

SHAFFI SECURITIES (PVT) LIMITED

Financial Statements (Un-Audited)

For the Year Ended 31 December 2025

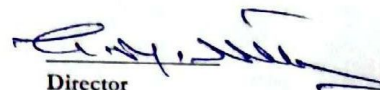
SHAFFI SECURITIES (PVT) LIMITED**Statement of Financial Position***As at December 31, 2025*

ASSETS		Dec-25	Jun-25
	<i>Note</i>	Rupees	Rupees
Non-current assets			
Property and equipment	4	448,599	472,257
Intangible assets	5	6,020,000	6,020,000
Long term investment	6	8,917,689	10,362,391
Long term deposits	7	-	-
		15,386,287	16,854,648
Current assets			
Trade debts - net	8	(0)	(0)
Prepayments and advances	9	2,634,452	2,874,369
Short term investments	10	5,431,664	9,704,854
Cash and bank balances	11	22,407	20,255
		8,088,524	12,599,478
		23,474,811	29,454,126
EQUITY & LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	12	156,100,000	156,100,000
Unappropriated profit / (loss)		(142,484,311)	(138,548,997)
Unrealized surplus/(deficit) on re-measurement of investments measured at FVOCI		4,837,688	6,282,391
Long term loan		2,950,000	2,950,000
Total equity		21,403,377	26,783,394
Current liabilities			
Trade and other payables	14	332,857	332,857
Short term borrowings	15	993,603	1,592,901
Provision for taxation	16	744,974	744,974
		2,071,434	2,670,732
Contingencies and commitments	17	-	-
		23,474,811	29,454,126

The annexed notes from 1 to 24 form an integral part of these financial statements.


Chief Executive Officer

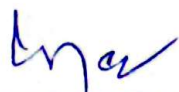



Director

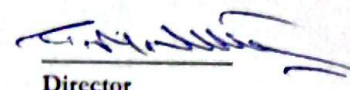
SHAFFI SECURITIES (PVT) LIMITED**Statement of Profit or Loss***For the Year Ended December 31, 2025*

	Note	Dec-25 Rupees	Jun-25 Rupees
Operating revenue	18	139,276	2,171,324
Gain/(loss) on sale of short term investments		-	627,506
Unrealized gain/(loss) on remeasurement of investments classified at FVTPL		(3,217,947)	(9,727,269)
		<u>(3,078,672)</u>	<u>(6,928,439)</u>
Operating and administrative expenses	19	(918,147)	(5,520,781)
Operating profit / (loss)		(3,996,818)	(12,449,221)
Financial charges	20	(1,160)	(301,312)
Other income and (losses)	22	62,664	522,288
Profit / (loss) before levies and taxation		(3,935,314)	(12,228,244)
Levies		-	(399,149)
Profit / (loss) before taxation		(3,935,314)	(12,627,394)
Taxation	23	-	11,482
Profit/(loss) for the year		(3,935,314)	(12,615,912)
Earnings/(loss) per share - basic	24	(0.25)	(0.81)

The annexed notes from 1 to 24 form an integral part of these financial statements.



Chief Executive Officer



Director

SHAFFI SECURITIES (PVT) LIMITED
Statement of Other Comprehensive Income
For the Year Ended December 31, 2025

	<i>Note</i>	Dec-25 Rupees	Jun-25 Rupees
Profit/(loss) for the year		(3,935,314)	(12,615,912)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Realized/ Unrealized gain / (loss) during the period in the market value of investments measured at FVOCI		(1,444,702)	4,750,916
Total other comprehensive income/(loss) for the year		<u>(5,380,017)</u>	<u>(7,864,996)</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.



Chief Executive Officer





Director

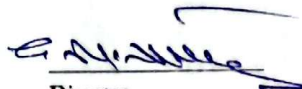
SHAFFI SECURITIES (PVT) LIMITED
Statement of Cash Flows
For the Year Ended December 31, 2025

	Note	Dec-25 Rupees	Jun-25 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		(3,935,314)	(12,228,244)
Adjustments:			
Depreciation and impairment	4	23,658	52,599
Provision for / (reversal of provision for) doubtful debts		-	-
Realized loss / (gain) on sale of short-term investments		-	(627,506)
Unrealized loss / (gain) on short-term investments		3,217,947	9,727,269
Interest expense	22	1,160	301,312
Dividend income	18	(61,325)	(2,123,206)
		3,181,441	7,330,468
Operating profit before working capital changes		(753,874)	(4,897,776)
(Increase)/decrease in current assets			
Trade debts - net	8	-	-
Deposits, prepayments and other receivables	9	(260,083)	(844,983)
Increase/(decrease) in current liabilities			
Trade and other payables	14	-	(794,380)
		(260,083)	(1,639,363)
Cash generated from / (used in) operations		(1,013,957)	(6,537,139)
Proceeds from net sales of / (acquisition of) short-term investments		1,555,242	793,527
Dividends received		61,325	2,123,206
Interest expense		(1,160)	(301,312)
Taxes paid	9.1	-	(324,239)
		1,615,407	2,291,182
Net cash from operating activities		601,449	(4,245,957)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase)/decrease in long-term deposits	7	-	3,656,024
Net cash generated from / (used in) investing activities		-	3,656,024
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Short term borrowings	15	(599,298)	429,389
Increase/(decrease) in share capital		-	-
Proceeds from / (repayment of) loan from Directors		-	-
Net cash generated from / (used in) financing activities		(599,298)	429,389
Net (decrease)/increase in cash and cash equivalents		2,152	(160,544)
Cash and cash equivalents at the beginning of the year		20,255	180,799
Cash and cash equivalents at the end of the year	11	22,407	20,255

The annexed notes from 1 to 24 form an integral part of these financial statements.


Chief Executive Officer




Director

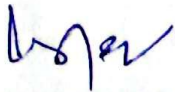
SHAFFI SECURITIES (PVT) LIMITED

Statement of Changes in Equity

For the Year Ended December 31, 2025

	Issued, subscribed and paid-up capital	Unappropriated profit/ (loss)	Unrealized surplus / (deficit) on re- measurement of investments measured at FVOCI	Total
Balance as at June 30, 2024	156,100,000	(125,933,085)	1,531,475	31,698,389
Total comprehensive income for the year				
Issuance of shares	-	(12,615,912)	-	(12,615,912)
Profit/(loss) for the year	-	-	4,750,916	4,750,916
Other comprehensive income/(loss)	-	(12,615,912)	4,750,916	(7,864,996)
Balance as at June 30, 2025	<u>156,100,000</u>	<u>(138,548,997)</u>	<u>6,282,391</u>	<u>23,833,394</u>
Total comprehensive income for the year				
Profit/(loss) for the year	-	(3,935,314)	-	(3,935,314)
Other comprehensive income/(loss)	-	-	(1,444,702)	(1,444,702)
Balance as at December 31, 2025	<u>156,100,000</u>	<u>(142,484,311)</u>	<u>4,837,688</u>	<u>18,453,377</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.



Chief Executive Officer




Director

SHAFFI SECURITIES (PVT) LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

4 PROPERTY AND EQUIPMENT

	Dec-25			
	Furniture & Fixtures	Office Equipment	Vehicles	Total
As at July 1, 2024				
Cost	364,230	3,501,004	223,000	4,088,234
Accumulated Depreciation	(336,599)	(3,057,287)	(222,092)	(3,615,977)
Net book value	27,631	443,718	908	472,257
Movement during the period				
Additions	-	-	-	-
Disposals				
Cost	-	-	-	-
Depreciation	-	-	-	-
Depreciation charge for the period	1,382	22,186	91	23,658
As at June 30, 2025				
Cost	364,230	3,501,004	223,000	4,088,234
Accumulated Depreciation	(337,980)	(3,079,472)	(222,183)	(3,639,636)
Net book value	26,250	421,532	817	448,599
Depreciation rate per annum	10%	10%	20%	

	Jun-25			
	Furniture & Fixtures	Office Equipment	Vehicles	Total
As at July 1, 2023				
Cost	364,230	3,501,004	223,000	4,088,234
Accumulated Depreciation	(333,529)	(3,007,985)	(221,865)	(3,563,378)
Net book value	30,701	493,020	1,135	524,856
Movement during the period				
Additions	-	-	-	-
Disposals				
Cost	-	-	-	-
Depreciation	-	-	-	-
Depreciation charge for the period	3,070	49,302	227	52,599
As at June 30, 2024				
Cost	364,230	3,501,004	223,000	4,088,234
Accumulated Depreciation	(336,599)	(3,057,287)	(222,092)	(3,615,977)
Net book value	27,631	443,718	908	472,257
Depreciation rate per annum	10%	10%	20%	

SHAFFI SECURITIES (PVT) LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

SHAFFI SECURITIES (PVT.) LIMITED (the "Company") was incorporated in Pakistan on June 02, 1997 as a private limited company, limited by shares, under the Companies Ordinance 1984 (Now Companies Act, 2017). The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited. (Trading Only)

The Company is principally engaged in brokerage of shares, stocks, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research

The geographical location of Company's offices are as follows:

Registered Office: Room # 201 ,2nd Floor, LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.

Corporate Office: Room # 201 ,2nd Floor, LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) 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, and relevant provisions of the Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations").

In case requirements differ, the provisions or directives of the Companies Act, 2017 and/or the Regulations shall prevail.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except:

- Short Term Investments in quoted equity securities (whether classified as assets at fair value through profit or loss, or at fair value through other comprehensive income), which are carried at fair value;
- Investments in unquoted equities, measured at fair value through other comprehensive income;
- Investments in associates, which are recorded in accordance with the equity method of accounting for such investments; and
- Derivative Financial instruments, which are marked-to-market as appropriate under relevant Accounting and Reporting standards.

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

2.4 Accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are continually evaluated and are based on historical experience as well as expectations of future events 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.

Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements are as follows:

- (i) Estimates of useful lives and residual values of items of property and equipment
- (ii) Estimates of useful lives of intangible assets
- (iii) Allowance for credit losses
- (iv) Fair values of unquoted equity investments
- (v) Classification, recognition, measurement / valuation of financial instruments
- (vi) Provision for taxation

3 MATERIAL ACCOUNTING POLICIES INFORMATION

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

SHAFI SECURITIES (PVT) LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

3.1 Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items.

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 account during the year in which they are incurred. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair and maintenance expenditures are charged to profit or loss during the year in which they are incurred.

Depreciation on all items of property and equipment is calculated using the reducing balance method, in accordance with the rates specified in note 4 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from when the asset is available for use until the asset is disposed off.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on asset derecognition (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account 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. The Company's estimate of residual value of property and equipment as at June 30, 2025 did not require any adjustment.

3.2 Intangible assets

Intangible assets with indefinite useful lives, including Trading Right Entitlement Certificate ("TREC"), are stated at cost less accumulated impairment losses, if any. An intangible asset is considered as having an indefinite useful life when, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, it is tested for impairment at each balance sheet date or whenever there is an indication that the asset may be impaired. Gains or losses on disposal of intangible assets, if any, are recognized in the profit and loss account during the year in which the assets are disposed off.

3.2.1 Membership cards and offices

This is stated at cost less impairment, if any. The carrying amount is reviewed at each reporting 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.

3.3 Financial instruments

3.3.1 The Company classifies its financial assets in the 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.

SHAFFI SECURITIES (PVT) LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

(b) Financial assets at FVOCI

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

- (i) 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; or
- (ii) It is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company at initial recognition. Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

3.3.2 Initial recognition

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

Regular way purchase of investments is 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.

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Amounts paid under these agreements in respect of reverse repurchase transactions are recognized as a receivable. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued on a time proportion basis over the life of the reverse repo agreement.

3.3.3 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 profit and loss account.

(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 recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognized 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 profit and loss account.

SHAFFI SECURITIES (PVT) LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

3.3.4 Impairment

Financial assets

The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortized cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance / provision for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

Where there has not been a significant decrease in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.

When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, or when a financial instrument is considered to be in default, expected credit loss is computed based on lifetime expected credit losses.

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

Forward-looking information includes reasonable and supportable forecasts of future events and economic conditions. These include macro-economic information, which may be reflected through qualitative adjustments or overlays. The estimation and application of forward-looking information may require significant judgment.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Company makes this assessment on an individual asset basis, after consideration of multiple historical and forward-looking factors. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Company's processes and procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount - defined as the higher of the asset's fair value less costs of disposal and the asset's value-in-use (present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risk) - is estimated to determine the extent of the impairment loss.

For the purpose of assessing impairment, assets are grouped into cash-generating units: the lowest levels for which there are separately identifiable cash flows.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

SHAFFI SECURITIES (PVT) LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

3.5 Trade debts and other receivables

Trade debts and other receivables are stated initially at amortized cost.

Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, balances with banks in current and deposit accounts, stamps in hand, other short-term highly liquid investments with original maturities of less than three months and short-term running finances.

3.7 Borrowings

Borrowings are recognized initially at fair value, net of attributable transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss account over the period of the borrowings using the effective interest method.

3.8 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. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

3.9 Staff retirement benefits

The Company did not have any retirement benefits plan.

3.10 Taxation

Income tax expense comprises current and deferred tax.

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using rates enacted or substantively enacted at the reporting date, and takes into account tax credits, exemptions and rebates available, if any. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessments framed / finalized during the year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the reporting date between the tax base and carrying amount of assets and liabilities for financial reporting purposes

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carried forward unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried forward unused tax losses can be utilized. Carrying amount of all 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 realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is charged or credited in the statement of profit or loss account, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

Levy

The 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, which is not adjustable against the future 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 21/IAS 37.

3.11 Provisions

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

3.12 Revenue recognition

Revenue is recognized to the extent that it is probable that 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:

SHAFI SECURITIES (PVT) LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2025

- Brokerage and commission income is recognized when brokerage services are rendered.
- Dividend income is recognized when the right to receive the Dividend is established.
- Return on deposits is recognized using the effective interest method.
- Income on fixed term investments is recognized using the effective interest method.

- 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 marking to market financial assets are included in profit and loss (for assets measured at FVTPL) or OCI (for assets measured at FVOCI) during the period in which they arise.
- Income / profit on exposure deposits is recognized using the effective interest rate.

3.13 Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income. Dividends are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

3.14 Markup / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

3.15 Borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount unpaid at the reporting date.

3.16 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company.

3.17 Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into. Subsequently, any changes in fair values arising on marking to market of these instruments are taken to the profit and loss account.

3.18 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted and recorded at rates that are not less than market. Transactions with related parties have been disclosed in the relevant notes to the financial.

3.19 Settlement Date Accounting

All "Regular Way" Purchases and Sales of financial assets are recognized on settlement date on which the company commits to purchase and sale of financial assets through E-clear. The company client and proprietary settlement performed by E-clear because Company shifted its category to Trade Only and no client balance and shares are lying with the company. All client balance and share custody shifted to E-clear. Now all sale and purchase recognized by E-clear.

	Note	Dec-25 Rupees	Jun-25 Rupees
5 INTANGIBLE ASSETS			
Trading Rights Entitlement Certificate ("TRUC")	5.1	1,920,000	1,920,000
Rooms - PSX		3,100,000	3,100,000
PMEX Membership Card		1,000,000	1,000,000
		<u>6,020,000</u>	<u>6,020,000</u>
Impairment		<u>6,020,000</u>	<u>6,020,000</u>

5.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TRUC") against its membership card.

The TRUC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TRUC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. PSX vide notice, PSX/N-225 dated February 16, 2021 have notified the notional fees of a Trading Right Entitlement Certificate which amounts to Rs. 2.5 million due to this reason no Impairment is required.

5.2 This represent cost of rooms given by Lahore Stock Exchange with indefinite useful life. These are considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits.

6 LONG-TERM INVESTMENTS

Investments at fair value through OCI

Long Term Investments		10,362,391	5,611,475
Adjustment for remeasurement to fair value		(1,444,702)	4,750,916
Long Term Investments		<u>8,917,689</u>	<u>10,362,391</u>

7 LONG-TERM DEPOSITS

Trading floors		1,156,024	1,156,024
Building deposits with PMEX		2,500,000	2,500,000
		<u>3,656,024</u>	<u>3,656,024</u>
Less: Provision for long term deposits	7.1	(3,656,024)	(3,656,024)
		<u>-</u>	<u>-</u>

7.1 Movement in provision against long term deposits is as under:

Opening balance (as at July 1)		3,656,024	-
Add: Allowance for expected credit loss		-	3,656,024
		<u>3,656,024</u>	<u>3,656,024</u>
Less: Amounts written off during the year		-	-
Closing balance (as at June 30)		<u>3,656,024</u>	<u>3,656,024</u>

8 TRADE DEBTS

Considered good	8.1	228,105	228,105
Considered doubtful		-	-
		<u>228,105</u>	<u>228,105</u>
Less: Provision for doubtful debts	8.2	(228,105)	(228,105)
		<u>(0)</u>	<u>(0)</u>

8.1 The Company holds client-owned securities with a total fair value of nil (2024: Nil) as collateral against trade debts. Refer to note 4.7 for details around the Company's methodology for computing estimated credit losses under the expected loss model under IFRS 9

Trade debts include nil receivable from the related parties

SHAFI SECURITIES (PVT) LIMITED
Notes to the Financial Statements
For the Year Ended December 31, 2023

8.2 Movement in provision against trade debts is as under:	Note	Dec-25 Rupees	Jun-25 Rupees
Opening balance (as at July 1)		228,105	228,105
Add: Allowance for expected credit loss			
Less: Amounts written off during the year		<u>228,105</u>	<u>228,105</u>
Closing balance (as at June 30)		<u>228,105</u>	<u>228,105</u>
8.3 Aging Analysis			
The aging analysis of trade debts is as follows:			
Upto Fourteen days		-	-
More Than 360 days		-	-
		<u>-</u>	<u>-</u>
9 PREPAYMENTS AND ADVANCES			
Receivable from Eclear		628,280	748,197
Security deposit NCCPI-Eclear		360,000	350,000
Future Exposure margin with Eclear		20,000	150,000
Income Tax refundable		<u>1,626,172</u>	<u>1,626,172</u>
		<u>2,634,452</u>	<u>2,874,369</u>
9.1 INCOME TAX REFUNDABLE			
Opening balance (as at July 1)		1,626,172	1,301,934
Add: Current year additions		-	324,239
Less: Adjustment against provision for taxation		<u>1,626,172</u>	<u>1,626,172</u>
Closing balance (as at June 30)		<u>1,626,172</u>	<u>1,626,172</u>
10 SHORT TERM INVESTMENTS			
Investments at fair value through profit or loss			
Investments in listed securities		<u>5,431,664</u>	<u>9,704,854</u>
		<u>5,431,664</u>	<u>9,704,854</u>
11 CASH AND BANK BALANCES			
Cash in hand			
Cash at bank			
Client Accounts	11.1	6,642	6,642
House Accounts		<u>15,765</u>	<u>13,613</u>
		<u>22,407</u>	<u>20,255</u>
11.1 Cash at bank includes customers' assets in the amount of PKR 6,642 (2024: PKR 10,134) held in designated bank accounts.			
11.2 Client Balances & Share Holding transfer to E-clear at time of shifting to Trade only Category.			
12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
12.1 Authorized capital			
17,000,000 (2024: 17,000,000) ordinary shares of PKR 10 each.		<u>170,000,000</u>	<u>170,000,000</u>
12.2 Issued, subscribed and paid-up share capital			
12,110,000 (2024: 12,110,000) ordinary shares of PKR 10/- each, issued for cash		121,100,000	121,100,000
3,500,000 (2024: 3,500,000) ordinary shares of PKR 10/- each, issued for consideration other than cash.		<u>35,000,000</u>	<u>35,000,000</u>
		<u>156,100,000</u>	<u>156,100,000</u>

SHAFFI SECURITIES (PVT) LIMITED
Notes to the Financial Statements

For the Year Ended December 31, 2025

12.3 Pattern of Shareholding

	Number of Shares		Percentage	
	Dec-25	Jun-25	Dec-25	Jun-25
M. Ilyas Shafi	1,440,000	1,440,000	9.22%	9.22%
M. Ashfaq Shafi	8,503,000	8,503,000	54.47%	54.47%
M. Ishaq Shafi	374,000	374,000	2.40%	2.40%
M. Altaf Shafi	4,242,500	4,242,500	27.18%	27.18%
M. Ishaq Shafi	407,000	407,000	2.61%	2.61%
Samina Akhtar	209,500	209,500	1.34%	1.34%
Shazia Naz	76,000	76,000	0.49%	0.49%
Mrs Aishah Altaf	76,000	76,000	0.49%	0.49%
Nabeela Ilyas	70,000	70,000	0.45%	0.45%
Riffat Zulfqar	65,750	65,750	0.42%	0.42%
Irfat Shaheen	65,750	65,750	0.42%	0.42%
Mian M Yaqoob	40,000	40,000	0.26%	0.26%
Shahzadi Begum	40,000	40,000	0.26%	0.26%
Mian M Shafi	500	500	0.00%	0.00%
	15,610,000	15,610,000	100%	100%

Note	Dec-25 Rupees	Jun-25 Rupees
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13 LONG TERM FINANCING

Loan from Directors - unsecured

2,950,000	2,950,000
2,950,000	2,950,000

13.1

This represents a subordinated, interest free loan obtained from Directors of the Company to fund the working capital and other needs. Documented terms of the loan indicate that the loan is not repayable until after June 30, 2024. Repayment terms of the loan are such that the discounted value of the loan approximates proceeds received and, accordingly, the liability has been recorded at proceeds received. During the year the company paid the liability.

14 TRADE AND OTHER PAYABLES

Accrued expenses	9,233	9,233
Worker welfare fund Punjab	323,624	323,624
	332,857	332,857

14.1 This includes nil amount due to the related parties.

15 SHORT TERM BORROWINGS

From:

Running Finance	15.1	993,603	1,592,901
		993,603	1,592,901

15.1 The Company has secured a running finance facility from Bank Al Habib Limited to meet working capital requirements. The facility, with a limit of PKR 5 million, carries mark up at the rate of 3-month KIBOR + 2.5% per annum, payable quarterly. The facility is secured against pledged shares as well as the personal guarantee of all of the Company's Directors.

16 PROVISION FOR TAXATION

Opening balance(as at July 01)	744,974	357,307
Add/(less): Current Year Provision	-	399,149
Add/(Less): Adjustment against last year provision	-	(11,482)
	744,974	744,974
Less: Adjustment against prior year provision advance tax	-	-
Closing balance(as at June 30)	744,974	744,974

17 CONTINGENCIES AND COMMITMENTS

17.1 The Company made a deposit with LSF Financial Services Limited in the amount of PKR 1,206,024 to secure rooms in Faisalabad and Sialkot. Due to ongoing litigation with respect to the space, there is a contingency associated with the amount. Management is expectant of either full recovery or obtaining room rights. Should neither of these outcomes materialize, Management intends to enforce recovery through all legal means available. Other than the afore-noted, there are no contingencies or commitments of the Company as at June 30, 2025

SHAFI SECURITIES (PVT) LIMITED

Notes to the Financial Statements

For the Year Ended December 31, 2021

18 OPERATING REVENUE

Note	Dec-25 Rupees	Jan-25 Rupees
Net Brokerage Commission excluding sales tax on services	77,951	48,118
Dividend income	61,325	2,173,206
	<u>139,276</u>	<u>2,171,324</u>

19 OPERATING & ADMINISTRATIVE EXPENSES

Director's Salary	300,000	646,418
Staff Salaries & Other Benefits	115,000	412,500
Electricity/ Water/ Gas	285,492	53,123
Other Expenses	30,000	84,625
Regulatory charges	121,814	468,259
Communication		119,415
Stationery/ Printing/ Photocopies/ Office Supplies	2,210	
Rates/ Taxes/ Cess	39,973	16,816
Repair / Maintenance		9,000
Provision For long term deposits		3,656,024
Depreciation	23,658	52,599
	<u>918,147</u>	<u>5,520,781</u>

19.1 Auditor's remuneration
Statutory audit

20 FINANCIAL CHARGES

Mark up on interest bearing loans		286,055
Bank and other charges	1,160	13,257
	<u>1,160</u>	<u>301,312</u>

21 LEVIES

Minimum tax/Final Tax		399,149
		<u>399,149</u>

This represent taxation on dividend income under section 150 and minimum tax under section 113(C) of the Income Tax Ordinance, 2001 (the Ordinance). This falls under levy within the scope of IFRIC 21 / IAS 37.

22 OTHER INCOME / (LOSSES)

Income from financial assets		
Mark-up on:		
Mark up on RMS exposure		
Mark up on Clear Profit		59,252
Income from non-financial assets/liabilities		
Liabilities written off		463,036
Rental Income	62,664	
	<u>62,664</u>	<u>522,288</u>

23 TAXATION

for the year		(11,482)
prior years		(11,482)
		<u>(11,482)</u>

The provision for current year taxation based on subject to taxation under provisions of income tax ordinance 2001. The assessment of the company will be finalized under the provisions of Income Tax Ordinance, 2001. Income tax returns are filed up to tax year 2024. The tax provision made in the financial statements is considered sufficient.

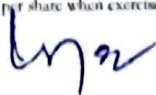
24 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of shares outstanding during the period, as follows:

Profit / (loss) after taxation, attributable to ordinary shareholders	(3,935,314)	(12,615,912)
Weighted average number of ordinary shares in issue during the year	15,610,000	15,610,000
Earnings per share	<u>(0.25)</u>	<u>(0.81)</u>

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments carrying options which would have an impact on earnings per share when exercised.

Chief Executive Officer




Director

