ISMAIL IQBAL
Securities (Pvt.) Ltd.
Corporate Member Pakistan Stock Exchange Ltd.

October 07, 2026

Director Review

The Board of Directors of **Ismail Iqbal Securities (Pvt) Ltd** present the Financial Statements of the Company for the period ended **June 30, 2026.**

Market Performance

During FY 2025-26, the Pakistan Stock Exchange (PSX) demonstrated strong resilience and maintained an overall positive trajectory despite periods of heightened geopolitical tensions and regional conflict. The market experienced episodes of increased volatility and investor caution as developments related to regional hostilities created uncertainty in global and domestic financial markets.

Despite these challenges, the benchmark KSE-100 Index continued to perform strongly during the year, supported by improving macroeconomic conditions, progress under the IMF programme, easing inflationary pressures and improving investor confidence. The market ultimately remained resilient and delivered substantial gains over the financial year.

The geopolitical situation also resulted in short-term fluctuations in investor sentiment, trading activity and sector performance. However, the underlying improvement in Pakistan's economic fundamentals helped the market absorb these external shocks and maintain its positive momentum.

Financial Performance

During the year under review, operating revenue stood at **Rs. 143.37 million,** marking a significant increase compared to **Rs. 91.20 million** in the previous year, reflecting higher trading volumes and improved brokerage margins.

Profit before tax amounted to **Rs. 188.13 million,** while profit after tax stood at **Rs. 182.65 million,** compared to **Rs. 144.39 million** and **Rs. 118.14 million,** respectively, in FY25.

Earnings per share for the year stood at **Rs. 5.27,** compared to **Rs. 3.41** in the corresponding period, mainly reflecting a normalization of non-recurring capital gains recorded in the prior year.

	2026 (PKR IN MILLION)	2025 (PKR IN MILLION)
Operating Revenue	143.37	91.20
Profit/(Loss) Before Tax	188.13	144.39
Profit/(Loss) After Tax	182.65	118.14
Earning Per Shares-Rupees	5.27	3.41

Auditors

The retiring auditor **M/s. Baker Tilly Mehmood Idrees Qamar, Chartered Accountants** being eligible have offered themselves for reappointment.

Acknowledgment

The Directors express their sincere gratitude to the Company's valued customers, the **Securities and Exchange Commission of Pakistan (SECP)**, the **Pakistan Stock Exchange Limited (PSX)**, and all business partners for their continued support and guidance, which have been instrumental in enabling the Company to pursue its strategic objectives and achieve strong performance.

The Board also extends its appreciation to all employees of the Company for their dedication, commitment, and valuable contributions throughout the year.

On behalf of the Board of Directors

K-018

AHFAZ MUSTAFA
Chief Executive Officer

ISMAIL IQBAL

Securities (Pvt.) Ltd.

Corporate Member Pakistan Stock Exchange Ltd.

Statement of Chief Executive Officer

Under Annexure D, Clause 9(III) of the Securities Brokers (Licensing and Operations) Regulations, 2016

I, **AHFAZ MUSTAFA, Chief Executive Officer** of **ISMAIL IQBAL SECURITIES PRIAVTE LIMITED,** hereby declare that there were no transactions entered into by **ISMAIL IQBAL SECURITIES PRIVATE LIMITED** during the year that were fraudulent, illegal, or in violation of any securities market laws.

AHFAZ MUSTAFA
Chief Executive Officer

Karachi
October 07, 2026

Head Office :
C-94, KDA Scheme No. 1, Main Karsaz Road, Karachi
Board : (92-21) 34302182-4, Sales : (92-21) 34302173-7

Stock Exchange Office :
407, 4th Floor, Pakistan Stock Exchange Building,
Stock Exchange Building Road Karachi-74000

ISMAIL IQBAL

Securities (Pvt.) Ltd.

Corporate Member Pakistan Stock Exchange Ltd.

October 07, 2026

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to confirm compliance with the applicable requirements of the Securities Act, 2015, Securities Brokers (Licensing and Operations) Regulations, 2016, Pakistan Stock Exchange Limited (PSX) Regulations, and applicable directives, rules and guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) and PSX.

The Company has complied with the applicable regulatory and Shariah requirements in the following manner:

Board of Directors

The Board comprises suitably qualified and competent directors and provides appropriate oversight of the Company's regulatory, operational, risk management and Shariah compliance framework.

Regulatory & Licensing Compliance

The Company operates in accordance with the applicable requirements of the Securities Act, 2015, Securities Brokers (Licensing and Operations) Regulations, 2016, PSX Regulations and other applicable regulatory requirements.

Internal Controls & Risk Management

The Company maintains an appropriate system of internal controls, risk management and compliance procedures to ensure proper conduct of brokerage activities and protection of clients' interests.

Client Protection & Segregation

The Company maintains appropriate controls for protection and segregation of clients' assets, records and funds in accordance with applicable regulatory requirements.

AML/CFT Compliance

The Company has implemented policies and procedures relating to Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT), including customer due diligence, risk assessment, ongoing monitoring and regulatory reporting, as applicable.

Financial Reporting

The financial statements prepared by the management present a true and fair view of the Company's affairs and are prepared in accordance with applicable accounting standards and regulatory requirements.

Compliance with Laws and Regulations

The Company has complied with all applicable laws, rules, regulations, directives and guidelines issued by SECP, PSX and other relevant regulatory authorities applicable to its securities brokerage activities

ISMAIL IQBAL

Securities (Pvt.) Ltd.

Corporate Member Pakistan Stock Exchange Ltd.

Corporate and Financial Disclosure:

Timely and accurate disclosures were made to the regulators and stakeholders in accordance with applicable requirements.

Training of Directors:

The company has made arrangements for orientation and training of its directors to enable them to understand their duties and responsibilities.

Ethics and Integrity:

The company promotes ethical conduct and integrity at all levels and ensures compliance with its Code of Conduct.

Ismail Iqbal Securities (Pvt.) Limited K-018

Chief Executive Officer

ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants
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Karachi - Pakistan

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED** (the Company), which comprise of the statement of financial position as at **June 30, 2026**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit and no comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with 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.

bakertilly

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

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial statements of the company 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.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are in adequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

e) the Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and section 62 of the Future Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

f) the Company was in compliance with the relevant requirements of Futures Brokers (Licensing and Operations Regulations), 2018 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is ***Muhammad Aqeel Ashraf Tabani***.

Baker Tilly Mehmood Idrees Qamar

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Karachi

Date: *October 07, 2026*

UDIN: *AR202610542dVvJ1YD95*

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

	Note	2026 Rupees	2025 Rupees
ASSETS			
Non - Current Assets			
Operating assets	5	43,377,856	28,169,962
Intangible assets	6	2,500,000	2,500,000
Investment	7	7,000,000	7,000,000
Long term deposits	8	2,584,965	2,584,965
Deferred tax assets	9	5,190,990	-
		60,653,811	40,254,927
Current Assets			
Short term investment	10	191,141,117	125,592,714
Trade debts	11	68,935,887	69,959,719
Advances, deposits, prepayments and other receivables	12	499,000,035	302,671,491
Cash and bank balances	13	687,620,637	312,332,528
		1,446,697,676	810,556,452
TOTAL ASSETS		**1,507,351,487**	**850,811,379**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE			
Authorized Share Capital			
35,000,000 Ordinary shares of Rs. 10/- each		**350,000,000**	**350,000,000**
Issued, Subscribed and Paid-up Share Capital			
34,682,360 Ordinary shares of Rs. 10/- each	14	346,823,600	346,823,600
Unappropriated profit		278,180,085	95,528,363
Total shareholders' equity		625,003,685	442,351,963
Non - Current Liabilities			
Deferred liability - staff gratuity	15	9,397,512	5,709,642
Current Liabilities			
Trade and other payables	16	867,554,407	350,272,945
Accrued mark-up		5,395,883	2,565,402
Short term borrowings - secured	17	-	49,911,427
		872,950,290	402,749,774
CONTINGENCIES AND COMMITMENTS	18	-	-
		1,507,351,487	**850,811,379**

The annexed notes 1 to 38 form on integral part of these financial statements

Chief Executive Officer **Director**

ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Commission income	19	338,266,841	253,658,418
Operating expenses	20	(194,900,140)	(162,455,069)
Operating profit		**143,366,701**	**91,203,349**
Financial charges	21	(18,412,966)	(13,535,995)
Other income - net	22	81,963,091	66,718,061
Expected credit loss expense during the year		(18,788,539)	-
Profit before income tax and levy (final & minimum tax)		**188,128,287**	**144,385,415**
Final taxes	23.2	(2,679,933)	(1,628,182)
Minimum tax	23.3	(20,443,489)	(14,003,690)
Profit before income tax		**165,004,865**	**128,753,543**
Income tax			
- Current For the year		(16,894,003)	(17,351,589)
Prior year		29,349,870	6,737,687
	23.4	12,455,867	(10,613,902)
- Deferred		5,190,990	-
Profit after taxation		**182,651,722**	**118,139,641**
Other comprehensive income		-	-
Total comprehensive income for the year		**182,651,722**	**118,139,641**
Earning per share	24	5.27	3.41

The annexed notes 1 to 38 form an integral part of these financial statements

Chief Executive Officer

Director

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

	Issued, subscribed and paid-up share capital	Accumulated (loss) / profit	Total
	---------- Rupees ----------		
Balance as at July 01, 2024	**346,823,600**	**(22,611,278)**	**324,212,322**
Profit for the year ended June 30, 2025	-	118,139,641	118,139,641
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	118,139,641	118,139,641
Balance as at June 30, 2025	**346,823,600**	**95,528,363**	**442,351,963**
Profit for the year ended June 30, 2026	-	182,651,722	182,651,722
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	182,651,722	182,651,722
Balance as at June 30, 2026	**346,823,600**	**278,180,085**	**625,003,685**

The annexed notes 1 to 38 form an integral part of these financial statements

Chief Executive Officer

Director

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

	Note	2026 Rupees	2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax and levy (final & minimum tax)		188,128,287	144,385,415
Adjustments for non cash charges and other items			
Depreciation		5,017,442	3,795,326
Financial charges		18,412,966	13,535,995
Dividend income		(17,866,325)	(11,927,770)
Gratuity expense		3,937,945	2,827,788
Gain on disposal of property and equipment		(8,814,908)	-
Provision for ECL expense		18,788,539	
Realised loss / (gain) on re-measurement of short term investments		20,024,619	(15,573,374)
		39,500,278	(7,342,035)
Operating profit before working capital changes		227,628,565	137,043,380
(Increase) / decrease in current assets			
Trade debts		(17,764,707)	(12,039,872)
Short term investments		(85,573,022)	(79,317,579)
Advances, deposits, prepayments and other receivables		(186,214,906)	(115,022,273)
		(289,552,635)	(206,379,724)
Increase in current liabilities			
Trade and other payables		517,281,462	89,120,413
		455,357,392	19,784,069
Taxes paid - net		(20,781,193)	(14,861,594)
Gratuity paid		(250,075)	(678,183)
Financial charges paid		(15,582,485)	(18,009,704)
Net cash generated from / (used in) operating activities		418,743,639	(13,765,412)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from trading investments		17,866,325	11,927,770
Additions in operating assets		(24,460,428)	(20,588,369)
Proceeds from sale of property and equipment		13,050,000	-
Long term deposits		-	(200,000)
Net cash generated from / (used in) investing activities		6,455,897	(8,860,599)
Net increase / (decrease) in cash and cash equivalents		425,199,536	(22,626,011)
Cash and cash equivalents at the beginning of the year		262,421,101	285,047,112
Cash and cash equivalents at the end of the year	*25*	687,620,637	262,421,101

The annexed notes 1 to 36 form an integral part of these financial statements

Chief Executive Officer

Director

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

1. STATUS AND NATURE OF BUSINESS

1.1 The company is incorporated as a private company limited by shares under the Companies Ordinance, 1984 (repealed by Companies Act, 2017) and is a holder of the Trading Right Entitlement Certificate (TREC) of the Pakistan Stock Exchange Limited. It is principally engaged in the business of brokerage of shares and securities, investment advisory services, portfolio management and securities research. The Company is geographically located in the province of Sindh situated at Bunglow no. C-94,Main House, Karsaz Road, Karachi, Pakistan.

1.2 The Company also operates through its branch office in Pakistan Stock Exchange Building having address of Room no. 407, 4th Floor Stock Exchange Building, Stock Exchange Road, Karachi.

2. BASIS OF PREPARATION

2.1 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for short term investments in quoted securities which are stated at fair value.

These financial statements comprise statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity and notes to the financial statements and have been prepared under the accrual basis of accounting except for cash flow information.

2.2 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 such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), provisions of, directives and notifications issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016. Where provisions of, directives and notifications issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 differ from the IFRS Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016, shall prevail.

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

3.1 Amendments to published accounting and reporting standards and interpretation / guidance that became effective during the year

There were certain amendments to accounting and reporting standards that became applicable to the Company during the year. These do not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

3.2 New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Company

There are certain new standards and amendments that will be applicable to the Company for its annual periods beginning on or after July 1, 2026. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements with applicability date of July 1, 2027. The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective July 1, 2026. The Company's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The company has consistently applied the following accounting policies to all the years presented in these financial statements.

4.1 Operating assets

Owned

Operating assets are stated at cost less accumulated depreciation.

Depreciation on all operating assets is charged to income using the reducing balance method in accordance with the rates specified in note 5 to these financial statements. Depreciation on additions is charged for the full month in which an asset is put to use and no depreciation is charged on deletions in the month of disposal.

Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred; major improvements are capitalized.

Disposal of an item of property and equipment is recognized when significant risks and rewards incidental to ownership have been transferred. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized under 'Other operating expenses / income in the income statement.

Depreciation is charged on leased assets on a basis similar to that of owned assets.

4.2 Intangible Assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the company and that the cost of such asset can be measured reliably.

Costs directly associated with identifiable software and having probable economic benefit exceeding beyond one year are recognized as intangible assets. Direct costs include the purchase cost of software and related overhead cost. Computer software are amortized from the date such assets are put into use on straight-line basis over its useful life. Cost associated with maintaining computer software are recognized as an expense when incurred.

TREC having indefinite useful life are not amortized. It is stated at acquisition cost less impairment, if any. The carrying amount is reviewed at each statement of financial position date to assess whether they are in excess of the recoverable amounts, and where the carrying value exceed estimated recoverable amount, these are written down to their estimated recoverable

4.3 Financial assets

Initial Measurement

The Company classifies its financial assets into following three categories:

- measured at amortised cost.
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI);

A financial asset is initially measured at fair value and for an item not at FVTPL, plus transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, and impairment are recognized in the statement of profit or loss account. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in the statement of profit or loss.

Financial assets measured at amortised cost

Financial assets measured at these assets are subsequently measured at amortised cost using the effective amortised cost interest method. The amortised cost is reduced by impairment losses. Interest / markup income, and impairment are recognized in the statement of profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

For trade receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on twelve months expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

4.4 Financial liabilities

Financial liabilities are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. The Company derecognizes the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

4.5 Off-setting of financial assets and financial liabilities

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

4.6 Lease liability against right-of-use assets

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognized as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the statement profit or loss as mark-up expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.7 Trade debtors

These are initially measured at original invoice amount, which approximates fair value, and subsequently measured at amortized cost less provision for impairment, if any. A provision for impairment is recognized when there is objective evidence that the company will not be able to collect all the amount due according to the original terms of the receivable. Trade debts are written off when considered irrecoverable.

4.8 Provisions

Provisions are recognized in accordance with the requirements of IFRS - 9 under expected credit loss method.

4.9 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at amortized cost.

4.10 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred, except to the extent that they are directly attributable to the acquisition or construction of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) in which case these are capitalized as part of cost of that asset.

4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand, balances with bank and short term running finances.

4.12 Staff retirement benefits

The company operates an unfunded gratuity scheme for all permanent employees based on their length of employment.

4.13 Taxation and levy

4.13.1 Levy - final and minimum tax

Computation of minimum tax chargeable under various sections of ITO 2001, provisions of such sections require its comparison with amount of tax attributable to income streams taxable at general rate of taxation, such minimum taxes are not fully outside the scope of IAS-12 and a certain portion of them falls in scope of IAS - 12. Based on this, the minimum taxes under ITO 2001 are hybrid taxes which comprise of a component within the scope of IAS - 12 and a component within the scope of IFRIC - 21 / IAS - 37.

As regards final taxes, its computation is based on revenue or other bases other than taxable income, therefore, final taxes fall under levy within the scope of IFRIC – 21 / IAS – 37, hence treated and classified accordingly, as per the requirements of / and guidelines issued by ICAP.

In identifying and classifying each component of minimum tax being hybrid in nature, company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS – 12 "Income taxes" and recognize it as current income tax expense. Any excess over the amount designed as income tax, is recognized as a levy falling under the scope of IFRIC – 21 / IAS – 37.

4.13.2 Taxation

Income tax expense comprises current, prior and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to item recognized directly in other comprehensive income in which case it is recognized in other comprehensive income.

Current tax

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted.

Prior tax

The charge for prior tax includes adjustments where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred tax

Deferred tax is recognized using statement of financial position 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 the enacted or substantively enacted rates of taxation.

Deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.14 Revenue recognition

Brokerage, consultancy, advisory fee, underwriting, book running fee, commission on foreign exchange dealings and debt securities etc., are recognized as and when such services are provided.

Income from reverse repurchase transactions, debt securities and bank deposits is recognized at effective yield on time proportionate basis.

Interest income on financial assets (including margin financing) is recognized on time proportionate basis taking into account effective / agreed rate of the instrument.

Dividend income is recorded when the right to receive the dividend is established.

Gains / (losses) arising on sale of investments are included in the statement of profit or loss in the period in which they arise.

4.15 Transactions with related parties

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates on the same terms and conditions as third party transactions using admissible valuation models, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the company to do so.

4.16 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statement when there is a legally enforceable right to set off and the company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.17 Functional and presentation currency

These financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

5. OPERATING ASSETS

	Owned					
	Building	Office equipment	Computer and allied	Furniture and fixtures	Motor vehicles	Total
	---------- Rupees ----------					
Year ended June 30, 2025						
Opening net book value	4,049,352	127,490	642,029	91,349	6,466,699	11,376,919
Additions (at cost)	-	155,000	382,100	-	22,085,069	22,622,169
Disposals						
Cost	-	(115,668)	(927,474)	(963,500)	(4,033,215)	(6,039,857)
Accumulated depreciation	-	115,668	860,924	963,500	2,065,965	4,006,057
	-	-	(66,550)	-	(1,967,250)	(2,033,800)
Depreciation charge	(202,468)	(40,436)	(295,686)	(22,327)	(3,234,409)	(3,795,326)
Net book value	**3,846,884**	**242,054**	**661,893**	**69,022**	**23,350,109**	**28,169,962**
At June 30, 2025						
Cost	6,425,000	693,433	3,681,519	550,657	47,396,335	58,746,944
Accumulated depreciation	(2,578,116)	(451,379)	(3,019,626)	(481,635)	(24,046,226)	(30,576,982)
Net book value	**3,846,884**	**242,054**	**661,893**	**69,022**	**23,350,109**	**28,169,962**
Year ended June 30, 2026						
Opening net book value	3,846,884	242,054	661,893	69,022	23,350,109	28,169,962
Additions (at cost)	-	884,978	1,311,500	-	22,263,950	24,460,428
Disposals						
Cost	-	-	-	-	(13,435,680)	(13,435,680)
Accumulated depreciation	-	-	-	-	9,200,588	9,200,588
	-	-	-	-	(4,235,092)	(4,235,092)
Depreciation charge	(192,345)	(139,228)	(515,180)	(10,353)	(4,160,336)	(5,017,442)
Net book value	**3,654,539**	**987,804**	**1,458,213**	**58,669**	**37,218,631**	**43,377,856**
At June 30, 2026						
Cost	6,425,000	1,578,411	4,993,019	550,657	56,224,605	69,771,692
Accumulated depreciation	(2,770,461)	(590,607)	(3,534,806)	(491,988)	(19,005,974)	(26,393,836)
Net book value	**3,654,539**	**987,804**	**1,458,213**	**58,669**	**37,218,631**	**43,377,856**
Depreciation rate	5%	15%	30%	15%	15%	

5.1 **Disposal of operating assets**

Name of purchaser	Relation with purchaser	Mode of disposal	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain on disposal
			Rupees				
CTS - Logistics	Third party	Sale to external party	7,815,000	5,650,256	2,164,744	5,550,000	3,385,256
Reshma Ayoub	Third party	Sale to external party	5,620,680	3,550,332	2,070,348	7,500,000	5,429,652
June 30, 2026			**13,435,680**	**9,200,588**	**4,235,092**	**13,050,000**	**8,814,908**

6. INTANGIBLE ASSETS	Note	2026 Rupees	2025 Rupees
Trading rights entitlement certificates	*6.1*	2,500,000	2,500,000
Software	*6.2*	-	-
		2,500,000	**2,500,000**

6.1 **Trading rights entitlement certificates (TREC)**

Cost	2,500,000	2,500,000
	2,500,000	**2,500,000**

6.2 **Software**

Net carrying value basis		
Opening net book value	-	-
Add: Additions during the year	-	-
Less: Amortization for the year	-	-
Closing net book value	-	-
Gross carrying value		
Cost	3,399,880	3,399,880
Less: Accumulated amortization	(3,399,880)	(3,399,880)
Net book value	-	-
Amortization rate - number of years	5	5

7. **INVESTMENT**

Investment at FVTOCI (unquoted - Dawood Family Takaful)	7,000,000	7,000,000
	7,000,000	**7,000,000**

7.1 This represents investment in unquoted equity securities of 700,000 shares in Dawood Family Takaful at par value of Rs. 10 each. Since the fair value of the investment cannot be adequately determined, therefore its cost is treated as fair value.

8. LONG TERM DEPOSITS

	Note	2026 Rupees	2025 Rupees
Pakistan Stock Exchange Limited		150,000	150,000
Central Depository Company of Pakistan Limited		150,000	150,000
National Clearing Company of Pakistan Limited		1,400,000	1,400,000
Deposit against PSO card		785,515	785,515
Other deposits		99,450	99,450
		2,584,965	**2,584,965**

9. DEFERRED TAX ASSETS

	Note	2026 Rupees	2025 Rupees
Deferred taxation	*9.1*	**5,190,990**	**-**

9.1 The net balance for deferred taxation is in respect of following temporary differences:

	Note	2026 Rupees	2025 Rupees
Deferred tax liabilities			
Accelerated tax depreciation allowance		2,257,964	-
Accelerated tax amortization allowance		725,000	-
Deferred tax assets			
Provision for gratuity		(2,725,278)	-
Provision for expected credit losses		(5,448,676)	-
Balance at year end		**(5,190,990)**	**-**

10. SHORT TERM INVESTMENT

At fair value through profit or loss (quoted equity securities)		191,141,117	125,592,714
		191,141,117	**125,592,714**

11. TRADE DEBTS

Considered good:			
Trade receivable	*11.1*	87,724,426	69,959,719
Less: Provision for expected credit losses		(18,788,539)	-
		68,935,887	**69,959,719**

11.1 Aging of trade debts

Outstanding 0 to 14 days	29,350,871	18,185,788
Outstanding more than 14 days	58,373,555	51,773,931
	87,724,426	**69,959,719**

12. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2026 Rupees	2025 Rupees
Advance to staff		4,183,293	4,597,271
Exposure deposit into NCCPL		342,924,535	255,617,880
Receivable from PSX/NCCPL		4,019,260	4,331,006
Income tax refundable - net		14,870,551	4,756,913
Advance against vehicle		3,300,000	-
Other advances		-	190,235
Prepayments		-	143,099
Receivables from Director	*12.1*	129,378,960	32,775,591
Other receivables		323,436	259,496
		499,000,035	**302,671,491**

12.1 This represents receivable from director Mr. Ahfaz Mustafa, repayable within twelve months.

13. CASH AND BANK BALANCES

	Note	2026 Rupees	2025 Rupees
Cash in hand		177,240	136,336
Cash at banks:			
- Current accounts		589,603,077	188,697,797
- Saving accounts		7,111,354	123,498,395
- Bank OD facility		90,728,966	-
	13.1	**687,620,637**	**312,332,528**

13.1 Customer and proprietor wise balances

Proprietary account balances including cash in hand	91,087,119	277,340
Client account balances	596,533,518	312,055,188
	687,620,637	**312,332,528**

14. SHARE CAPITAL

Authorized Share Capital

Number of Shares				
2026	2025		2026	2025
35,000,000	35,000,000	Ordinary shares of Rs. 10 each	350,000,000	350,000,000

Issued, Subscribed and Paid-up Share Capital

Number of Shares				
2026	2025		2026	2025
34,682,360	34,682,360	Ordinary shares of Rs. 10 each fully paid in cash	346,823,600	346,823,600

14.1 Pattern of Shareholding

Name of Shares holders	2026 Percentage	2025 Percentage	2026 Number of Shares	2025 Number of Shares
Ahfaz Mustafa	65.23%	65.23%	22,622,660	22,622,660
Azhar Iqbal	17.39%	17.39%	6,030,100	6,030,100
Ayesha Naeem	17.39%	17.39%	6,029,590	6,029,590
Mohammad Taufiq	0.00003%	0.00003%	10	10
Total	**100%**	**100%**	**34,682,360**	**34,682,360**

15. DEFERRED LIABILITY - STAFF GRATUITY	Note	2026 Rupees	2025 Rupees
Opening balance		5,709,642	3,560,037
Provision during the year		3,937,945	2,827,788
		9,647,587	6,387,825
Less: Paid during the year		(250,075)	(678,183)
Closing balance		**9,397,512**	**5,709,642**

16. TRADE AND OTHER PAYABLES			
Creditors		9,088,699	4,584,232
Trade payables		807,754,199	321,035,827
Accrued expenses		4,626,233	4,250,253
Sales and other taxes payable		6,384,464	3,127,258
Other liabilities		39,700,812	17,275,375
		867,554,407	**350,272,945**

17. SHORT TERM BORROWINGS - SECURED			
Financing facilities			
- Bank Al-falah Limited	*17.1*	-	43,585,719
- Habib Metropolitan Bank Limited	*17.2*	-	6,325,708
		-	**49,911,427**

17.1 This facility is under mark-up arrangement with a limit of Rs. 375 million from Bank Alfalah Limited with mark-up rate of 3 month KIBOR + 1.5% payable on quarterly basis. These are secured against pledge of marketable securities.

17.2 This facility is under mark-up arrangement with a limit of Rs. 150 million from Habib Metro Bank Limited with mark-up rate of 3 months KIBOR + 1.5% payable on quarterly basis. These are secured against pledge of marketable securities.

18. CONTINGENCIES AND COMMITMENTS

Contingencies

The company has filed a recovery suit amounting to Rs. 12.6 million against a customer. The same customer has filed a counter suit of the same amount against the company. The company based on the advice of its legal counsel is confident that the case will be decided in its favor and the amount against which the claim has been filed will be received. Hence, the company has recognized 100% provision respect of this balance during the year.

Commitments

There has been no material commitments at statement of financial position date.

19. COMMISSION INCOME	Note	2026 Rupees	2025 Rupees
Brokerage commission	*19.1*	338,266,841	253,658,418
		338,266,841	**253,658,418**

19.1 Brokerage commission

Brokerage commission gross	416,291,638	312,052,596
Less: Sales tax	(54,072,231)	(39,356,812)
	362,219,407	272,695,784
Less: Charges collected from clients for regulator	(24,009,262)	(19,037,366)
	338,210,145	**253,658,418**

20. OPERATING EXPENSES			
Salaries and benefits	*20.1*	60,581,501	46,362,082
Printing and stationery		99,284	250,690
Rent, rates and taxes		181,788	151,250
Vehicle running and maintenance		7,035,807	8,446,879
Repairs and maintenance		2,809,860	3,439,610
Electricity and gas charges		2,263,954	1,518,431
Legal and professional		1,816,953	1,590,440
Travelling and conveyance		3,243,500	212,450
Insurance expenses		2,666,223	3,170,203
Entertainment		2,679,669	573,235
Fees and subscription		3,657,899	3,231,850
Depreciation	*5*	5,017,442	3,795,326
Computer expenses		5,681,248	4,832,918
Donation and charity	*20.2*	100,000	-
Commission expenses	*20.3*	92,996,665	83,861,652
Auditors' remuneration	*20.4*	625,000	550,000
Bad debts expense		3,106,462	-
Miscellaneous		336,885	468,053
		194,900,140	**162,455,069**

20.1 Salaries and benefits include Rs. 3,937,945 (2025: Rs. 2,827,788) in respect of staff retirement benefits.

20.2 None of the directors or their spouses had an interest in the donee's funds.

20.3 This includes commission paid to Ahfaz, Chief Executive Officer and Muhmmad Taufiq amounting to Rs. 4,315,925 (2025: Rs. 27,882,624) and Rs. 5,111,678 (2025: Rs. 457,178) respectively.

20.4 Auditors' Remuneration	2026 Rupees	2025 Rupees
Audit fees	600,000	525,000
Out of pocket expenses	25,000	25,000
	625,000	**550,000**

21. FINANCIAL CHARGES

	Note	2026 Rupees	2025 Rupees
Mark-up on bank borrowings	17	18,099,568	13,333,126
Bank charges		313,398	202,869
		18,412,966	13,535,995

22. OTHER INCOME - NET

Dividend income		17,866,325	11,927,770
Mark-up on exposure deposit		7,936,054	7,575,562
Mark-up on bank		10,442,755	6,449,815
Unrealized gain on measurement of investments at FVTPL		33,601,280	25,191,540
Realized (loss) / gain on listed securities		3,206,805	15,573,374
Gain on disposal of operating assets	5.1	8,814,908	-
Others		94,964	-
		81,963,091	66,718,061

23. TAXATION

23.1 The income tax returns of the Company have been filed up to tax year 2025 under the Universal Self Assessment Scheme. This scheme provides that the return filed is deemed to be an assessment order. The returns may be selected for audit within five years. The Income Tax Commissioner may amend assessment if any objection is raised during audit.

23.2 This represents final taxes paid under section 151 of Income Tax Ordinance (ITO, 2001) representing levy in terms of requirements of IFRIC - 21 / IAS - 37.

23.3 This represents portion of minimum tax paid under section 113 and 233 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC - 21 / IAS - 37.

23.4 This represents current tax as specified under IAS-12 guidance issued by ICAP, after classifying portion of minimum tax as levy.

24. EARNING PER SHARE

	2026	2025
	---------- Rupees ----------	
Profit for the year	182,651,722	118,139,641
	---------- Number ----------	
Weighted average number of ordinary shares	34,682,360	34,682,360
	---------- Rupees ----------	
Earning per share	5.27	3.41

25. CASH AND CASH EQUIVALENT

	Note	2026	2025
		---------- Rupees ----------	
Cash and bank balances	13	687,620,637	312,332,528
Short term borrowings - secured	17	-	(49,911,427)
		687,620,637	262,421,101

26. PLEDGE SECURITIES WITH FINANCIAL INSTITUTION

	June 30, 2026	
	Number of Shares	Pledge Value
Pledged to financial institutions on behalf of brokerage house	113,502	41,776,292
Pledged to financial institutions on behalf Directors / Sponsors / CEO / Shareholder	-	-
Pledged to financial institutions on behalf of clients	10,696,488	935,784,000

27. CUSTOMERS ASSETS HELD IN CDC

The house holds approx. 173.90 million (2025: 130.08 million) securities of its clients in the clients CDC sub accounts having approx. fair value Rs. 13,593 million (2025: Rs. 7,536.4 million).

28. RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, directors and key management personnel. The company continues to have a policy whereby all transactions with related parties are at contractual / agreed rates.

Name and relation with the related Party	Transactions during the year and year end balances	2026 Rupees	2025 Rupees
Mr. Ahfaz Mustafa, Chief Executive	Brokerage commission paid	4,315,925	27,882,624
	Trade receivable / (payable) at year end	9,510	1,337,752
	Transaction made during the year - net	(1,337,914)	1,823,971
	Other receivables at year end	129,378,960	32,775,591
	Sale of vehicle	-	1,144,000
Muhammad Taufiq, Director	Brokerage commission paid	5,111,678	457,178
	Trade receivable / (payable) at year end	1,078,053	1,421,891
	Transaction made during the year - net	(344,638)	(2,121,382)

29. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Director		Executives	
	2026	2025	2026	2025	2026	2025
	Rupees					
Managerial remuneration	4,200,000	4,200,000	2,580,000	1,800,000	12,901,000	12,534,000
Bonus	-	-	-	-	1,837,220	856,813
Commission	4,315,925	27,882,624	-	-	-	-
Total	**8,515,925**	**32,082,624**	**2,580,000**	**1,800,000**	**14,738,220**	**13,390,813**
Number of persons	1	1	1	1	7	6

29.1 The company also provided the company maintained car to chief executive and executives.

30. CAPITAL RISK MANAGEMENT

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern so that it can provide benefits to all stakeholders.

In order to maintain the balance of its capital structure the company may consider injecting further equity or issuing fresh debt. The company monitors its capital on the basis of its gearing ratio. Debt is calculated as total borrowings including both long term and short term borrowings. The gearing ratio as at June 30, 2026 and 2025 was as follows:

	2026 Rupees	2025 Rupees
Total borrowings	-	49,911,427
Paid-up capital	346,823,600	346,823,600
Accumulated losses	278,180,085	95,528,363
	625,003,685	442,351,963
Gearing ratio	0%	10%

31. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

i) Financial instruments by category

	2026 Rupees	2025 Rupees
Financial assets		
At cost		
Long term investment	7,000,000	7,000,000
At amortized cost		
Long term deposits	2,584,965	2,584,965
Trade debts	68,935,887	69,959,719
Advances, deposits and other receivables	133,398,220	37,296,832
Cash and bank balances	687,620,637	312,332,528
At fair value through profit or loss		
Short term investments	191,141,117	125,592,714
Total financial assets	1,090,680,826	554,766,758
Financial liabilities		
Deferred liability - staff gratuity	9,397,512	5,709,642
Trade and other payables	867,554,407	350,272,945
Accrued mark-up on borrowings	5,395,883	2,565,402
Short term borrowings	-	49,911,427
Total financial liabilities	882,347,802	408,459,416

ii) Financial risk management objectives and policies

The company's activities are exposed to a variety of financial risks which are mainly market risk, liquidity risk and credit risk. The company has established adequate procedures to manage each of these risks as mentioned below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks namely interest rate risk, currency risk and other price risk. The company is exposed to interest rate risk and other price risk only.

	2026 Rupees	2025 Rupees
Long term investment	7,000,000	7,000,000
Short term investments	191,141,117	125,592,714
	198,141,117	132,592,714

b) **Credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted. Credit risk arises from deposit with banks, trade debts, loans, advances, deposits and other receivables. The maximum exposure to credit risk (which is the carrying value of financial assets) at the statement of financial position date is as follows:

	2026 Rupees	2025 Rupees
Long term deposits	2,584,965	2,584,965
Trade debts	68,935,887	69,959,719
Advances, deposits and other receivables	499,000,035	302,671,491
Bank balances	596,714,431	312,196,192
	1,167,235,318	**687,412,367**

To reduce the exposure to credit risk, the company has developed a formal approval process whereby credit limits are applied to its customers. The company is doing its utmost to recover the amount outstanding from its customers and is confident that the amount would be recovered based on the past experience and the recovery efforts being carried out by the company.

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

c) **Liquidity risk**

Liquidity risk represents the risk that the company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date.

	2026					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	Rupees					
Financial liabilities						
Trade and other payables	867,554,407	867,554,407	-	867,554,407	-	-
Accrued mark-up	5,395,883	5,395,883	5,395,883	-	-	-
	872,950,290	**872,950,290**	**5,395,883**	**867,554,407**	-	-

	2025					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	Rupees					
Financial liabilities						
Trade and other payables	350,272,945	350,272,945	-	350,272,945	-	-
Accrued mark-up	2,565,402	2,565,402	2,565,402	-	-	-
	352,838,347	**352,838,347**	**2,565,402**	**350,272,945**	-	-

iii) **Fair value of financial assets and liabilities**

The carrying value of all financial assets and financial liabilities reflected in the financial statements approximate their fair values.

The fair value measurement hierarchy of the financial instruments carried at fair value is as follows:

Level 1 - quoted market prices
Level 2 - valuation techniques (market observable)
Level 3 - valuation techniques (non-market observable)

Fair value of investments traded in an active market are based on quoted market prices under the level 1 valuation method. Since investment in Pakistan Stock Exchange Limited (PSX) is not listed on any stock exchange, a quoted market price is not available and the fair value of such investment can not be determined with reasonable accuracy.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	2026			
	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Investment	-	-	7,000,000	7,000,000
Short term investment	191,141,117	-	-	191,141,117
	191,141,117	**-**	**7,000,000**	**198,141,117**

	2025			
	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Investment	-	-	7,000,000	7,000,000
Short term investment	125,592,714	-	-	125,592,714
	125,592,714	**-**	**7,000,000**	**132,592,714**

32. NUMBER OF EMPLOYEES

	2026 Number	2025 Number
Total number of employees at the end of the year	**25**	**22**
Average number of employees during the year	**24**	**21**

33. CAPITAL ADEQUACY LEVEL

	2026 Rupees	2025 Rupees
Total assets	1,507,351,487	850,811,379
Less: Total liabilities	(882,347,802)	(408,459,416)
Revaluation Reserves (Created upon revaluation of fixed assets)	-	-
	625,003,685	**442,351,964**

33.1 Capital Adequacy Level

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

34. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	43,377,856	100%	-
1.2	Intangible Assets	2,500,000	100%	-
1.3	Investment in Government Securities: (Haircut applied on the basis of Difference between book value and sale value on the date on the basis of PKRV published by NIFT)	-	-	-
1.4	**Investment in Debt Securities**			
	If listed then:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.5%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10%	-
	If unlisted then:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.5%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15%	-
1.5	**Investment in Equity Securities**			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	191,141,117	105,706,867	85,434,250
	ii. If unlisted, 100% of carrying value.	7,000,000	100%	-
	iii.Subscription money against investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	iv.100% Haircut shall be applied to Value of investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	-	100%	-
1.6	Investment in subsidiaries	-	100%	-
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,700,000	100%	-
1.9	Margin deposits with exchange and clearing house.	342,924,535	0%	342,924,535
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	0%	-
1.11	Other deposits and prepayments	24,569,942	100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	0%	-
	100% haircut to be applied in respect of markup accrued on loans to directors, subsidiaries and other related parties	129,378,960	100%	-
1.13	Dividends receivable.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (***Securities purchased under repo arrangement shall not be included in the investments.***)	-	-	-
1.15	**Advances and Receivables other than trade receivables**			
	i. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	4,183,294	100%	-
	ii. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation		0%	-
	iii. In all other cases, 100% of net value	-	100%	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	4,019,259	4,019,259	4,019,259

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***		-	-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***		5%	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haircut***		-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	17,792,590	0%	17,792,590
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. ***v. Lower of net balance sheet value or value determined through adjustments***	49,405,618	6,359,113	6,359,113
	vi. 100% haircut in the case of amount receivable form related parties.	1,737,679	100%	-
1.18	**Cash and Bank balances**			
	i. Bank Balance-proprietory accounts	90,909,879	0%	90,909,879
	ii. Bank balance-customer accounts	596,533,518	0%	596,533,518
	iii. Cash in hand	177,240	0%	177,240
1.19	Subscription money against investment in IPO/ offer for sale (asset)		0%	-
1.20	**Total Assets**	**1,507,351,487**		**1,144,150,383**

2. Liabilities

2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	0%	-
	ii. Payable against leveraged market products	-	0%	-
	iii. Payable to customers	807,754,199	0%	807,754,199
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	6,384,464	0%	6,384,464
	ii. Accruals and other payables	58,811,628	0%	58,811,628
	iii. Short-term borrowings	-	0%	-
	iv. Current portion of subordinated loans	-	0%	-
	v. Current portion of long term liabilities	-	0%	-
	vi. Deferred Liabilities	-	0%	-
	vii. Provision for taxation	-	0%	-
	viii. Other liabilities as per accounting principles and included in the financial statements	-	0%	-
2.3	**Non-Current Liabilities**			
	i. Long-Term financing	-	100%	-
	ii. Staff retirement benefits	9,397,512	0%	9,397,512
	iii. Other liabilities as per accounting principles and included in the financial statements	-	0%	-
2.4	**Subordinated Loans**			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	100%	-
2.5	**Advance against shares for increase in capital of securities broker**	-	-	-
	100% Haircut may be allowed in respect of advance against shares if: (i) The existing authorized share capital allows the proposed enhanced share capital (ii) Board of Directors of the company has approved the increase in capital (iii) Relevant Regulatory approvals have been obtained (iv) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed	-	100%	-
2.6	**Total Liabilities**	**882,347,802**		**882,347,802**

3. Ranking Liabilities Relating to :

3.1	**Concentration in Margin Financing**			
	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Concentration in securities lending and borrowing			
3.2	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
	Net underwriting Commitments			
3.3	(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
	Negative equity of subsidiary			
3.4	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
	Foreign exchange agreements and foreign currency positions			
3.5	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
	Repo adjustment			
3.7	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
	Concentrated proprietary positions			
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	8,315,357	8,315,357	8,315,357
	Opening Positions in futures and options			
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral / pledged with securities exchange after applying VaR haircuts	8,456,707	-	8,456,707
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
	Short sell positions			
3.10	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietory positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilities**	16,772,064	8,315,357	16,772,064
		608,231,621	**Liquid Capital**	245,030,517

Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	1,144,150,383
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(882,347,802)
(iii) Less: Total ranking liabilities (serial number 3.11)	(16,772,064)
	245,030,517

35. SHARIAH COMPLIANCE

Ismail Iqbal Securities (Private) Limited (the "Company") is duly registered/licensed to undertake Shariah-compliant securities brokerage services in accordance with the applicable regulatory framework prescribed by the Securities and Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange Limited (PSX) and National Clearing Company of Pakistan Limited (NCCPL).

During the year ended June 30, 2026, the Company did not have any Shariah-compliant customer accounts and, consequently, no Shariah-compliant brokerage transactions were undertaken during the year. Accordingly, no Shariah-compliant brokerage income was recognized during the year.

The Company remains subject to the applicable Shariah principles, Shariah governance requirements and regulatory requirements governing Shariah-compliant securities brokers.

36. DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors in their meeting held on 07 OCT 2026

37. CORRESPONDING FIGURES

Corresponding figures' have been re-classified, wherever necessary for the purposes of comparison.

38. GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Director