief Executive | Directors | Executives | Chief Executive | Directors | Executives |
| Managerial remuneration | 1,727,000 | - | 3,784,654 | 460,000 | 699,750 | 396,250 |
| Company's contribution to the Provident Fund | - | - | - | - | - | - |
| Fees | - | - | - | - | - | - |
| Bonus | - | - | - | - | - | - |
| Housing and utilities | - | - | - | - | - | - |
| | **1,727,000** | **-** | **3,784,654** | **460,000** | **699,750** | **396,250** |
| Number of persons (including those who worked part of the year) | **1** | **1** | **3** | **1** | **2** | **2** |

| | Rupees 2025 | Rupees 2024 |
|---|---|---|
| **19.2 Auditors' remuneration** | | |
| **Audit services** | | |
| Annual audit fee | 200,000 | 160,000 |
| Certifications | 120,000 | 115,000 |
| | **320,000** | **275,000** |
| **Non-audit services** | | |
| Other services | 30,000 | 15,000 |
| | **30,000** | **15,000** |
| | **350,000** | **290,000** |

**19.3** None of the director or their spouses had any interest in the donee organizations.

**20 OTHER CHARGES**

| | | |
|---|---|---|
| Provision for doubtful debts | 3,407,607 | 415,034 |
| Trade receivables written off | 139,860 | 136,732 |
| | **3,547,467** | **551,766** |

**21 FINANCE COSTS**

| | | |
|---|---|---|
| Bank charges | 112,251 | 81,695 |
| Mark up on short term borrowings | 1,395,185 | 599,607 |
| | **1,507,436** | **681,302** |

| | Notes | Rupees 2025 | Rupees 2024 |
|---|---|---|---|

## 22 OTHER INCOME

**From financial assets**

| | | | |
|---|---|---|---|
| Profit on deposit against exposure margin requirement | | 1,015,002 | 715,838 |
| Profit on deposit with banks | | 2,094,176 | 9,264,799 |
| Unrealized gain on investment in treasury bills | | 6,381,026 | 7,902,888 |
| Reversal of gratuity payable | | 339,000 | - |
| Profit on deposit against margin financing | | 149,945 | - |
| | | **9,979,149** | **17,883,525** |

## 23 LEVIES

| | | | |
|---|---|---|---|
| Final tax | **23.1** | 305,881 | 84,063 |
| | | **305,881** | **84,063** |

**23.1** This represents final tax paid under section 5 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

## 24 INCOME TAX

| | | |
|---|---|---|
| Current | 9,624,112 | 7,664,546 |
| Prior | (5,206,868) | - |
| Deferred | (2,899,520) | 8,053,046 |
| | **1,517,724** | **15,717,592** |

### 24.1 Relationship between income tax expense and accounting profit

| | | |
|---|---|---|
| **Profit before levies and income tax** | **57,241,464** | **74,340,259** |
| Tax at the enacted tax rate | 16,600,025 | 21,558,675 |
| Tax effect of income taxed at lower tax rates | (285,489) | (81,059) |
| Tax effect of exempt income | (11,206,060) | (15,052,607) |
| Tax effect of non deductible expenses | 4,821,517 | 1,323,600 |
| Effect of prior year tax | (5,206,868) | - |
| Effect of deferred tax | (2,899,520) | 8,053,046 |
| Amount transferred to levies | (305,881) | (84,063) |
| | **1,517,724** | **15,717,592** |

**24.2** The income tax returns of the Company have been filed up to tax year 2024 under the Universal Self Assessment Scheme. This scheme provides that the return filed is deemed to be an assessment order. The returns may be selected for audit within five years. The Income Tax Commissioner may amend assessment if any objection is raised during audit.

## 25 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting year as shown in the cash flow statement are reconciled to the related items in the balance sheet as follows:

| | | |
|---|---|---|
| Short term borrowings | - | - |
| Bank balances | 47,096,280 | 53,526,241 |
| | **47,096,280** | **53,526,241** |

## 26 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### 26.1 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

### 26.1.1 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 or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of interest rate risk, foreign currency risk and price risks.

#### (i) 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. The interest rate exposure arises from short borrowings from banking companies. At the reporting date, the profile of the Company's interest-bearing financial instruments was as follows:

| | 2025 | 2024 |
|---|---|---|
| | — Carrying amounts (Rs.) — | |
| **Financial assets** | | |
| Deposit against exposure margin requirement | 38,349,570 | 9,295,009 |
| Deposits with banks | 992,555 | 51,293,678 |
| | **39,342,125** | **60,588,687** |
| **Financial liabilities** | | |
| Running finance obtained from JS Bank Limited | - | - |
| | - | - |

***Sensitivity analysis***

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

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

| | Effect on profit before tax | |
|---|---|---|
| | 1% increase | 1% decrease |
| **As at June 30, 2025** | | |
| Cash flow sensitivity - Variable rate financial instruments | **393,421** | **(393,421)** |
| **As at June 30, 2024** | | |
| Cash flow sensitivity - Variable rate financial instruments | **605,887** | **(605,887)** |

**(ii) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from receivables and payable that exist due to transaction in foreign currencies. The Company is not exposed to currency risk as all the operations of the Company are being carried out in local currency.

**(iii) Price Risk**

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company manages price risk by monitoring the exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Company to incur significant mark-to-market and credit losses. As of the reporting date, the Company was exposed to price risk since it had investments in quoted equity securities and also because the Company held collaterals in the form of equity securities against their debtor balances.

The carrying value of investments subject to price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of equity securities in particular sectors of the market.

The table below summarizes Company's equity price risk as of June 30, 2025 and 2024 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of markets and the aforementioned concentrations existing in Company's equity investment portfolio.

| | Fair value (Rupees) | Hypothetical price change | Estimated fair value after hypothetical change in prices (Rupees) | Hypothetical increase / (decrease) in profit before tax (Rupees) |
|---|---|---|---|---|
| **June 30, 2025** | 166,696,345 | **10% increase** | **183,365,980** | **16,669,635** |
| | | **10% decrease** | **150,026,711** | **(16,669,635)** |
| **June 30, 2024** | 155,964,222 | 10% increase | 171,560,644 | 15,596,422 |
| | | 10% decrease | 140,367,800 | (15,596,422) |

### 26.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet comments 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 options 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 | More than one year |
| | ---------- (Rupees) ---------- | | | |
| **Financial liabilities** | | | | |
| Subordinated loan | 130,420,000 | 130,420,000 | 115,000,000 | 15,420,000 |
| Short term borrowings | - | - | - | - |
| Trade payables | 11,851,621 | 11,851,621 | 11,851,621 | - |
| Accrued expenses & other liabilities | 3,523,119 | 3,523,119 | 3,523,119 | - |
| Taxation - net | 9,106,283 | 9,106,283 | 9,106,283 | - |
| | **154,901,023** | **154,901,023** | **139,481,023** | **15,420,000** |

| | 2024 | | | |
|---|---|---|---|---|
| | Carrying amount | Contractual cash flows | Upto one year | More than one year |
| | ---------- (Rupees) ---------- | | | |
| **Financial liabilities** | | | | |
| Subordinated loan | 178,535,889 | 178,535,889 | 163,115,889 | 15,420,000 |
| Short term borrowings | - | - | - | - |
| Trade payables | 1,773,318 | 1,773,318 | 1,773,318 | - |
| Accrued expenses & other liabilities | 2,823,299 | 2,823,299 | 2,823,299 | - |
| Taxation - net | 5,154,831 | 5,154,831 | 5,154,831 | - |
| | **188,287,337** | **188,287,337** | **172,867,337** | **15,420,000** |

### 26.1.3 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 placements or other arrangements to fulfill their obligations.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 360 days or more.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

**Exposure to credit risk**

Credit risk of the Company arises principally from the trade debts, short term investments, loans and advances, deposits 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 according 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 policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimised due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions are settled / paid for upon delivery. The Company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is follows:

| | Rupees 2025 | Rupees 2024 |
|---|---|---|
| Long term advances & deposits | 6,650,000 | 4,400,000 |
| Trade receivables | 56,605,069 | 24,208,714 |
| Receivable against margin financing | 4,125,481 | - |
| Advances, deposits & other receivables | 39,732,654 | 17,502,216 |
| Short term investment | 184,398,265 | 218,790,582 |
| Bank balances | 47,096,280 | 53,526,241 |
| | **338,607,749** | **318,427,753** |

**a) Credit risk exposure on trade debts**

To reduce the exposure to credit risk arising from trade debts / receivable against margin financing, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net 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 which ultimately affects the recoverability of debts.

| | June 30, 2025 | | June 30, 2024 | |
|---|---|---|---|---|
| | Gross carrying amount | Provision for doubtful debts | Gross carrying amount | Provision for doubtful debts |
| | Rupees | | | |
| Upto 90 days | 57,980,365 | 1,375,296 | 15,738,342 | - |
| More than 90 but upto 180 days | 1,478 | 1,478 | 319,424 | - |
| More than 180 but upto 360 days | 479,112 | 479,112 | 1,526,801 | - |
| More than 360 days | 4,230,864 | 4,230,864 | 2,679,143 | 2,679,143 |
| | **62,691,819** | **6,086,750** | **20,263,710** | **2,679,143** |

Except as disclosed above, no provision for expected credit losses has been recognized in respect of trade debts as the security against the same is adequate or counter parties have sound financial standing.

**b) Credit risk exposure on bank balances**

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

| Bank | Short term rating | 2025 | 2024 |
|---|---|---|---|
| | | Rupees | |
| BankIslami Pakistan Limited | A-1 | 49,566 | 167,166 |
| JS Bank Limited | A-1+ | 46,733,118 | 53,076,997 |
| Habib Metropolitan Bank Limited | A-1+ | 313,596 | 282,079 |
| | | **47,096,280** | **53,526,241** |

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

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

**26.2 Financial Instruments by category**

**26.2.1 Financial Assets**

| | 2025 | | | |
|---|---|---|---|---|
| | At fair value through profit or loss | At fair value through other comprehensive income | At amortised cost | Total |
| Long term advances & deposits | - | - | 6,650,000 | 6,650,000 |
| Trade receivables | - | - | 56,605,069 | 56,605,069 |
| Advances, deposits & other receivables | - | - | 39,732,654 | 39,732,654 |
| Short term investment | 166,696,345 | - | 17,701,920 | 184,398,265 |
| Bank balances | - | - | 47,096,280 | 47,096,280 |
| | **166,696,345** | **-** | **167,785,923** | **334,482,268** |

| | 2024 | | | |
|---|---|---|---|---|
| | At fair value through profit or loss | At fair value through other comprehensive income | At amortised cost | Total |
| Long term advances & deposits | - | - | 4,400,000 | 4,400,000 |
| Trade receivables | - | - | 24,208,714 | 24,208,714 |
| Advances, deposits & other receivables | - | - | 17,502,216 | 17,502,216 |
| Short term investment | 155,964,222 | - | 62,826,360 | 218,790,582 |
| Bank balances | - | - | 53,526,241 | 53,526,241 |
| | **155,964,222** | **-** | **162,463,531** | **318,427,753** |

**26.2.2 Financial Liabilities**

| | 2025 | | |
|---|---|---|---|
| | Amortised cost | At fair value through profit or loss | Total |
| Subordinated loan | 130,420,000 | - | **130,420,000** |
| Short term borrowings | - | - | **-** |
| Trade payables | 11,851,621 | - | **11,851,621** |
| Accrued expenses & other liabilities | 2,790,557 | - | **2,790,557** |
| | **145,062,178** | **-** | **145,062,178** |

| | 2024 | | |
|---|---|---|---|
| | Amortised cost | At fair value through profit or loss | Total |
| Subordinated loan | 178,535,889 | - | 178,535,889 |
| Short term borrowings | - | - | - |
| Trade payables | 1,773,318 | - | 1,773,318 |
| Accrued expenses & other liabilities | 2,429,806 | - | 2,429,806 |
| | **182,739,013** | **-** | **182,739,013** |

## 27 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

**Level 1 :** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
**Level 2 :** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
**Level 3 :** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments 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.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

**Financial assets**

| | 2025 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| ***At fair value through profit and loss*** | | | | |
| Quoted equity securities | 166,696,345 | - | - | 166,696,345 |
| | **166,696,345** | **-** | **-** | **166,696,345** |

| | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| ***At amortised cost*** | | | | |
| Investment in treasury bills | - | - | 17,701,920 | 17,701,920 |
| | **-** | **-** | **17,701,920** | **17,701,920** |

| | 2024 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| ***At fair value through profit and loss*** | | | | |
| Quoted equity securities | 155,964,222 | - | - | 155,964,222 |
| | **155,964,222** | **-** | **-** | **155,964,222** |

| | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| ***At amortised cost*** | | | | |
| Investment in treasury bills | - | - | 62,826,360 | 62,826,360 |
| | **-** | **-** | **62,826,360** | **62,826,360** |

## 28 CAPITAL

### 28.1 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The management closely monitors the return on capital employed along with the level of distributions to ordinary shareholders. Further, in order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital, or issue new shares.

On a regular basis, the Company manages to meet the financial resource requirements applicable to the Company (i.e., minimum levels of Liquid Capital or net worth) as specified in the Securities Brokers (Licensing and Operations) Regulations, 2016.

### 28.2 Capital Adequacy Level

| | | **June 30. 2025** |
|---|---|---|
| Total Assets | | 348,591,056 |
| Less: Total Liabilities | | (157,038,282) |
| Less: Revaluation Reserves (Created upon revaluation of Fixed Assets) | | - |
| **Capital Adequacy Level** | **27.2.1** | **191,552,774** |

**28.2.1** While determining the value of the total assets of the TREC Holder, notional value of the TRE certificate held by the company as at June 30, 2025, as determined by Pakistan Stock Exchange has been considered.

### 28.3 Liquid Capital Balance

Liquid Capital Balance of the Company, as at June 30, 2025, in accordance with the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 is enclosed as Annexure A-I.

## 29 RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, directors and key management personnel. Transactions with related parties are at terms determined in accordance with the agreed rates. Transactions and balances with related parties other than those disclosed elsewhere are as follows:

| DIRECTORS, SHAREHOLDERS AND KEY MANAGEMENT PERSONNEL: | 2025 | 2024 |
|---|---|---|
| **Mahmood Bawany (Chief Executive Officer)** | | |
| *Transactions during the year* | | |
| Subordinated loan provided | 35,500,000 | 168,000,000 |
| Subordinated loan repaid | 81,706,574 | 7,290,000 |
| *Balances at year end* | | |
| Subordinated loan at year end | 129,923,426 | 176,130,000 |
| Trade receivables at year end | 11,024,576 | - |
| **Ahmed Bawany (Director)** | | |
| *Transactions during the year* | | |
| Short term loan repaid | 1,909,315 | 394,111 |
| *Balances at year end* | | |
| Short term loan | 496,574 | 2,405,889 |
| Trade receivables | 5,974,057 | 2,000 |
| **CLOSE FAMILY MEMBERS OF DIRECTORS, SHAREHOLDERS AND KEY MANAGEMENT PERSONNEL:** | | |
| **Mustafa Bawany (Close family member of Director)** | | |
| *Transactions during the year* | | |
| Commision earned on sale and purchase of securities | - | 175,725 |
| *Balances at year end* | | |
| Trade receivables | 3,714,598 | 94,112 |
| **Muzammil Mahmood Bawany (Close family member of Director)** | | |
| *Transactions during the year* | | |
| Commision earned on sale and purchase of securities | - | 476,569 |
| *Balances at year end* | | |
| Trade receivables | 2,883,130 | 292,701 |
| **Abdullah Bawany (Close family member of Director)** | | |
| *Balances at year end* | | |
| Trade receivables | 26,452,821 | - |

## 30 GENERAL

| 30.1 Number of Employees | 2025 | 2024 |
|---|---|---|
| Total employees of the Company at the year end | 5 | 5 |
| Average employees of the Company during the year | 5 | 5 |

**30.2** Figures have been re-arranged and re-classified wherever necessary, for the purpose of better presentation. No major reclassifications were made in these financial statements.

Figures have been rounded off to the nearest rupee.

**30.3 Authorization for Issue**

These financial statements were approved by the Company's board of directors and authorised for issue on _____.

**Chief Executive** **Director**

**BAWANY SECURITIES (PRIVATE) LIMITED**
**COMPUTATION OF LIQUID CAPITAL**
**AS ON JUNE 30, 2025**

| S. No. | Head of Account | Value in Pak Rupees | Hair Cut / Adjustments | Net Adjusted Value |
|---|---|---|---|---|
| **1. Assets** | | | | |
| 1.1 | Property & Equipment | 6,678,505 | 6,678,505 | - |
| 1.2 | Intangible Assets | 3,304,802 | 3,304,802 | - |
| 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 upto 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 upto 1 year. | 17,701,920 | 1,770,192 | 15,931,728 |
| | 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 securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. | 151,383,545 | 23,230,155 | 128,153,390 |
| | Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital | 15,312,800 | 15,312,800 | - |
| | ii. If unlisted, 100% of carrying value. | - | - | - |
| 1.6 | Investment in subsidiaries | - | - | - |
| 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. | - | - | - |
| 1.8 | **Statutory or regulatory deposits/basic deposits with the 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 | 2,250,000 | 2,250,000 | - |
| 1.9 | Margin deposits with exchange and clearing house. | 38,349,570 | - | 38,349,570 |
| 1.10 | Deposit with authorized intermediary against borrowed securities under SLB. | | | |
| 1.11 | Other deposits and prepayments | - | - | - |
| 1.12 | Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil) | 1,369,520 | 1,369,520 | - |
| | 100% in respect of markup accrued on loans to directors, subsidiaries and other related parties | - | - | - |
| 1.13 | Dividends receivables. | - | - | - |
| 1.14 | Amounts receivable against Repo financing.<br>Amount paid as purchaser under the REPO agreement. (***Securities purchased under repo arrangement shall not be included in the investments.)*** | - | - | - |
| 1.15 | **Advances and receivables other than trade Receivables;** | | | |
| | (i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months. | - | - | - |
| | (ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation . | - | - | - |
| | (iii) In all other cases 100% of net value | 4,413,564 | 4,413,564 | - |
| 1.16 | **Receivables from clearing house or securities exchange(s)** | | | |
| | i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains. | - | - | - |
| | ii. claims on account of entitlements against trading of securities in all markets including MtM gains. | - | - | - |
| | **Receivables from customers** | | | |

| | | | | |
|---|---|---|---|---|
| 1.17 | i. In case receivables are against margin financing, the aggregate if (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.<br>***i. Lower of net balance sheet value or value determined through adjustments.*** | 4,125,481 | 1,127,002 | 2,998,479 |
| | ii. Incase receivables are against margin trading, 5% of the net balance sheet value.<br>***ii. Net amount after deducting haircut*** | - | - | - |
| | iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,<br>***iii. Net amount after deducting haircut*** | - | - | - |

| S. No. | Head of Account | Value in Pak Rupees | Hair Cut / Adjustments | Net Adjusted Value |
|---|---|---|---|---|
| **1. Assets** | | | | |
| | iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.<br>***iv. Balance sheet value*** | 669,482 | - | 669,482 |
| | v. Incase 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.<br>***v. Lower of net balance sheet value or value determined through adjustments*** | 5,886,404 | 4,548,097 | 1,338,307 |
| | vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner;<br>(a) Up to 30 days, values determined after applying var based haircuts.<br>(b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher.<br>(c) above 90 days 100% haircut shall be applicable.<br>***vi. Lower of net balance sheet value or value determined through adjustments*** | 50,049,183 | - | 50,049,183 |
| 1.18 | **Cash and Bank balances** | | | |
| | I. Bank Balance-proprietary accounts | 35,344,340 | - | 35,344,340 |
| | ii. Bank balance-customer accounts | 11,751,940 | - | 11,751,940 |
| | iii. Cash in hand | - | - | - |
| 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. | - | - | - |
| | (ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities. | - | - | - |
| | (iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares. | - | - | - |
| 1.20 | **Total Assets** | **348,591,056** | **64,004,638** | **284,586,418** |
| **2. Liabilities** | | | | |
| 2.1 | **Trade Payables** | | | |
| | i. Payable to exchanges and clearing house | - | - | - |
| | ii. Payable against leveraged market products | - | - | - |
| | iii. Payable to customers | 11,851,621 | - | 11,851,621 |
| 2.2 | **Current Liabilities** | | | |
| | i. Statutory and regulatory dues | 732,562 | - | 732,562 |
| | ii. Accruals and other payables | 846,400 | - | 846,400 |
| | iii. Short-term borrowings | | - | |
| | iv. Current portion of subordinated loans | 115,000,000 | - | 115,000,000 |
| | v. Current portion of long term liabilities | - | - | - |
| | vi. Deferred Liabilities | 2,137,259 | - | 2,137,259 |
| | vii. Provision for taxation | 9,106,283 | - | 9,106,283 |

| | | | | |
|---|---|---|---|---|
| | viii. Other liabilities as per accounting principles and included in the financial statements | 1,944,157 | - | 1,944,157 |
| 2.3 | **Non-Current Liabilities** | | | |
| | i. Long-Term financing | - | - | - |
| | ii. Other liabilities as per accounting principles and included in the financial statements | - | - | - |
| | iii. Staff retirement benefits | - | - | - |
| | Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases.<br>(b) Nil in all other cases | - | - | - |

| S. No. | Head of Account | Value in Pak Rupees | Hair Cut / Adjustments | Net Adjusted Value |
|---|---|---|---|---|
| **2. Liabilities** | | | | |
| 2.4 | **Subordinated Loans** | | | |
| | i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: | 15,420,000 | 15,420,000 | - |
| 2.5 | **Advance against shares for Increase in Capital of Securities broker:** | | | |
| | 100% haircut may be allowed in respect of advance against shares if:<br>a. The existing authorized share capital allows the proposed enhanced share capital<br>b. Board of Directors of the company has approved the increase in capital<br>c. Relevant Regulatory approvals have been obtained<br>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.<br>e. Auditor is satisfied that such advance is against the increase of capital. | - | - | - |
| **2.6** | **Total Liabilities** | **157,038,282** | **15,420,000** | **141,618,282** |
| **3. Ranking Liabilities Relating to :** | | | | |
| 3.1 | **Concentration in Margin Financing** | | | |
| | The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total finances. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million)<br>Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities | - | - | 3,709,380 |
| 3.2 | **Concentration in securities lending and borrowing** | | | |
| | The amount by which the aggregate of:<br>(i) Amount deposited by the borrower with NCCPL<br>(Ii) Cash margins paid and<br>(iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed<br>(Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities) | - | - | - |
| 3.3 | **Net underwriting Commitments** | | | |
| | **(a) in the case of right issues :** if the market value of securities is less than or equal to the subscription price;<br>the aggregate of:<br>(i) the 50% of Haircut multiplied by the underwriting commitments and<br>(ii) the value by which the underwriting commitments exceeds the market price of the securities.<br>In the case of rights issues 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 | - | - | - |

| | | | | |
|---|---|---|---|---|
| | **Foreign exchange agreements and foreign currency positions** | | | |
| 3.5 | 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 | - | - | - |
| | **Repo adjustment** | | | |
| 3.7 | **In the case of financier/purchaser** the total amount receivable under Repo less the 110% of the market value of underlying securities.<br>**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. | - | - | - |
| | **Concentrated proprietary positions** | | | |
| 3.8 | 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 of a security exceeds 51% of the proprietary position, then 10% of the value of such security | - | - | 8,385,262 |

| S. No. | Head of Account | Value in Pak Rupees | Hair Cut / Adjustments | Net Adjusted Value |
|---|---|---|---|---|

**3. Ranking Liabilities Relating to :**

| | | | | |
|---|---|---|---|---|
| | **Opening Positions in futures and options** | | | |
| 3.9 | 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 | - | - | 28,881,090 |
| | ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met | - | - | - |
| | **Short sell positions** | | | |
| 3.10 | i. Incase 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. Incase 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** | **-** | **-** | **40,975,732** |
| | | **191,552,773** | **Liquid Capital** | **101,992,404** |

**Calculations Summary of Liquid Capital**

| | |
|---|---|
| (i) Adjusted value of Assets (serial number 1.20) | 284,586,418 |
| (ii) Less: Adjusted value of liabilities (serial number 2.6) | (141,618,282) |
| (iii) Less: Total ranking liabilities (serial number 3.11) | (40,975,732) |
| | **101,992,404** |

**Chief Executive** **Director**