



PINE CAPITAL MANAGEMENT  
(PRIVATE) LIMITED  
(Formerly PINE COMMODITIES  
(PRIVATE) LIMITED)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
JUNE 30, 2025

**BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**PINE CAPITAL MANAGEMENT (PRIVATE) LIMITED**  
**(FORMERLY PINE COMMODITIES (PRIVATE) LIMITED)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	156,787	2,435
Intangible assets	6	2,800,000	250,000
Advances	7	10,900,000	15,975,000
Security deposits	8	6,140,000	-
		<u>19,996,787</u>	<u>16,227,435</u>
<b>CURRENT ASSETS</b>			
Taxation - net	9	155,083	54,555
Other receivables	10	27,440	-
Cash and cash equivalents	11	14,515,080	123,815
		<u>14,697,603</u>	<u>178,370</u>
<b>TOTAL ASSETS</b>		<u><u>34,694,390</u></u>	<u><u>16,405,805</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	12	50,000,000	20,000,000
Capital contribution	13	3,012,393	4,353,579
Accumulated losses		(18,389,253)	(12,482,636)
		<u>34,623,140</u>	<u>11,870,943</u>
<b>NON-CURRENT LIABILITY</b>			
Loans from director	14	-	4,484,862
<b>CURRENT LIABILITY</b>			
Trade and other payables	15	71,250	50,000
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>34,694,390</u></u>	<u><u>16,405,805</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16		

The annexed notes from 1 to 32 form an integral part of these financial statements.


**CHIEF EXECUTIVE**

**DIRECTOR**

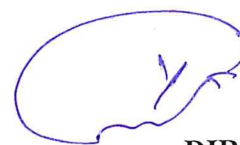
**PINE CAPITAL MANAGEMENT (PRIVATE) LIMITED**  
**(FORMERLY PINE COMMODITIES (PRIVATE) LIMITED)**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
Revenue		-	-
Administrative expenses	17	(1,040,550)	(144,043)
Operating loss		(1,040,550)	(144,043)
Finance cost	18	(476,255)	(421,671)
Expected credit loss allowance	7	(5,075,000)	(5,075,000)
Other income	19	685,188	23,449
Loss before taxation		(5,906,617)	(5,617,265)
Taxation	20	-	-
Loss for the year		<u>(5,906,617)</u>	<u>(5,617,265)</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.



**CHIEF EXECUTIVE**


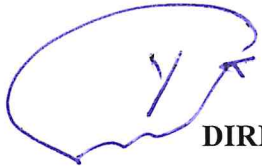
**DIRECTOR**

**PINE CAPITAL MANAGEMENT (PRIVATE) LIMITED**  
**(FORMERLY PINE COMMODITIES (PRIVATE) LIMITED)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	2025 Rupees	2024 Rupees
Loss for the year	(5,906,617)	(5,617,265)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(5,906,617)</u>	<u>(5,617,265)</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

  
  
**DIRECTOR**

**PINE CAPITAL MANAGEMENT (PRIVATE) LIMITED  
(FORMERLY PINE COMMODITIES (PRIVATE) LIMITED)  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2025**

Share capital	Capital reserve	Revenue reserve		Total
	Capital contribution	Accumulated losses		
-----Rupees-----				
20,000,000	2,236,624	(4,748,416)	17,488,208	
-	-	(5,617,265)	(5,617,265)	
-	-	-	-	
-	-	(5,617,265)	(5,617,265)	
-	2,116,955	(2,116,955)	-	
20,000,000	4,353,579	(12,482,636)	11,870,943	
-	-	(5,906,617)	(5,906,617)	
-	-	-	-	
-	-	(5,906,617)	(5,906,617)	
30,000,000	-	-	30,000,000	
-	(1,341,186)	-	(1,341,186)	
50,000,000	3,012,393	(18,389,253)	34,623,140	

The annexed notes from 1 to 32 form an integral part of these financial statements.

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**CHIEF EXECUTIVE**

**DIRECTOR**

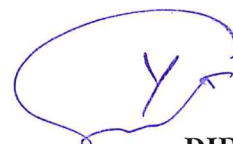
**PINE CAPITAL MANAGEMENT (PRIVATE) LIMITED**  
**(FORMERLY PINE COMMODITIES (PRIVATE) LIMITED)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(5,906,617)	(5,617,265)
<b>Adjustments for non-cash items:</b>			
Impairment loss on financial asset	5	5,075,000	5,075,000
Depreciation		4,213	1,043
Loss on disposal		2,435	-
Finance cost	18	476,255	421,672
		(348,714)	(119,550)
Operating cashflows before working capital changes		(348,714)	(119,550)
<b>Changes in working capital:</b>			
Increase / (decrease) in current liabilities			
Security deposits		(6,140,000)	-
Other receivables		(27,440)	-
Trade and other payables	15	21,250	4,000
Cash used in operations		(6,494,904)	(115,550)
Finance cost	18	(2,303)	(186)
Taxes paid	9	(100,528)	(3,519)
Net cash used in operating activities		(6,597,735)	(119,255)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of intangible assets		(2,550,000)	-
Purchase of property and equipment		(161,000)	-
Net cash used in investing activities		(2,711,000)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash received against issuance of right shares		30,000,000	-
Loan repayment		(6,300,000)	-
Net cash generated from financing activities		23,700,000	-
Net increase / (decrease) in cash and cash equivalents		14,391,265	(119,255)
Cash and cash equivalents at the beginning of the year		123,815	243,070
Cash and cash equivalents at the end of the year	11	14,515,080	123,815

The annexed notes from 1 to 32 form an integral part of these financial statements.



**CHIEF EXECUTIVE**

**DIRECTOR**

**PINE CAPITAL MANAGEMENT (PRIVATE) LIMITED**  
**(FORMERLY PINE COMMODITIES (PRIVATE) LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**1 STATUS AND NATURE OF BUSINESS**

- 1.1 Pine Capital Management (Private) Limited (the Company) is a private limited company by its shares, incorporated in Pakistan on December 11, 2006 with the name of Growth Commodities (Private) Limited, under the repealed Companies Ordinance, 1984 (repealed through the enactment of the Companies Act, 2017).

Subsequently, on February 10, 2010, the Company changed its name to Pine Commodities (Private) Limited. Later on, the Company changed its name to Pine Capital Management (Private) Limited to include business line of securities market dated January 15, 2025.

The Company is a corporate member of TREC Holder of Pakistan Mercantile Exchange Limited - PMEX & Pakistan Stock Exchange Limited - PSX.

Primary principal activities of the Company is to carry on the business of futures brokers, traders, dealers and representative in all sorts of approved commodities of Pakistan Mercantile Exchange Limited (PMEX) as permissible in the Futures Market Act, 2016. Subsequently in January 2025, the Company got approval to change its Memorandum to become a TREC holder of Pakistan Stock Exchange Limited (PSX) and carry on the business of securities broker as per permissible in the Securities Act, 2015 applicable regulations, subject to meeting all regulatory requirements and approvals as specifies by the Commission or relevant legal jurisdiction from time to time.

During the year, the Company has received a TRE Certificate from PMEX on its revised name on December 13, 2024, got acquired a fresh TRE Certificate from PSX on April 10, 2025 and subsequently got Broker License from Securities & Exchange Commission of Pakistan - SECP on June 05, 2025 for both businesses.

The Company's registered office is situated at Office No.511, 5th Floor, ISE Towers 55-B, Blue Area, Islamabad – Pakistan and an additional Office No.220, 2nd Floor, ISE Towers 55-B, Blue Area, Islamabad – Pakistan for its brokerage 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 applicable in Pakistan comprise of:

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



Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, 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 the historical cost convention and on accrual basis of accounting except for the statement of cashflows.

## **2.3 Functional and presentation currency**

These financial statements are presented in Pakistan Rupee, which is the functional and presentation currency for the Company. All amounts are rounded off to the nearest rupees, unless otherwise stated.

## **2.4 KEY JUDGEMENTS AND ESTIMATES**

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful lives, residual values and depreciation method of operating assets - Note 3.1
- Estimation of taxation - Note 3.13
- Estimation of contingent liabilities - Note 3.17

## **3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**

### **3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025**

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024

**Effective date  
(annual periods  
beginning on or  
after)**

Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance	January 01, 2024

**3.2 New accounting standards, amendments and interpretations that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

**Effective date  
(annual periods  
beginning on or  
after)**

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

#### **4 MATERIAL ACCOUNTING POLICIES INFORMATION**

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **4.1 Property and equipment**

###### **(a) Recognition and measurement**

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within "other income" in statement of profit or loss.

###### **(b) Subsequent measurement**

Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred while the cost of major replacements and improvements, if any, are capitalised.

###### **(c) Depreciation**

Depreciation is charged on the basis of reducing balance method. Depreciation on additions is commenced from the month the asset is available for use up to the month preceding the month of disposal.

Depreciation on addition in property and equipment is charged from the month when the asset becomes available for use upto the month of its disposal (full month method).

###### **(d) Judgment and estimates**

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

##### **4.2 Intangible assets**

###### **(a) Recognition and measurement**

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets are recognised if, and only if it is probable that future economic benefits attributable to the asset will flow to the entity, and its cost could be measured reliably.

**(b) Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

**(c) Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the written down value method over their estimated useful lives and is generally recognised in the statement of profit or loss.

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**(d) Judgement and estimates**

The useful lives, residual values and amortisation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

**4.3 Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

**4.4 Advances and Security Deposits**

Advances and security deposits are carried at original invoice amount being the fair value, less an estimate made for expected credit losses (ECLs) based on review of outstanding amounts at the year end, if any. Provision is made based upon the assessment of management for ECLs, as per IFRS 09 'Financial Instruments'. Balances considered bad and irrecoverable are written off when identified.

**4.4.1 Judgements and estimates**

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realization of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

**4.5 Trade and other payables**

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

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#### **4.6 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

#### **4.7 Share capital**

Share capital is classified as equity and recognised at the face value. Incremental costs directly attributable to the issue of new shares are shown as a deduction in equity.

#### **4.8 Loans from director**

Company recognises the interest free loan from the director as a financial liability, measuring it initially at fair value by discounting future payments at a market interest rate. The difference between the cash received and the present value is recorded as a capital contribution, reflecting the loan's economic substance. Subsequently, company recognise interest cost using the effective interest method, unwinding the initial difference over time.

#### **4.9 Related party transactions**

Transactions involving related parties are carried out at mutually agreed terms as approved by the Board of Directors of the Company.

#### **4.10 Foreign currency translation**

Transactions in foreign currencies are initially recognised in PAK Rupee at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into PAK Rupee at the exchange rate prevailing at the date of the statement of financial position.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on translation are recognised in the statement of profit or loss.

#### **4.11 Provisions**

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

#### **4.12 Revenue from contracts with customers**

Company have following Revenue streams:



- Brokerage, consultancy, advisory Fee and commission etc. are recognised as and when such services are provided.
- Interest income on financial assets (including margin financing) is recognised on time proportionate basis taking into account effective / agreed rate of the instrument.
- Gains / losses arising on sale of investments are included in the 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 profit or loss' are included in statement of profit or loss in the period in which they arise.
- Unrealised gains / losses arising from mark to market of investments classified as "fair value through other comprehensive income' are taken directly to statement of comprehensive income in the period in which they arise.
- Gains / losses arising on revaluation of derivatives to fair value are taken to statement of profit or loss under other income / other expense in the period in which they arise.

#### **4.13 Taxation**

##### **Current**

The Company accounts for current taxation on the basis of taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, in accordance with the provisions of Income Tax Ordinance, 2001.

##### **Deferred**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for temporary differences on 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.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria is met.

#### **Prior years**

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments and changes in estimates made during the current year, except otherwise stated.

#### **4.14 Levy**

Minimum tax, final tax and super-tax not based on taxable profits are recognised as a levy in the statement of profit or loss. The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss under the scope of IAS 12. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognised as a levy falling under the scope of IFRIC 21 / IAS 37.

If any excess paid expected to be realized in subsequent tax years, then such excess shall be recognised as 'deferred tax asset' adjustable against tax liability for subsequent tax years.

#### **4.15 Financial instruments**

##### **(a) Financial assets**

Financial assets are classified, at initial recognition and are subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

##### **Amortised cost**

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through profit or loss and fair value through OCI:

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

##### **Impairment**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are recognised in two stages. For credit

exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Derecognition**

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired ; or
- The Company has transferred its rights to receive cash flows from the asset and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### **(b) Financial liabilities**

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

### **Recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loan from directors.

### **Subsequent measurement**

Subsequently financial liabilities are measured at amortised cost.

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## **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **4.16 Offsetting of financial assets and financial liabilities**

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

### **4.17 Contingencies**

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

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## 5 PROPERTY, PLANT AND EQUIPMENT

The following is the statement of property, plant and equipment:

Particulars	Computer and allied item	Total
<b>Year ended June 30, 2025</b>		
<b>Net carrying value basis</b>		
Opening book value	2,435	2,435
Additions	161,000	161,000
Deletions	(2,435)	(2,435)
Depreciation charge	(4,213)	(4,213)
Closing net book value	156,787	156,787
<b>Gross carrying value basis</b>		
Cost	161,000	161,000
Accumulated depreciation	(4,213)	(4,213)
Net book value	156,787	156,787
<b>Year ended June 30, 2024</b>		
<b>Net carrying value basis</b>		
Opening book value	3,478	3,478
Depreciation charge	(1,043)	(1,043)
Closing net book value	2,435	2,435
<b>Gross carrying value basis</b>		
Cost	81,800	81,800
Accumulated depreciation	(79,365)	(79,365)
Net book value	2,435	2,435
<b>Annual rate of depreciation (%)</b>	<b>30%</b>	

	Note	2025 Rupees	2024 Rupees
<b>6 INTANGIBLE ASSETS</b>			
TRE Certificate of PMEX	6.1	250,000	250,000
TRE Certificate of PSX	6.2	2,500,000	-
Website Development		50,000	-
		2,800,000	250,000
6.1	This represents the TRE Certificate of Pakistan Mercantile Exchange Limited - PMEX issued to the Company on March 09, 2010, revised on December 13, 2024 on Company's revised name. This membership card has no expiry date therefore, it is accounted for intangible asset with indefinite life.		
6.2	This represents the TRE Certificate of Pakistan Stock Exchange Limited - PSX issued to the Company on April 10, 2025. This membership card has no expiry date therefore, it is accounted for intangible asset with indefinite life.		

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	Note	2025 Rupees	2024 Rupees
<b>7 ADVANCES</b>			
Unsecured:			
Advances with NCEL Building Management Limited	7.1	25,375,000	25,375,000
Advances with PMEX	7.2	750,000	750,000
		<u>26,125,000</u>	<u>26,125,000</u>
Expected Credit Loss (ECL) allowance	7.3	(15,225,000)	(10,150,000)
		<u>10,900,000</u>	<u>15,975,000</u>

7.1 This represent amount paid to NCEL Building Management Limited as advances acquiring 10 office spaces in the NCEL building to be constructed at Old Hyatt Regency Hotel project site, Karachi. However, the Karachi Building Control Authority (KBCA) has barred the NCEL from proceeding the construction due to the ownership of property technically still lies with Ministry of Railways whereas NCEL purchased this building through auction in 2004. NCEL is awaiting Non Objection Certificate (NOC) from KBCA to proceed with the construction of NCEL building.

7.2 This represents advance given to PMEX against membership card.

	Note	2025 Rupees	2024 Rupees
<b>7.3 Movement in Expected Credit Loss (ECL) allowance</b>			
Opening balance	6.1.1	10,150,000	5,075,000
Provision for the year		<u>5,075,000</u>	<u>5,075,000</u>
Closing balance		<u>15,225,000</u>	<u>10,150,000</u>

## 8 SECURITY DEPOSITS

PSX base minimum capital deposit	8.1	5,000,000	-
PMEX clearing deposit	8.2	500,000	-
NCCPL security deposit	8.3	350,000	-
Office 220 security deposit	8.4	290,000	-
		<u>6,140,000</u>	<u>-</u>

8.1 This represents deposits with Pakistan Stock Exchange Limited - PSX to maintain base minimum capital against TREC. Deposited on June 16, 2025.

8.2 This represents deposits with Pakistan Mercantile Exchange Limited - PMEX to maintain security deposit against TREC. Deposited on June 26, 2025.

8.3 This represents deposits with National Clearing Company of Pakistan - NCCPL to maintain basic deposit against TREC. Fund deposited through Eclear Services on June 19, 2025.

8.4 This represents deposits with owner (Imran Ali Zeb) of Office 220 on rental basis as security deposit on June 24, 2025 equivalent one month rent.

	Note	2025 Rupees	2024 Rupees
<b>9 TAXATION - NET</b>			
Opening balance		54,555	51,036
Tax adjusted during the year		100,528	3,519
Closing balance		<u>155,083</u>	<u>54,555</u>

**10 OTHER RECEIVABLES**

Sales tax refundable		<u>27,440</u>	<u>-</u>
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**11 CASH AND CASH EQUIVALENTS**

Balance at bank			
Local currency			
- saving accounts	11.1	<u>14,515,080</u>	<u>123,815</u>

11.1 It carries markup ranging between 8% to 12% (2024 : 9% to 12%).

	2025 Rupees	2024 Rupees
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**12 SHARE CAPITAL**

**12.1 Issued, subscribed and paid up capital**

Number of ordinary shares of Rs. 10/- each				
2025	2024			
2,000,000	2,000,000	Fully paid	20,000,000	20,000,000
3,000,000	-	in cash	30,000,000	-
<u>5,000,000</u>	<u>2,000,000</u>		<u>50,000,000</u>	<u>20,000,000</u>

**12.2 Authorized share capital**

Number of ordinary shares of Rs. 10/- each				
2025	2024			
2,000,000	2,000,000		20,000,000	20,000,000
3,000,000	-		30,000,000	-
<u>5,000,000</u>	<u>2,000,000</u>		<u>50,000,000</u>	<u>20,000,000</u>

12.2.1 This represents 5,000,000 (2024: 2,000,000) ordinary shares of Rs. 10 each amounting to Rs. 50,000,000 (2024: Rs. 20,000,000). All ordinary shares rank equally with respect to voting rights, board resolution. The Company got approval of Companies Registrar Office on January 10, 2025 to enhance

its authorized capital to acquire TREC of Pakistan Stock Exchange and to meet the requirements of capital for activation of both businesses of PMEX and PSX. Then offer its Rights Shares @ 150% to its shareholders on January 11, 2025. Shareholders showed their acceptance and company allotted the Right Shares of 3,000,000 of face value of Rs.10 each against accepted value of Rs.30,000,000 in its designated bank account on January 31, 2025.

### 13 CAPITAL CONTRIBUTION

This represents the equity portion of interest free loans received from the director. The difference between fair values of the loans and actual receipts had been recognized as capital contribution in equity as per the guidance of Technical Release 32 issued by the Institute of chartered accountant of Pakistan. However, the loan has been repaid to the director during the year, as explained in Note 12.

	Note	2025 Rupees	2024 Rupees
<b>14 LOAN FROM DIRECTOR</b>			
Undiscounted amount received	14.1	6,300,000	6,300,000
Effect of undiscounting		(4,353,579)	(4,353,579)
Fair value of interest free loan		1,946,421	1,946,421
Unwinding of interest		3,012,393	2,538,441
Impact of early settlement of loan		1,341,186	-
Repayment		(6,300,000)	-
Balance as at June 30, 2025		-	4,484,862

- 14.1 This represent three interest free loans obtained from a director of the Company. These loans are unsecured and repayable after 10 years from the date of receipt. According to International Financial Reporting Standard 9 - Financial Instruments, interest free loans are to be recognized at fair value being present value of future cash outflows as per the loan agreements. Therefore a fair value adjustment made in equity amounting to Rs. 4.354 million and subsequently unwinded through statement of profit or loss. This loan was paid off to director Mr. Yasar Khan Swati on June 27, 2025 as approved by Board of Directors June 25, 2025.

	2025 Rupees	2024 Rupees
<b>15 TRADE AND OTHER PAYABLES</b>		
Auditors' remuneration payable	63,250	50,000
PMEX Infrastructure Fee	8,000	-
	<u>71,250</u>	<u>50,000</u>

### 16 CONTINGENCIES AND COMMITMENTS

#### 16.1 Contingencies

The Company has no contingent liability as at Jun 30, 2025 (2024: Nil)

*revised*

## 16.2 Commitments

The Company has no commitments as at June 30, 2025 (2024: Nil).

	Note	2025 Rupees	2024 Rupees
<b>17 ADMINISTRATIVE EXPENSES</b>			
Fee, subscription and renewal		742,500	93,000
Legal and professional expense		130,000	-
Repair and maintenance		60,000	-
Auditors' remuneration	17.1	63,250	50,000
Printing and stationery expense		23,700	-
Communication expense		6,952	-
Depreciation		4,213	1,043
Miscellaneous expenses		9,935	-
		<u>1,040,550</u>	<u>144,043</u>
<b>17.1 Audit fee</b>			
Annual audit fee		55,000	50,000
Sales tax		8,250	-
		<u>63,250</u>	<u>50,000</u>
<b>18 FINANCE COST</b>			
Bank charges		2,303	186
Unwinding of discount on interest free loan from directors	18	473,952	421,485
		<u>476,255</u>	<u>421,671</u>
<b>19 OTHER INCOME</b>			
Refund from PMEX		15,000	-
Profit on bank deposit		670,188	23,449
		<u>685,188</u>	<u>23,449</u>
<b>20 TAXATION</b>			

No tax provision is recognized as the company has incurred taxable loss during the period. Furthermore, provision for minimum tax under section 113C of Income Tax Ordinance, 2001 is not applicable due to nil revenue during the period.

**Financial assets****at amortized cost**

Advances	10,900,000	-	-	-	10,900,000
Security Deposit	6,140,000	-	-	-	6,140,000
Cash and cash equivalent	14,515,080	14,515,080	-	14,515,080	-
	31,555,080	14,515,080	-	14,515,080	17,040,000

**Financial liabilities****at amortized cost**

Loan from directors	-	-	-	-	-
Trade and other payables	71,250	-	-	-	71,250
	71,250	-	-	-	71,250

**On balance sheet gap**

	31,483,830	14,515,080	-	14,515,080	16,968,750
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**Off balance sheet Items**

Financial commitments:	-	-	-	-	-
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**Total Gap**

	31,483,830	14,515,080	-	14,515,080	16,968,750
--	------------	------------	---	------------	------------

2025

2025				
Total	Interest / mark-up bearing			Non interest / mark-up bearing
	Maturity upto one year	Maturity after one year	Sub-total	
-----Rupees-----				

2024

2024				
Total	Interest / mark-up bearing			Non interest / mark-up bearing
	Maturity upto one year	Maturity after one year	Sub-total	
-----Rupees-----				

**Financial assets****At amortized cost**

Advances	15,975,000	-	-	-	15,975,000
Security Deposit	-	-	-	-	-
Cash and cash equivalent	123,815	123,815	-	123,815	-
	16,098,815	123,815	-	123,815	15,975,000

**Financial liabilities**

Loan from directors	4,484,862	-	-	-	4,484,862
Trade and other payables	50,000	-	-	-	50,000
	4,534,862	-	-	-	4,534,862

**On balance sheet gap**

	11,563,953	123,815	-	123,815	11,440,138
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**Off balance sheet Items**

Financial commitments:	-	-	-	-	-
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**Total Gap**

	11,563,953	123,815	-	123,815	11,440,138
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25/5/24

## 22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### 22.1 Risk management policies

The Company's objective in managing risks is the creation and protection of share holders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

The Company finances its operations through equity and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk.

### 22.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

#### (a) Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. Out of total financial assets of Rs. 34.666 million (2024: Rs. 15.975 million), the financial assets which are subject to credit risk amounted to Rs. 21.405 million (2024: Rs. 0.873 million). The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	Note	2025 Rupees	2024 Rupees
Advances	7	750,000	750,000
Security Deposit	8	6,140,000	-
Bank balances	11	14,515,080	123,815
		<u>21,405,080</u>	<u>873,815</u>

To manage exposure to credit risk in respect of financial assets, management performs credit reviews taking into account the third party's financial position, past experience and other factors.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis.

#### (b) Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

#### (c) Impaired assets

During the year no assets have been impaired.

## 23 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities excluding the impact of netting agreements, if any:

Carrying amount	Upto one year	After one year
-----Rupees-----		

### 2025:

Loans from director  
Trade and other payables

-	-	-
63,250	63,250	-
63,250	63,250	-

Carrying amount	Upto one year	After one year
-----Rupees-----		

### 2024:

Loans from director  
Trade and other payables

4,484,862	-	4,484,862
50,000	50,000	-
4,534,862	50,000	4,484,862

## 23.1 Currency risk

Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates. Currently Company is not exposed to currency risk as it does not hold any foreign currency financial assets or liabilities.

## 23.2 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

## 23.3 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. Majority of the interest rate exposure arises from borrowings and investments. At the balance sheet date the Company is not exposed to any interest rate risk as it does not hold any interest bearing financial assets and liabilities.

## 24 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materiality the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

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

Transfer between level of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

## 25 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitors the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

	2025 Rupees	2024 Rupees
<b>Capital for the reporting periods under review is summarized as follows:</b>		
Equity	34,623,140	11,870,943
Long term financing	-	4,484,862
Gearing ratio	0%	27%

## 26 CAPITAL ADEQUACY LEVEL

The composition of the Company's net worth as at year end is as follows:

Total assets	34,694,390	16,405,805
Total liabilities	(71,250)	(4,534,862)
Revaluation reserves	-	-
Capital Adequacy Level	<u>34,623,140</u>	<u>11,870,943</u>

## 27 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated companies, directors and key management personnel. Transactions with related parties are as follows:

Name of related party	Relation	Nature of transaction	2025 Rupees	2024 Rupees
Yasar Khan Sawati	Director	Unwinding of discount on interest free loan form	473,952	421,485
		Repayment of Director's loan	6,300,000	-
		Issuance of right shares	14,999,000	-
Muhammad Irshad Sawati	Director	Issuance of right shares	1,100	-
Adil Khan Swati	Director	Issuance of right shares	14,999,900	-

## 28 NUMBER OF EMPLOYEES

Total number of employees	3	2
Average number of employees	3	2

## 29 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE

No remuneration paid to chief executive, directors and executives during the year.

## 30 CORRESPONDING FIGURES

The corresponding figures have not been rearranged and reclassified, for better presentation of financial statements. However, no significant reclassification has been made during the year.

## 31 DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of Company on 15 SEP 2025.

## 32 GENERAL

Figures have been rounded off to the nearest Rupee.

  
CHIEF EXECUTIVE

  
DIRECTOR

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