



DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Asad Mustafa Securities (Private) Limited (the “**Company**”) are pleased to present the Annual Report along with the audited financial statements for the year ended 30 June 2025.

FINANCIAL PERFORMANCE

During the year, the Company’s operating revenues declined from PKR 27,416,102 to PKR 1,238,535. This decrease was primarily due to the reclassification of dividend income—previously included under operating revenues—now appropriately reported as other income. Consequently, other income for the year increased correspondingly. The Company’s principal source of operating revenue, brokerage fees, also decreased from PKR 1,966,852 to PKR 1,238,535.

During the year under review, the Company’s business performance was adversely affected by challenging macroeconomic conditions in Pakistan. Persistent inflationary pressures, high interest rates, exchange rate volatility, and reduced investor confidence collectively led to subdued market activity. In addition, intensified competition within the brokerage and financial services sector exerted downward pressure on margins, resulting in a decline in operating revenues. The heightened level of competitiveness in the industry also made client retention and acquisition increasingly challenging. Despite these headwinds, the Company remains committed to prudent cost management, service diversification, and technological enhancement to strengthen its market position and improve future profitability.

MAJOR CHANGES

The Company successfully completed its third year as a Trading Only broker. The Company is satisfied with its decision to transition to the Trading Only status as this change has helped the Company to focus on marketing and service delivery of its products.

EARNINGS

The Company reported earnings of PKR 4.15 per share for the year, compared to PKR 9.81 per share in the previous year, representing a decrease of approximately 57.8%. The Board of Directors has decided not to declare any dividend, bonus shares, or right shares for the year under review.

Asad Ali Khan
Director



Mustafa Khan
Director



Asad Mustafa Securities (Pvt) Ltd.

Statement of CEO - Compliance of Corporate Governance Code for Securities and Futures Broker*

To the best of my knowledge and belief, there are no transactions entered into by the Company during the year ending 30 June 2025, which are fraudulent, illegal or in violation of any securities and futures market laws.

Asad Ali Khan
Chief Executive Officer
Asad Mustafa Securities (Private) Limited



27 October 2025

*This statement is given as per the requirements of Clause (9)(a)(iii) of Annexure – D Of the Securities Brokers (Licensing & Operations) Regulations, 2016.

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Statement of Compliance with Code of Corporate Governance

As required under Clause (10) of Annexure – D of the Securities Brokers (Licensing & Operations) Regulations, 2016:

For the year ended 30 June 2025:

1. The Board of Directors of Asad Mustafa Securities (Pvt.) Ltd acknowledges its responsibility for ensuring that the Company has in place a sound system of internal controls, financial reporting, and corporate governance practices.
2. In doing so, the Board confirms that the Company has complied with the Code of Corporate Governance as prescribed under the Regulations and Annexure D for the year under review.
3. The Board further confirms that:
 - i) Proper books of account have been maintained by the Company.
 - ii) The financial statements prepared by the Company were in accordance with the applicable accounting standards.
 - iii) A system of internal controls and risk management has been designed and implemented for the year and is operating effectively.
 - iv) There are no significant doubts as to the Company's ability to continue as a going concern for the foreseeable future.
 - v) The Board has formed relevant committees and they have met as required under the Regulations.
 - vi) The Board reviewed the effectiveness of the system of internal controls, the financial reporting process, and the corporate governance practices throughout the year.
4. Based on the above, the Board certifies that to the best of its knowledge and belief, the requirements of Clause (10) of Annexure D have been satisfied.

On behalf of the Board of Directors

Director
Asad Ali Khan



Director
Mustafa Khan

27 October 2025

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

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements **ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of 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 changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit 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 and 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.

Other Matter

The financial statements of the **ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED** for the year ended June 30, 2024 were audited by M/s ALAM & AULAKH, Chartered Accountants who expressed an unmodified opinion on those statements on September 14, 2024.

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

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M Naeem & Co.

NAEEM & CO
CHARTERED ACCOUNTANTS

Naeem & Co.
Chartered Accountants

Place: Lahore
Date: October 07, 2025

UDIN: AR202510190GSjk8rYBh

Office: Suite # 10 & 11, Block 2 - BD, 4th. Floor,
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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

ASSETS	Note	2025 Rupees	2024 Rupees
Non-current assets			
Long-term investments	4	60,499,165	58,469,300
Long-term deposits	5	2,850,000	2,555,000
		<u>63,349,165</u>	<u>61,024,300</u>
Current assets			
Deposits, Prepayments and Other Receivables	6	389,369	662,187
Tax Refunds due from government	7	-	-
Short term Investment	8	219,904,250	188,819,700
Markup accrued		10,480	-
Cash and bank balances	9	87,352	428,829
		<u>220,391,452</u>	<u>189,910,716</u>
Total assets		<u><u>283,740,617</u></u>	<u><u>250,935,016</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share Capital			
Issued, subscribed and paid up capital	10	97,000,000	97,000,000
Revenue Reserve			
Accumulated profit		186,634,952	146,352,914
		<u>283,634,952</u>	<u>243,352,914</u>
NON CURRENT LIABILITIES			
Deferred tax	11	-	7,487,373
CURRENT LIABILITIES			
Trade and other payables	12	102,606	80,000
Provision for taxation	13	3,059	14,728
		<u>105,665</u>	<u>94,728</u>
Contingencies and commitments	14	-	-
		<u><u>283,740,617</u></u>	<u><u>250,935,016</u></u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

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 Chief Executive


 Director

ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

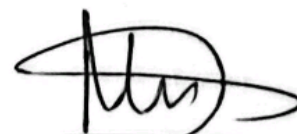
	Note	2025 Rupees	2024 Rupees RESTATED
Operating Revenue	15	1,238,535	1,966,852
Direct Cost	16	(676,682)	(171,471)
		561,853	1,795,381
Operating and administrative expenses	17	(4,210,469)	(4,025,473)
Other operating expenses	18	(56,716)	-
Other income	19	40,182,055	108,770,024
		35,914,870	104,744,551
PROFIT FROM OPERATIONS		36,476,723	106,539,932
Finance charges	20	(942)	(3,091)
PROFIT BEFORE LEVIES AND INCOME TAX		36,475,781	106,536,841
Levies	21	(3,681,116)	(3,846,399)
PROFIT BEFORE TAXATION		32,794,665	102,690,442
Income Tax			
Current year		-	-
Deferred Tax	22	7,487,373	(7,487,373)
PROFIT FOR THE YEAR		40,282,038	95,203,068

The annexed notes from 1 to 30 form an integral part of these financial statements.

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Chief Executive



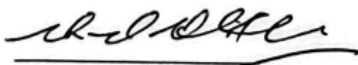
Director

ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	<u>2025</u> Rupees	<u>2024</u> Rupees
Profit for the year	40,282,038	95,203,068
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>40,282,038</u></u>	<u><u>95,203,067</u></u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

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Chief Executive



Director


ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Cash flows from operating activities			
Profit before taxation		36,475,781	106,536,841
Adjustments for non cash and other items:			
Unrealized gain on short-term investments		(12,225,888)	(78,889,049)
Share of profit from associated undertaking		(2,029,866)	(826,333)
Dividend income		(20,481,250)	(25,449,250)
Interest income		(82,577)	-
Finance cost		942	3,090
		<u>(34,818,639)</u>	<u>(105,161,542)</u>
		1,657,142	1,375,299
(Increase) / decrease in current assets:			
Deposits, Prepayments and Other Receivables		<u>272,817</u>	<u>(66,274)</u>
		272,817	(66,274)
(Increase) / decrease in current liabilities:			
Trade and other payables		<u>22,607</u>	<u>-</u>
		1,952,566	1,309,026
Cash generated from operations			
Taxes / levies paid		(3,692,786)	(3,833,963)
Interest Received		72,097	-
Payments for acquisition of securities		(18,858,662)	(18,447,813)
Finance cost paid		(942)	(3,091)
		<u>(22,480,293)</u>	<u>(22,284,867)</u>
Net cash used in operating activities	A	<u>(20,527,727)</u>	<u>(20,975,841)</u>
Cash flows from investing activities			
Increase in long term deposits		(295,000)	-
Dividend received		20,481,250	25,449,250
Net cash generated from investing activities	B	<u>20,186,250</u>	<u>25,449,250</u>
Cash flows from financing activities			
Proceeds from loan from director	C	-	(4,217,183)
Net cash used in financing activities		<u>-</u>	<u>(4,217,183)</u>
Net increase/(decrease) in cash and cash equivalents	A+B+C	(341,477)	256,226
Cash and cash equivalents at the beginning of the year		428,829	172,604
Cash and cash equivalents at the end of the year	9	<u>87,352</u>	<u>428,829</u>

The annexed notes from 1 to 30 form an integral part of these financial statements



Chief Executive



Director

ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED JUNE 30, 2025

	Share capital	Reserves		Total equity
	Paid-up share capital	Unrealized surplus / (deficit) on re-measurement of investments measured at FVTOCI	Unappropriated profit	
	-----Rupees-----			
Balance as at July 01, 2023	97,000,000	4,785,231	46,364,616	148,149,847
Profit for the year	-	-	95,203,068	95,203,068
Transfer of Capital reserve	-	(4,785,231)	4,785,231	-
Balance as at June 30, 2024	97,000,000	-	146,352,914	243,352,914
Balance as at July 01, 2024	97,000,000	-	146,352,914	243,352,914
Profit for the year	-	-	40,282,038	40,282,038
Total comprehensive income	-	-	-	-
Balance as at June 30, 2025	97,000,000	-	186,634,952	283,634,952

The annexed notes from 1 to 30 form an integral part of these financial statements. *naco*


 Chief Executive


 Director

ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 COMPANY AND ITS OPERATION

- 1.1** Asad Mustafa Securities (Private) Limited (the Company) was incorporated in Pakistan on November 11, 2013 as a single member private limited company, under repealed Companies Ordinance, 1984 (Now Companies Act, 2017). It was converted to a private limited company with effect from February 18, 2017. The Company's registered office is situated at 305 South Tower, LSEFSL Tower, 19-Khayaban-e-Aiwan-Iqbal, Lahore. The company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited. The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research. 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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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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 for the day On which an asset is ready to use while no depreciation is charged for the day 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. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

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.

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.

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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.

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.

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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 or amortization, 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.

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.

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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.

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.

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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.

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.

3.20 CHANGE IN ACCOUNTING POLICY

	CHANGE IN ACCOUNTING POLICY	Impact of change in accounting policy	After incorporating effects of change in accounting policy
For the year ended June 30, 2025			
Levy	-	(3,681,116)	(3,681,116)
Profit before taxation	36,475,781	(3,681,116)	32,794,665
Taxation	3,806,257	3,681,116	7,487,373
Profit after taxation	40,282,038	-	40,282,038

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025

	CHANGE IN ACCOUNTING POLICY	Impact of change in accounting policy	After incorporating effects of change in accounting policy
For the year ended June 30, 2024			
Levy	-	(3,681,116)	(3,681,116)
Profit before taxation	106,536,841	(3,681,116)	102,855,725
Taxation	(11,333,772)	3,681,116	(7,652,656)
Profit after taxation	95,203,069	-	95,203,069

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
4 LONG TERM INVESTMENT			
Investment in associated undertaking	4.1	60,499,165	58,469,300
		<u>60,499,165</u>	<u>58,469,300</u>
4.1 Investment in associated undertaking			
NMDA Limited			
Cost of Investment			
5,999,660 ordinary shares of Rs 10 each		56,996,000	56,996,000
Share of post acquisition profits			
Opening balance		1,473,300	646,967
Share of profit for the year		2,029,866	826,333
Closing balance		3,503,166	1,473,300
		<u>60,499,166</u>	<u>58,469,300</u>
4.2 The company owns 99.99% shares of M/s NMDA Limited (public un-listed company) which is incorporated in Pakistan. Its registered office is situated at 601/1-1 Z, Phase III, DHA, Lahore.			
4.3 Extracts of financial statements of associate			
Non-current assets		-	55,922,809
Current assets		-	2,622,423
Current liabilities		-	72,034
Profit for the year		-	826,388
Share of profit for the year		-	826,333
Breakup value per share		10.084	9.746
5 LONG-TERM DEPOSITS			
Software (LSE Back Office)		-	25,000
Trading Rights Entitlements Certificates	5.1	2,500,000	2,500,000
Lahore Stock Exchange Limited.		-	30,000
Eclear Services Limited		350,000	-
		<u>2,850,000</u>	<u>2,555,000</u>
5.1 Pursuant to Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.			
As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.			

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees		
6 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES					
Exposure Margin with Eclear		150,000	500,000		
Eclear Services Limited		239,369	162,187		
		<u>389,369</u>	<u>662,187</u>		
6.1 This carries profit ranging from 10% to 15%.(2024: same)					
7 TAX REFUNDS DUE FROM GOVERNMENT	Note	2025 Rupees	2024 Rupees RESTATED		
Opening balance		-	-		
Deducted during the year					
Income taxes		774,807	14,283		
Levies		2,903,251	3,817,388		
		<u>3,678,058</u>	<u>3,831,671</u>		
Adjustment made during the year					
Income taxes		(774,807)			
Levies		(2,903,251)	(3,831,671)		
		<u>(3,678,058)</u>	<u>(3,831,671)</u>		
		<u>-</u>	<u>-</u>		
8 SHORT TERM INVESTMENTS					
Quoted - Shares					
Investments in listed securities		219,904,250	188,819,700		
		<u>219,904,250</u>	<u>188,819,700</u>		
8.1 This includes shares having carrying value of Rs. 47,370,000 pledged with National Clearing Company of Pakistan Limited and Central Depository Company of Pakistan Limited.					
9 CASH AND BANK BALANCES					
Cash at bank					
- Current account		87,352	428,829		
		<u>87,352</u>	<u>428,829</u>		
10 SHARE CAPITAL					
10.1 Authorized					
10,000,000 (2024: 10,000,000 ordinary share of PKR 10 each)		<u>100,000,000</u>	<u>100,000,000</u>		
10.2 Issued, subscribed and paid up					
9,700,000 (2024: 9,700,000) ordinary shares of Rs. 10/- each,	10.6	97,000,000	97,000,000		
		<u>97,000,000</u>	<u>97,000,000</u>		
10.3 Pattern of Shareholding:					
Categories of shareholders		% age of Shares Held		Number of Shares Held	
		2025	2024	2025	2024
Dua Asad Khan		13.5%	13.5%	1,312,500	1,312,500
Mustafa Khan		78.7%	78.7%	7,637,400	7,637,400
Asad Ali Khan		0.001%	0.001%	100	100
Iram Asad		7.7%	7.7%	750,000	750,000
		<u>100%</u>	<u>100%</u>	<u>9,700,000</u>	<u>9,700,000</u>

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

10.4 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.

10.5 There is no variation in voting rights of shareholders (2023: Same)

10.6 Reconciliation of number of shares outstanding		2025	2024
Ordinary shares	Note	Rupees	Rupees
Opening number of shares		9,700,000	9,700,000
Issued for cash		-	-
Issued for consideration other than cash		-	-
Closing number of shares		<u>9,700,000</u>	<u>9,700,000</u>

11 DEFERRED TAXATION

Deferred credits/(debits) arising due to:

Taxable temporary difference

Unrealized gain/(loss) on long term investments		-	123,950
Provision for provincial workers' welfare fund		498	-
Unrealized gain/(loss) on short term investments		1,833,883	11,833,357
		<u>1,834,381</u>	<u>11,957,307</u>

Deductible temporary difference

Taxable losses	11.2	(8,449,315)	(4,372,146)
Investment in associates		(1,015,918)	-
Minimum taxes	11.3	(92,351)	(97,788)
		<u>(9,557,584)</u>	<u>(4,469,934)</u>
Net deferred tax asset		<u>(7,723,203)</u>	<u>7,487,373</u>
Deferred tax asset not recognised	11.1	7,723,203	-
Deferred Tax Liability		<u>-</u>	<u>7,487,373</u>

Balance as at July 01,		7,487,373	-
Add: Charge/(reversal) during the year in profit or loss		(7,487,373)	7,487,373
		<u>-</u>	<u>7,487,373</u>

11.1 Deferred tax assets have not been recognised, because it is not probable that future taxable profits under normal tax regime will be available against which the Company can use the benefits therefrom.

11.2 Deferred tax asset on unused business losses will lapse after 6 years of loss occurred.

11.3 Deferred tax asset on minimum taxes will lapse after 3 years of occurrence.

12 TRADE AND OTHER PAYABLES

Accrued expenses		100,890	80,000
Punjab workers welfare fund payable	12.1	1,716	-
		<u>102,606</u>	<u>80,000</u>

12.1 WORKERS WELFARE FUND PAYABLE

Opening Balance		-	-
Expense recognized during the year		1,716	-
Payment made during the year		-	-
Closing Balance		<u>1,716</u>	<u>-</u>

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
13 PROVISION FOR TAXATION			
Opening balance		14,728	-
Provision for the year in respect of income taxes		3,681,116	3,846,399
		<u>3,695,845</u>	<u>3,846,399</u>
Adjusted during the year		(3,678,058)	(3,831,671)
Paid during the year		(14,728)	
		<u>3,059</u>	<u>14,728</u>
14 CONTINGENCIES AND COMMITMENTS			
Contingencies:			
There are no known contingencies as at reporting date (2024: Rs.Nil).			
Commitments:			
There are no known commitments as at reporting date (2024: Rs.Nil).			
15 OPERATING REVENUE			
Retail customers		1,436,701	2,281,548
Less: Sales tax - provincial		198,166	314,696
		<u>1,238,535</u>	<u>1,966,852</u>
16 DIRECT COST			
Pakistan Stock Exchange Limited		617,604	60,628
National Clearing Company of Pakistan trading fee		3,105	55,900
Eclear Services Limited		30,209	-
Pakistan Mercantile Exchange fee		10,000	35,000
Central Depository Company charges		15,765	19,943
		<u>676,682</u>	<u>171,471</u>
17 OPERATING AND ADMINISTRATIVE EXPENSES			
Staff salaries, allowances and other benefits		2,774,250	2,961,000
Fee and subscription		11,800	61,350
Legal and professional charges		30,000	30,000
Audit fee	17.1	80,000	80,000
Telecommunication charges & Electricity Expenses		123,238	173,452
Entertainment Expense		-	7,495
LSE Room 305 Charges		350,889	274,944
Trading charges		817,167	435,201
Bad debt		-	2,032
Misc. expenses		23,125	-
		<u>4,210,469</u>	<u>4,025,473</u>
17.1 AUDITORS' REMUNERATION			
Statutory Audit		80,000	80,000
		<u>80,000</u>	<u>80,000</u>
18 OTHER OPERATING EXPENSES			
Balances Written off		55,000	-
Punjab workers welfare fund		1,716	-
		<u>56,716</u>	<u>-</u>

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

19 OTHER INCOME

	Note	2025 Rupees	2024 Rupees
Income from financial assets			
Dividend income		20,481,250	25,449,250
Unrealised gain of short term investment		12,225,888	78,889,049
Realized gain		5,082,556	3,251,353
Share of profit from associated undertaking	4.1	2,029,866	826,333
Interest Income		82,577	-
Income from assets other than financial assets			
Other Income		279,919	354,039
		<u>40,182,055</u>	<u>108,770,024</u>

20 FINANCE COST

Bank charges		942	3,091
		<u>942</u>	<u>3,091</u>

21 LEVIES

	2025 Rupees	2024 Rupees RESTATED
Minimum tax	15,482	29,011
Final tax	3,665,634	3,817,388
	<u>3,681,116</u>	<u>3,846,399</u>

21.1 This represents portion of taxes (classified as levies in these financial statements) paid under the provision of Income Tax Ordinance, 2001.

22 TAXATION

	2025 Rupees	2024 Rupees RESTATED
Current tax expense / (income)		
- Current year	-	-
- Deferred tax	(7,487,373)	7,487,373
	<u>(7,487,373)</u>	<u>7,487,373</u>

22.1 This represents portion of taxes (classified as levies in these financial statements) paid under the provision of Income Tax Ordinance, 2001.

Classified as:

Income tax	-	-
Levies	3,681,116	3,846,399
Expense as per profit and loss	<u>3,681,116</u>	<u>3,846,399</u>
Deferred tax	-	7,487,373
	<u>3,681,116</u>	<u>11,333,772</u>

23 NUMBER OF EMPLOYEES

	2025 (number)	2024 (number)
Total number of employees at the end of year	4	5
Average number of employees during the year	4	5

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

24 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

No remuneration is received by the chief executive and directors during the period. Executive means an employee, other than the chief executive and directors, whose salary exceeds twelve hundred thousand rupees in a financial year. The aggregate amount charged in the financial statements for remuneration, including benefits, to the executives of the company as per the terms of the employment are as follows:

	2025	2024
	Executives	Executives
Managerial remuneration	1,757,850	1,837,000
Number of persons	1	1

25 RELATED PARTY TRANSACTION

All transactions between company and related party are accounted for in the normal course of business. Related parties comprise of associated undertakings, directors and their close family members and key management personnel of the Company. Transactions with related parties during the year, except for remuneration of key management personnel, are disclosed in note no 5 to these financial statements

26 FINANCIAL INSTRUMENTS

	2025	2024
	Rupees	Rupees
Financial Assets		
Investment in associated undertaking	60,499,165	58,469,300
Deposits, Prepayments and Other Receivables	389,369	662,187
Loans and receivables		
Cash and bank balances	87,352	428,829
	<u>60,975,887</u>	<u>59,560,316</u>
Financial Liabilities		
Trade and other payables	102,606	80,000
	<u>102,606</u>	<u>80,000</u>

27 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 except the following:

Reclassification from statement of Financial Position	Reclassification to statement of Financial	Heads	2025	2024
			Rupees	Rupees
Deposits, Prepayments and Other Receivables	Tax Refunds due from government	Tax deducted at source	-	-
Gain/Loss on sale of short term investments	Other income	Realised gains on investment	5,082,556	3,251,353

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ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025

Reclassification from statement of Profit and loss	Reclassification to statement of profit and loss	Heads	2025	2024
			Rupees	Rupees
Operating and administrative expenses	Direct Cost	Pakistan Stock Exchange Limited	617,604	60,628
		National Clearing Company of Pakistan trading fee	3,105	55,900
		Eclear Services Limited	30,209	-
		Central Depository Company charges	15,765	19,943
Operating Revenue	Other Income	Dividend Income	20,481,250	25,449,250

28 EVENTS AFTER THE END OF THE REPORTING DATE

There are no events after balance sheet date that would require any disclosure(2024:same).

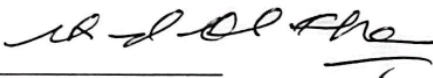
29 AUTHORISATION FOR ISSUE


These financial statements were approved by the Company's board of directors and authorised for issue on October 07, 2025.

30 GENERAL

Amounts presented in the financial statements have been rounded off to the nearest of Rs. /Rupees, unless otherwise stated.

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 Chief Executive


 Director

CERTIFICATE OF CAPITAL ADEQUACY LEVEL

We, being the statutory auditor of M/s. ASAD MUSTAFA SECURITIES (PRIVATE) LIMITED certify that the following information is correct and authenticated by us after due diligence from our side as at June 30, 2025.

	<u>RUPEES</u>
Total Assets	283,740,617
Less: Total Liabilities	105,665
Capital Adequacy Level	<u><u>283,634,952</u></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, 2025 as determined by Pakistan Stock Exchange has been considered.



Naeem & Co.
Chartered Accountants

NAEEM & CO
CHARTERED ACCOUNTANTS

Dated: 7th October 2025

Note: Certificate of Capital Adequacy Level is an integral part of the financial statements for the year ended June 30, 2025.