

**Zahid Latif Khan Securities
(Private) Limited**

Audited Financial Statements

FY Ended 30 June, 2025



ZAHID LATIF KHAN SECURITIES (PVT) LTD.

TREC Holder Pakistan Stock Exchange Ltd.
Corporate Member Pakistan Mercantile Exchange Ltd.

Corporate Office: 412, 4th Floor, ISE Towers, 55-B, Jinnah Avenue, Islamabad.
Tele: 051-2894401-5 Email: info@zlksec.com, <http://zlk.com.pk/Branches>, Web: www.zlksec.com

Starting with the quotation of Warren Buffet "the more you learn, the more you earn", we have learned from the past and coming from a COVID-19 and stagnant economy to a successful year with promising outputs, growing number of clients and new ventures. 2025 is here presenting it with a great success and promising results.

As we reflect on the past year, I am filled with immense gratitude for the steadfast support of our clients, partners, and dedicated team members at ZLK Securities. We have navigated through a year that, while not without its challenges, has proven to be remarkably transformative for our equity markets and, consequently, for our company's performance. The significant rise in equity markets, driven by a confluence of factors, is a testament to the potential within our domestic economy. The unwavering confidence of our clients has played a pivotal role in capitalizing on these positive dynamics, resulting in growth for our company. Over the past year, we have witnessed a healthy transformation of our economic landscape, with efforts primarily focused on fostering relationships with foreign investors and partners. This confidence from our bilateral and multilateral partners led to the replenishment of our foreign reserves to over two-year highs, providing essential stability to the domestic currency and significantly improving the inflation outlook. Additionally, a successful election year has further intensified optimism for the economic outlook in the periods to come. Our team at ZLK Securities faces a bright future, with opportunities for sustainable growth, superior value delivery for clients, and enhanced competition within the industry. As a corporate brokerage house and investment bank, it is critical for the company to secure its fair share of the ever-increasing business volumes and financial market products. We at ZLK Securities present this corporate profile as an overview of our achievements and extend an invitation to form a profitable relationship with us.

Year 2025 has been a very positive year for ZLK Securities. With growing numbers of our clients, we have achieved milestones that we believe will bring promising outputs in the future. ZLK Securities have incorporated its wholly owned subsidiary ZLK Islamic Financial Services (Private) Limited, the first SECP Shariah Compliant Stock Brokerage, and investment banking licenses.

ZAHID LATIF KHAN
Chief Executive Officer

Cont Branch	Chaklala Branch	City Branch	Pindi Gheb Branch	Wah Cont. Branch	Abbottabad Branch	NPF Branch
28-Al-Amin Plaza, The Mall, Rawalpindi-Cont.	61-C, 2nd Floor, Aneek Plaza, Street-12, Commercial Area, Chaklala Scheme-III, Rawalpindi.	201, 2nd Floor, Dubai Orakzai Plaza, Murree Road, Rawalpindi.	Office # 2, Muhammad Ali Market, Near The Bank of Punjab, Pindi Gheb, Distt. Attock.	Office # 7, 8 1st Floor Chaudhry Plaza, Lala Rukh, Wah Cont.	Room # 1, 2nd Floor, Zaman Plaza, Near Ayub Teaching Hospital, Main Mansehra Road, Abbottabad.	Office # 03, 1st Floor, Plot # 1315, NPF Housing Scheme PWD, Opposite Tehzeeb Bakers, Islamabad.

Tel. 051-5701150-54 Tel. 051-5500160, 5500162

Tel. 051-4852800-4852900

Tel. 0572-352346-7

Tel. 4540400, 4540500

Tel. 0992-381792, 380623, 414146

Tel. 051-5740014, 5740041

M/S ZAHID LATIF KHAN SECURITIES (PVT) LTD
Director's Report
For the Year Ended 30 June 2025

Dear Shareholders on behalf of the Board of Directors I am pleased to present the Annual Report for the financial year ended June 30, 2025, together with the audited financial statements and auditor's report thereon as per accounting, regulatory and legal requirements/standards.

Operating Result

The profit of the company after tax for the financial year amounted to Rs. 419,205,490/-

Review of Operations

A review of the company's operations during the financial year, and the results of those operations are as follows:

	2025	2024
	Rupees	Rupees
Revenue	253,968,556	163,002,082
Capital/gain (loss) realized - net	46,607,708	(2,466,099)
Unrealized fair value gain/(loss) on investment remeasurement-FVTPL - net	<u>320,589,644</u>	<u>(25,398,492)</u>
	621,165,907	135,137,490
Direct expenses	<u>(105,902,039)</u>	<u>(79,121,792)</u>
	515,263,868	56,015,699
Operating expenses	<u>(43,775,036)</u>	<u>(36,920,808)</u>
	471,488,832	19,094,891
Financial charges	(31,113,434)	(41,186,088)

Other income	<u>19,524,538</u>	<u>29,244,575</u>
Profit/(loss) before taxation and levies	<u>459,899,936</u>	<u>7,153,378</u>
Levies	<u>(3,114,973)</u>	<u>(956,944)</u>
Profit before taxation	<u>456,784,963</u>	<u>6,196,433</u>
Taxation	<u>(37,579,474)</u>	<u>(9,715,183)</u>
Net profit/(loss) after taxation	<u>419,205,490</u>	<u>(3,518,749)</u>

The company's operations during the year were as expected in the opinion of the director(s).

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were:

Brokerage in Trading of Shares on Pakistan Stock Exchange

No change in the nature of these activities occurred during the year

Brokerage in Trading of Commodities on Pakistan Stock Exchange

During the financial year 2017-2018 our Company also becomes a member of Pakistan Mercantile Exchange Limited and started its activities from the month of November 2017.

After Balance Sheet Date Events

No issues or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Dividends

Dividends paid or declared since the start of the financial year are as follows:

- a) There were no dividends paid during the year.
- b) There were no dividends or distributions recommended or declared for payment to members during the year that have not been paid or credited to the member throughout the year.

Share Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Auditors

The present auditors of the company M/s Nasir Javaid Maqsood Imran & Co., Chartered Accountants retired and offer themselves for re-appointment for the year ended June 30, 2026. The board has suggested the re-appointment of M/s Nasir Javaid Maqsood Imran & Co., Chartered Accountants as auditors of the company for the ensuing year.

Proceedings of Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company, or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Directors:



MUHAMMAD ATIF KHAN
Director



AJMAL SULTAN
Director



INDEPENDENT AUDITOR'S REPORT

To the members of **ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Lahore Office:

3rd Floor, Pace Tower, Plot No. 27, Block "H" Gulberg 2 Lahore.
Tel: 042-35754821-22, Fax: 042-36317513, Email: nasirgulzar@njmi.net

Karachi Office:

Office No. 807, 8th Floor, Q.M. House, Plot No. 11/2, Ellander Road

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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





CPAAI

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

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

Report on Other Legal and Regulatory Requirements

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

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- The Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and/or Section 62 of the Futures Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations Regulations), 2016 as at the date on which the statement of financial position was prepared.
- The Company was in compliance with the relevant requirements of Futures Brokers (Licensing and Operations Regulations), 2018 as at the date on which the statement of financial position was prepared.
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Maqsood.

Place: Islamabad

Date: 28 October 2025

UDIN: AR202510163fN8rW1iCc

Nasir Javaid Maqsood Imran
Chartered Accountants

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	29,063,799	30,839,467
Long term deposits	5	1,420,000	1,420,000
Long term investments	6	86,367,347	83,969,031
Intangible assets	7	3,250,000	3,250,000
Deferred tax asset	8	4,945,018	16,397,358
		125,046,164	135,875,856
CURRENT ASSETS			
Short term investment	9	849,899,334	266,452,523
Trade receivables	10	172,900,764	150,317,513
Advances	11	39,066,720	36,873,432
Deposits and other receivables	12	63,458,569	32,145,503
Cash and bank balances	13	407,587,426	223,497,361
		1,532,912,813	709,286,332
TOTAL ASSETS		1,657,958,978	845,162,188
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	14	187,000,000	187,000,000
Capital reserve:			
Deposit for shares		73,247,375	73,247,375
Surplus on remeasurement of investment		38,114,614	33,623,401
Revenue reserve:			
Unappropriated profit		508,796,350	89,590,860
		807,158,338	383,461,636
NON-CURRENT LIABILITIES			
Deferred tax Liability	8	-	-
CURRENT LIABILITIES			
Trade and other payables	15	470,856,424	261,352,577
Accrued interest	16	6,641,884	10,218,745
Short term bank borrowings	17	357,822,002	190,129,229
Provision for taxation	18	15,480,329	-
		850,800,639	461,700,552
TOTAL EQUITY AND LIABILITIES		1,657,958,978	845,162,188
CONTINGENCIES AND COMMITMENTS	19	-	-

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

DIRECTOR

DIRECTOR

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Revenue	20	253,968,556	163,002,082
Capital/gain (loss) realized - net		46,607,708	(2,466,099)
Unrealized fair value gain/(loss) on investment remeasurement-FVTPL - net	21	320,589,644 621,165,907	(25,398,492) 135,137,490
Direct expenses	22	(105,902,039) 515,263,868	(79,121,792) 56,015,699
Operating expenses	23	(43,775,036) 471,488,832	(36,920,808) 19,094,891
Financial charges	24	(31,113,434)	(41,186,088)
Other income	25	19,524,538	29,244,575
Profit/(loss) before taxation and levies		459,899,936	7,153,378
Levies		(3,114,973)	(956,944)
Profit before taxation		456,784,963	6,196,433
Taxation	26	(37,579,474)	(9,715,183)
Net profit/(loss) after taxation		419,205,490	(3,518,749)

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



DIRECTOR

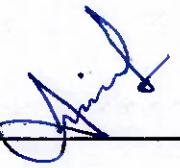


DIRECTOR

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Net (loss)/ profit for the year		419,205,490	(3,518,749)
Items that may not be reclassified to profit or loss:			
Fair gain on equity investment designated at FVTOCI	21.2	4,491,212	1,577,994
Total comprehensive (loss) / income for the year		423,696,702	(1,940,756)

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


DIRECTOR


DIRECTOR

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

Note	SHARE CAPITAL	REVENUE RESERVE	CAPITAL RESERVE		TOTAL
		ACCUMULATED PROFIT / (LOSS)	DEPOSIT FOR SHARES	FAIR VALUE RESERVE ON INVESTMENT AT FVTOCI	
					Rupees
Balance as at June 30, 2023	110,000,000	93,109,610	65,000,000	32,045,408	300,155,017
Share deposit money received	-	-	85,247,375	-	85,247,375
Shares issued	77,000,000	-	(77,000,000)	-	-
Total comprehensive loss for the year	-	(3,518,749)	-	1,577,994	(1,940,756)
Balance as at June 30, 2024	187,000,000	89,590,860	73,247,375	33,623,401	383,461,636
Share deposit money received	-	-	-	-	-
Shares issued	-	-	-	-	-
Total comprehensive loss for the year	-	419,205,490	-	4,491,212	423,696,702
Balance as at June 30, 2025	187,000,000	508,796,350	73,247,375	38,114,614	807,158,338

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

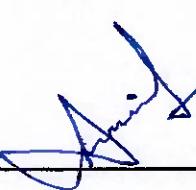

 DIRECTOR


 DIRECTOR

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss)/ profit before tax		459,899,936	7,153,378
Adjustments for non-cash and other items:			
Depreciation		4,744,366	4,970,088
Financial charges		31,113,438	41,186,088
Gain on disposal		-	-
Provision for bad debts		1,092,619	1,393,938
Unrealized (gain)/loss on short term investment		(320,589,644)	25,398,492
		(283,639,220)	72,948,606
		176,260,716	80,101,984
Working capital changes			
(Increase) / decrease in current assets:			
Short term investment		(262,857,167)	(75,952,571)
Trade receivables		(23,675,870)	13,298,339
Loans and advances		(2,193,288)	(1,094,280)
Deposits, prepayments and other receivables		(31,313,067)	(27,997,051)
		(320,039,393)	(91,745,562)
Increase / (decrease) in current liabilities		209,503,847	150,624,278
		65,725,170	138,980,700
Finance charges paid		(34,690,296)	(42,202,373)
Income tax paid		(13,761,777)	(6,612,632)
Net cash generated from operating activities		17,273,097	90,165,695
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of assets		-	-
Long term Investment		2,092,897	(19,999,600)
Fixed capital expenditure		(2,968,702)	(13,972,698)
Net cash (used in) investing activities		(875,805)	(33,972,298)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share deposit money		-	12,000,000
Shares Issued		-	-
Short term loan - net		167,692,774	51,861,997
Net cash inflow from financing activities	37	167,692,774	63,861,997
Net increase / (decrease) in cash and cash equivalents		184,090,065	120,055,393
Cash and cash equivalents at the beginning of the year		223,497,361	103,441,967
Cash and cash equivalents at the end of the year	13	407,587,426	223,497,361

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


DIRECTOR


DIRECTOR

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 The Company and its operations

The company was incorporated in Pakistan on May 06, 1999 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company. It started its commercial activities with effect from July 06, 1999.

The main object of the company is to carry on the business of broker in stocks, shares, securities under license or with the foreign permission or approval of any recognized association, authority, stock exchange, or other market in Pakistan or abroad. The company is operating under license from PMEX and PSX. The registered office of the company is situated at Room No. 624-627, 6th Floor, Stock Exchange Building, Stock Exchange Road, Karachi.

Geographical location of all Branches is:

Branches	Addresses
Corporate Office	412, 4th Floor, ISE Towers, 55-B Jinnah Avenue, Islamabad
Cantt Branch	28-Al Amin Plaza, The Mall, Rawalpindi Cantt
Cantt Branch II	23-Al Amin Plaza, The Mall, Rawalpindi Cantt
Chaklala Branch	61-C 1st Floor, Aneeq Plaza Street 12, Commercial area, Chaklala Scheme-III, Rawalpindi
Abbottabad Branch	Office No 203, Iqbal Shopping Complex, The Mall, Abbottabad
City Branch	201, 2nd Floor, Dubai Orakzai Plaza, Murree Road, Rawalpindi
Pindi Gheb Branch	Office No.2, Muhammad Ali Market, Near The Bank Of Punjab, Bank Road, Pindi Gheb, Distt Attock
Wah Cantt Branch	Office # 7, 8 1st Floor, Chaudhry Plaza, Lala Rukh, Wah Cantt.
Islamabad Branch	408, 4th Floor, ISE Towers, 55-B Jinnah Avenue, Islamabad
NPF Branch	03, 1st Floor, Plot # 1315, NPF Housing Scheme PWD, Opposite Tehzeeb Bakers, Islamabad
Dha 2 (Facilitation Centre)	Plot No 46, Sector D Mian Tipu Boulevard, near Attock petrol station DHA 2 Islamabad

2 Basis of preparation of financial statements

2.1 Statement of compliance

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

2.2 Basis of measurement

These accounts have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values except otherwise stated in relevant policies hereunder.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's functional currency.

2.4 Use of significant estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value 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 estimates are revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

2.6 Standards, interpretations and amendments to accounting and reporting standards

a) Amendments to accounting and reporting standards that became effective during the year

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except as mentioned below:

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

b) Standards and amendments to accounting and reporting standards that are not yet effective and not early adopted by the Company

There are certain new standards and amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant effect on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

3 Material accounting policy information

Material accounting policies adopted in the preparation of these financial statements are:

3.1 Taxation

Income tax expense comprises current and deferred tax.

Current

The charge for current taxation is based on taxable income at current tax rates after considering all tax credits and rebates available, if any.

Levy

The amount of minimum taxes over and above tax chargeable on profits and final tax chargeable under the provisions of Income Tax Ordinance, 2001 are recognized as levy.

Deferred

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

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

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet 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.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognized deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.2 Property and equipment

- i These are stated at cost less accumulated depreciation and impairment losses, if any;
- ii Depreciation on operating assets is charged on reducing balance method. A full month's depreciation is charged in the month of addition and no depreciation is charged in the month of disposal;



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- iii Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized;
- iv Gain and losses on disposal of fixed assets, if any, included in profit and loss account currently;
- v The Company reviews the useful lives and residual value of its assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge.

Judgments 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.

3.3 Impairment of non-financial assets

Assets that are subject to depreciation/amortization are reviewed at each statement of financial position date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. As impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original costs of the asset.

3.4 Intangible assets

Trading Right Entitlement Certificate (TREC)

These are 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.

3.5 Revenue recognition

Revenue is recognized when services are provided to customers and thereby performance obligation is satisfied at amount which company expects to receive in exchange. Revenue is recognized on the following basis:

Brokerage Commission

Brokerage, consultation and advisory fee and commission on securities and commodities is recognized as and when related services are rendered.

Income on bank deposits

Mark-up / interest on bank deposits and return on investments is recognized on time apportionment basis when right to receive is established using effective interest rate.

Dividend income

Dividend income is recognized in profit or loss as other income when:

- the Company's right to receive payment have been 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.

Others

Gain / loss on sale of investment is recognized in the year in which they arise.

3.6 Trade and other payables

Trade and other payables are recognized initially at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.7 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount could be reliably estimated. Provisions are not recognized for future operating losses.

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. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.



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Judgement and estimates

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingent liabilities

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

3.8 Trade and other receivable

Measurement

Trade receivable are recognized initially at fair value and subsequently measured at cost less provision for Expected Credit Loss.

Impairment

A provision for impairment of trade debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debts. The amount of the provision is recognized in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

Judgments and estimates

Management reviews its trade debtors on a continuous basis to identify receivables where collection of the amount is no longer probable. These estimates are based on historical experience and are subject to change in condition at the time of actual recovery.

3.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash with banks on current account.

3.10 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

3.11 Financial instruments

Initial Recognition

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

Classification of financial assets:

The Company classifies its financial instruments in the following categories:

- At Fair Value Through Profit or Loss (FVTPL)
- At fair value through other comprehensive income (FVOCI); and
- At Amortized Cost

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost:

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

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.



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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. 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.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- At Fair Value Through Profit or Loss (FVTPL)
- At Amortized Cost

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

Subsequent Measurement

i) Financial assets and liabilities at amortized cost

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

ii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

iii) Financial assets at FVTOCI

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. Interest is calculated using the effective interest method and is recognized in profit or loss.

Impairment of financial asset

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies general approach in calculating expected credit losses. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Company expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment loss is recognized immediately in the statement of profit or loss and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Derecognition

i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

ii) Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognized in the statement of profit or loss.



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3.12 Investment in subsidiaries

Investments in subsidiary companies are accounted for using the cost method. Under this method, the investments are stated at cost less any impairment in the value of individual investments.

3.13 Trade Date Accounting

All "regular way" purchases and sales of financial assets are recognized on trade date, i.e. the date on which the asset is sold to or by the Company. Regular way purchases or sales of financial assets are those contracts which require delivery of assets within the time frame generally established by regulation or convention in the market.

4 Property and equipment

	Office Building	Furniture and Fixture	Air Conditioners	Office Equipment	Motorcycle	Electronic Equipment's	Computers	Generator	Telephone Installation	Motor Vehicle	Fire Fighting	Total
Rupees												
Year ended June 30, 2024												
Opening Net Book Value	5,219,502	1,035,528	560,631	52,065	10,338	400,256	3,158,555	238	126,572	10,382,361		21,836,857
Additions	12,664,561	581,839	-	-	-	226,648	1,065,177	-	34,133	-		13,972,696
Depreciation Charge	(1,728,448)	(326,529)	(84,125)	(7,813)	(1,551)	(86,922)	(1,148,245)	(125)	(18,896)	(1,557,354)		(4,978,668)
Disposal												
Adjustment												
Net Book Value	15,555,962	2,898,838	476,706	44,272	8,787	619,982	3,075,487	706	141,719	8,825,007		30,839,467
As at June 30, 2024												
Cost	21,131,837	4,678,938	1,856,691	151,941	167,925	1,279,985	8,111,371	19,100	381,216	12,658,888		40,631,802
Accumulated depreciation	(5,575,875)	(2,588,100)	(573,985)	(197,829)	(159,130)	(859,113)	(5,035,884)	(10,364)	(230,497)	(3,834,621)		(18,792,336)
Net book value	15,555,962	2,898,838	476,706	44,272	8,787	619,982	3,075,487	706	141,719	8,825,007		30,839,467
Year ended June 30, 2025												
Opening Net Book Value	15,555,962	2,898,838	476,706	44,272	8,787	619,982	3,075,487	706	141,719	8,825,007		30,839,467
Additions	1,153,141	183,900	-	-	-	79,900	1,066,889	-	22,645	-	438,314	2,968,899
Depreciation Charge	(1,656,596)	(413,821)	(98,081)	(6,641)	(1,310)	(103,410)	(1,163,583)	(106)	(22,955)	(1,321,751)	(54,914)	(4,744,368)
Disposal												
Adjustment												
Net Book Value	14,090,366	2,838,958	561,515	37,631	7,469	595,572	3,002,524	600	141,406	7,591,256	384,400	29,063,799
As at June 30, 2025												
Cost	21,131,837	5,832,879	1,234,591	151,941	167,925	1,358,985	9,202,878	19,100	483,861	12,658,888	438,314	52,600,501
Accumulated depreciation	(7,131,471)	(3,881,121)	(673,878)	(114,318)	(160,456)	(782,523)	(5,199,446)	(18,500)	(262,453)	(5,151,432)	(54,914)	(23,536,702)
Net book value	14,090,366	2,838,958	561,515	37,631	7,469	595,572	3,002,524	600	141,406	7,591,256	384,400	29,063,799
Rate of depreciation	10%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

Note	2025		2024	
	Rupees	Rupees	Rupees	Rupees
5 Long term deposits				
Security deposits with:				
National Clearing Company of Pakistan Limited		1,200,000		1,200,000
Pakistan Stock Exchange Limited		200,000		200,000
Mobile phones		20,000		20,000
	1,420,000		1,420,000	
6 Long term investment				
ISE REIT Management Company Limited - unquoted - FVTOCI	6.1	68,460,644		63,969,431
ZLK Islamic financial services - subsidiary - unquoted	6.2	17,906,703		19,999,600
	86,367,347		83,969,031	

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6.1 Pursuant to the promulgation of the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 (The Act) the ownership in a Stock Exchange has been segregated from the right to trade on the Exchange. Accordingly, the company has received equity shares of ISE and Trading Right Entitlement Certificate (TREC) in lieu of membership card of ISE. The company entitlement in respect of ISE shares is determined on the basis of valuation of assets and liabilities of ISE as approved by SECP and the company has been allotted 3,034,603 shares of the face value of Rs 10/- each. These includes 60% shares of ISE, held in separate CDC blocked account to restrict the sale of these shares by the members whereas stock exchange will dispose off these shares under the provisions of the Act, however the proceeds of these shares and right to dividend/bonus are vested with the company whereas voting rights attached to these shares are suspended.

The company has recorded a surplus of Rs. 30.746 million on conversion of membership card of ISE to shares and TREC in the equity through profit and loss account during the year 2014-2015.

In absence of an active market for these shares, the company has taken has valued them at Rs.22.56/share (2024: 21.08/share), which is the value approved by the Board of Directors of PSX and intimated to SECP for the base minimum capital. This fact indicates an acceptable level of value for ISE REIT shares which is also used by the stock exchange for risk management and to safeguard investors' interest. The related deferred tax has not been provided on unrealized gain since the market value taken here is break up value as per accounts of investee and its real market value is not available however some recent transactions these shares privately have been made at below cost.

6.2 This represents 99.99% investment in paid up capital of ZLK Islamic Financial Services (Private) Limited (249,996 shares of Rupees 100 each).

		2025	2024
	Note	Rupees	Rupees
7 Intangible assets			
TREC - Pakistan Stock Exchange	8.1	2,500,000	2,500,000
TREC - Pakistan Mercantile Exchange		750,000	750,000
		<u>3,250,000</u>	<u>3,250,000</u>

7.1 In the absence of an active market for TREC, the company has taken the cost of TREC at Rs 2.5 million, which is the value approved by the Board of Directors of ISE and intimated to SECP. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investors' interest.

		2025	2024
	Note	Rupees	Rupees
8 Deferred tax asset/(liability)			
Tax credits		-	6,509,234
Provision for expected credit loss		4,845,045	4,528,186
Property and equipment - liability		(505,911)	(221,732)
Tax losses		<u>605,684</u>	<u>5,581,671</u>
		<u>4,945,018</u>	<u>16,397,358</u>

8.1 Deferred tax has been provided at 29% and charged to statement of profit or loss.

8.2 Movement in Deferred Tax Balances

	As at 1st July 2024	Statement of Changes in Equity	Statement of profit or loss	As at 30th June 2025
	Rupees	Rupees	Rupees	Rupees
Differences in tax and accounting bases of assets	(221,732)	-	(284,179)	(505,911)
Tax credit	6,509,234	-	(6,509,234)	-
Provision for expected credit loss	4,528,186	-	316,660	4,845,045
Taxable Losses	5,581,671	-	(4,975,787)	605,684
	<u>16,397,358</u>	<u>-</u>	<u>(11,452,340)</u>	<u>4,945,018</u>

		2025	2024
	Note	Rupees	Rupees
8.3 Tax credits and losses will expire as follows			
	year of expiry		
Losses:	2029	2,089,256	15,068,631
Tax credits:	2034	-	3,687,366
	2029	-	1,909,757
	2028	-	804,564
	2027	-	107,546

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		2025	2024
9	Short term investment		
	Financial assets at fair value through profit or loss		
	Investment in quoted equity securities	849,899,334	266,452,523
		<u>849,899,334</u>	<u>266,452,523</u>
10	Trade receivables		
	Trade debts	189,607,817	165,931,946
	Less: Provision for bad debts	(16,707,052)	(15,614,433)
		<u>172,900,764</u>	<u>150,317,513</u>
10.1	Movement in provision for expected credit loss		
	Balance at beginning of the year	15,614,433	14,220,495
	Charged during the year	1,092,619	1,393,938
	Balance at end of year	<u>16,707,052</u>	<u>15,614,433</u>
11	Advances and prepayments		
	Advances - considered good		
	To Staff against Salary - secured	7,411,328	7,806,232
	Advance to Supplier	212,500	191,000
	Advance for purchase of building - unsecured	28,876,200	28,876,200
	Advance for purchase of car	2,000,000	-
	Prepayments	566,692	-
		<u>39,066,720</u>	<u>36,873,432</u>
12	Deposits and other receivables		
	Deposits		
	Withholding Income taxes	1,424,182	1,424,182
	Security Deposits	594,000	460,000
	Margin deposit - Pakistan Stock Exchange Limited	42,423,079	19,148,668
	Security deposit - Central Depository Company of Pakistan	75,000	75,000
	Clearing Deposit with PMEX	6,217,077	5,256,113
		<u>50,733,338</u>	<u>26,363,963</u>
	Other receivables		
	Due from National Clearing Company of Pakistan Limited	9,074,265	4,642,323
	Other Receivables	3,650,966	1,139,216
		<u>12,725,231</u>	<u>5,781,539</u>
		<u>63,458,569</u>	<u>32,145,503</u>
12.1	Withholding income taxes		
	Opening withholding tax	1,424,182	2,856,371
	Adjusted during the year - tax	(10,646,805)	(5,689,282)
	Adjusted during the year - levies	(3,114,973)	(2,355,538)
	(Paid)/ withheld during the year	13,761,777	6,612,632
		<u>1,424,182</u>	<u>1,424,182</u>
13	Cash and bank balances		
	Cash in hand	697,124	688,837
	Cash at bank - current accounts	290,489,426	222,808,524
	Cash at bank -savings account	116,400,875	-
		<u>407,587,426</u>	<u>223,497,361</u>



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		Note	2025 Rupees	2024 Rupees
14 Share capital and reserves				
Authorized:				
3,000,000 (2024: 1,870,000) ordinary shares of Rs. 100/= each			<u>300,000,000</u>	<u>187,000,000</u>
Issued, subscribed and paid up:				
1,870,000 (2024: 1,870,000) ordinary shares of Rs. 100/= each in cash			<u>187,000,000</u>	<u>187,000,000</u>
			<u>187,000,000</u>	<u>187,000,000</u>
Opening No of shares			<u>1,870,000</u>	<u>1,100,000</u>
Shares Issued				<u>770,000</u>
Closing no of shares			<u>1,870,000</u>	<u>1,870,000</u>
15 Accrued and other liabilities				
Trade Payables			<u>449,525,078</u>	<u>242,575,241</u>
Other liabilities			<u>5,210,567</u>	<u>2,419,950</u>
Sales Tax/FED Payable			<u>2,766,646</u>	<u>1,188,183</u>
Commission payable			<u>4,547,984</u>	<u>3,125,275</u>
Audit fee payable			<u>550,000</u>	<u>450,000</u>
CGT payable				<u>3,654,401</u>
Unclaimed dividend			<u>7,598,599</u>	<u>7,598,599</u>
Withholding tax payable			<u>657,550</u>	<u>340,928</u>
Levies payable				
			<u>470,856,424</u>	<u>261,352,577</u>
		Note	2025 Rupees	2024 Rupees
16 Accrued interest				
MCB Bank Limited			<u>2,404,975</u>	<u>2,885,102</u>
Bank Al Habib			<u>915,539</u>	
JS bank			<u>3,321,370</u>	<u>7,333,643</u>
			<u>6,641,884</u>	<u>10,218,745</u>
17 Short term bank borrowings				
Muslim Commercial Bank Limited	17.1		<u>70,927,554</u>	<u>59,260,919</u>
JS bank Limited	17.2		<u>89,578,465</u>	<u>130,868,310</u>
Bank Al Habib	17.3		<u>197,315,984</u>	
			<u>357,822,002</u>	<u>190,129,229</u>

17.1 The facility with MCB Bank Limited is available to the tune of Rs. 10 million (2024 : 10 million) against Shares running finance-1(RF-I)

RF - I TPMR (3 Months Kibor + 2.75% p.a.)
SMR (TPMR + 5%) (whichever is higher)

These facilities are secured by way of:

Running Finance - I

- Personal guarantees of all the directors covering the entire exposure;
- Pledge of activity traded shares in marketable lots (trading at not less than par value) of eligible listed companies registered with CDC as per MCB's eligible list for financing against shares.

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These facilities are secured by way of:

Running Finance - I

- Personal guarantees of all the directors covering the entire exposure;
- Collateral: Registered mortgage of Rs 0.1 million and rest through equitable mortgage of residential property plot no.07 & 09,Street 13,Sector C ,DHA phase 1,Islamabad 1533.02 sq. yard as per site. Although entire area is mortgaged but 1000 sq. yards will be considered for collateral coverage.

17.2 Following Facilities are available from JS Bank:

The Running facility (RF-I) is available to the tune of Rs. 100 million (2024 : 100 million) against JS bank RF at the markup of:

SMR(3 months Kibor + 550 bps)
TMPR (3 month Kibor + 250 bps)

These facilities are secured by way of:

- Pledge of shares with minimum 35% margin on shares to be governed by the JSBL list duly approved by BRMC of JSBL. The shares will be pledged and held under CDC subaccount with JSBL.
- Personal guarantees of the directors along with PNWS.

The Running facility (RF-II) is available to the tune of Rs. 100 million (2024 : 100 million) as per approved margin against JS bank RF at the markup of:

SMR(3 months Kibor + 575 bps)
TMPR (3 month Kibor + 275 bps)

These facilities are secured by way of:

- TRM of Rs 100,000/- & remaining through EM over commercial property located at Office no.803 ,8th floor ,Plot No.55-B known as Islamabad stock exchange tower(ISE),Jinnah Avenue, Blue Area, Islamabad
- Personal guarantees of the directors along with PNWS.

18.3 Following Facility is available from Bank Al Habib:

The Running facility is available to the tune of Rs. 250 million (2024 : Nil) against Bank Al Habib RF at the markup of:

SMR(3 months Kibor + 2%)
TMPR (12 month average Kibor + 2%)

These facilities are secured by way of:

- Pledge of shares of listed companies(duly registered with SECP) quoted at Stock Exchange as per Bank's approved list(in Company's &/or Director's name) @ Bank's approved margin.
- Pledge of below mentioned unapproved shares (in Company's &/or Director's name) @ 50% margin. Aggregate/cumulative exposure against all unapproved shares not to exceed Rs 100 Mn at all times & maximum per script exposure against all unapproved shares shall not exceed @ 20% i.e.: Rs 100 Mn.
 1. Pakistan Telecommunication Company (PTC)
 2. Ghani Global Glass Limited (GGGL)
 3. Ghani Global Holdings Limited (GGL)
 4. The Organic Meat Company Limited (TOMCL)
 5. Citi Pharma Limited (CPHL)
 6. Sui Southern Gas Company Limited (SSGC)
 7. Airlink Communication Limited (AIRLINK)
- Personal guarantees from all directors.
- Personal guarantee from Mr. Muhammad Munir Khanani.

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		2025 Rupees	2024 Rupees
	Note	2025 Rupees	2024 Rupees
18 Provision for taxation			
Opening provision			
Tax expense during the year		26,127,134	5,689,282
Adjusted against advance tax/paid		(10,646,805)	(5,689,282)
Closing provision		<u>15,480,329</u>	-
19 Contingencies and commitments			
Contingencies:			
There are no contingencies as at year end.			
Commitments:			
Currently there are no commitments against the company in foreseeable future.			
20 Revenue		2025 Rupees	2024 Rupees
Securities brokerage		255,999,495	150,307,405
Dividend		20,964,846	6,272,394
IPO commission			137,667
Commodity brokerage		9,617,475	26,918,228
Profit on Margin Deposit		3,321,176	3,811,448
Federal Excise Duty		(35,934,436)	(24,445,060)
		<u>253,968,556</u>	<u>163,002,082</u>
21 Un realized gain on remeasurement of investments at fair value-through profit or loss			
Quoted Securities		320,589,644	(25,398,492)
Unquoted Securities			-
		<u>320,589,644</u>	<u>(25,398,492)</u>
21.1 Quoted Securities			
Market value of investment in shares(Quoted Securities)		849,899,334	266,452,523
Less: Cost of investment		(529,309,690)	(291,851,015)
		<u>320,589,644</u>	<u>(25,398,492)</u>
21.2 Un quoted Securities			
Market value of investment in shares		68,460,644	63,969,431
Less: Cost of investment		(63,969,431)	(62,391,438)
		<u>4,491,212</u>	<u>1,577,994</u>
22 Direct Expenses			
Staff salaries and benefits		57,441,616	43,331,253
Commission		22,958,001	16,131,547
Directors' remuneration		6,823,576	4,480,010
Investor protection fund		136,091	109,238
Central Depository Company expense		3,752,814	3,301,006
ISEL/LSEL/NCCPL trading fee		6,878,182	4,318,245
Depreciation		4,744,366	4,970,088
Utilities - Internet		1,181,741	1,053,508
Utilities - Telephone		1,985,652	1,426,896
		<u>105,902,039</u>	<u>79,121,792</u>

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ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

		2025 Note	2024 Rupees
23	Operating expenses		
Utilities - Other		5,874,183	5,616,752
Rents, Rates & Taxes		8,840,133	8,465,344
Entertainment		4,229,970	3,645,650
Fee and subscription		4,554,817	5,822,422
Miscellaneous		3,238,660	1,916,887
Printing and stationary		440,144	422,952
Postage and telegram		305,699	224,092
Travelling & Conveyance		703,130	667,153
Office repair and maintenance		1,891,969	1,972,772
Audit fee		675,000	450,000
Software expenses		1,610,039	114,663
Newspapers and periodicals		101,705	103,132
Legal and professional charges		25,481	319,000
Vehicle running and maintenance		2,502,058	3,006,155
Welfare Committee		140,000	96,000
Advertisement		162,310	2,377,643
Insurance		294,221	306,253
Provision for expected credit loss		1,092,619	1,393,938
Impairment on investment in zlk Islamic		7,092,897	
		<u>43,775,036</u>	<u>36,920,808</u>
24	Financial charges		
Markup on running finance facility		30,892,710	41,039,546
Bank charges		220,724	146,541
		<u>31,113,434</u>	<u>41,186,088</u>
25	Other income		
Markup on delayed car delivery		-	-
Rental Income		333,000	398,000
Profit on debt		19,191,537	28,846,575
Gain on disposal of fixed assets		-	-
		<u>19,524,537</u>	<u>29,244,575</u>
26	Taxation		
Current tax		26,226,407	5,689,459
Prior year		(99,274)	(177)
Deferred		11,452,340	4,025,900
		<u>37,579,474</u>	<u>9,715,183</u>
26.1	Tax assessments have been finalized up to tax year 2024 under the provisions of Income Tax Ordinance, 2001		
26.2	Relationship between tax expense and accounting profit		
Profit before taxation		459,899,936	-
Tax at the applicable rate of 29% (2024: 29%)		133,370,982	-
realized and unrealized capital gain on short term investment		(92,970,997)	-
prior year charge		(99,274)	-
amount transferred to levies		(3,114,973)	-
other miscellaneous items		393,736	-
		<u>37,579,474</u>	<u>-</u>
26.3	Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of alternate taxation under section 113(C) of the Income Tax Ordinance, 2001 last year .		

		2025 Note	2024 Rupees
27	Levies		
Levies		3,114,973	956,944
Current Year		-	-
Prior year		<u>3,114,973</u>	<u>956,944</u>

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ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

28 Financial Instruments and related disclosures

28.1 Financial assets as per statement of financial position

	At Amortized Cost		At Fair Value Through Profit & Loss		At Fair Value Through OCI	
	2025	2024	2025	2024	2025	2024
Long term deposits	1,420,000	1,420,000				
Short term investment			849,899,334	266,452,523		
Long term investments	17,906,703	19,999,600			68,460,644	63,969,431
Trade debts	172,900,764	150,317,513				
Deposits, prepayments and other receivables	62,034,387	30,721,320				
Cash and bank balances	407,587,426	223,497,361				
Loans and advances	7,411,328	7,806,232				
	<u>669,260,608</u>	<u>433,762,027</u>	<u>849,899,334</u>	<u>482,087,732</u>	<u>68,460,644</u>	<u>63,969,431</u>

28.2 Financial liabilities as per statement of financial position

	At Amortized Cost		At Fair Value Through Profit & Loss	
	2025	2024	2025	2024
Trade payables	449,525,078	242,575,241		
Short term bank borrowings	354,463,887	200,347,974		
Accrued and other liabilities	<u>17,907,150</u>	<u>13,593,824</u>		
	<u>831,895,115</u>	<u>456,517,039</u>		

29 Capital Adequacy Level

	Note	2025 Rupees	2024 Rupees
Total Assets		1,657,958,978	845,162,188
Less: Total Liabilities		(850,800,639)	(461,700,552)
Less: Revaluation reserves (created upon revaluation of fixed assets)		-	-
		<u>807,158,338</u>	<u>383,461,636</u>

Note:-

While determining the Value of total assets of the TREC Holder, Notional Value of the TREC Certificate held by the Zahid Latif Khan Securities (Pvt.) Ltd as determined by Pakistan Stock Exchange has been considered.

30 Information required by regulation 34 of Securities Broker Regulations 2016

a)	Customer shares in the central depository system	2025	2024
	Customer's cash in bank account - PKR	240,332,050	211,557,138
b)	Securities pledged with financial institutions-customer	406,667,848	222,625,797
	Securities pledged with financial institutions-house	6,440,400	1,907,841
c)	Income from dividends	20,964,846	6,272,394
d)	Pattern of shares:		
	Zahid Latif Khan (CEO/Director)	1,869,000	1,869,000
	Ajmal Sultan (Director)	500	500
	Muhammad Atif Khan (Director)	500	500
	Total no of shares	1,870,000	1,870,000
e)	Changes in shareholding : Shares Issued to Zahid Latif Khan		770,000
f)	Trade and other receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the statement of profit or loss.		
g)	Aging analysis of amount due from customers		
	Due not more than 5 days - PKR	11,315,398	11,590,014
	Due more than 5 days - PKR	178,292,419	154,341,932

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ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

31 Remuneration of Chief Executive Officer and Director

	2025			2024		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	Rupees					
Managerial remuneration		4,480,010	6,570,024		4,480,010	6,570,024
Bonus		1,066,945	731,000		1,066,945	731,000.00
Commission	4,281,818			4,281,818		
	<u>4,281,818</u>	<u>5,646,955</u>	<u>7,301,024</u>	<u>4,281,818</u>	<u>5,646,955</u>	<u>7,301,024</u>
Number of person	1	3	3	1	3	3

32 Financial Instruments

32.1 Financial risk analysis

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (foreign currency risk, price risk and interest/mark-up rate risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse affect 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.

32.1.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. 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 ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

Credit risk of the Company mainly arises from deposits with banks and financial institutions, trade debts, receivable against margin financing, short term loans, 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 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. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors.

The carrying amount of financial assets represent the maximum credit exposure at the reporting date, are detailed as follows:

	2025 Rupees	2024 Rupees
Long term Investment	86,367,347	83,969,031
Long term deposit and advances	1,420,000	1,420,000
Short term Investment in equity securities - quoted	849,899,334	266,452,523
Trade Receivables	172,900,764	150,317,513
Deposits and other receivables	63,458,569	32,145,503
Advances	39,066,720	36,873,432
Cash and bank balances	407,587,426	223,497,361
	<u>1,620,700,160</u>	<u>794,675,363</u>



ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024		
	Gross Carrying amount	Provision for expected credit	Gross Carrying amount	Provision for expected credit
Not passed due				
Past due 1 day to 30 days	171,789,399.22	-	149,723,184	-
Past due 31 days to 180 days	1,111,365.06	-	2,223,815	-
Past due 181 days to 365 days	-	-	529,058	-
More than a year	16,707,052.27	-	13,455,889	-
	189,607,816.55	-	165,931,945	-

The credit quality of Company's liquid funds can be assessed with reference to external credit ratings as follows:

Banks / other institutions	Short term credit rating	Rating agency	2025	2024
			2025	2024
Bank Al-Falah Limited	A-1+	PACRA	30,391,993	9,968,627
Bank Al-Habib Limited	A-1+	PACRA	201,030,515	536,165.25
JS Bank Limited	A-1+	PACRA	94,979,117	147,687,155
MCB Bank Limited	A-1+	PACRA	80,488,677	64,616,576
ISE Reit Management Co. Ltd.	A1	PACRA	68,460,644	63,969,431

33	Number of employees	2025	2024
	At year end	49	49
	Average	49	44
34	Liquid capital balance	2025	2024
	Liquid capital balance-as per Annexure A	Rupees	Rupees
		139,465,788	275,049,072
35	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. Consequently, differences may arise between the carrying value and the fair value estimates. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows: - quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1); - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and - inputs for the asset or liability that are not based on observable market data (level 3). The level in the fair value hierarchy within which the fair value measurement of a financial instrument is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement of that financial instrument.

	As at June 30, 2025			As at June 30, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Financial Assets at Fair Value Through Profit and Loss						
Quoted Shares	849,899,334			266,452,523		
Financial Assets at Fair Value Through Other Comprehensive Income						
ISE REIT Shares-Unquoted	68,460,644			63,969,431		



ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

36 Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The proportion of borrowings to equity at the year end was:

	2025	2024
	Rupees	Rupees
Total Borrowings	364,463,887	200,347,974
Total Equity	807,158,338	383,461,636
	<u>1,171,622,225</u>	<u>583,809,611</u>
Gearing Ratio	45%	52%

37 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2025		Total	
	Liabilities from financing activities			
	Share deposit Money	Long term loan		
		Bank		
Balance as at July 01, 2024	73,247,375	190,129,229	263,376,604	
Increase in share deposit money - In cash	-	-	-	
Increase in share deposit money - In kind	-	-	-	
Increase in shares issued	-	-	-	
Long term loan repaid	-	167,692,773	167,692,773	
Balance as at June 30, 2025	<u>73,247,375</u>	<u>357,822,002</u>	<u>431,069,377</u>	

	2024		Total	
	Liabilities from financing activities			
	Share deposit Money	Short term borrowing loan		
		Bank		
Balance as at July 01, 2024	65,000,000	138,267,232	203,267,232	
Increase in share deposit money - In cash	12,000,000	-	12,000,000	
Increase in share deposit money - In kind	73,247,375	-	73,247,375	
Increase in shares issued	(77,000,000)	-	(77,000,000)	
Long term loan repaid	-	51,861,997	51,861,997	

38 Related party transactions and relationships

The related party comprise of members, associated undertakings and senior management.

	2025	2024
	Rupees	Rupees
Shares issued to Zahid Latif khan - Chief executive officer	-	77,000,000
Share deposit money Zahid Latif khan - Chief executive officer	-	69,500,000

39 Date of authorization for issue

These financial statements were authorized for issue on 07-OCTOBER-2025 by the Board of Directors of the Company.

40 General

Figures have been rounded off to the nearest rupee

DIRECTOR

DIRECTOR

Monthly statements of liquid capital with the Commission and the securities exchange

Zahid Latif Khan Securities (Pvt) Ltd

Computation of Liquid Capital

AS ON : 30-June-25

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	29,063,799	100	
1.2	Intangible Assets	3,250,000	100	
1.3	Investment in Govt. Securities (150,000*99)			
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.				
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.				
Investment in Equity Securities				
1.5	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. (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	849,899,334	391,909,508	457,989,826
ii. If unlisted, 100% of carrying value.				
1.6	Investment in subsidiaries	68,460,644	100	
Investment in associated companies/undertaking				
1.7	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	17,906,703	100	
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.	1,420,000	100	
1.9	Margin deposits with exchange and clearing house.	48,640,156		48,640,156
1.10	Deposit with authorized intermediary against borrowed securities under SLB.			
1.11	Other deposits and prepayments	32,111,892	100	
Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(NII)				
1.12	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		100	
1.13	Dividends receivables.			
Amounts receivable against Repo financing.				
1.14	i. Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)			
i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months				
1.15	ii. Advance tax to the extent it is netted with provision of taxation.	7,411,328		7,411,328
iii. Receivables other than trade receivables				
Receivables from clearing house or securities exchange(s)				
1.16	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.			
claims on account of entitlements against trading of securities in all markets including MtM gains.				
Receivables from customers				
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.				
i. Lower of net balance sheet value or value determined through adjustments.				
ii. In case receivables are against margin trading, 5% of the net balance sheet value.				
ii. Net amount after deducting haircut				
iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,				
iii. Net amount after deducting haircut				

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1.17	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	11,315,398		11,315,398
	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. v. Lower of net balance sheet value or value determined through adjustments	178,292,419	106,023,085	72,269,334
	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; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. vi. Lower of net balance sheet value or value determined through adjustments		100	
	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts ii. Bank balance-customer accounts iii. Cash in hand	222,453 406,667,848 697,124		222,453 406,667,848 697,124
1.19	Subscription money against investment in IPO/ offer for sale (asset) ,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	1,669,721,012		1,015,711,914
2. Liabilities				
2.1	Trade Payables i. Payable to exchanges and clearing house ii. Payable against leveraged market products iii. Payable to customers	30,127 449,525,078		30,127 449,525,078
2.2	Current Liabilities i. Statutory and regulatory dues ii. Accruals and other payables iii. Short-term borrowings iv. Current portion of subordinated loans v. Current portion of long term liabilities vi. Deferred Liabilities vii. Provision for taxation viii. Other liabilities as per accounting principles and included in the financial statements	3,424,196 24,518,907 357,822,002 15,480,329		3,424,196 24,518,907 357,822,002 15,480,329
2.3	on-Current Liabilities i. Long-Term financing ii. Staff retirement benefits iii. Other liabilities as per accounting principles and included in the financial statements		100	
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases			100
2.4	Subordinated Loans i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: ii. Subordinated loans which do not fulfill the conditions specified by SECP			
2.5	Total Liabilities	850,800,639		850,800,639
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 financees. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities			



	Concentration in securities lending and borrowing			
3.2	<p>The amount by which the aggregate of:</p> <p>(i) Amount deposited by the borrower with NCCPL</p> <p>(ii) Cash margins paid and</p> <p>(iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed</p> <p>(Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)</p>			
3.3	<p>Net underwriting Commitments</p> <p>(a) in the case of right issue : if the market value of securities is less than or equal to the subscription price; the aggregate of:</p> <p>(i) the 50% of Haircut multiplied by the underwriting commitments and</p> <p>(ii) the value by which the underwriting commitments exceeds the market price of the securities.</p> <p>In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting</p> <p>(b) in any other case : 12.5% of the net underwriting commitments</p>			
3.4	<p>Negative equity of subsidiary</p> <p>The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary</p>			
3.5	<p>Foreign exchange agreements and foreign currency positions</p> <p>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</p>			
3.6	Amount Payable under REPO			
3.7	<p>Repo adjustment</p> <p>In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities.</p> <p>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.</p>			
3.8	<p>Concentrated proprietary positions</p> <p>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</p>			
3.9	<p>Opening Positions in futures and options</p> <p>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</p> <p>ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met</p>	36,080,966	10,635,479	25,445,487.00
3.10	<p>Short sell positions</p> <p>i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts</p> <p>ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.</p>			
3.11	Total Ranking Liabilities	36,080,966	10,635,479	25,445,487
		782,839,406		139,465,788

Total Assets	1,015,711,914
Total Liabilities	850,800,639
Total Ranking Liabilities	25,445,487
Liquid Capital	139,465,788





**Independent Assurance Report on the Internal Control system of the Futures Brokers
To the members of Zahid Latif Khan Securities (Private) Limited**

1. Introduction

We have undertaken a limited assurance engagement, as required under Regulation 31(6) of the Futures Brokers (Licensing and Operations) Regulations, 2018 (the Regulations) issued by the Futures and Exchange Commission of Pakistan (SECP), to assess whether during the period from 1st July 2024 to 30th June 2025, the Future Broker has, in all material respects:

- a) maintained systems and controls adequate to identify with reasonable accuracy the assets held on behalf of the customer and distinguish such assets from the proprietary assets of the Futures Broker;
- b) implemented an adequate internal control system and compliance function commensurate with the size and nature of services performed by the Futures Broker; and
- c) has established a compliance function that performed its functions with efficiency.

2. Criteria

The criteria against which the Futures Broker's internal control system (including the controls implemented to identify assets held on behalf of the customer and distinguish such assets from the proprietary assets of the Futures Broker) and efficiency of compliance function is evaluated, are the internal controls and compliance procedures set out within the 'Guidelines for the Internal Control System and Compliance Function for the Futures Brokers' (the Guidelines) issued by the PSX read with the Regulations and the Act (the Criteria).

3. Responsibility of the Board of Directors/Management

The management is responsible for establishing and maintaining systems and controls to identify and distinguish assets held on behalf of customers and establishing and maintaining an effective internal control system and compliance function in accordance with the Criteria. This responsibility includes designing, implementing and effectively operating throughout the period, the said systems, controls and compliance function commensurate with the size of the Futures Broker.

3. Limitations

Because of the inherent limitations of internal controls, including the possibility of collusion or management override of controls, material misstatements and significant deficiencies due to fraud or error may not be prevented or detected on a timely basis. Further, our limited assurance conclusion is based on the historical information provided by the management, and projection to future periods of any evaluation or conclusion about the suitability of design and/or operating effectiveness of the internal controls and compliance function would be inappropriate.

Lahore Office:

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Karachi Office:

4. Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 'Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements' and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of work performed

Our responsibility is to express a limited assurance conclusion on the adequacy of systems and controls designed and implemented by the Futures Broker to identify and distinguish the assets held on behalf of the customer, and on the adequacy of internal control system and operation of the compliance function, based on the procedures which we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Statements' issued by the International Auditing and Assurance Standards Board (the standard). The standard requires that we plan and perform this engagement to obtain limited assurance about whether systems over identification and distinguishing of assets held on behalf of customers, adequate internal controls and compliance function as required under the Regulations and explained under the Criteria were suitably designed and operated effectively to achieve the related control and compliance objectives, throughout the period from 1st July 2024 to 30th June 2025.

A limited assurance engagement involves assessing the suitability in the circumstances of Futures Broker's use of the Criteria as the basis for the systems and controls to identify and distinguish assets held on behalf of customers and the basis for internal control system and compliance function, assessing the risks of material misstatement and significant deficiencies due to fraud or error, responding to the assessed risks as necessary in the circumstances, assessing the effectiveness of internal control system and compliance function which commensurate with the size and nature of services performed by the Futures Broker. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures and the procedures performed in response to the assessed risks.

The procedures performed in a limited assurance engagement vary in nature and timing from, and as explained above are less in extent than the reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, the procedures selected were based on our professional judgement. Within the scope of our work, we performed amongst other the following procedures:



- a) Visited the Futures Broker's office and discussed with management, compliance and operations team on the adequacy and effectiveness of internal controls and compliance function in accordance with the Guidelines;
- b) Reviewed the systems documentation, such as manuals, flow charts and job descriptions;
- c) Walkthrough of the internal controls procedures and compliance function procedures to gain understanding of implemented controls and procedures and assess control risks;
- d) Reviewed the reliability of the information and their operating effectiveness;
- e) Enquired from personnel to obtain relevant information or representation that included knowledge, additional information and affirmation regarding the control of procedures and compliance function procedures and corroborating evidence of the control procedures and compliance function procedures;
- f) Inspected, on a sample basis, of the documents and records indicating performance of the control procedures and compliance function including those relating to entity level controls, brokerage operations, finance, fixed assets, trade debts, investments, cash and bank, expenses and information technology;
- g) Evaluated the effect of the findings of the substantive procedures performed on the effectiveness of internal controls and compliance function;
- h) Observed the application or existence of specific control and compliance procedures as represented;
- i) Reviewed the Futures Broker's control and compliance function activities that contribute to the mitigation of risks to an acceptable level;
- j) Reviewed the Futures Broker's general control and compliance function activities over technology to support the achievement of objectives; and
- k) Re-performed, on a sample basis, the control or processing application of the control procedures and compliance function procedures to check the accuracy of their operation.

The procedures performed are related to the reporting period from 01 July 2023 to 30 June 2024 and did not extend to any assertions made by Futures Broker regarding events subsequent to the period end. Further, the procedures included the review to the extent where such compliance can be objectively verified; and the authenticity of documents produced by Futures Broker's was not checked by contacting the respective parties.

6. Limited assurance conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion. Based on our limited assurance engagement, nothing has come to our attention (except for the effect of the matters reported in the paragraph above), that causes us to believe the Futures Broker in accordance with the Criteria, during the period from 1st July 2024 to 30th June 2025, in all material respects:

- (a) has not maintained systems and controls adequate to enable us to identify with reasonable accuracy, the assets held on behalf of the customer and distinguish such assets from the proprietary assets of the Futures Broker;



- (b) has not implemented an adequate internal control system and compliance function commensurate with the size and nature of services performed by the Futures Broker; and
- (c) has established a compliance function that performed its functions with efficiency.

Date: 28 October 2025
Islamabad

Nasir Javaid Maqsood Imran
Nasir Javaid Maqsood Imran
Chartered Accountants
(Muhammad Maqsood FCA)



ZAHID LATIF KHAN SECURITIES (PVT) LTD.

TREC Holder Pakistan Stock Exchange Ltd.
Corporate Member Pakistan Mercantile Exchange Ltd.

Corporate Office: 412, 4th Floor, ISE Towers, 55-B, Jinnah Avenue, Islamabad.
Tele: 051-2894401-5 Email: info@zlksec.com, http://zlk.com.pk/Branches, Web: www.zlksec.com

Pattern of Shareholding as on June 30, 2025

CATEGORIES OF SHAREHOLDERS			SHAREHOLDERS	SHARES HELD	PERCENTAGE
Name	CNIC No.	Categories			
Mr.Zahid Latif Khan	37405-2527999-9	Chief Executive Officer	Sponsor	1869000	99.946
Mr.Muhammad Atif Khan	37405-0606177-3	Director	Minor Shareholder	500	.027
Mr.Ajmal Sultan	61101-1945052-9	Director	Minor Shareholder	500	.027
Executives				NIL	NIL
Public Sector Companies and Corporations			Not Applicable	NIL	NIL
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds			Not Applicable	NIL	NIL
Others		Not Applicable	Not Applicable	NIL	NIL
Total				1870000	100.00

Shareholders holding 5% or more (Substantial Shareholders)

Name	Shares held	Percentage
Mr.Zahid Latif Khan	1869000	99.946

SHABBIR AHMED

Compliance Officer

AJMAL SULTAN
Director

Friday, October 31, 2025



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THE STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE CODE FOR SECURITIES BROKER REGULATIONS 2016

The company has complied with the requirements of the regulations in the following manner:

1. The company establishes an effective board as per following:

1. Mr. Zahid Latif Khan	Executive Director
2. Mr. Muhammad Atif Khan	Executive Director
3. Mr. Ajmal Sultan	Executive Director

All the directors have mandatory skills, competence, knowledge and experience.

2. The Board has formulated a comprehensive policy, code of conduct/ethics to ensure the business continuous success and monitor and assess management's performance.

The Board has devised the policy to make sure the integrity of company's employees, its board and its business with extraordinary focus on moderating market suspicious activities in relations to the market.

In line with the above the board ensures that financials and humans resource is in place. The board has formulated policy and assigned duties and responsibilities to its human resources to handle risk management and compliance issues complaints and grievances and segregation and the same is reported to concerned regulatory authorities in compliance with the specific regulations.

There is no casual vacancy on the board to intimate the Exchange.

The board has appointed the Chief Executive Officer (CEO) to lead the management team, and exercise executive authority over operations of the company.

3. The board meets every six months and ensures that the minutes of the meeting is recorded properly.

4. The board has developed the committees that oversee and ensures timely provision of the policies in place and monitors the activities of different departments.



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The audit committee comprises of following members where it ensures the integrity of financial statements, internal controls and risk management;

1. Mr. Zahid Latif Khan
2. Mr. Muhammad Atif Khan
3. Mr. Ajmal Sultan

One of the member of the audit committee has relevant accountancy qualifications.

5. The board/CEO has appointed qualified management team that have contemporary skills, qualifications and experience.

6. Two of the directors have obtained the director certificate as per director training program.

7. The auditor conducting statutory audits is enlisted with Category "B" of the statement of Pakistan's Panels of Auditors.

8. The details of all related party transactions are placed before the board for review and approval.

9. Financial Statements of the company are prepared within the proposed times of the Exchange and communicated with the relevant authorizes subsequently and accordingly. The financial Statements of the company comprises of following statements;

- I. Director's Report
- II. Annual Audit Financial Statements

There are no transactions entered into by the broker during the year, which are fraudulent, illegal or in violation of any securities market laws.

The quarterly and annual financial statements are approved by the board and CEO.

For and on Behalf of Zahid Latif Khan Securities (Private) Limited.

Director

Canit Branch
28-Al-Amin Plaza,
The Mall,
Rawalpindi-Contt.
Tel. 051-5701150-54

Choklala Branch
61-C, 2nd Floor, Aneek Plaza,
Street-12, Commercial Area,
Choklala Scheme-III, Rawalpindi.
Tel. 051-5500160, 5500162

City Branch
201, 2nd Floor, Dubai Orakzai
Plaza, Murree Road,
Rawalpindi.
Tel. 051-4852800-4852900

Pindi Gheb Branch
Office # 2, Muhammad Ali Market,
Near The Bank of Punjab,
Pindi Gheb, Distt. Attock.
Tel. 0572-352346-7

Wah Contt. Branch
Office # 7, 8 1st Floor
Chaudhry Plaza,
Lala Rukh, Wah Contt.
Tel. 4540400, 4540500

Abbottabad Branch
Room # 1, 2nd Floor, Zaman Plaza,
Near Ayub Teaching Hospital,
Main Mansahra Road, Abbottabad.
Tel. 0992-381792, 380623, 414146

NPF Branch
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NPF Housing Scheme PWD,
Opposite Tehzeeb Bakers, Islamabad.
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