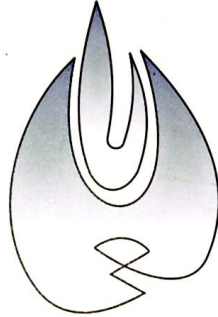


**ISLAMABD EXCHANGE COMPANY (PRIVATE.) LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
DECEMBER 31, 2025**



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**ISLAMABD EXCHANGE COMPANY (PRIVATE.) LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
DECEMBER 31, 2025**

ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

		31-Dec-25	30 June 2025
	Note	----- (Rupees) -----	
ASSETS			
Non-Current Assets			
Property and equipment	4	234,819,946	209,362,850
Intangible assets	5	206,403	222,891
Long term deposits	6	90,000,000	75,000,000
Right of use assets	7	47,000,076	51,548,471
Preliminary expenses	8	-	4,077,467
		372,026,425	340,211,679
Current Assets			
Advances & Prepayment	9	3,973,260	3,973,260
Cash & bank balances	10	294,853,066	216,342,767
		298,826,326	220,316,027
Total Assets		670,852,751	560,527,706
EQUITY AND LIABILITIES			
Share Capital and reserves			
Authorized share capital			
65,000,000 ordinary shares of Rs 10/- each		650,000,000	650,000,000
Issued, subscribed and paid up capital			
55,000,000 ordinary shares of Rs 10/- each fully paid in cash		600,000,000	550,000,000
Share money deposit		76,347,113	14,577,886
Unappropriated Profit/(Loss)		(72,352,793)	(62,563,872)
		603,994,320	502,014,014
Non Current Liabilities			
Deferred tax liability	11	16,140,776	11,747,926
Lease Liability	12	12,016,839	24,033,678
Current Liabilities			
Accrued and other liabilities	13	16,526,980	2,595,250
Current Portion of Lease Liability	12	22,010,883	19,988,089
Provision for taxation	18	162,953	148,749
		38,700,816	22,732,088
Total Equity and Liabilities		670,852,751	560,527,706

Contingencies and Commitments

22

The annexed notes form note 1 to 29 an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
OR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

		31-Dec-25	30 June 2025
	Note	------(Rupees)-----	
Revenue			
Income from exchange Operation	15.1	1,136,300	11,899,888
Administrative expenses	16.1	(32,709,136)	(51,379,555)
Operating Profit/(loss)		(31,572,836)	(39,479,667)
Finance cost	17.1	(4,455,324)	(12,275,573)
Exchange gain/(loss)		588,013	881,653
Profit before taxation		(35,440,147)	(50,873,586)
Taxation	18.1	(4,570,007)	(11,933,197)
Profit/(Loss) for the Period		(40,010,154)	(62,806,784)
Other comprehensive income		30,221,233	-
Total Comprehensive Income/(Loss) for the Period		(9,788,921)	(62,806,784)

The annexed notes form note 1 to 29 an integral part of these financial statements.



CHIEF EXECUTIVE




DIRECTOR

ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

		31-Dec-25	30 June 2025
	Note	------(Rupees)-----	
Cash flows from operating activities			
Profit/(Loss) for the period		(35,440,147)	(50,873,586)
Adjustments for:			
Exchange gain		(588,013)	(881,653)
Depreciation ROU	7	4,548,444	9,096,789
Depreciation PPE	4	4,845,137	4,231,346
Amortization intangible	5	16,488	2,109
Preliminary expenses amortization	8	1,630,987	2,388,736
Interest expense on ROU	12	4,455,003	12,274,601
Operating Profit before working capital changes		(20,532,101)	(23,761,659)
Change in Working Capital			
Advances & prepayments		588,013	15,743,136
Accruals & Other Liabilities		13,931,730	2,155,162
		14,519,743	17,898,298
Tax paid		-	(84,300)
Interest Paid		-	-
Net cash flows (used) in operating activities		(6,012,358)	(5,947,661)
Cash flows from investing activities			
Preliminary expenses		-	-
Long term deposits		15,000,000	-
Purchase of Intangible Assets		-	(225,000)
Purchased of Fixed Assets	4	(81,000)	(208,671,293)
Net cash flows (used) in investing activities		14,919,000	(208,896,293)
Cash flows from financing activities			
Share Capital introduced			50,000,000
Share deposit Money		72,352,793	14,577,886
Rental paid		(2,749,136)	(28,898,094)
Net cash flows (used) in financing activities		69,603,657	35,679,792
Net cash flows during the period		78,510,299	(179,164,162)
Cash & cash equivalents at the beginning of the period		216,342,767	395,506,929
		-	-
Cash & cash equivalents at the end of the period		294,853,066	216,342,767

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The annexed notes form note 1 to 29 an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

PARTICULARS	ORDINARY SHARE CAPITAL	UNAPPROPRIAT ED PROFIT/(LOSS)	TOTAL
	----- PKR -----		
Balance as at July 01, 2024	550,000,000	242,912	550,242,912
Profit/(Loss) for the period	-	(62,806,784)	(62,806,784)
Other comprehensive income for the period	-	-	-
Share money deposit	14,577,886	-	14,577,886
Balance as at June 30, 2025	564,577,886	(62,563,872)	502,014,014
Balance as at July 01, 2025	564,577,886	(62,563,872)	502,014,014
Profit/(Loss) for the period	-	(9,788,921)	(9,788,921)
Revaluation surplus on Building			
Other comprehensive income for the period	-	-	-
Share money deposit	76,347,113	-	76,347,113
Balance as at Dec 31, 2025	640,924,999	(72,352,793)	568,572,206

The annexed notes form note 1 to 29 an integral part of these financial statements.



CHIEF EXECUTIVE





DIRECTOR

ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

1. THE COMPANY AND ITS OPERATIONS

The Islamabad Exchange Company (Pvt) limited was incorporated as Private Limited Company on March 13, 2024 as an unlisted public under the Companies Act, 2017. The Company commenced commercial operations w.e.f May 27, 2024. The company obtained license for commencement of operations from the State Bank of Pakistan (SBP) on April 26, 2024 and commencement of business certificate on May 27, 2024 from the Securities and Exchange Commission of Pakistan (SECP). The principal activity of the company is to deal in foreign currency from/to individuals, exchange companies and banks. The registered office of the company is situated in Dossal Arcade Blue area, Islamabad and the company has a head office, 12 branches. The geographical location and addresses are mentioned in note 22.

- 1.2 The Company operates as an exchange company under category "A" and is engaged in the business of dealing in foreign exchange.
- 1.3 During the year, the Company changed its financial year-end from 30 June to 31 December. Accordingly, these financial statements cover a period of six months from 1 July 2025 to 31 December 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance:

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

- International Financial Reporting Standard (IFRS Standard) 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 Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of accounting:

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies and notes given hereunder.

2.3 Use of estimates & judgments:

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgments made by management in the application of accounting and reporting standards, as applicable in Pakistan, that may have significant effect on the financial statements and estimates that may have a significant risk of material adjustment in the subsequent years are as follows:

- Property, Plant and Equipment (Note 3.1)
- Taxation (Note 3.7)
- Lease (Note 3.3)

2.4 Management Assessment of Going concern

The financial statements are prepared on a going concern basis. However, operations have been suspended since November 2024 due to SBP regulatory violations, with no transactions occurring thereafter. A special audit, directed by SBP, was conducted and confirmed compliance with all required conditions, including enhanced internal controls. Management is implementing the SBP action plan to seek restoration of authorization, but resumption is dependent on SBP approval. No adjustments have been made to reflect potential non-going concern outcomes. The State Bank of Pakistan reinstated the Company's license to operate on December 22, 2025; accordingly, the Company conducted its operations for nine days thereafter.



ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

2.5 Functional and presentation currency:

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. These financial statements are presented in Pakistan Rupee which is the company's functional and presentation currency. Amounts presented in Pakistan Rupee have been rounded off to nearest rupee.

3 NEW STANDARD, INTERPRETATIONS AND AMENDMENTS TO THE PUBLISHED ACCOUNTING STANDARDS

3.1 Standards, amendments and interpretations to published approved accounting standards that are effective but not relevant.

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2024 are considered not to be relevant for the company's financial statements and hence have not been detailed here.

		Effective date (annual reporting periods beginning on or after)
IAS-7	Statement of Cash Flows (Amendments)	01-Jan-26
IAS-21	The effects of changes in foreign exchange rates	01-Jan-26
IFRS-7	Financial Instruments: Disclosures (Amendments)	01-Jan-26
IFRS-9	Financial instruments: Classification and Measurement (Amendments)	01-Jan-26
IFRS-10	Consolidated Financial Statements (Amendments)	01-Jan-26
IFRS-17	Insurance Contracts	01-Jan-26



ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

3 SIGNIFICANT ACCOUNTING POLICIES:

3.1 Property & equipment:

Property and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property and equipment are depreciated over their estimated useful lives using reducing balance method at the rates specified in note 4. Depreciation on additions is charged from the month in which the item of property and equipment is available for use and no depreciation is charged in the month of disposal.

Subsequent costs are included in the property and equipment's carrying amount or recognized as a separate item of property and equipment, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the financial year in which they are incurred. Item of property and equipment is derecognized when disposed off or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal of property and equipment, if any, are recognized in statement of profit or loss as and when incurred.

3.2 Intangible asset

Intangible assets are stated at cost less accumulated amortization and any impairment losses. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the reducing balance method at the rates specified in note 5 to the financial statements. The estimate of useful life and amortization method are reviewed at the end of each financial year with the effect of any changes in estimate being accounted for prospectively. The amortization is charged from the month in which the asset is available for use while no amortization is charged for the month in which that asset is disposed off.

3.2 Cash & cash equivalents:

Cash & cash equivalents are carried in the statement of financial position at nominal amount. For the purposes of statement of cash flows, cash & cash equivalents comprise of cash in hand, balance with banks.

3.3 Lease

The Company recognized leases as a right of use asset and corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant period rate of interest on the remaining balance of the liability for each period. The right-of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

3.4 Right of Use Assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

3.5 Accrued & other liabilities:

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



ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

3.6 Revenue recognition:

Income from Exchange operation are the difference between the cost and selling price of Foreign currency. Income from exchange is recognized at the time of each transfer occurs on transfer date basis or/and the end of each reporting period with revaluation of foreign exchange position takes place.

3.7 Deferred cost:

As allowed by SBP, pre-operating/preliminary expenses are included in deferred costs, and these are amortized over a maximum period of three years on a straight-line basis from the date of commencement of business.

3.7 Taxation:

Current

Provision for the current taxation is based on taxability of certain income streams of the Company under presumptive tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime, after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is provided using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the statement of financial position date. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.8 Foreign Currencies

Transactions in currencies other than Pakistani Rupees are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the financial position date. Gains and losses on translation are taken to statement of profit and loss.

3.9 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. A financial asset is derecognized when the Company loses control of the contractual rights that comprise the financial assets or a portion of the financial assets, while a financial liability or part of a financial liability is derecognized when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of the financial assets and liabilities is taken to the statement of profit or loss currently.



ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

3.10.1 Financial Instruments-Initial Recognition and subsequent measurement

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 or amortized cost, as the case may be.

3.10.2 Classification of financial assets

The company classifies its financial statement in the following categories

- at fair value through profit or loss ("FVPL")
- at fair value through other comprehensive income ("FVOCI")
- at amortized cost

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

Financial assets that meet the following conditions are subsequently measured at amortized cost

- The financial assets 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 assets give rise on specified date to cash flows that are solely payments of principle and interest on the principle amount outstanding

By default, all other financial assets are subsequently measured at FVPL

3.10.3 Classification of financial Liabilities

From January 01, 2019, the Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVPL"), or
- at amortized cost

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

3.10.4 Subsequent Measurement

i) Financial assets at FVOCI

Elected investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss).

ii) 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. Financial assets and liabilities carried at FVPL 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 financial assets and liabilities held at FVPL are included in the statement of profit or loss in the period in which they arise. Where the management has opted to recognize a financial liability at FVPL, 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 FVPL.



ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

3.10.5 Impairment of financial assets

The Company have assessed on a forward looking basis, the expected credit losses associated with the debt instruments carried at amortized cost and FVOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determine to have low or there was no credit risk since initial recognition and at the reporting date:

- Bank Balances
- Long term deposits
- Accured and other liabilities

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs. Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date. ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the company expects to receive). The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

3.10.6 Derecognition

Financial assets are derecognized only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable recognized in statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to statement of profit or loss, but is transferred to statement of changes in equity.

3.10.7 Financial Liabilities

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

3.10.8 Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or costs, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

3.10.9 Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

3.11 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the company has a legally enforceable right to set-off the recognized amounts and the company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.



ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

4 PROPERTY AND EQUIPMENT - AT COST LESS ACCUMULATED DEPRECIATION

PARTICULARS	FURNITURE & FIXTURES	OFFICE & ELECTRICAL EQUIPMENT	IT CONTROL ROOM (OFFICE EQUIPMENT)	PROPERTY UNIT # 4	COMPUTERS & ACCESSORIES	TOTAL
PKR						
<i>Cost</i>						
Balance as at July 01, 2025	29,201,723	8,781,560	1,321,900	170,000,000	4,355,500	213,660,683
Revaluation surplus				30,221,233		30,221,233
Additions	-	81,000	-	-	-	81,000
Disposal	-	-	-	-	-	-
Balance as at Dec 31, 2025	29,201,723	8,862,560	1,321,900	200,221,233	4,355,500	243,962,916
ACCUMULATED DEPRECIATION:						
Balance as at July 01, 2025	1,989,611	995,119	12,393	221,233	1,079,477	4,297,833
Depreciation for the period	2,012,951	576,116	96,868	1,674,530	484,672	4,845,137
Disposal	-	-	-	-	-	-
Balance as at Dec 31, 2025	4,002,562	1,571,235	109,261	1,895,763	1,564,149	9,142,970
<i>Net Carrying amount</i>						
Balance as at Dec 31, 2025	25,199,161	7,291,325	1,212,639	198,325,470	2,791,351	234,819,946
RATE OF DEPRECIATION	15%	15%	15%	10%	30%	
Balance as at July 01, 2024	992,500	1,894,390	-	-	2,102,500	4,989,390
Additions	28,209,223	6,887,170	1,321,900	170,000,000	2,253,000	208,671,293
Disposal	-	-	-	-	-	-
Balance as at June 30, 2025	29,201,723	8,781,560	1,321,900	170,000,000	4,355,500	213,660,683
ACCUMULATED DEPRECIATION:						
Balance as at July 01, 2024	9,305	17,760	-	-	39,422	66,487
Depreciation for the period	1,980,306	977,359	12,393	221,233	1,040,055	4,231,346
Disposal	-	-	-	-	-	-
Balance as at June 30, 2025	1,989,611	995,119	12,393	221,233	1,079,477	4,297,833
<i>Net Carrying amount</i>						
Balance as at June 30, 2025	27,212,112	7,786,441	1,309,507	169,778,767	3,276,023	209,362,850
RATE OF DEPRECIATION	15%	15%	15%	10%	30%	



ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

	Note	Dec-25 ----- (Rupees)	Jun-25 ----- (Rupees)
5 INTANGIBLES- Firewall			
Carrying amount		222,891	-
Addition		-	225,000
Amortization		(16,488)	(2,109)
Carrying amount		<u>(16,488)</u>	<u>222,891</u>
Cost		225,000	225,000
Accumulated Depreciation		(18,597)	(2,109)
Carrying amount		<u>206,403</u>	<u>222,891</u>
Amortization rate		15%	15%

6 LONG TERM DEPOSITS

Statutory liquidity reserve	6.1	90,000,000	75,000,000
		<u>90,000,000</u>	<u>75,000,000</u>

6.1 Statutory Liquidity Reserve

Statutory liquidity reserve (SLR) being non interest bearing deposit, represents 15% of the paid-up share capital is held by the State Bank of Pakistan as per chapter 3 of Regulatory Framework for Exchange Companies. However, the Company has not deposited the SLR increased in paid up capital with the amount of Rs. 50 million. The State bank has given waiver of the minimum capital requirement.

7 RIGHT-OF-USE ASSETS

	Dec-25 ----- (Rupees)	Jun-25 ----- (Rupees)
Opening NBV	51,548,471	-
Addition	-	60,645,260
Reassessment of lease	-	-
Depreciation charge for the year	(4,548,394)	(9,096,789)
Closing net book value	<u>47,000,076</u>	<u>51,548,471</u>
Cost	60,645,260	60,645,260
Accumulated depreciation	(13,645,183)	(9,096,789)
Closing NBV	<u>47,000,076</u>	<u>51,548,471</u>

The company has lease contract for office in Islamabad, Rawalpindi, Gujranwala and Peshawar which is used for company operations. Lease of office have lease term of five years. At the date of initial recognition a right of use assets is recorded with corresponding liabilities under lease liabilities of note-11.

8 PRELIMINARY EXPENSES

	Dec-25 ----- (Rupees)	Jun-25 ----- (Rupees)
Preiminary Expenses	-	4,077,467
	-	<u>4,077,467</u>

8.1 Preliminary expenses are charged to profit or loss account in current period.

9 ADVANCES & PREPAYMENT

	Dec-25 ----- (Rupees)	Jun-25 ----- (Rupees)
Advance rent	2,130,000	2,130,000
Advance income tax	1,843,260	1,843,260
	<u>3,973,260</u>	<u>3,973,260</u>

9.1 The company has paid advance income tax under section 236k over purchase of immoveable property.

10 CASH AND BANK BALANCES

	Dec-25 ----- (Rupees)	Jun-25 ----- (Rupees)
Cash in hand	138,971,867	104
Local Currency	66,057,393	63,256,811
Foreign Currencies	205,029,260	63,256,915
Balnaces with banks	89,823,806	153,085,852
Current Account - Local Currency	294,853,066	216,342,767



ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
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FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

10.1 This represents various foreign currencies held for trading, converting at closing exchange rate.

	Dec-25	Jun-25
	----- (Rupees) -----	
11 DEFERRED TAXATION		
Opening balance DTL (DTA)	11,747,926	400,404
Deferred tax expense (income)	4,392,850	11,347,522
Closing balance DTL (DTA)	<u>16,140,776</u>	<u>11,747,926</u>

11.1 During the current year, the Company identified that deferred tax had not been recognized in the prior year in respect of temporary differences arising from (1 July/2025 to 31/Dec/2025, amounting to Rs. 11,747,926). The impact of this omission in the prior year was not considered material to the financial statements of that period.

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the adjustment has been recorded in the current year's financial statements. The effect of this correction is as follows:
Increase/(decrease) in deferred tax liability as at [Dec 31, 2025]: Rs. [11747926]
Increase/(decrease) in profit after tax for the prior year: Rs. [11747926]
The above adjustment has been recorded in the current year's financial statements, as the prior year financial statements were not restated on account of immateriality.
Accordingly, the comparative figures have not been restated, and the adjustment has been recognized in the current year's statement of profit or loss and other comprehensive income.

	Dec-25	Jun-25
	----- (Rupees) -----	
12 LEASE LIABILITIES		
Set out below are the carrying amounts of lease liabilities pertaining to right of use assets and the movements during the period		
Opening Balance	44,021,766	-
Addition	-	60,645,260
Interest expense relating to lease liabilities	4,455,003	12,274,601
Repayment during the year	(14,449,047)	(28,898,094)
Closing Balance	<u>34,027,722</u>	<u>44,021,766</u>
Current Lease Liabilities	22,010,883	19,988,089
Non-Current Lease Liabilities	12,016,839	24,033,678
	<u>34,027,722</u>	<u>44,021,766</u>

12.1 Maturity analysis of lease liabilities

	Dec-25		
	Minimum Lease Payment	Finance Charge	Present Value of Minimum Lease payments
Up to one year	28,898,094	6,887,211	22,010,883
After one year	14,449,047	2,432,208	12,016,839
Total Lease Liabilities	<u>43,347,141</u>	<u>9,319,419</u>	<u>34,027,722</u>

12.2 Amount recognized in the statement of profit or loss

	Dec-25	Jun-25
	----- (Rupees) -----	
Interest expense on lease liabilities	4,455,003	12,274,601
Total amount recognized in statement of profit or loss	<u>4,455,003</u>	<u>12,274,601</u>

12.3 Incremental borrowing rate used in the lease term:

20.24%

13 ACCRUED AND OTHER LIABILITIES

	Dec-25	Jun-25
	----- (Rupees) -----	
Staff Salary & Rent Payable	15,402,530	1,327,200
Audit fee	600,000	1,023,500
Income tax withheld	524,450	244,550
	<u>16,526,980</u>	<u>2,595,250</u>



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14 SHARE CAPITAL

Authorized share capital			Dec-25	Jun-25
2025	2024		----- (Rupees) -----	
----- (Number of Shares) -----				
14.2	65,000,000	65,000,000	650,000,000	650,000,000
			Ordinary Share of Rs.10 Each	
Issued, subscribed and paid up capital			Dec-25	Jun-25
Dec-25	Jun-25		----- (Rupees) -----	
----- (Number of Shares) -----				
14.3	60,000,000	55,000,000	600,000,000	550,000,000
	60,000,000	55,000,000	600,000,000	550,000,000
			Ordinary Share of Rs.10 Each	

15 INCOME FROM EXCHANGE OPERATION

Exchange income	15.1	1,136,300	11,899,888
		1,136,300	11,899,888

15.1 Income from exchange operation includes income from sale and purchase of foreign currencies.

16 ADMINISTRATIVE EXPENSES

		Dec-25	Jun-25
		----- (Rupees) -----	
Salaries and allowances		6,764,794	20,733,496
Communication		1,211,747	-
Printing & stationery		28,538	721,456
Depreciation on ROU		4,548,394	9,096,789
Utilities		1,606,298	4,057,862
Traveling and conveyance		511,191	3,167,590
Repair & maintenance		72,490	-
Audit fee	16.1	600,000	1,230,500
Legal and professional charges		63,172	3,193,760
Penalty (SBP)		8,335,000	-
Depreciation & Amortization		4,861,625	4,247,834
Miscellaneous		28,420	2,555,911
Preliminary expense Amortization		4,077,467	2,388,736
		32,709,136	51,393,934

16.1 AUDIT REMUNERATION

Audit Fees		600,000	1,230,500
Out of Pocket		-	-
		600,000	1,230,500

17 FINANCE COST

Bank Charges		321	972
Finance cost on lease liability	17.1	4,455,003	12,274,601
		4,455,324	12,275,573

17.1 This represents finance cost charged on lease liability against right of use assets

18 INCOME TAX

Current tax		177,157	11,933,197
Deffered Tax Expense		4,392,850	-
Prior Period Adjustments		-	-
		4,570,007	11,933,197

19 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

PARTICULARS	Mark-up bearing		Dec-25	Jun-25
	Maturity upto One Year	Sub Total		
Financial Assets				
Long term deposits	75,000,000	75,000,000	90,000,000	90,000,000
Cash and bank balances	216,342,767	216,342,767	294,853,066	294,853,066
	291,342,767	291,342,767	384,853,066	384,853,066
Financial Liabilities				
Accrued and other liabilities	16,526,980	16,526,980	16,526,980	16,526,980
	16,526,980	16,526,980	16,526,980	16,526,980



ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
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The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk and
- Market risk
- Interest risk

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework and developing and monitoring the company's risk management policies.

The company's risk management policies are established to identify and analyze the risks faced by the company to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a). Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counter parties. The company's credit risk is primarily attributable to advances, deposits, receivables from donors, other receivables, short-term investment and balances at banks.

The company believes that it is not exposed to major concentration of credit risk as the exposure is spread over a number of counter parties which are mainly Government bodies and banks with reasonable high credit ratings.

Geographically there is no concentration of credit risk. None of the financial assets are overdue. Based on the past experience, the management believes that no impairment allowance is necessary in respect of the company's financial assets.

The credit quality of financial assets, for which the counter party is a bank can be assessed by reference to external credit ratings as shown below:

Bank name	Date of Rating	Rating Agency	Rating	
			Short-term	Long-term
MCB Bank Limited	June-24	PACRA	A-1+	AAA
Allied Bank Limited	June-24	PACRA	A-1+	AAA

(b). Liquidity risk

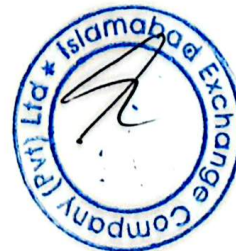
Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company uses different methods which assist it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c). Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, due to changes in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk. The company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The company is not significantly exposed to market risk.

(d). Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from demand finance facility, term finance facility and short term borrowings. Interest rates are mostly dependent upon Karachi Inter Bank Offered Rate ("KIBOR") as indicated in respective notes.



ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

(c). Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The company is not exposed to any foreign currency risk at the year end. Hence, no sensitive analysis has been provided in these financial statements.

(f). Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the company is not exposed to price risk since there are no financial instruments whose fair value or future cash flows will fluctuate because of changes in market prices.

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of all financial assets and financial liabilities reflected to the financial statements approximate their fair values are determined on the basis of objective evidence at each balance sheet.

22 Contingencies and Commitments

- 22.2 The company's license to operate was suspended by the State Bank of Pakistan (SBP) on November 15, 2024, due to violations of SBP rules and regulations. The restoration of this authorization is contingent upon the company's improvement in areas such as Governance, Compliance, Internal Audit, and Operational Management, and its commitment to comply with all regulatory instructions to the satisfaction of the SBP.

To address the SBP's directives, the company is undertaking comprehensive action plan to meet short coming. However, as of final approval of SBP is pending.

- 22.3 There are no commitments as on June 30, 2025(2024:NIL)

23 Geographical Locations

- 1) Head Office: Office #7, mezzanine floor, 47-w, Dossul arcade, Jinnah avenue, blue area, Islamabad
- 2) Branch 1: Shop #7, Ground Floor, Capital Trade Center (Facing Golra), F-10 Markaz, Islamabad
- 3) Branch 2: - Shop #5B, Ground Floor, 47-W, Dossal Arcade, Jinnah Avenue, Blue Area, Islamabad
- 4) Branch 3: - Shop #03, Ground Floor, 47-W, Dossal Arcade, Jinnah Avenue, Blue Area, Islamabad
- 5) Branch 4: - Shop #03-A, Ground Floor, Malik Complex, 80-E, Jinnah Avenue, Blue Area, Islamabad
- 6) Branch 5: - Shop #05, Plot No. 12, SNC Centre, Block-D, Sector F-6, Blue Area Islamabad
- 7) Branch 6: Shop #02, Ground Floor, Laraib Centre, Sector I-8 Markaz Islamabad
- 8) Branch 7: Plaza No. 47, Jinnah Boulevard, Sector-E, DHA Phase II Islamabad
- 9) Branch 8: Shop #05, Ground Floor, Block 09, Rizwan Plaza, Blue Area Islamabad
- 10) Branch 9: Shop #10, Ground Floor, Margalla View, Sector G-11 Markaz Islamabad
- 11) Branch 10: Shop #30, Ground Floor, Mall Plaza, Saddar, Rawalpindi
- 12) Branch 11: Shop #W-368, Main Raja Bazar, Rawalpindi
- 13) Branch 12: Shop #03, Sarafa Market, Chowk Yadgar, Peshawer
- 14) Branch 13: Shop #B17, Railway Road, Gujjar Khan



ISLAMABAD EXCHANGE COMPANY (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025

24 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

	For the year ended 31 Dec 2025			For the year ended 30 June 2025		
	Director	Chief Executive	Executives	Director	Chief Executive	Executives
	----- (Rupees) -----					
Managerial remuneration	-	-	-	-	-	-
Other perquisites and benefits	-	-	-	-	-	-
Number of Persons	3	1	5	3	1	5

25 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties and associated undertakings comprise the Parent Company, associated companies, Directors and their related concerns, and key management personnel. The transactions involving related parties, arising in the normal course of business, are conducted at agreed terms and conditions. Details of transactions during the period and outstanding balances with related parties as at the reporting period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name and Nature of Relationship	Nature of Transaction	Rupees
Spouse of the CEO	Immoveable property has been purchased by the company from the spouse of the CEO in the normal course of business and the transaction is carrying at arm length transaction with value of 180m.	170000000

26 NUMBER OF EMPLOYEES

	Dec-25	Jun-25
Total number of employees at the end of the period	45	22
Average number of employees during the period	45	22

27 GENERAL

Corresponding figures have been rearranged and reclassified, wherever necessary, to conform to current year basis and presentation.


Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

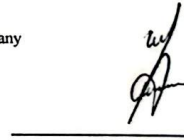
28 SUBSEQUENT EVENTS

There is no subsequent event effecting the financial statements for the year ended June 30, 2025.

29 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on _____ by the Board of Directors of the Company


 CHIEF EXECUTIVE


 DIRECTOR

