Muhammad Hussain Ismail Securities (Pvt) Ltd
Financial Statements
For the year ended June 30, 2025

Muhammad Hussain Ismail Securities (Pvt) Ltd.

TRE Certificate Holder / Broker: Pakistan Stock Exchange Limited.

3rd Floor, Room No. 113, Stock Exchange Bldg., Stock Exchange Road, Off. I.I. Chundrigar Road, Karachi. Office: 32417326

Ref: ____________ Date: ____________

DIRECTORS' REPORT

On behalf of the Board of Directors of the Company, I am pleased to present our report together with the audited financial statement of the Company for the year June 30, 2025.

Performance Overview

The following depicts the Company's performance in the current year.

	Rupees
Revenue	62,166,211
Operating expenses	(5,134,728)
Profit before levies and income tax	**57,031,483**
Levies	(2,921,833)
Profit before income tax	**54,109,650**
Income tax expense	(493,066)
Profit after taxation	**53,616,584**

Capital Market Review & Outlook

In Financial Year 2025, the Pakistan Equity Market performed exceptionally well, experiencing improvement in both trading value and volume compared to Financial Year 2025. Despite anticipated economic difficulties and political instability, the market's performance exceeded expectations. This positive momentum, reflected in the KSE-100 Index trading at a reasonable Price to Earnings ratio, gradually drew investors back into the market. Those who had previously exited found renewed confidence in the market's performance, leading to a partial resurgence in trading activity. Moreover, higher inflation and interest rates are likely to keep the equities market under pressure during next year.

Dividend:

The Directors do not recommended any dividend during the year due to cash flow requirement during next financial year.

External Auditors

The retiring auditors, M/s. Nasir Javaid Maqsood Imran., Chartered Accountants, being eligible, have offered themselves for reappointment

Dated: 04 OCT 2025

Director

Chief Executive

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

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Ellander Road, Opposite Shaheen Complex,
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INDEPENDENT AUDITOR'S REPORT

To the members of Muhammad Hussain Ismail Securities (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Muhammad Hussain Ismail Securities (Private) Limited (the Company)**, which comprise the statement of financial position as at June 30, 2025, 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 material accounting policy 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 purposes of the audit.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (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.

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

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

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

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

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 inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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 statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980;

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

The engagement partner on the audit resulting in this independent auditor's report is **Mohammad Javaid Qasim.**

NASIR JAVAID MAQSOOD IMRAN
KARACHI
CHARTERED ACCOUNTANTS

Nasir Javaid Maqsood Imran

Nasir Javaid Maqsood Imran
Chartered Accountants

Place: Karachi

Date: 04 OCT 2025

UDIN: AR202510270hCR7Sv3dr

MUHAMMAD HUSSAIN ISMAIL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	Rupees 2025	Rupees 2024
ASSETS			
NON-CURRENT ASSETS			
Property & equipment	4	38,223	49,955
Intangible assets	5	3,104,000	3,104,000
Long term advances & deposits	6	3,760,000	3,760,000
		6,902,223	**6,913,955**
CURRENT ASSETS			
Short term investment	7	114,658,815	72,561,028
Advances, deposits, pre-payments & other receivables	8	216,399	263,471
Cash & bank balances	9	26,081,486	7,668,838
		140,956,700	**80,493,337**
TOTAL ASSETS		**147,858,923**	**87,407,292**
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
1,500,000 (2024: 1,500,000) ordinary shares of Rs. 100/- each		**150,000,000**	**150,000,000**
Issued, subscribed and paid-up capital	10	70,000,000	70,000,000
Reserves		77,400,972	7,393,488
		147,400,972	**77,393,488**
LIABILITIES			
NON CURRENT LIABILITIES			
Subordinated loan	11	-	10,000,000
CURRENT LIABILITIES			
Accrued expenses & other liabilities	12	1,378	13,804
Taxation - net		456,573	-
		457,951	**13,804**
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		**147,858,923**	**87,407,292**

The annexed notes from 1 to 24 form an integral part of these financial statements.

Chief Executive | **Director**

MUHAMMAD HUSSAIN ISMAIL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	Rupees 2025	Rupees 2024
REVENUE			
Operating revenue	14	8,751,247	5,722,832
Capital gain on sale of securities		15,915,558	-
Unrealized gain on remeasurement of investment at fair value		37,499,406	20,426,016
		62,166,211	**26,148,848**
Administrative expenses	15	(5,098,043)	(4,043,996)
Finance cost	16	(36,685)	(29,945)
		(5,134,728)	**(4,073,941)**
Profit before levies and income tax		**57,031,483**	**22,074,907**
Levies	17	(2,921,833)	(561,900)
Profit before income tax		**54,109,650**	**21,513,007**
Income tax expense	18	(493,066)	(174,197)
Profit after income tax		**53,616,584**	**21,338,810**

The annexed notes from 1 to 24 form an integral part of these financial statements.

Chief Executive | **Director**

MUHAMMAD HUSSAIN ISMAIL SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	Rupees 2025	Rupees 2024
Profit after income tax		**53,616,584**	**21,338,810**
<u>Other comprehensive income for the year</u>			
Items that will not be reclassified to statement of profit or loss subsequently			
Unrealized gain on remeasurement of investment - At fair value - through other comprehensive income		16,390,901	5,849,258
Total comprehensive income / (loss) for the year		**70,007,485**	**27,188,068**

The annexed notes from 1 to 24 form an integral part of these financial statements.

Chief Executive

Director

MUHAMMAD HUSSAIN ISMAIL SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	Rupees 2025	Rupees 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levies and income tax		**57,031,483**	**22,074,907**
Add / (less) : Items not involved in movement of fund:			
Depreciation		11,731	15,938
Capital gain on sale of securities		(15,915,558)	
Unrealised gain on remeasurement of investment at fair value - through profit or loss		(37,499,406)	(20,426,016)
Finance cost		36,685	29,945
		(53,366,548)	(20,380,133)
Cash generated from operating activities before working capital changes		**3,664,935**	**1,694,775**
Net change in working capital	(a)	(1,825)	47,666
		3,663,110	**1,742,441**
Finance cost paid		(36,685)	(29,945)
Income tax and levies paid		(2,921,855)	(570,920)
Net cash generated from operating activities		**704,570**	**1,141,576**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of computer		-	(23,000)
Proceeds from disposal of securities - net		27,708,078	-
Net cash generated / (used in) from investing activities		**27,708,078**	**(23,000)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of subordinated loan		(10,000,000)	-
Net cash used in financing activities		**(10,000,000)**	**-**
Net increase in cash and cash equivalents		**18,412,648**	**1,118,576**
Cash and cash equivalent at beginning of the year		7,668,838	6,550,262
Cash and cash equivalent at end of the year	9	**26,081,486**	**7,668,838**

<u>**(a) Statement of change in working capital**</u>

	Rupees 2025	Rupees 2024
(Increase) / decrease in current assets		
Advances, deposits, pre-payments & other receivables	10,601	40,000
	10,601	**40,000**
Increase / (decrease) in current liabilities		
Accrued expenses & other liabilities	(12,426)	7,666
	(12,426)	**7,666**
Net change in working capital	**(1,825)**	**47,666**

The annexed notes from 1 to 24 form an integral part of these financial statements.

Chief Executive

Director

MUHAMMAD HUSSAIN ISMAIL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed & paid up capital	Reserves: Unappropriated (loss) / profit	Reserves: Unrealised gain on remeasurement of investment at fair value-through other comprehensive income	Sub Total	Total
	Rupees	*Rupees*	*Rupees*	*Rupees*	*Rupees*
Balance as at June 30, 2023	70,000,000	(16,983,476)	(2,811,105)	(19,794,581)	50,205,419
Profit for the year	-	21,338,810	-	21,338,810	21,338,810
Gain on remeasurement of investment at fair value - through other comprehensive income	-	-	5,849,258	5,849,258	5,849,258
Balance as at June 30, 2024	70,000,000	4,355,334	3,038,153	7,393,488	77,393,488
Profit for the year	-	53,616,584	-	53,616,584	53,616,584
Gain on remeasurement of investment at fair value - through other comprehensive income	-	-	16,390,901	16,390,901	16,390,901
Balance as at June 30, 2025	70,000,000	57,971,918	19,429,054	77,400,972	147,400,972

The annexed notes from 1 to 24 form an integral part of these financial statements.

Chief Executive

Director

MUHAMMAD HUSSAIN ISMAIL SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Muhammad Hussain Ismail Securities (Private) Limited was incorporated in Pakistan as a private company on September 14, 2006 under the Companies Ordinance, 1984 (which has now been repealed by the enactment of the Companies Act, 2017 in May 2017). The Company is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited. The registered office is situated at Room No. 113, 3rd Floor, Pakistan Stock Exchange Building, Pakistan Stock Exchange Road, Karachi, Pakistan. The principal activities of the Company are investments, share brokerage, inter- bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by IASB and provisions of and directives issued under the Companies Act 2017. In case requirements differ, the provision or directives of the Companies Act, 2017 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for derivatives and investments. Statement of cash flow has been presented on cash basis.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 4. Depreciation is charged when the asset is available for use till the asset is disposed off.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

3.2 Intangible assets

Intangible assets having definite useful life are stated at cost less accumulated amortization and impairment losses, if any however, Intangible assets having indefinite life are stated at cost less impairment losses, if any.

Subsequent cost is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization is charged to the statement of profit or loss using reducing balance method over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged in the month in which the asset is disposed off.

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist than the assets recoverable amount is estimated. The recoverable amount is the greater of its value and fair value less cost to sell.

3.2.1 Trading Right Entitlement Certificate

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

3.2.2 Pakistan Mercantile Exchange - Membership card

Membership card represents corporate membership of Pakistan Mercantile Exchange with indefinite useful life. This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether this is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, this is written down to its estimated recoverable amount.

3.2.3 Computer software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method.

3.4 Financial instruments

3.4.1 Financial assets - Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place. However, the Company follows trade date accounting for its own (the house) investments. Trade date is the date on which the Company commits to purchase or sell its asset.

The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost;

(b) financial assets measured at fair value through other comprehensive income (FVOCI); and

(c) financial assets measured at fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.4.2 Financial assets - Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit and loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.4.3 Financial liabilities - Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortized cost or 'At Fair Value - Through Profit or Loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

3.5 Impairment

3.5.1 Financial assets

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade debts and receivables from margin financing, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets

3.5.2 Impairment of non-financial assets

The carrying amout of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an assets or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized to the statement of profit or loss.

3.6 Derecognition

3.6.1 Financial assets

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.6.2 Financial liabilities

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.7 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.8 Investments

Investment in shares of listed companies are classified as "At Fair Value - Through Profit or Loss" and is initially measured at cost and subsequently is measured at fair value determined using the market value at each reporting date. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Net gains and losses are recognized in statement profit or loss.

3.9 Settlement date accounting

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognized at the settlement date. Trade date is the date on which the Company commits to purchase or sale an asset.

3.10 Trade debts and receivables against margin financing

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized on the settlement date as this is the point in time that the payment of the consideration by the customer becomes due.

3.11 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash in hand, balance with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts / short term borrowings. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.12 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. Trade payables in respect of securities purchased are recorded at settlement date of transaction.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.13 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in statement of comprehensive income, in which case it is recognised in equity or in statement of comprehensive income respectively.

i) Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

ii) Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount 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 that are expected to apply to the period when the differences reverse based on tax rates that have been enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible differences, carry forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits 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 benefits will be realized.

iii) 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 12/IAS 37.

3.14 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.15 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. Revenue is recognized on the following basis:

- Brokerage, consultancy, advisory fee and commission etc. are recognized as and when such services are provided.
- Income from bank deposits, reverse repo and margin deposits is recognized at effective yield on time proportion basis.
- Dividend income is recorded when the right to receive the dividend is established.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account for the period in which they arise.
- Rental income from investment properties is recognized on accrual basis.
- Income on financial assets (including margin financing) is recognised on time proportionate basis taking into account effective / agreed rate of the instrument.
- Unrealised gains / (losses) arising from mark to market of investments classified as 'available for sale' are taken directly to other comprehensive income.
- Gains / (losses) arising on revaluation of derivatives to fair value are taken to profit and loss account under other income / other expenses.
- Other/miscellaneous income is recognized on accrual basis.

3.16 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Borrowing costs are recognised 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 capitalised as part of cost of that asset.

4 PROPERTY AND EQUIPMENT

	Furniture & fixtures (Rupees)	Computer (Rupees)	Total (Rupees)
Net carrying value basis			
Year ended June 30, 2025			
Opening net book value	21,700	28,254	49,954
Additions during the year (at cost)	-	-	-
Disposals at net book value	-	-	-
Depreciation charge for the year	(3,255)	(8,476)	(11,731)
Closing net book value	**18,445**	**19,778**	**38,223**
Gross carrying value basis			
As at June 30, 2025			
Cost	109,300	214,200	323,500
Accumulated depreciation	(90,855)	(194,422)	(285,277)
Net book value	**18,445**	**19,778**	**38,223**
Net carrying value basis			
Year ended June 30, 2024			
Opening net book value	25,530	17,363	42,893
Additions during the year (at cost)	-	23,000	23,000
Disposals at net book value	-	-	-
Depreciation charge for the year	(3,830)	(12,109)	(15,939)
Closing net book value	**21,700**	**28,254**	**49,955**
Gross carrying value basis			
As at June 30, 2024			
Cost	109,300	214,200	323,500
Accumulated depreciation	(87,600)	(185,946)	(273,546)
Net book value	**21,700**	**28,254**	**49,955**
Depreciation rate (% per annum)	**15**	**30**	

	Notes	Rupees 2025	Rupees 2024

5 INTANGIBLE ASSETS

	Notes	Rupees 2025	Rupees 2024
Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited	5.1	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited	5.2	250,000	250,000
Office - Pakistan Stock Exchange Limited		354,000	354,000
		3,104,000	**3,104,000**

5.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. TREC has been recognized at cost less accumulated impairment loss. The Company has assessed the TREC to have an indefinite useful life as it is renewable subject to compliance with regulatory requirements, and no foreseeable limit to the period over which the TREC is expected to generate economic benefits exists.

5.2 This represents membership card received from Pakistan Mercantile Exchange Limited in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The membership card has been recognized at cost less accumulated impairment loss. The Company has assessed the membership card to have an indefinite useful life as it is renewable subject to compliance with regulatory requirements, and no foreseeable limit to the period over which the TREC is expected to generate economic benefits exists.

6 LONG-TERM ADVANCES AND DEPOSITS

	2025	2024
Pakistan Stock Exchange Limited	10,000	10,000
National Clearing Company of Pakistan Limited	400,000	400,000
Central Depository Company of Pakistan Limited	100,000	100,000
Pakistan Mercantile Exchange Limited	750,000	750,000
Advance against office at Pakistan Mercantile Exchange Limited	2,500,000	2,500,000
	3,760,000	**3,760,000**

7 SHORT TERM INVESTMENT

	2025	2024
Investments at fair values through profit & loss		
Equity securities of quoted companies	46,918,413	38,284,917
Unrealised gain on remeasurement of investment at fair value	37,499,406	20,426,016
Market value	**84,417,819**	**58,710,933**
Investments at fair values through other comprehensive income		
Equity securities of Pakistan Stock Exchange Limited	13,850,095	8,000,836
Unrealised gain on remeasurement of investment	16,390,901	5,849,259
Market value	**30,240,996**	**13,850,095**
Total	**114,658,815**	**72,561,028**

7.1 Securities having market value of Rs. 107,159,200/- (2024: 57,015,00/-) are pledged with Pakistan Stock Exchange Limited for the purpose of base minimum capital requirement and National Clearing Company of Pakistan Limited for the purpose of exposure requirements.

	Notes	Rupees 2025	Rupees 2024

8 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Advance to staff		192,000	227,000
Income tax refundable		-	36,471
Sales tax refundable		24,399	-
		216,399	**263,471**

9 BANK BALANCES

Cash at bank			
- current accounts		26,081,486	7,668,838
	9.1	**26,081,486**	**7,668,838**

9.1 *Bank balance pertains to:*

Clients		5,625	1,525
Brokerage House		26,075,861	7,667,313
		26,081,486	**7,668,838**

10 ISSUED, SUBSCRIBED & PAID-UP-CAPITAL

Number of shares 2025	Number of shares 2024		Rupees 2025	Rupees 2024
700,000	700,000	Ordinary shares of Rs. 100 each fully paid in cash	70,000,000	70,000,000
700,000	**700,000**		**70,000,000**	**70,000,000**

10.1 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.

10.2 PATTERN OF SHAREHOLDING

Name of shareholders	2025	2024	2025	2024
	Number of Shares		Percentage of Holding	
Ashraf	68,419	68,419	9.77%	9.77%
Yasmeen	210,527	210,527	30.08%	30.08%
Rukhsana	210,527	210,527	30.08%	30.08%
Seema	210,527	210,527	30.08%	30.08%
	700,000	**700,000**	**100%**	**100%**

	Notes	Rupees 2025	Rupees 2024
11 SUBORDINATED LOAN			
From director - unsecured	11.1	-	10,000,000
		-	**10,000,000**

11.1 This represents unsecured interest free loan from one of the directors of the company to meet capital requirements of the company. It was repaid in full during the year.

12 ACCRUED EXPENSES & OTHER LIABILITIES

	2025	2024
Sales tax payable	1,378	13,804
	1,378	**13,804**

13 CONTINGENCIES AND COMMITMENT

i) The income tax authorities have issued show cause notices to various members of the Pakistan Stock Exchange Limited, including the Company, to amend original assessment order under section 122(9) read with section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2017. In this regard, the PSX Stock Brokers Association filed Constitution Petition before the Honourable High Court of Sindh at Karachi and the Company became a party with them. The Honourable High Court of Sindh granted stay order in favour of the Petitioners. The management is confident that the eventual outcome of the matter will be decided in favour of the Company, therefore, no provision has been made in this regard.

ii) There are no outstanding commitments as at June 30, 2025 (June 30, 2024: Nil).

14 OPERATING REVENUE

	2025	2024
Equity brokerage commission	2,470,538	2,233,820
Less: sales tax on services	(322,244)	(256,988)
	2,148,294	**1,976,832**
Dividend income on investment in equity securities	6,602,953	3,746,000
	8,751,247	**5,722,832**

	Notes	Rupees 2025	Rupees 2024

15 ADMINISTRATIVE EXPENSES

	Notes	Rupees 2025	Rupees 2024
Salaries, benefit and allowances		490,000	472,500
Director's remuneration	15.1	1,380,000	1,380,000
Service & transaction charges		2,123,130	867,078
Fees & subscription		206,275	258,860
Legal & professional		370,000	386,000
Utilities & communication		64,584	49,755
Auditor's remuneration	15.2	339,000	291,600
Rent, rates and taxes		52,020	267,800
Repair and maintenance		20,900	22,250
Printing and stationery		33,596	19,865
Depreciation		11,731	15,938
Others		6,807	12,350
		5,098,043	**4,043,996**

15.1 Remuneration of Chief Executive and Directors

	2025			2024		
	Chief Executive	**Directors**	**Executives**	**Chief Executive**	**Directors**	**Executives**
Managerial remuneration	780,000	600,000	-	780,000	600,000	-
Company's contribution to the Provident Fund	-	-	-	-	-	-
Fees	-	-	-	-	-	-
Bonus	-	-	-	-	-	-
Housing and utilities	-	-	-	-	-	-
	780,000	**600,000**	-	**780,000**	**600,000**	-
Number of persons (including those who worked part of the year)	1	3	-	1	3	-

15.2 Auditors' remuneration

Audit services

	Rupees 2025	Rupees 2024
Annual audit fee	269,016	226,800
Certifications	69,984	64,800
	339,000	**291,600**

	Notes	Rupees 2025	Rupees 2024

16 FINANCE COST

	Notes	Rupees 2025	Rupees 2024
Bank charges		36,685	29,945
		36,685	**29,945**

17 LEVIES

	Notes	Rupees 2025	Rupees 2024
Final tax	17.1	2,921,833	561,900
		2,921,833	**561,900**

17.1 This represents final taxes paid under section 5 and 37A of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

18 TAXATION

	Rupees 2025	Rupees 2024
Current	493,066	165,177
Prior	-	9,020
	493,066	**174,197**

18.1 Relationship between income tax expense and accounting profit

	Rupees 2025	Rupees 2024
Profit before taxation	**57,021,503**	**22,074,906**
Tax at the applicable tax rate of 29%	16,536,236	6,401,723
Tax effect of:		
Inadmissible expenses	1,359,384	773,338
Exempt income	(10,874,828)	(5,923,545)
Income subject to lower tax rate	(3,605,893)	(524,440)
Prior year	-	9,020
	3,414,899	**736,097**

Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	Rupees 2025	Rupees 2024
Current tax liability for the year as per applicable tax laws	3,414,899	727,077
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(493,066)	(165,177)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(2,921,833)	(561,900)
Difference	-	-

18.2 The aggregate of final taxes and income tax, amounting to Rs. 3,414,899/- (2024: Rs. 727,077) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

18.3 The income tax returns of the Company have been filed up to tax year 2024 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.

19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting year as shown in the cash flow statement are reconciled to the related items in the balance sheet as follows:

	Rupees 2025	Rupees 2024
Bank balances	26,081,486	7,668,838
	26,081,486	**7,668,838**

20 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

20.1 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

20.1.1 Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of interest rate risk, foreign currency risk and price risks.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will flactuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks and term deposits with banks. The Company is not exposed to interest rate risk.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from receivables and payable that exist due to transaction in foreign currencies. The Company is not exposed to currency risk as all the operations of the Company are being carried out in local currency.

(iii) Price Risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company manages price risk by monitoring the exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Company to incur significant mark-to-market and credit losses. As of the reporting date, the Company was exposed to price risk since it had investments in quoted equity securities and also because the Company held collatyrals in the form of equity securities against their debtor balances.

The carrying value of investments subject to price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of equity securities in particular sectors of the market.

The table below summarizes Company's equity price risk as of June 30, 2025 and 2024 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of markets and the aforementioned concentrations existing in Company's equity investment portfolio.

	Fair value (Rupees)	Hypothetical price change	Estimated fair value after hypothetical change in prices (Rupees)	Hypothetical increase / (decrease) in profit before tax (Rupees)
June 30, 2025	114,658,815	10% increase	126,124,697	11,465,882
		10% decrease	103,192,934	(11,465,882)
June 30, 2024	72,561,028	10% increase	79,817,131	7,256,103
		10% decrease	65,304,925	(7,256,103)

20.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet comments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market options due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities.

	2025			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	(Rupees)			
Financial liabilities				
Accrued expenses & other liabilities	1,378	1,378	1,378	-
Taxation - net	456,573	456,573	456,573	-
	457,951	**457,951**	**457,951**	-

	2024			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	(Rupees)			
Financial liabilities				
Accrued expenses & other liabilities	13,804	13,804	13,804	-
	13,804	**13,804**	**13,804**	-

20.1.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 360 days or more.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

Exposure to credit risk

Credit risk of the Company arises principally from the trade debts, short term investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimised due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions are settled / paid for upon delivery. The Company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is follows:

	Rupees 2025	Rupees 2024
Long term advances & deposits	3,760,000	3,760,000
Short term investment	114,658,815	72,561,028
Advances, deposits, pre-payments & other receivables	216,399	263,471
Cash & bank balances	26,081,486	7,668,838
	144,716,700	**84,253,337**

b) **Credit risk exposure on bank balances**

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

Bank	Short term rating	2025 Rupees	2024 Rupees
Habib Bank Limited	A-1+	1,983,881	886,107
Bank AL Habib Limited	A-1+	24,097,605	6,782,731
		26,081,486	**7,668,838**

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

20.2 Financial Instruments by category

20.2.1 Financial Assets

2025

	At fair value through profit or loss	At fair value through other comprehensive income	At amortised cost	Total
Long term advances & deposits	-	-	3,760,000	3,760,000
Short term investment	84,417,819	30,240,996	-	114,658,815
Advances, deposits, pre-payments & other receivables	-	-	192,000	192,000
Cash & bank balances	-	-	26,081,486	26,081,486
	84,417,819	**30,240,996**	**30,033,486**	**144,692,301**

2024

	At fair value through profit or loss	At fair value through other comprehensive income	At amortised cost	Total
Long term loans, advances & deposits	-	-	3,760,000	3,760,000
Short term investments	58,710,933	13,850,095	-	72,561,028
Advances, deposits, pre-payments & other receivables	-	-	227,000	227,000
Cash and bank balances	-	-	7,668,838	7,668,838
	58,710,933	**13,850,095**	**11,655,838**	**84,216,866**

20.2.2 Financial Liabilities

2025

	Amortised cost	At fair value through profit or loss	Total
Accrued expenses & other liabilities	1,378	-	**1,378**
	1,378	-	**1,378**

2024

	Amortised cost	At fair value through profit or loss	Total
Accrued expenses & other liabilities	13,804	-	**13,804**
	13,804	-	**13,804**

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market/ quoted price in an active market and whose fair value cannot be reliably measured.

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 categorised:

Financial assets

2025	Level 1	Level 2	Level 3	Total
At fair value through profit and loss				
Equity securities of quoted companies	84,417,819	-	-	84,417,819
	84,417,819	-	-	**84,417,819**
At fair value through other comprehensive income				
Equity securities of Pakistan Stock Exchange Limited	30,240,996	-	-	30,240,996
	30,240,996	-	-	**30,240,996**

2024	Level 1	Level 2	Level 3	Total
At fair value through profit and loss				
Equity securities of quoted companies	58,710,933	-	-	58,710,933
	58,710,933	-	-	**58,710,933**
At fair value through other comprehensive income				
Equity securities of Pakistan Stock Exchange Limited	13,850,095	-	-	13,850,095
	13,850,095	-	-	**13,850,095**

22 CAPITAL

22.1 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The management closely monitors the return on capital employed along with the level of distributions to ordinary shareholders. Further, in order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital, or issue new shares.

On a regular basis, the Company manages to meet the financial resource requirements applicable to the Company (i.e., minimum levels of Liquid Capital or net worth) as specified in the Securities Brokers (Licensing and Operations) Regulations, 2016.

22.2 Capital Adequacy Level

		June 30, 2025
Total Assets		147,858,923
Less: Total Liabilities		(457,951)
Less: Revaluation Reserves (Created upon revaluation of Fixed Assets)		-
Capital Adequacy Level	22.2.1	**147,400,972**

22.2.1 While determining the value of the total assets of the TREC Holder, notional value of the TRE certificate held by the company as at June 30, 2025, as determined by Pakistan Stock Exchange has been considered.

22.3 Liquid Capital Balance

Liquid Capital Balance of the Company, as at June 30, 2025, in accordance with the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 is enclosed as Annexure A-1.

23 RELATED PARTY TRANSACTIONS

Related parties of the Company comprise of key management personnel (including directors) and their close family members. Remuneration of the Chief Executive and directors is disclosed in the relevant note to these financial statements.

Transactions entered into, and balances held with, related parties are as follows:

	2025	2024
KEY MANAGEMENT PERSONNEL:		
Ashraf (Chief Executive Officer)		
Transactions during the year		
Brokerage commission earned on sale and purchase of securities	1,293,244	1,583,448
Rukhsana (Director)		
Transactions during the year		
Brokerage commission earned on sale and purchase of securities	111,100	35,200
Yasmeen (Director)		
Transactions during the year		
Brokerage commission earned on sale and purchase of securities	397,850	61,900
Repayment of subordinated loan	10,000,000	-
Balances at year end		
Long term loan	-	10,000,000
Seema (Director)		
Transactions during the year		
Brokerage commission earned on sale and purchase of securities	107,200	29,400
CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL		
Abdul Aziz Siwani (Close family member of director)		
Transactions during the year		
Brokerage commission earned on sale and purchase of securities	238,900	266,884

24 GENERAL

	2025	2024
24.1 Number of Employees		
Total employees of the Company at the year end	1	1
Average employees of the Company during the year	1	1

24.2 Figures have been re-arranged and re-classified wherever necessary, for the purpose of better presentation. No major reclassifications were made in these financial statements.

24.3 Figures have been rounded off to the nearest rupee.

0 4 OCT 2025

24.4 Authorization for Issue

These financial statements were approved by the Company's board of directors and authorised for issue on ________.

Chief Executive

Director

MUHAMMAD HUSSAIN ISMAIL SECURITIES (PVT) LTD
COMPUTATION OF LIQUID CAPITAL
AS ON JUNE 30, 2025

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	38,223	38,223	-
1.2	Intangible Assets	3,104,000	3,104,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
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.	61,515,815	9,227,785	52,288,030
	Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	53,143,000	53,143,000	-
	ii. If unlisted, 100% of carrying value.	-	-	-
1.6	Investment in subsidiaries	-	-	-
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.	-	-	-
1.8	**Statutory or regulatory deposits/basic deposits with the exchanges,**			
	(i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC	3,760,000	3,760,000	-
1.9	Margin deposits with exchange and clearing house.	-	-	-
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	-	-	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
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 repayments within 12 months.	192,000	192,000	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation .	-	-	-
	(iii) In all other cases 100% of net value	24,399	24,399	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	ii. claims on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-

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 if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***	-	-	-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***	-	-	-
	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***	-	-	-
	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***	-	-	-
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. ***vi. Lower of net balance sheet value or value determined through adjustments***	-	-	-
1.18	**Cash and Bank balances**			
	i. Bank Balance-proprietary accounts	26,075,861	-	26,075,861
	ii. Bank balance-customer accounts	5,625	-	5,625
	iii. Cash in hand	-	-	-
1.19	**Subscription money against investment in IPO/ offer for sale (asset)**			
	(i)No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	(ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities	-	-	-
	(iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.	-	-	-
1.20	**Total Assets**	**147,858,923**	**69,489,407**	78,369,516
2.				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	-	-	-
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	1,378	-	1,378
	ii. Accruals and other payables	-	-	-
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	456,573	-	456,573

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	**Non-Current Liabilities**	-	-	-
	i. Long-Term financing	-	-	-
	ii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	iii. Staff retirement benefits Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases	-	-	-
2.				
2.4	**Subordinated Loans** i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	-	-	-
2.5	**Advance against shares for Increase in Capital of Securities broker:** 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. 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. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	**Total Liabilities**	457,951	-	457,951
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 finances. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities	-	-	-
3.2	**Concentration in securities lending and borrowing** 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 (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)	-	-	-
3.3	**Net underwriting Commitments** **(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 commitment	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	**Negative equity of subsidiary** 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			

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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	-	-	-
3.7	**Repo adjustment** **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.	-	-	-
3.8	**Concentrated proprietary positions** 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		-	3,924,100
3. Ranking Liabilities Relating to :				
3.9	**Opening Positions in futures and options** 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	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	**Short sell positions** 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 proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilities**	-	-	**3,924,100**
		147,400,972	**Liquid Capital**	**73,987,465**

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	78,369,516
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(457,951)
(iii) Less: Total ranking liabilities (serial number 3.11)	(3,924,100)
	73,987,465

PSX-003

Karachi

Chief Executive

Director