

SETHI SECURITIES (PVT) LTD.

DIRECTORS' REPORT TO THE SHAREHOLDERS 2026

The Board of Director is delighted to present annual report and the financial statements of the company for the year ended June 30, 2026.

OPERATING RESULT

During the year under review, the revenue Rs. 10,943,912/- as compared to last year which was Rs. 6,820,951/-. The position of appropriation is follows:

	2026 Rupees	2025 Rupees
Profit before levies and income tax	36,116,822	36,040,111
Provision for taxation		
Current tax	(650,610)	-
Levies	(2,218,907)	(585,409)
Deferred	(3,435,457)	(5,391,924)
Profit for the year	29,811,847	30,062,778
Accumulated profit	(50,614,191)	(20,802,344)
Income tax paid	3,747,576	1441,872
Earnings per share	3.94	3.98

Remuneration paid to chief executives/ director(s) has been disclosed in note no. 25 to the financial statements.

ACKNOWLEDGEMENT

The board places on record its appropriation of the support of our valued customers. I would like to highlight the hard work put in by the employees of the company.

We are confident they will continue to show more dedication in the days ahead.

UPHWA
Chief Executive



Dated: September 24, 2026

SETHI SECURITIES (PVT) LTD.

Representation letter

Date: 24-Sep-2026
NAEEM AND CO.
Chartered Accountants

Dear Sir,

This representation letter is provided in connection with audit of financial statements of **Sethi Securities (Private) Limited** as of June 30, 2026 for the purpose of expressing an opinion as to whether the financial statements give true and fair view of the financial position of the company in accordance with relevant international accounting standards as applicable in Pakistan.

1. We confirm, to the best of our knowledge and belief, the following representations made to you during your examination of the financial statements of **Sethi Securities (Private) Limited** for the year ended June 30, 2026.
 - a) We acknowledge management's responsibility for the fair presentation in the financial statements of financial position of **Sethi Securities (Private) Limited** in conformity with prescribed accounting practices.
 - b) We acknowledge our responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error.
 - c) We believe that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. Furthermore, the differences identified by the auditors during the course of audit are immaterial to overall financial statements.
 - d) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
 - e) Management has the capability to carry out all the accounting estimates and related assumptions necessary for the preparation and presentation of the financial statements. Further, all the accounting estimates are appropriate under Revised Accounting and Financial Reporting Standards for Small-Sized Entities, and no subsequent adjustments to the accounting estimates and disclosures are further required in financial statements.
 - f) All significant facts relating to any frauds or suspected frauds known to management, if any, that may have affected the entity have been disclosed to you.
 - g) There is no indication that financial statements may be materially misstated as result of fraud based on our assessment of the risk.
2. We are not aware of:

SETHI SECURITIES (PVT) LTD.

- i) Any irregularities involving management or employees who have significant roles in the system of internal accounting control or any irregularities involving other employees which could have material effect on the financial statements; or
 - ii) Any violations or possible violations of laws or regulations whose effect should be considered for disclosure in the financial statements or a basis for recording loss or contingency.
3. All the minutes of board of directors and all financial and supporting documentations have been maintained properly. We are not aware of any accounts, transactions or material agreement not fairly described and properly recorded in the financial and accounting records underlying the financial statements.
 4. We confirm that all information and access have been provided to the auditor as required under Paragraph 11(a) of ISA 580.
 5. We confirm that there is no other information, apart from the audited financial statements, and this has been communicated to the auditor, as required under Paragraph 13(c) of ISA 720.
 6. We acknowledge that there are no known actual or possible litigation and claims, and this has been disclosed to the auditor, in accordance with Paragraph 12 of ISA 501
 7. The financial statements are free of material errors and omissions.
 8. We have no plan or intentions that may materially affect the carrying value or classifications of assets and liabilities reflected in the financial statements.
 9. The financial statements and annexed notes include all disclosures necessary for the fair presentation of the financial position of the company in accordance with prescribed accounting practices and disclosures otherwise required to be included therein by laws and regulations to which the company is subject.
 10. The company has satisfactory title to all assets whether movable or immovable.
 11. There have been no events subsequent to period end, which require adjustment of, or disclosure in the financial statements or notes thereto.
 12. The financial statements and appended notes include all the disclosure necessary for the fair presentation of the balance sheet and results of operations of the company in accordance with prescribed accounting practices, and disclosures otherwise required to be included therein by the laws and regulations to which the company is subject. The following have been properly recorded or disclosed in the financial statements as at June 30, 2024. There are no:

TREC Holder (268) Pakistan Stock Exchange Ltd.

112, 1st Floor Stock Exchange Building 19-Khayaban-e-Awan-e-Iqbal Lahore. 54000 (Pakistan) Ph: 36371915, 36371919, 36371925, 36365756
Fax: 92-42-36368113 PBX: 36368000, 36368333, Telex: 44821-Stok Pk, 47787-Stok Pk Gram: LAHORE STOK.

Website: sethisecurities.com Email: sethisecurities268@gmail.com

SETHI SECURITIES (PVT) LTD.

- i) Share capital repurchase options or agreements for options, warrants, conversions, or other requirements.
- ii) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line of credit or similar arrangements.
- iii) Other agreements not in the ordinary course of business.

13. No matters or occurrences have come to our attention up to the present time which materially affect the financial statements or disclosures for the year ended June 30, 2026 or although not affecting such financial statements or disclosures, have caused or are likely to cause any material change, adverse or otherwise, in the financial statements or results of operations of the company.

Yours sincerely,

VP/HRM



Chief Executive Officer

S. G. G. G.



Chief Financial Officer

TREC Holder (268) Pakistan Stock Exchange Ltd.

112, 1st Floor Stock Exchange Building 19-Khayaban-e-Awan-e-Iqbal Lahore, 54000 (Pakistan) Ph: 36371915, 36371919, 36371925, 36365756
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SETHI SECURITIES (PVT) LTD.

DATED: September 24, 2026

BOARD RESOLUTION PASSED BY THE BOARD OF DIRECTORS THROUGH CIRCULATION SETHI SECURITIES PRIVATE LIMITED

APPOINTMENT OF EXTERNAL AUDITOR FOR THE YEAR ENDED JUNE 30, 2027

Resolved that M/S Naeem and Co Chartered Accountants to be appointed as external auditor of the Company for the year ending June 30, 2027 on the remuneration to be decided by the members of the Company.



Chief Executive Officer

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112, 1st Floor Stock Exchange Building 19-Khayaban-e-Awan-e-Iqbal Lahore. 54000 (Pakistan) Ph: 36371915, 36371919, 36371925, 36365756

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SETHI SECURITIES (PVT) LTD.

Statement of Compliance For the Year Ended June 30, 2026.

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

- The financial statements, prepared by the management of the company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards (MSE) , as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom have been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The brokerage house is considered to be a going concern, and there is no reason(s) that the brokerage house is unable to continue as going concern.
- The company is not make any default in any kind of payment of loan, TFC, Sukuk or other instruments.
- The Company has duly complied with the Corporate Governance Code.



Muhammad Ilyas Sethi (Director/CEO)
SETHI SECURITIES(PVT) LTD

SETHI SECURITIES (PVT) LTD.

STATEMENT OF CEO

For the Year Ended June 30, 2026.

I CEO of Sethi Securities hereby undertake that there are no transactions entered into by the broker during the year, which are fraudulent, illegal or in violation of any securities market laws.



Muhammad Ilyas Sethi (Director/CEO)
SETHI SECURITIES (PVT) LTD

TREC Holder (268) Pakistan Stock Exchange Ltd.

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Website: sethisecurities.com Email: sethisecurities268@gmail.com

September 24, 2026

Sethi Securities (Pvt) Limited
Room # 107, 1st Floor 19 • Khayaban-e-Aiwan-e-Iqbal,
Garhi Shahu, Lahore.p

Respected Gentlemen,

AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

We enclose here with three copies of the financial statements duly initialed by us for your consideration and approval. We shall be pleased to sign our report in the present or amended form after:

1. the financial statements have been considered and approved by the Directors and signed by all directors of the firm;
2. The minutes of directors' meeting in which aforementioned financial statements have been approved are received;
3. We have received a letter of representation from the management on the lines of draft enclosed.

We take this opportunity to draw your kind attention to certain accounting and related matters which are set forth in the following paragraphs;

I. RESPONSIBILITIES OF THE DIRECTORS AND AUDITOR IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditor, in a usual examination of financial statements, are explained in International Standard on Auditing – 200. While the auditor is responsible for forming and expressing the opinion on the financial statements, the responsibility for the preparation of financial statements is primarily that of the Entity's management. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of assets of the Entity and prevention and detection of frauds and irregularities. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of accounts and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements.

We would like to inform the Directors that unless we have signed the auditors' report on these financial statements, the same shall remain and be deemed un-audited. Further we draw your kind attention towards following matters requiring immediate action by the entity.

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We have been informed by the management that there were no contingencies and commitments as on the date of the financial statements other than those disclosed in the financial statements.

GENERAL

Finally, we wish to place on record our appreciation for the co-operation extended to us during the course of audit. *naeem*

Yours truly



NAEEM & CO.
Chartered Accountant



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SETHI SECURITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements **SETHI SECURITIES (PRIVATE) LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended and notes to the financial statements, including material accounting information 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 purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof confirm 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, 2026 and of the profit and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the 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 (the Code) 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 those 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.

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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 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 IASs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 audit evidence obtained up to the date of our auditor's report. However, future events are conditions may cause the Company to cease to continue as a going concern.

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- 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 those charged with governance and the board of directors, 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 accounts 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 cash flows and the statement of changes in equity 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 accounts and returns;
- Investment 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 Company was in compliance with the requirement of section 78 of the Securities Act 2015 and relevant requirements of the Securities Brokers (Licensing and Operation) Regulation 2016 as of the date on which the statement of financial position was prepared.

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

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Naem & Co.

NAEEM & CO
CHARTERED ACCOUNTANTS

Place: Lahore
Date: September 24, 2026

UDIN: AR202610190axd1H6J8u



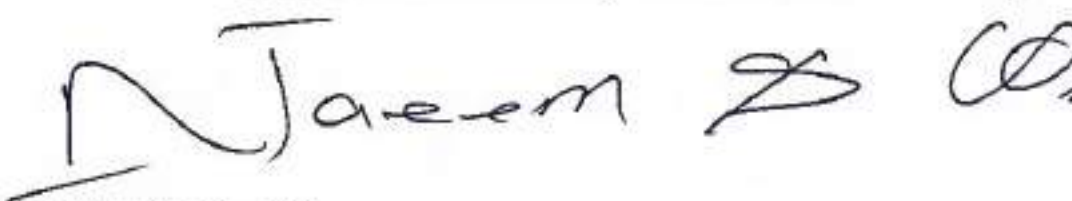
CERTIFICATE OF CAPITAL ADEQUACY LEVEL

We, being the statutory auditor of M/s. Sethi Securities (Private) Limited certify that the following information is correct and authenticated by us after due diligence from our side as at June 30, 2026.

	Note	<u>RUPEES</u>
Total Assets	1	136,347,654
Less: Total Liabilities		1,306,081
Capital Adequacy Level		<u>135,041,572</u>

Note:

1. While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by such Participant as at year ended June 30, 2026 as determined by Pakistan Stock Exchange has been considered.



NAEEM & CO
CHARTERED ACCOUNTANTS



Dated:

Note: Certificate of Capital Adequacy Level is an integral part of the financial statements for the year ended June 30, 2026.

SETHI SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	4,064,574	4,402,358
Intangible assets	5	19,356,698	19,356,698
Long term deposits	6	350,000	350,000
		<u>23,771,272</u>	<u>24,109,056</u>
CURRENT ASSETS			
Short term investments	7	94,866,703	73,624,705
Deposits, prepayments and other receivables	8	10,470,502	5,428,969
Tax refunds due from government	9	2,315,671	1,414,275
Accrued markup		1,263,674	857,614
Cash and bank balances	10	3,659,831	1,876,570
		<u>112,576,382</u>	<u>83,202,134</u>
		<u>136,347,654</u>	<u>107,311,190</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid up capital	11	75,600,000	75,600,000
Revenue reserve			
Accumulated profit		<u>50,614,191</u>	<u>20,802,344</u>
		<u>126,214,191</u>	<u>96,402,344</u>
NON CURRENT LIABILITIES			
Deferred taxation	12	8,827,381	5,391,924
CURRENT LIABILITIES			
Loan from director	13	383,799	4,520,550
Trade and other payables	14	922,282	996,372
Provision for levies and income tax	15	-	-
		<u>1,306,081</u>	<u>5,516,922</u>
CONTINGENCIES AND COMMITMENTS			
	16	-	-
		<u>136,347,654</u>	<u>107,311,190</u>

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

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CHIEF EXECUTIVE



SETHI SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Brokerage and commission	17	10,943,912	6,820,951
Direct costs	18	(1,202,353)	(426,809)
		<u>9,741,559</u>	<u>6,394,142</u>
Operating and administrative expenses	19	(13,744,770)	(12,381,607)
Other income	20	40,229,108	44,661,237
		<u>26,484,338</u>	<u>32,279,630</u>
PROFIT FROM OPERATIONS		<u>36,225,897</u>	<u>38,673,772</u>
Other operating expenses	21	(104,711)	(2,626,254)
Finance cost	22	(4,364)	(7,407)
PROFIT BEFORE LEVIES AND INCOME TAX		<u>36,116,822</u>	<u>36,040,111</u>
Levies	23	(2,218,907)	(585,409)
PROFIT BEFORE TAXATION		<u>33,897,915</u>	<u>35,454,702</u>
Income Tax			
- Current year	24	(650,610)	-
- Deffered Tax	24	(3,435,457)	(5,391,924)
PROFIT FOR THE YEAR		<u>29,811,847</u>	<u>30,062,778</u>

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

CHIEF EXECUTIVE



DIRECTOR



SETHI SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
Profit for the year	29,811,847	30,062,778
Other comprehensive income for the year	-	-
Total comprehensive income for the year	29,811,847	30,062,778

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

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CHIEF EXECUTIVE



[Signature]
DIRECTOR



SETHI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levies and taxation		36,116,822	36,040,111
Adjustments of items not involving movements of cash:			
Depreciation	4.2	473,221	214,426
Realized (gain) / loss on disposal of short term investment	21	(10,610,059)	2,624,427
Gain on disposal of vehicles		(402,137)	-
Unrealized gain on remeasurement short term investment	20	(14,652,818)	(35,295,467)
Dividend Income		(5,274,036)	(3,334,311)
Interest Income		(7,203,186)	(4,264,718)
		<u>(37,669,014)</u>	<u>(40,055,642)</u>
Operating cash flows before working capital changes		(1,552,192)	(4,015,531)
(Increase) / decrease in working capital			
(Increase) / decrease in current assets			
Loan and advances		-	11,000
Deposits, prepayments and other receivables		(5,041,533)	(116,598)
Short term investments		4,020,879	(140,373)
Sales Tax refundable		(23,337)	-
Increase / (decrease) in current liabilities		(74,090)	(495,731)
Trade and other payables		<u>(1,118,081)</u>	<u>(741,702)</u>
Cash used in operations		(2,670,273)	(4,757,233)
Interest received		6,797,126	3,419,495
Levies and taxes paid	9	(3,747,576)	(1,441,872)
Net cash flows generated from / (used in) operating activities	A	<u>379,277</u>	<u>(2,779,611)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in Intangibles		-	(4,996,876)
Additions in property and equipment	4	(933,300)	(3,106,342)
Proceeds from disposal of property and equipment	4.3	1,200,000	-
Dividends received		5,274,036	3,334,311
Long term deposits paid		-	(350,000)
Net cash flows generated from / (used in) investing activities	B	<u>5,540,735</u>	<u>(5,118,908)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from director		(4,136,751)	3,348,769
Net cash (used in) / generated from financing activities	C	<u>(4,136,751)</u>	<u>3,348,769</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	D=A+B+C	1,783,261	(4,549,750)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,876,570	6,426,320
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	<u>3,659,831</u>	<u>1,876,570</u>

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

CHIEF EXECUTIVE



DIRECTOR



**SETHI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026**

Share Capital	Revenue Reserve	Total
Paid up capital	Accumulated profit	

----- (R u p e e s) -----

Balance as at July 01, 2024	75,600,000	(9,260,434)	66,339,566
Profit for the year	-	30,062,778	30,062,778
Balance as at June 30, 2025	75,600,000	20,802,344	96,402,344
Balance as at July 01, 2025	75,600,000	20,802,344	96,402,344
Profit for the year	-	29,811,847	29,811,847
Balance as at June 30, 2026	75,600,000	50,614,191	126,214,191

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

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CHIEF EXECUTIVE



[Signature]
DIRECTOR



SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 COMPANY AND ITS OPERATION

- 1.1** Sethi Securities (PVT) Limited was incorporated as Private Limited Company on June 22, 2007 in Pakistan under the Companies Act, 2017. The company is engaged in the business of share brokerage and investment in securities. The registered office of the company is situated at Room No. 107, 1st Floor, Lahore Stock Exchange Building, 19-Khayaban-e-Ahwan-e-Iqbal, Lahore.
The company is holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

These financial statements have been prepared on accrual basis accounting concept.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

- Useful lives, residual values and depreciation method of property and equipment- **Note 3.1**
- Useful lives, residual values and amortization method of intangible assets- **Note 3.2**
- Valuation of Investment in Quoted shares- **Note 3.3**
- Current income tax expense, provision for current tax and recognition of deferred tax asset- **Note 3.11**
- Estimation of provisions - **Note 3.13**
- Estimation of contingent liabilities- **Note 3.14**

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SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 PROPERTY AND EQUIPMENT

Initial Recognition

All items of property and equipment are initially recorded at cost.

Subsequent measurement

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

Depreciation, Judgments and estimates

Depreciation is charged on reducing balance method at the rates mentioned in the relevant notes to the financial statements. Depreciation on additions is charged from the month in which an asset is ready to use while no depreciation is charged for the month on which an asset is disposed off. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized. 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.

Disposal

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized as income or expense in the statement of profit or loss.

Impairment

The assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized. The Company recognizes the reversal immediately in the statement of profit or loss.

3.2 INTANGIBLE ASSETS

Intangible assets with finite useful life 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 carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount.

Intangible assets with indefinite useful lives are not amortized. These are annually tested for impairment to assess whether these are in excess of their recoverable amounts, and where the carrying amounts exceeds the estimated recoverable amounts, the carrying amounts are written down to the estimated recoverable amounts. Intangible assets with definite useful life are amortized on straight line basis.

3.2.1 Membership card and offices

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

3.3 FINANCIAL ASSETS

Financial assets are classified in the following categories: Held-to-maturity, at fair value through profit or loss, available-for-sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

3.3.1 Held to Maturity

The investments with fixed maturity, if any, that the company has to positive intent and ability to hold to maturity. Held to maturity investments are initially measured at fair value plus transaction costs and are subsequently stated at amortized cost using the effective interest rate method less impairment, if any. These are classified as current and non-current assets in accordance with nature of investment.

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SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2026

3.3.2 At fair value through profit or loss

Investments classified as held for trading are included in the category of financial assets at fair value through profit or loss. These are listed securities that are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.

All investments are initially recognized at cost, being the fair value of the consideration given excluding acquisition charges with the investment. After initial recognition, investments are measured at their fair values. Unrealized gains and losses on investments are recognized in profit or loss of the period.

Fair values of these securities representing listed equity and debt securities are determined by reference to stock exchange quoted market prices at the close of the business on reporting date.

3.3.3 Available-for-sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial recognition at cost, these are premeasured at fair value. The Company uses latest stock exchange quotations to determine the fair value of its quoted investments whereas fair value of investments in un-quoted companies is determined by applying the appropriate valuation techniques. Gains or losses on available-for-sale investments are recognized directly in statement of profit or loss until the investments are sold or disposed-off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously recognized in statement of profit or loss, is re-classified from equity to profit or loss as re-classification adjustment.

3.3.4 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the statement of financial position.

3.4 FINANCIAL LIABILITIES

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

3.5 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.6 LONG TERM DEPOSITS

These are initially stated at cost which represents the fair value of consideration paid. These are subsequently measured at fair value less impairment, if any.

3.7 TRADE DEBTS AND OTHER RECEIVABLES

Trade and other receivables are recognised and carried at transaction price less an allowance for impairment.

A provision for impairment of trade receivables 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 receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

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

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SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

3.8 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

These are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets.

3.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of statement of cash flows; cash and cash equivalents comprise cash in hand, bank balances and running finances. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

3.10 SHARE CAPITAL

Ordinary shares are classified as equity and recognized at their face value.

3.11 TAXATION

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

Current

Provision for current taxation is based on taxable income at the current rates of taxation after considering rebates and tax credits available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed / finalized during the year.

Deferred

Deferred tax is provided using the statement of financial position liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statement. The amount of deferred tax provided is based on the expect manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the financial reporting dates.

The company recognizes a deferred tax asset only to the extent that it is probable that future taxable profit for the foreseeable future will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of all deferred tax assets are reviewed at each financial reporting date and reduced to the extent, if it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Off-setting

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

3.12 TRADE AND OTHER PAYABLES

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

3.13 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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 recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

3.14 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.

3.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.16 REVENUE RECOGNITION

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

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided, and thereby the performance obligations are satisfied.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains/(losses) arising on sale of investments are included in the profit or loss in the period in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Other revenues are recorded, as and when due, on accrual basis.

3.17 RELATED PARTY TRANSACTIONS

Transactions and contract with related parties are carried at arm's length and at market rate. Non-arm's length transactions are made after obtaining the approval from board of directors.

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SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2026

3.18 METHOD OF PREPARATION OF CASH FLOW STATEMENT

The cash flow statement is prepared using indirect method.

3.19 TRADE DATE ACCOUNTING

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

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SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

4 PROPERTY AND EQUIPMENT

2026										
Particulars	Cost				Rate %	Depreciation				W.D.V
	As at July 01, 2025	Additions	Deletions	As at June 30, 2026		As at July 01, 2025	Charge for the year	Adjustment	As at June 30, 2026	As at June 30, 2026
	----- R u p e e s -----					----- R u p e e s -----				
OWNED										
Vehicles	3,475,500	-	(3,000,000)	475,500	10%	2,244,690	87,777	(2,202,137)	130,331	345,169
Office equipment	1,093,203	204,510	-	1,297,713	10%	273,886	93,861	-	367,747	929,966
Furniture and fittings	2,386,842	524,090	-	2,910,932	10%	48,988	256,359	-	305,347	2,605,585
Computers	322,210	204,700	-	526,910	30%	307,833	35,223	-	343,056	183,854
	<u>7,277,755</u>	<u>933,300</u>	<u>(3,000,000)</u>	<u>5,211,055</u>		<u>2,875,397</u>	<u>473,221</u>	<u>(2,202,137)</u>	<u>1,146,481</u>	<u>4,064,574</u>

2025										
Particulars	Cost				Rate %	Depreciation				W.D.V
	As at July 01, 2024	Additions/ (Deletions)	Deletions	As at June 30, 2025		As at July 01, 2024	Charge for the year	Adjustment	As at June 30, 2025	As at June 30, 2025
	----- R u p e e s -----					----- R u p e e s -----				
OWNED										
Vehicles	3,475,500	-	-	3,475,500	10%	2,107,933	136,757	-	2,244,690	1,230,810
Office equipment	341,203	752,000	-	1,093,203	10%	231,184	42,702	-	273,886	819,317
Furniture and fittings	32,500	2,354,342	-	2,386,842	10%	20,182	28,806	-	48,988	2,337,854
Computers	322,210	-	-	322,210	30%	301,672	6,161	-	307,833	14,377
	<u>4,171,413</u>	<u>3,106,342</u>		<u>7,277,755</u>		<u>2,660,971</u>	<u>214,426</u>	<u>-</u>	<u>2,875,397</u>	<u>4,402,358</u>

	Note	Percentage	2026 Rupees	2025 Rupees
4.1 Allocation of Depreciation:				
Operating expenses	19	100%	<u>473,221</u>	<u>214,426</u>

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SETHI SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2026

4.2 Breakup of gain on disposal of fixed assets

Asset	Cost	Carrying amount	Accumulated depreciation	Sale price	Gain on disposal	Particulars of the purchaser	Mode of disposal	Relationship with the purchaser
Vehicle	3,000,000	797,863	2,202,137	1,200,000	402,137	Mr. Ilyas Sethi	Bank	CEO
	<u>3,000,000</u>	<u>797,863</u>	<u>2,202,137</u>	<u>1,200,000</u>	<u>402,137</u>			

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	Note	2026 Rupees	2025 Rupees
5 INTANGIBLE ASSETS			
Rights of room-304		3,359,822	3,359,822
Rights of room-107 LSE		8,500,000	8,500,000
Rights of room-112 North		4,996,876	4,996,876
Trading right entitlement certificate (TREC)	5.1	2,500,000	2,500,000
		19,356,698	19,356,698

5.1 It represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited without any additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on, January 10, 2016 on the consequence of Scheme(s) of integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012.

6 LONG TERM DEPOSITS

Deposits with:

Deposits with Eclear services limited

350,000	350,000
350,000	350,000

7 SHORT TERM INVESTMENTS

Quoted - Shares

Investments in listed securities

7.1	94,866,703	73,624,705
	94,866,703	73,624,705

7.1 Quoted Equity Securities

	2026		2025	
	Cost	Carrying value	Cost	Carrying value
Quoted shares	32,717,223	94,866,704	26,128,043	73,624,705
Investment in quoted shares	32,717,223	94,866,704	26,128,043	73,624,705

7.2 Investment in quoted equity securities

Cost of Investment

Unrealised gain / (loss):

Balance as at July 01

Unrealised gain for the year

32,717,223	26,128,043
47,496,663	12,201,196
14,652,818	35,295,467
62,149,481	47,496,663
94,866,704	73,624,705

Balance as at June 30

7.3 This includes shares having carrying value of Rs. 52,494,925 (2024: Rs. 48,969,581) pledged with National Clearing Company of Pakistan Limited and Pakistan Stock Exchange.

7.4 The shareholders of the LSECL have approved a stock split on November 27, 2025. The par value of ordinary and preference shares was reduced from Rs. 10.00 to Rs. 5.00 per share. The stock split was implemented on December 14, 2025, with a 2:1 ratio.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

7.5 LSE Ventures Limited (LSEVL) recently executed a 2-for-1 stock split to enhance market liquidity and improve accessibility for retail investors. Approved in August 2025, the subdivision reduced the par value of the company's ordinary shares from Rs. 10 to Rs. 5 each. This corporate action, which took effect on the Pakistan Stock Exchange (PSX) on September 1, 2025.

	Note	2026 Rupees	2025 Rupees
8 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Balance due from eclear		9,955,472	4,928,969
Exposure margin with eclear		500,000	500,000
Other receivables		15,030	-
		<u>10,470,502</u>	<u>5,428,969</u>
9 TAX REFUNDS DUE FROM GOVERNMENT			
Levies and income tax refundable	9.1	2,292,334	-
Sales Tax Refunable		23,337	-
		<u>2,315,671</u>	<u>-</u>
9.1 Net movement Levies and income tax			
Opening Balance		1,414,275	557,811
Deducted during the year			
Income Tax		1,577,654	941,725
Levies		2,169,922	500,147
		<u>3,747,576</u>	<u>1,441,872</u>
Adjustment made during the year			
Income Tax		(650,610)	-
Levies		(2,218,907)	(585,409)
		<u>(2,869,517)</u>	<u>(585,409)</u>
		<u>2,292,334</u>	<u>1,414,275</u>
10 CASH AND BANK BALANCES			
These were held as under:			
Cash in hand		8,350	48
Cash at bank:			
Pertaining to brokerage house		3,592,689	1,818,858
Pertaining to clients		58,792	57,663
		<u>3,651,481</u>	<u>1,876,522</u>
		<u>3,659,831</u>	<u>1,876,570</u>

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SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
11 SHARE CAPITAL			
Authorized			
10,000,000 (2024: 10,000,000) ordinary shares of Rs.10 each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid up capital			
7,560,000 (2024: 7,560,000) ordinary shares of Rs.10 each fully paid in cash	11.1	<u>75,600,000</u>	<u>75,600,000</u>
11.1 Pattern of Shareholding:			
Categories of shareholders			
		% age of Shares Held	Number of Shares Held
		2026	2025
Individual			
Mr. Muhammad Ilyas Sethi		99.99%	99.99%
Mr. Hamza Sethi		0.01%	0.01%
		<u>100%</u>	<u>100%</u>
		<u>7,558,920</u>	<u>7,558,920</u>
		<u>1,080</u>	<u>1,080</u>
		<u>7,560,000</u>	<u>7,560,000</u>
11.2 There is no variation in voting rights of shareholders (2024: Same)			
11.3 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the company. All shares rank equally with regard to company's residual assets.			
11.3 Reconciliation of number of shares outstanding	Note	2026	2025
Ordinary shares		-----Number-----	
Number of shares outstanding at the beginning of		7,560,000	7,560,000
Issued for cash		-	-
Issued for consideration other than cash		-	-
Number of shares outstanding at the end of the		<u>7,560,000</u>	<u>7,560,000</u>
	Note	2026	2025
		Rupees	Rupees
12 DEFERRED TAXATION			
Deferred credits/(debits) arising due to:			
Taxable Temporary differences			
Accelerated tax depreciation		-	159,943
Unrealized gain/(loss) on remeasurement of short term investment		9,322,422	7,124,499
Workers welfare fund		-	37,614
		<u>9,322,422</u>	<u>7,322,057</u>

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SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2026

		2026 Rupees	2025 Rupees
Deductible temporary differences			
Minimum taxes carried forward	12.1	(424,256)	(488,418)
Accelerated tax depreciation		(21,795)	-
Un-used tax losses	12.2	-	(857,335)
Alternate Corporate tax	12.3	(48,990)	(190,442)
Capital loss on sale of securities	12.4	-	(393,938)
		(495,041)	(1,930,133)
Net deferred tax liability		8,827,381	5,391,924
Deferred tax asset not recognised		-	-
		<u>8,827,381</u>	<u>5,391,924</u>
Balance as at July 01,		5,391,924	-
Add: Charge for the year		<u>3,435,457</u>	<u>5,391,924</u>
		<u>8,827,381</u>	<u>5,391,924</u>
12.1	Deferred tax asset on minimum taxes will lapse after 2 years of occurrence (2025: 3 years).		
12.2	Deferred tax asset on unused business losses will lapse after 6 years of loss occurred (2025: same) .		
12.3	Deferred tax asset on ACT will lapse after 10 years of occurrence (2025: same).		
12.4	Deferred tax asset on capital losses will lapse after 3 years of occurrence (2025: same).		
13	LOAN FROM DIRECTOR		
Mr Illyas Sethi(un-secured)	13.1	<u>383,799</u>	<u>4,520,550</u>
13.1	This loans was obtained from Mr Illyas Sethi holder of 99.99% shares on interest free basis without the provision of the security,for working capital purposes (2025: same). Loans are repayable within next 12 months on demand of directors (2025: same).		
13.2	Maximum aggregate amount outstanding due to loan from directors at the end of any month during the year was Rs. 1,678,143/- (2025: 4,520,550/-).		
14	TRADE AND OTHER PAYABLES		
Accrued expenses		203,138	639,734
Security deposits	14.1	320,500	175,000
Withholding tax payable		15,120	-
Sales tax payable		149,109	51,933
Punjab workers welfare fund payable	14.2	<u>234,415</u>	<u>129,704</u>
		<u>922,282</u>	<u>996,372</u>
14.1	This represents balance deducted from Employees salaries on monthly basis in respect of bikes provided to them by the Company. This balance will be set of against motor bikes once the amount equals the amount of motor bikes, as these will be transferred in the name of the Employees.		
14.2	WORKERS WELFARE FUND PAYABLE		
Opening Balance		129,704	127,877
Expense recognized during the year	21	104,711	1,827
Payment made during the year		-	-
Closing Balance		<u>234,415</u>	<u>129,704</u>

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SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2026

	Note	2026 Rupees	2025 Rupees
15 PROVISION FOR LEVIES AND INCOME TAX			
Opening balance		-	-
Provision for the year in respect of income taxes and levies		(2,869,517)	(585,409)
Adjusted during the year		<u>2,869,517</u>	<u>585,409</u>
		<u>-</u>	<u>-</u>
16 CONTINGENCIES AND COMMITMENTS			
Contingencies:			
There are no known contingencies as at reporting date (2025: Rs.Nil).			
Commitments:			
The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 5.00 million to Pakistan Stock Exchange (PSX) on behalf of the company for meeting the Base Minimum Capital requirements (2025:same).			
17 BROKERAGE AND COMMISSION			
Retail customers		13,028,467	8,120,179
Less: Sales tax - provincial		<u>(2,084,555)</u>	<u>(1,299,229)</u>
		<u>10,943,912</u>	<u>6,820,951</u>
18 DIRECT COSTS			
Pakistan Stock Exchange Limited		191,800	12,521
Central Depository Company of Pakistan Limited		4,372	8,443
National Clearing Company of Pakistan Limited		920	460
Eclear Services Limited		<u>1,005,261</u>	<u>405,385</u>
		<u>1,202,353</u>	<u>426,809</u>
19 OPERATING AND ADMINISTRATIVE EXPENSES			
Directors' remuneration		3,640,000	3,360,000
Staff salaries and benefits		4,338,883	3,247,300
Rent, rates and taxes		70,000	70,000
Communication and postage		161,169	199,011
Utilities		1,443,988	889,387
Printing and stationery		18,758	38,486
Repair and maintenance		578,590	1,011,728
Legal and professional	19.1	115,920	190,750
Fee and subscription		334,235	270,213
Entertainment		1,164,273	893,672
Depreciation	4.2	473,221	214,426
Travelling and conveyance		993,944	866,610
Charity and donations		166,000	99,300
Medical Expenses		220,243	733,505
Misc		<u>25,546</u>	<u>297,220</u>
		<u>13,744,770</u>	<u>12,381,607</u>

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SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2026

	Note	2026 Rupees	2025 Rupees
19.1 Auditor's remuneration			
This includes statutory audit fee as given below :			
Statutory audit fee		<u>115,920</u>	<u>100,000</u>
20 OTHER INCOME			
Income from financial assets			
Dividend income		5,274,036	3,334,311
Unrealized gain on remeasurement of short term investment	7	14,652,818	35,295,467
Realised gain on disposal of short term investment	7.1	10,610,059	-
Income from disposal of right entitlement		449,081	-
Gain on disposal of vehicle		402,137	-
Interest income		7,203,186	4,264,718
Income from assets other than financial assets			
Balances written back		60,000	626,134
Other income		<u>1,577,792</u>	<u>1,140,608</u>
		<u>40,229,108</u>	<u>44,661,237</u>
21 OTHER OPERATING EXPENSES			
Realised loss on disposal of short term investment	7	-	2,624,427
Punjab workers' welfare fund		<u>104,711</u>	<u>1,827</u>
		<u>104,711</u>	<u>2,626,254</u>
22 FINANCE COST			
Bank charges		<u>4,364</u>	<u>7,407</u>
		<u>4,364</u>	<u>7,407</u>
23 LEVIES			
Levies for the year		<u>2,218,907</u>	<u>585,409</u>
		<u>2,218,907</u>	<u>585,409</u>
23.1 This represents portion of taxes (classified as levies in these financial statements) paid under the provision of Income Tax Ordinance, 2001.			
24 TAXATION			
Income tax:			
- Current		650,610	-
- Deferred		<u>3,435,457</u>	<u>5,391,924</u>
		<u>4,086,067</u>	<u>5,391,924</u>
24.1 Reconciliation between current tax charged under applicable income tax law and its categorization as 'Income Tax' and 'levies' is as follows:			

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SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30,2026

	Note	2026 Rupees	2025 Rupees
Classified as:			
Income tax		650,610	-
Levies		2,218,907	585,409
Expense as per profit and loss		2,869,517	585,409
Deferred tax		3,435,457	5,391,924
		6,304,974	5,977,333

25	NUMBER OF EMPLOYEES	2026 (N u m b e r)	2025
	Total number of employees at the end of year	7	8
	Average number of employees during the year	7	8

- 26 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES
The aggregate amount charged in the financial statements for the year for remuneration to the chief executive, directors and executives of the company is as follows:

	2026	
	Chief Executive	Director
	Rupees	
Managerial remuneration	1,800,000	1,320,000
Number of persons	1	1
	2025	
	Chief Executive	Director
	Rupees	
Managerial remuneration	1,960,000	1,400,000
Number of persons	1	1

27 RELATED PARTY TRANSACTION

All transactions between company and related party are accounted for in the normal course of business. Related parties comprises of directors and their close family members. Transactions with related parties during the year, except for remuneration of key management personnel, are disclosed as follows:

Name	Relationship with party	Percentage of shareholding	Particulars	2026	2025
				Rupees	Rupees
Loan from Director	CEO	99.99%	Opening	4,520,550	1,171,781
			Loan repaid	(7,776,536)	(5,975,782)
			Loan provided	3,639,785	9,324,551
			Closing balance	383,799	4,520,550

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SETHI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

28 FINANCIAL INSTRUMENTS BY CATEGORY		2026	2025
Financial assets and financial liabilities	Note	Rupees	Rupees
Financial assets			
At fair value through profit or loss			
Short term investment	7	94,866,703	73,624,705
		<u>94,866,703</u>	<u>73,624,705</u>
At amortized cost			
Loans and receivables			
Long term deposits	6	350,000	350,000
Deposits, prepayments and other receivables	8	10,470,502	5,428,969
Markup accrued		1,263,674	857,614
Cash and bank balances	10	3,659,831	1,876,570
		<u>15,744,007</u>	<u>8,513,153</u>
Financial liabilities			
At amortized cost			
Loan from director	13	383,799	4,520,550
Trade and other payables	14	922,282	996,372
		<u>922,282</u>	<u>996,372</u>

29 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and better presentation. However, there was no major reclassification to report as at June 30, 2026.

30 EVENTS AFTER THE REPORTING DATE

There were no events after the end of the reporting date that might need reporting in these financial statements (2025: same).

31 GENERAL

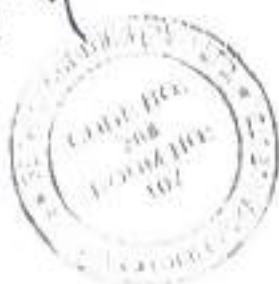
Figures have been rounded off to the nearest of rupee.

32 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 24-SEP-2026 by the Board of Directors of the Company.

NACD

CHIEF EXECUTIVE



DIRECTOR

