Iqbal Usman Kodvavi Securities (Pvt) Limited
Financial Statements
For the year ended June 30, 2026

DIRECTORS' REPORT TO THE MEMBERS

For the year ended 30 June 2026

The Board of Directors presents its report, together with the audited financial statements of Iqbal Usman Kodvavi Securities (Private) Limited for the year ended 30 June 2026 and the auditors' report thereon, in accordance with sub-sections (1) and (2) of section 227 of the Companies Act, 2017.

Part 1 — Matters required by section 227(1)

1.1 The state of the Company's affairs and a fair review of its business

	2026 (Rs.)	2025 (Rs.)
Brokerage commission, net of sales tax on services	74,101,487	50,530,839
Capital gain on sale of securities	4,340,736	3,663,519
Unrealised gain on remeasurement of investments	128,850	975,809
Dividend income	584,293	505,000
Total revenue	**79,155,366**	**55,675,167**
Administrative expenses	(80,392,767)	(54,367,175)
(Loss) / profit from operations	**(1,237,401)**	**1,307,992**
Other income	4,478,194	4,774,826
Sindh Workers' Welfare Fund	(80,321)	—
Finance cost	(96,230)	(78,780)
Profit before levies and income tax	**3,064,242**	**6,004,038**
Levies	(744,334)	(185,568)
Income tax	(2,188,905)	(894,872)
Profit after taxation	**131,003**	**4,923,598**

The Company earned a profit after taxation of Rs. 131,003 for the year (2025: Rs. 4,923,598). Brokerage commission, the Company's principal source of revenue, rose by 46.6% to Rs. 74,101,487 on higher trading value and volume at the Pakistan Stock Exchange, and total revenue rose by 42.3% to Rs. 79,155,366. Administrative expenses rose by 47.9% to Rs. 80,392,767 and for the first time exceeded total revenue, so that the Company recorded a loss from operations of Rs. 1,166,780 before other income. The reasons are set out at section (i).

The Company's equity rose from Rs. 176,326,003 to Rs. 226,457,006, almost wholly by the issue of 5,000,000 ordinary shares for cash of Rs. 50,000,000 to the existing members in proportion to their holdings. Total assets rose from Rs. 275,641,288 to Rs. 300,482,736. Cash and bank balances of Rs. 100,328,429 include Rs. 67,902,025 held in designated accounts on behalf of clients; the Company's own cash was Rs. 32,390,925, and its running finance facility of Rs. 100,000,000 from Bank Alfalah Limited was undrawn at the year end (2025: Rs. 25,089,867 drawn). The Company held clients' securities with a market value of Rs. 4,489,434,580 in the Central Depository System at 30 June 2026 (2025: Rs. 3,389,756,129).

Key performance indicators

Brokerage commission growth	46.6%
Administrative expenses as a percentage of total revenue	101.6%
Agents' commission as a percentage of net brokerage	67.9%
Return on average equity	0.1%
Net worth under Regulation 6(7) (Rs.)	226,457,006
Net worth as a multiple of the minimum of Rs. 75 million	3.02 times
Liquid capital (Rs.)	157,218,581
Assets under custody as a multiple of net worth	19.8 times
Trade debts due from related parties as a percentage of gross trade debts	86.5%
Number of employees at the year end	15

1.2 Dividend

The directors do not recommend the payment of any dividend for the year ended 30 June 2026 (2025: Rs. Nil). The profit for the year does not support a distribution, and the Board's priority is the retention of capital to support the Company's regulatory net worth and the credit it extends to its clients.

1.3 Amount proposed to be carried to reserves

No amount is proposed to be carried to any reserve fund, general reserve or reserve account. The profit for the year of Rs. 191,031 has been carried forward in unappropriated profit, which stood at Rs. 76,517,034 at the reporting date.

Part 2 — Matters required by section 227(2)

(a) Names of the persons who were directors at any time during the financial year

Name	Position	Period of office during the year
Muhammad Iqbal Usman Kodvavi	Chief Executive	Whole year
Farzana Iqbal Usman Kodvavi	Director	Whole year
Muhammad Yameen	Director	Whole year

[There was no change in the composition of the Board during the year. / Amend, stating the date of and reason for each change.]
[ ] meetings of the Board were held during the year. The Company is a private company and is not required to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019; the attendance record is given voluntarily.

(b) Principal activities and the development and performance of the Company's business

The Company is a corporate member and a Trading Right Entitlement Certificate holder of the Pakistan Stock Exchange Limited, licensed by the Securities and Exchange Commission of Pakistan under the Trading and Self-Clearing category of the Securities Brokers (Licensing and Operations) Regulations, 2016. Its principal activity is the execution of securities transactions on the Exchange on behalf of its clients, for which it earns brokerage commission, together with the custody and settlement of its clients' securities and money through the Central Depository Company of Pakistan Limited and the National Clearing Company of Pakistan Limited. The Company also invests in listed securities on its own account on a limited scale. It did not undertake underwriting, advisory, margin financing or securities lending business during the year.

The development and performance of the business is described at section 1.1. During the year the Company strengthened its capital base by Rs. 50,000,000, expanded its client business and its agent network, realised substantially the whole of its proprietary portfolio at a gain of Rs. 4,340,736, and renewed its motor vehicle fleet at a cost of Rs. 19,379,925.

(c) Description of the principal risks and uncertainties facing the Company

Risk	Nature of the exposure and the Board's response
Credit risk on client debit balances, including those of related parties	Trade debts of Rs. 129,357,862 are owed by clients, of which Rs. 111,904,130 is owed by the directors, the shareholders and their close family members, and balances due from those persons reached Rs. 276,818,607 in aggregate at month ends during the year. The balances are secured by the securities held in the respective client sub-accounts and are subject to the trading limits assigned under Regulation 16(1)(l). The Board reviews every related party balance and the collateral held against it at each of its meetings and has resolved that no related party may exceed its trading limit without the Board's prior approval. See section (m)(iii).
Custody and fiduciary risk	The Company holds clients' securities of Rs. 4,489,434,580 and client money of Rs. 67,902,025. Any failure of segregation, any unauthorised dealing with client assets or any breach of the custody limit under Regulation 6(1B) would expose the Company to regulatory action and to claims. Client money is held in designated accounts reconciled daily; client securities are pledged only with written authority; and the custody multiple is monitored monthly. See section (m)(i).
Cost structure and profitability	Administrative expenses exceeded total revenue in the year. Agents' commission of Rs. 50,319,217 absorbs 67.9% of net brokerage, and the Company's margin is therefore highly sensitive to the terms on which business is introduced. The Board has resolved to review the agents' commission structure and the cost base during the year ending 30 June 2027.
Market and liquidity risk	Brokerage revenue depends on trading value and volume at the Exchange, which are volatile. The Company's liquidity depends on the timely settlement of client debit balances; it holds own cash of Rs. 32,390,925 and an undrawn facility of Rs. 100,000,000.
Regulatory capital	The Company must maintain net worth of Rs. 75,000,000 and liquid capital computed under the Third Schedule at all times, and a shortfall would restrict its trading facility under Regulation 6(2). Net worth of Rs. 226,517,034 and liquid capital of Rs. 157,278,609 give substantial headroom.
Concentration of ownership and management	The Company is owned and managed by one family. Decisions on credit, remuneration and related party dealings are taken by persons who are themselves interested in them, which the Board mitigates by disclosure under section 205 of the Companies Act, 2017, by applying published terms to all clients alike, and by the reporting described at section (m)(iii).

(d) Changes in the nature of the business

There was no change during the year in the nature of the business of the Company. The Company has no subsidiary and holds no interest in any other company.

(e) Information and explanation in regard to any modification in the auditor's report

The auditors' report on the financial statements for the year ended 30 June 2026 is not modified. It contains no qualified opinion, adverse opinion or disclaimer of opinion, no Emphasis of Matter paragraph and no Other Matter paragraph, and the auditors have reported without exception on each of the matters required to be stated under section 249(3) of the Companies Act, 2017. [Substitute, if the opinion is modified: "The auditors have expressed a qualified opinion. The Basis for Qualified Opinion section of their report states that [describe]. The directors [accept / do not accept] the auditors' view for the following reasons: [state], and have taken the following steps: [state]."]

(f) Pattern of holding of the shares

The authorised capital of the Company was increased during the year from Rs. 100,000,000 to Rs. 150,000,000 by special resolution of the members passed under section 85(1)(a) of the Companies Act, 2017, and 5,000,000 ordinary shares of Rs. 10 each were offered to the existing members in proportion to their holdings under section 83(1)(a) and allotted at par for cash. The pattern of shareholding at 30 June 2026 is as follows:

Name of shareholder	Shares held at 30 June 2026	Percentage	Shares held at 30 June 2025	Shares allotted during the year
Muhammad Iqbal Usman Kodvavi	10,327,499	68.85%	6,885,000	3,442,499
Farzana Iqbal Usman Kodvavi	4,672,497	31.15%	3,114,997	1,557,500
Muhammad Yameen	4	0.00%	3	1
Total	15,000,000	100.00%	10,000,000	5,000,000

All shareholders are directors of the Company. There are no shareholders in any other category. No director or spouse or minor child of a director traded in the shares of the Company during the year other than by subscribing for the allotment described above. There is no agreement between the shareholders relating to voting rights, board selection, rights of first refusal or block voting, and the sponsors hold not less than fifty one per cent of the share capital as Regulation 4(c) of the Securities Brokers (Licensing and Operations) Regulations, 2016 requires.

(g) Holding company and its country of origin

The Company has no holding company, whether incorporated in Pakistan or outside Pakistan, and is not a subsidiary of any other company. No name or country of origin falls to be stated.

(h) Earnings per share

The Company's ordinary shares are not publicly traded and IAS 33 does not apply to it, so earnings per share is not presented in the financial statements.

(i) Reasons for the fall in profit and future prospects

The Company did not incur a loss, but its profit after taxation fell from Rs. 4,923,598 to Rs. 131,003 in a year in which revenue rose by 42%, and the directors consider that the members are entitled to an explanation. Four factors account for it. First, agents' commission rose by Rs. 19,353,764 to Rs. 50,319,217, growing faster than the brokerage on which it is paid, and now absorbs 67.9% of net brokerage against 61.3% in the preceding year. Second, travelling and conveyance rose by Rs. 4,521,975 to Rs. 6,024,900, insurance by Rs. 482,244 and vehicle running expenses by Rs. 321,615, and depreciation rose by Rs. 1,661,891 following the acquisition of motor vehicles for Rs. 19,379,925. Third, salaries and benefits rose by Rs. 1,907,503 to Rs. 10,888,000 with the expansion of the business. Fourth, levies and income tax absorbed 93.9% of profit before levies and income tax: current tax is determined by final tax and minimum tax regardless of the level of accounting profit, a prior year charge of Rs. 250,798 arose on, and deferred tax of Rs. 795,383 was charged on the accelerated tax depreciation of the new vehicles. Directors' remuneration, by contrast, fell from Rs. 3,600,000 to Rs. 874,000. The year's result also benefited from a non-recurring reversal of the loss allowance of Rs. 638,993 and a realised gain of Rs. 4,340,736 on the disposal of the proprietary portfolio, without which the Company would have reported a loss.

As to future prospects, the directors expect brokerage revenue to be sustained if trading activity at the Exchange remains at current levels, and have resolved to review the agents' commission structure and the administrative cost base during the year ending 30 June 2027 so that growth in revenue is reflected in profit. The directors expect the Company to return to a level of profit commensurate with its revenue in that year, but note that the result depends on market conditions which the Company does not control.

(j) Defaults in payment of debts

The Company's only borrowing is the running finance facility of Rs. 100,000,000 from Bank Alfalah Limited, which was undrawn at 30 June 2026 and under which the Company met every obligation as it fell due during the year. There has been no default in the payment of any debt, of any principal or mark-up, or of any statutory due, and no amount was overdue at the reporting date. The Company has not been declared a defaulter by the Exchange, the clearing house or any financial institution.

(k) Comments in respect of the adequacy of internal financial controls

The Board is responsible for the Company's system of internal financial controls and for reviewing its effectiveness. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable, and not absolute, assurance against material misstatement or loss. The Board has reviewed the system in operation during the year. The controls over the segregation of client money and the daily reconciliation of client accounts, the custody and pledging of client securities, the monthly computation and filing of liquid capital, and the settlement of transactions through the clearing house operated satisfactorily throughout the year.

The Board has identified two areas in which the system requires strengthening and has approved measures for each. The first is the control over credit extended to related party clients, where the Board has resolved that every related party balance and the collateral held against it be reported to the Board at each meeting and that no related party may exceed the trading limit assigned under Regulation 16(1)(l) without the Board's prior approval recorded in its minutes. The second is the financial reporting process, where the Board has directed that the Computation of Liquid Capital be reconciled line by line to the audited financial statements before it is signed and that the working file be purged of templates from earlier years before each year's statements are prepared. Subject to those measures, the Board considers the system of internal financial controls to be adequate for the size and nature of the Company's business.

(l) Material changes and commitments since the end of the financial year

[No material change or commitment affecting the financial position of the Company has occurred between 30 June 2026 and the date of this report. / The following have occurred: ...] This clause must be answered positively one way or the other and reconsidered at the date of signature.

(m) Any other information

(i) Compliance with regulatory capital and custody requirements

The Company's net worth at 30 June 2026 under Regulation 6(7) of the Securities Brokers (Licensing and Operations) Regulations, 2016 was Rs. 226,457,006 against the minimum of Rs. 75,000,000 for a Trading and Self-Clearing broker under Regulation 6(1A), and its liquid capital under the Third Schedule was Rs. 157,218,581. The Company complied with both requirements throughout the year and filed the monthly statements required by Regulation 6(3); the Computation of Liquid Capital at the reporting date is annexed to the financial statements as Annexure A-I under Regulation 34. Assets under custody of Rs. 4,489,434,580 represented 19.8 times net worth. The Company does not maintain a Broker Fiduciary Rating; the limit under Regulation 6(1B) is fifteen times net worth after excluding proprietary assets and the securities of sponsors, directors and their close relatives. No penalty was imposed on the Company by the Commission, the Exchange, the clearing house or the depository during the year.

(ii) Client assets

Client money of Rs. 67,902,025 was held in designated bank accounts at the reporting date in accordance with Regulation 16(12), and clients' securities of Rs. 4,489,434,580 were held in the Central Depository System. Clients' securities of Rs. 243,517,000 pledged with the National Clearing Company of Pakistan Limited and Rs. 112,275,000 pledged with financial institutions were pledged with the written authority of the clients concerned.

(iii) Related party transactions and balances

The directors, the shareholders and their close family members trade in securities through the Company. At 30 June 2026 trade debit balances of Rs. 111,904,130 were due from those persons, being Rs. 51,955,224 from Farzana Iqbal Usman Kodvavi, Rs. 39,539,716 from Mustafa Iqbal Usman Kodvavi, Rs. 20,367,389 from Muhammad Iqbal Usman Kodvavi, Rs. 41,501 from Muhammad Yameen and Rs. 301 from Yasin Iqbal Usman Kodvavi, and the maximum balances outstanding at any month end during the year were those disclosed at note 7.1.2. Each balance is secured by the securities held in the client's sub-account and is subject to a trading limit assigned under Regulation 16(1)(l) on the same basis as applies to unrelated clients; none was past due at the reporting date other than Rs. 301. The Board has considered section 182 of the Companies Act, 2017 and records that the balances arise from credit extended in the ordinary course of the Company's business within sub-section (2) of that section.

An advance of Rs. 1,885,000 made to the Chief Executive in the preceding year remained outstanding at 30 June 2026. The other related party transactions of the year were the subscription by the three members for the shares described at section (f) and brokerage commission of Rs. 62,361 earned from Muhammad Yameen. Full particulars are given at notes 7.1.2, 7.1.3 and 26 to the financial statements.

(iv) Employees and staff retirement benefits

The Company employed fifteen persons at 30 June 2026 (2025: fifteen) and on average during the year. The Company does not maintain any provident fund or other retirement fund.

(v) Donations and corporate social responsibility

The Company made donations of Rs. 500,000 during the year (2025: Rs. 500,000) to Millat Foundation, Bantva Anis Hospital, Bantva Town Memon Welfare Committee and Bantva Memon Jamat, as note 17.3 discloses. No director or spouse of a director has any interest in any of the donees. By reason of the nature of its business the Company's operations have no material impact on the environment.

(vi) Auditors

The present auditors, M/s Nasir Javaid Maqsood Imran, Chartered Accountants, retire at the conclusion of the forthcoming annual general meeting and, being eligible, have consented to reappointment. The Board recommends their appointment as auditors of the Company for the year ending 30 June 2027 under section 246(2) of the Companies Act, 2017 at a fee to be determined by the members.

Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge and belief:

- proper books of account have been kept by the Company as required by section 220 of the Companies Act, 2017;
- the financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, its cash flows and the changes in its equity;
- appropriate accounting policies have been consistently applied in the preparation of the financial statements, accounting estimates are based on reasonable and prudent judgement, and no departure from the accounting and reporting standards as applicable in Pakistan has been made;
- the system of internal control is sound in design and has been effectively implemented and monitored, subject to the measures at section (k); and
- there is no significant doubt about the Company's ability to continue as a going concern.

Acknowledgement

The Board records its appreciation of the Company's clients, agents and employees, and of the guidance of the Securities and Exchange Commission of Pakistan, the Pakistan Stock Exchange Limited, the National Clearing Company of Pakistan Limited and the Central Depository Company of Pakistan Limited during the year.

For and on behalf of the Board of Directors

Muhammad Iqbal Usman Kodvavi Chief Executive		Muhammad Yameen Director

Karachi

Dated: 03 OCT 2026

STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE FOR SECURITIES BROKERS

Published under Clause 10 of Annexure D (Corporate Governance Code for Securities Broker) to the Securities Brokers (Licensing and Operations) Regulations, 2016, read with regulation 16(1)(f) of those Regulations

For the year ended June 30, 2026

Board of Directors

1. The Company has established an effective Board of Directors responsible for ensuring the long-term success of the Company and for monitoring and evaluating the performance of the management. The size and composition of the Board reflect the scale and complexity of the Company's business, having regard to its licence category, the volume and nature of its brokerage and proprietary activity, and the number of persons it employs.

The composition of the Board during the year was as follows:

Name	Category
Mohammad Iqbal Usman Kodvavi	Director / Chief Executive Officer
Farzana Iqbal Usman Kodvavi	Director
Mohammad Yameen	Director

Responsibilities, powers and functions of the Board of Directors

2. The Board has set the strategic objectives of the Company and has satisfied itself that the necessary financial and human resources are in place for meeting those objectives. The Board has formulated and approved significant policies on governance, risk management and compliance issues on customer relations, including customer awareness and a mechanism and timeline for handling and resolving customer complaints and grievances; and on the segregation of customer assets from the assets of the Company.

3. The Board has formulated and ensured the adoption of a code of conduct and ethics to promote the integrity of the Company's business, its Board and its employees, with special emphasis on measures for curbing market manipulative activities including front running, insider trading and other market abuse. The code of conduct has been disseminated to all directors and employees and its observance is monitored by the compliance officer.

4. The Board has devised an effective whistle-blower mechanism enabling all stakeholders, including employees, to communicate freely their concerns about any illegal or unethical practice. The mechanism permits reporting in confidence and, where the person reporting so elects, anonymously, directly to the compliance officer, and the Board has satisfied itself that the interest of a whistle-blower is not prejudicially affected by reason of any report made.

5. The Board has appointed Chief Executive Officer to lead the management team and to exercise executive authority over the operations of the Company.

An advance of Rs. 1,885,000 made to the Chief Executive in the preceding year remained outstanding at 30 June 2026. The other related party transactions of the year were the subscription by the three members for the shares described at section (f) and brokerage commission of Rs. 62,361 earned from Muhammad Yameen. Full particulars are given at notes 7.1.2, 7.1.3 and 26 to the financial statements.

(iv) Employees and staff retirement benefits

The Company employed fifteen persons at 30 June 2026 (2025: fifteen) and on average during the year. The Company does not maintain any provident fund or other retirement fund.

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The present auditors, M/s Nasir Javaid Maqsood Imran, Chartered Accountants, retire at the conclusion of the forthcoming annual general meeting and, being eligible, have consented to reappointment. The Board recommends their appointment as auditors of the Company for the year ending 30 June 2027 under section 246(2) of the Companies Act, 2017 at a fee to be determined by the members.

Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge and belief:

- proper books of account have been kept by the Company as required by section 220 of the Companies Act, 2017;
- the financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, its cash flows and the changes in its equity;
- appropriate accounting policies have been consistently applied in the preparation of the financial statements, accounting estimates are based on reasonable and prudent judgement, and no departure from the accounting and reporting standards as applicable in Pakistan has been made;
- the system of internal control is sound in design and has been effectively implemented and monitored, subject to the measures at section (k); and
- there is no significant doubt about the Company's ability to continue as a going concern.

Acknowledgement

The Board records its appreciation of the Company's clients, agents and employees, and of the guidance of the Securities and Exchange Commission of Pakistan, the Pakistan Stock Exchange Limited, the National Clearing Company of Pakistan Limited and the Central Depository Company of Pakistan Limited during the year.

For and on behalf of the Board of Directors

Muhammad Iqbal Usman Kodvavi Chief Executive		Muhammad Yameen Director

Karachi

Dated: 03 OCT 2026

Related party transactions

13. The details of all transactions entered into by the Company with its related parties during the year, and of all balances outstanding with them at the reporting date, were placed before the Board and were reviewed and approved by it at its meeting. Particulars of those transactions and balances are disclosed in the notes to the annual audited financial statements in accordance with IAS 24 and with the Fifth Schedule to the Companies Act, 2017.

Non-compliance during the year

14. No instance of non-compliance with the Code arose during the year ended June 30, 2026.

Approval

15. This Statement of Compliance was approved by the Board of Directors of the Company at its meeting and is signed on its behalf by the Chief Executive Officer and a Director.

Mohammad Iqbal Usman Kodvavi Chief Executive Officer		Mohammad Yameen Director

Place: Karachi

Dated: 03 OCT 2026

Iqbal Usman Kodvavi Securities (Pvt.) Ltd.
Corporate Brokerage House (Pakistan Stock Exchange Limited)

Compliance of Corporate Governance Code for Securities and Futures Broker

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

Karachi:

Mohammad Iqbal Usman Kodvavi
Chief Executive Officer

521-522, 5th Floor, Stock Exchange Building, Stock Exchange Road, Karachi-Pakistan.

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Iqbal Usman Kodvavi Securities (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Iqbal Usman Kodvavi Securities (Private) Limited (the Company)**, which comprise 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 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, 2026 and of the profit and other 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 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 **Ahmed Javaid**.

Nasir Javaid Maqsood Imran

Nasir Javaid Maqsood Imran
Chartered Accountants

Place: Karachi

Date: 03 OCT 2026

UDIN: AR202610931z8M3pdoZA

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

	Note	Rupees 2026	Rupees 2025
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	28,781,388	21,538,349
Intangible asset	5	2,500,000	2,500,000
Long term advances & deposits	6	1,500,000	1,500,000
		32,781,388	**25,538,349**
CURRENT ASSETS			
Trade receivables	7	128,656,222	144,486,745
Short term investments	8	268,700	8,028,850
Advances, deposits, pre-payments & other receivables	9	38,447,997	25,871,374
Cash and bank balances	10	100,328,429	71,715,970
		267,701,348	**250,102,939**
TOTAL ASSETS		**300,482,736**	**275,641,288**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
15,000,000 (2025: 10,000,000) ordinary shares of Rs. 10/- each		**150,000,000**	**100,000,000**
Issued, subscribed and paid-up share capital	11	150,000,000	100,000,000
Unappropriated profit		76,457,006	76,326,003
		226,457,006	**176,326,003**
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation - net	12	879,516	84,133
		879,516	**84,133**
CURRENT LIABILITIES			
Trade payables		67,902,025	71,223,310
Short term borrowings - secured	13	-	25,089,867
Accrued expenses & other liabilities	14	5,244,189	2,917,975
		73,146,214	**99,231,152**
CONTINGENCIES AND COMMITMENTS	15	-	-
TOTAL EQUITY AND LIABILITIES		**300,482,736**	**275,641,288**

The annexed notes from 1 to 27 form an integral part of these financial statements.

Chief Executive

Director

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

	Note	Rupees 2026	Rupees 2025
Operating revenue	16	74,101,487	50,530,839
Capital gain on sale of securities		4,340,736	3,663,519
Unrealised gain on re-measurement of investments at fair value through profit or loss - net		128,850	975,809
Dividend income		584,293	505,000
		79,155,366	**55,675,167**
Administrative expenses	17	(80,392,767)	(54,367,175)
		(1,237,401)	**1,307,992**
Other income	18	4,478,194	4,774,826
		3,240,793	**6,082,818**
Provision for Sindh Workers' Welfare Fund		(80,321)	-
Finance cost	19	(96,230)	(78,780)
Profit before levies and income taxes		**3,064,242**	**6,004,038**
Levies	20	(744,334)	(185,568)
Profit before income tax		**2,319,908**	**5,818,470**
Income Tax	21	(2,188,905)	(894,872)
Profit after taxation		**131,003**	**4,923,598**

The annexed notes from 1 to 27 form an integral part of these financial statements.

Chief Executive

Director

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

	Note	Rupees 2026	Rupees 2025
Profit after taxation		131,003	4,923,598
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**131,003**	**4,923,598**

The annexed notes from 1 to 27 form an integral part of these financial statements.

Chief Executive

Director

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

	Note	Rupees 2026	Rupees 2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levies and income taxes		**3,064,242**	**6,004,038**
Add / (less) : Items not involved in movement of fund:			
Depreciation		4,573,944	2,912,053
Capital gain on sale of securities		(4,340,736)	(3,663,519)
Unrealised gain on remeasurement of investment at fair value through profit or loss		(128,850)	(975,809)
Dividend income		(584,293)	(505,000)
Provision for Sindh Workers' Welfare Fund		80,321	-
(Reversal) / charge of provision for expected credit losses		(638,993)	25,032
Gain on disposal of motor vehicle		(48,158)	(906,401)
Finance costs		96,230	78,780
Cash generated from operating activities before working capital changes		**(990,535)**	**(3,034,864)**
		2,073,707	**2,969,174**
Net change in working capital	(a)	3,716,310	(98,410,291)
		5,790,017	**(95,441,117)**
Finance costs paid		(79,180)	(78,780)
Income tax and levies paid		(3,053,041)	(690,999)
Net cash generated from / (used in) operating activities		**2,657,796**	**(96,210,896)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment		(19,468,825)	(9,000,500)
Proceed from disposal of property and equipment		7,700,000	8,010,000
Proceeds from disposal / (payment for purchase) of quoted equity securities - net		12,229,736	(3,325,473)
Dividend received from public companies		583,619	505,000
Net cash used in investing activities		**1,044,530**	**(3,810,973)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		50,000,000	60,000,000
Net cash generated from financing activities		**50,000,000**	**60,000,000**
Net increase / (decrease) in cash and cash equivalents		**53,702,326**	**(40,021,869)**
Cash and cash equivalent at beginning of the year		46,626,103	86,647,972
Cash and cash equivalent at end of the year	22	**100,328,429**	**46,626,103**
(a) Statement of change in working capital			
(Increase) / decrease in current assets			
Trade receivables		16,469,516	(94,835,890)
Advances, deposits, pre-payments & other receivables		(11,590,143)	(14,246,813)
		4,879,373	**(109,082,703)**
Increase / (decrease) in current liabilities			
Trade payables		(3,321,285)	10,380,439
Accrued expenses & other liabilities		2,158,222	291,973
		(1,163,063)	**10,672,412**
Net change in working capital		**3,716,310**	**(98,410,291)**

The annexed notes from 1 to 27 form an integral part of these financial statements.

Chief Executive

Director

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

	Issued, subscribed & paid up capital	Unappropriated profit	Total
	Rupees	*Rupees*	*Rupees*
Balance as at June 30, 2024	**40,000,000**	**71,402,405**	**111,402,405**
Issuance of shares	60,000,000	-	**60,000,000**
Profit for the year	-	4,923,598	**4,923,598**
Balance as at June 30, 2025	**100,000,000**	**76,326,003**	**176,326,003**
Issuance of shares	50,000,000	-	**50,000,000**
Profit for the year	-	131,003	**131,003**
Balance as at June 30, 2026	**150,000,000**	**76,457,006**	**226,457,006**

The annexed notes from 1 to 27 form an integral part of these financial statements.

Chief Executive

Director

IQBAL USMAN KODVAVI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Iqbal Usman Kodvavi Securities (Private) Limited ('the Company') was incorporated in Pakistan as a private company on February 21, 2001 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. 521-522, 5th Floor, Pakistan Stock Exchange Building, Pakistan Stock Exchange Road, Karachi. 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 accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act, 2017; and
- Securities Brokers (Licensing and Operations) Regulations, 2016.

Where the provisions of, directives and notifications issued under the Companies Act. 2017 differ from the IFRS accounting standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed. The disclosures required by the Securities Brokers (Licensing and Operations) Regulations, 2016 are included in these financial statements.

2.2 Basis of measurement

Items in these financial statements have been measured at their historical cost except for short term investments in quoted equity securities which are carried at fair value.

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. The financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making 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.

2.5 **Changes in accounting standards, interpretations and amendments to published approved accounting standards**

a) **Standards and amendments to approved accounting standards that are effective**
There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 01, 2025. However, these do not have any significant impact on the Company's financial statements.

b) **Standard and amendments to approved accounting standards that are not yet effective**
The standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company are as under:

			Effective date (annual reporting periods beginning on or after)
-	IAS 7	Statement of Cash Flows (Amendments)	January 1, 2026
-	IAS 21	The effects of changes in foreign exchange rates (Amendments)	January 1, 2027
-	IAS 28	Investments in Associates and Joint Ventures (Amendments)	January 1, 2027
-	IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
-	IFRS 9	Financial Instruments (Amendments)	January 1, 2026
-	IFRS 10	Consolidated Financial Statements (Amendments)	January 1, 2026
-	IFRS 17	Insurance Contracts (Amendments)	January 1, 2027
-	IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
-	IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

The management anticipates that, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026;

-	IFRS 1	First-time Adoption of International Financial Reporting Standards
-	IFRS 20	Regulatory Assets and Regulatory Liabilities
-	IFRIC 12	Service Concession Arrangements

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.

3.3 Financial instruments

3.3.1 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.

3.3.2 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.

3.3.3 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.

3.4 Impairment

3.4.1 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

3.4.2 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.

3.5 Derecognition

3.5.1 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.

3.5.2 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.

3.6 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.

3.7 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.

3.8 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.

3.9 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.

3.10 Levies and Taxation

i) 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 as these levies fall under the scope of IFRIC 21/IAS 37.

ii) Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any.

iii) 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.

3.11 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

3.12 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.13 Revenue recognition

i Brokerage and Fee revenue

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

ii Capital Gain on Sale of Investment

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

-) Unrealised capital gains / losses arising from mark to market of investments classified as 'financial assets at fair value through profit or loss' are included in statement of profit or loss in the period in which they arise.

-) Unrealised gains / losses arising from mark to market of investments classified as 'fair value through other comprehensive income' are taken directly to statement of comprehensive income in the period in which they arise.

iii Dividend Income

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

iv Interest Income from deposits

Income from deposits with financial and other institutions is recognised at effective yield on time proportionate basis

v Interest income on Margin Financing System

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

3.14 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

	Office premises	Office equipments	Computer equipments	Furniture & fixtures	Motor vehicle	Total
	(Rupees)	*(Rupees)*	*(Rupees)*	*(Rupees)*	*(Rupees)*	*(Rupees)*
Net carrying value basis						
Year ended June 30, 2026						
Opening net book value	2,126,693	265,470	53,121	75,817	19,017,248	**21,538,349**
Additions during the year (at cost)	-	88,900	-	-	19,379,925	**19,468,825**
Disposals at net book value	-	-	-	-	(7,651,842)	**(7,651,842)**
Depreciation charge for the year	(212,669)	(42,670)	(15,936)	(11,373)	(4,291,296)	**(4,573,944)**
Closing net book value	**1,914,024**	**311,700**	**37,185**	**64,444**	**26,454,035**	**28,781,388**
Gross carrying value basis						
As at June 30, 2026						
Cost	5,459,000	1,020,323	776,576	407,800	42,879,782	**50,543,481**
Accumulated depreciation	(3,544,976)	(708,623)	(739,391)	(343,356)	(16,425,747)	**(21,762,093)**
Net book value	**1,914,024**	**311,700**	**37,185**	**64,444**	**26,454,035**	**28,781,388**
Net carrying value basis						
Year ended June 30, 2025						
Opening net book value	2,362,992	312,318	75,887	89,197	19,713,107	**22,553,501**
Additions during the year (at cost)	-	-		-	9,000,500	**9,000,500**
Disposals at net book value	-	-	-	-	(7,103,599)	**(7,103,599)**
Depreciation charge for the year	(236,299)	(46,848)	(22,766)	(13,380)	(2,592,760)	**(2,912,053)**
Closing net book value	**2,126,693**	**265,470**	**53,121**	**75,817**	**19,017,248**	**21,538,349**
Gross carrying value basis						
As at June 30, 2025						
Cost	5,459,000	931,423	776,576	407,800	33,769,857	**41,344,656**
Accumulated depreciation	(3,332,307)	(665,953)	(723,455)	(331,983)	(14,752,609)	**(19,806,307)**
Net book value	**2,126,693**	**265,470**	**53,121**	**75,817**	**19,017,248**	**21,538,349**
Rate of Depreciation (%)	**10**	**15**	**30**	**15**	**15**	

4.2 Details of property andequipment disposed off / scrapped having book value of five hundred thousand rupees or more each are as follows:

Asset	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain on disposal	Mode of disposal	Name of buyer	Relationship with buyer
Motor Vehicle - Toyota Cross	10,270,000	2,618,158	7,651,842	7,700,000	48,158	Negotiation	Mohammad Nadeem Sarver	None

	Notes	Rupees 2026	Rupees 2025
5 INTANGIBLE ASSET			
Trading Right Entitlement Certificates - Pakistan Stock Exchange Limited		2,500,000	2,500,000
	5.1	**2,500,000**	**2,500,000**

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.

6 LONG TERM ADVANCES & DEPOSITS			
National Clearing Company of Pakistan Limited		1,400,000	1,400,000
Central Depository Company of Pakistan Limited		100,000	100,000
		1,500,000	**1,500,000**
7 TRADE RECEIVABLES			
Considered good		128,618,929	138,247,204
Considered doubtful		738,933	1,377,926
		129,357,862	**139,625,130**
Less: Provision for expected credit losses	7.1	(738,933)	(1,377,926)
		128,618,929	**138,247,204**
Receivable from National Clearing Company of Pakistan Limited		37,293	6,239,541
		128,656,222	**144,486,745**
7.1 Movement in provision for expected credit losses			
Balance at the beginning of the year		1,377,926	1,352,894
(Reversal) / charge for the year		(638,993)	25,032
Balance at the end of the year	7.1.1	**738,933**	**1,377,926**
7.1.1 Aging analysis			
Upto 90 days		123,792,389	136,842,015
More than 90 but upto 180 days		4,204,629	1,474,980
More than 180 but upto 360 days		500,177	98,269
More than 360 days		860,667	1,209,867
		129,357,862	**139,625,130**

7.1.2 Due from related parties which are not impaired and their maximum amount outstanding at any time during the year calculated with reference to month end balances are as follows:

Name of related party	Amount due		Maximum amount outstanding at any time during the year	
	2026	2025	2026	2025
	----------	----------	Rupees ----------	----------
Muhammad Iqbal Usman Kodvavi	20,367,389	-	87,256,377	-
Farzana Iqbal Usman Kodvavi	51,955,224	118,888,389	118,888,389	118,888,389
Muhammad Yameen	41,501	-	240,814	3,047,091
Mustafa Iqbal Usman Kodvavi	39,539,716	4,158,758	70,432,727	249,997,548
Yasin Iqbal Usman Kodvavi	301	301	301	232,467
	111,904,130	**123,047,447**	**276,818,607**	**372,165,494**

7.1.3 **Aging analysis - related party**

Name of related party	1 - 90 days	91 - 180 days	181 - 365 days	More than 365 days	Total gross amount due
	----------	----------	Rupees ----------	----------	----------
Muhammad Iqbal Usman Kodvavi	20,367,389	-	-	-	**20,367,389**
Farzana Iqbal Usman Kodvavi	51,955,224	-	-	-	**51,955,224**
Muhammad Yameen	41,501	-	-	-	**41,501**
Mustafa Iqbal Usman Kodvavi	39,539,716	-	-	-	**39,539,716**
Yasin Iqbal Usman Kodvavi	-	-	-	301	**301**
	111,903,830	-	-	**301**	**111,904,130**

		Rupees 2026	Rupees 2025
7.2	Total value of securities pertaining to clients held in the Central Depository Company of Pakistan	**4,489,434,580**	**3,389,756,129**
7.3	Value of clients' securities pledged with National Clearing Company of Pakistan Limited	**243,517,000**	**206,976,500**
7.4	Value of clients' securities pledged with Financial Institutions	**112,275,000**	**45,155,500**
7.5	The securities are valued using market rate at the year end		

	Notes	Rupees 2026	Rupees 2025
8	**SHORT TERM INVESTMENT**		
	Investments at fair values through profit & loss		
	Quoted equity securities	139,850	7,053,041
	Unrealised gain on remeasurement of investment at fair value	128,850	975,809
	Market value at the end of the year	**268,700**	**8,028,850**

8.1 Securities having market value of Rs. Nil/- (2025: 3,155,600.) 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 2026	Rupees 2025
9 ADVANCES, DEPOSITS, PRE-PAYMENTS & OTHER RECEIVABLES			
Deposit against exposure margin requirement	9.1	6,022,500	6,022,500
Income tax refundable		7,776,495	6,790,689
Prepayments		353,178	303,060
Receivable from director	9.2	1,885,000	1,885,000
Dividend receivable		674	-
Other advances		22,410,150	10,870,125
		38,447,997	**25,871,374**

9.1 This represents deposits held at the year end against exposure arising out of trading in securities in accordance with the regulations of National Clearing Company Pakistan Limited.

9.2 This represents an amount due from Mohammad Iqbal Usman Kodvavi, a Director / Chief Executive Officer of the Company. The maximum aggregate amount due from the director at the end of any month during the year was Rs. 1,885,000 (2025: Rs. 1,885,000).

	Notes	Rupees 2026	Rupees 2025
10 CASH AND BANK BALANCES			
Cash in hand		35,479	43,786
Cash at bank - *current accounts*		46,139,138	70,018,274
- *savings accounts*	10.1	54,153,812	1,653,910
		100,328,429	**71,715,970**

10.1 The return on these balances is 5% to 8% (2025: 8% to 19%) per annum on daily product basis.

10.2 ***Bank balance pertains to:***

Brokerage house	32,390,925	448,874
Clients	67,902,025	71,223,310
	100,292,950	**71,672,184**

11 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary Shares of Rs. 10 /- each

2026	2025			
15,000,000	10,000,000	Ordinary shares of Rs. 10 each fully paid in cash	150,000,000	100,000,000
15,000,000	**10,000,000**		**150,000,000**	**100,000,000**

11.1 PATTERN OF SHAREHOLDING

Name of shareholders	2026	2025	2026	2025
	Number of Shares		Percentage of Holding	
Muhammad Iqbal Usman Kodvavi	10,327,499	6,885,000	68.85%	68.85%
Farzana Iqbal Usman Kodvavi	4,672,497	3,114,997	31.15%	31.15%
Muhammad Yameen	4	3	0.00%	0.00%
	15,000,000	**10,000,000**	**100%**	**100%**

	Notes	Rupees 2026	Rupees 2025
12 DEFERRED TAXATION - NET			
Taxable temporary difference			
Accelerated depreciation		1,061,930	99,840
Unrealized gain on re-measurement of investment		19,328	133,147
		1,081,258	**232,987**
Deductible temporary difference / Tax credit carryforward			
Provision for expected credit losses		201,742	148,854
		201,742	**148,854**
Deferred tax liability		**879,516**	**84,133**

13 SHORT TERM BORROWINGS - SECURED

This represents a short-term running finance facility amounting to Rs. 100 million (2025: Rs. 100 million) obtained from Bank Alfalah Limited to meet the working capital requirements of the Company and to finance daily clearing obligations of PSX and settlement of clients' trades. This running finance facility carry mark-up 3 months KIBOR + 2% calculated on a daily product basis that is payable quarterly. It is secured against a pledge of shares of a director as per the approved list of Bank Alfalah Limited and personal guarantees of all the directors.

	Notes	Rupees 2026	Rupees 2025
14 ACCRUED EXPENSES AND OTHER LIABILITIES			
Accrued expenses		358,620	125,967
Markup payable on short-term borrowings		17,050	-
Amount payable to dealers		3,405,694	1,795,305
Capital gain tax payable		70,621	-
Withholding tax payable		483,329	263,907
Workers' Welfare Fund payable		80,321	-
Sales tax payable		828,554	439,756
Other liabilities		-	293,040
		5,244,189	**2,917,975**

15 CONTINGENCIES AND COMMITMENTS

15.1 There are no outstanding contingencies and commitments as at June 30, 2026 (June 30, 2025: nil).

16 OPERATING REVENUE

Brokerage commission including sales tax on services	85,216,710	58,076,279
Less: Sales tax on services	(11,115,223)	(7,545,440)
Net brokerage commission excluding sales tax on services	**74,101,487**	**50,530,839**

	Notes	Rupees 2026	Rupees 2025
17 ADMINISTRATIVE EXPENSES			
Directors' remuneration	17.1	874,000	3,600,000
Salaries and other benefits		10,888,000	8,980,497
Rent, rates and taxes		336,076	330,414
Utilities and communication		957,098	892,371
Printing and stationery		111,965	66,750
Travelling and conveyance		6,024,900	1,502,925
Bad debt expense		3,878	2,417
Postage and courier		16,180	3,960
Entertainment		446,655	317,490
Repair and maintenance		49,130	92,400
Computer, I.T and software expenses		869,050	951,072
Vehicle running expenses		734,970	413,355
Agents' commission		50,319,217	30,965,453
Legal and professional		453,600	599,400
Fees and subscriptions		887,845	630,848
Auditors' remuneration	17.2	428,800	297,000
Allowance for expected credit loss		-	25,032
Service and transaction charges		1,199,039	1,045,920
Donation		500,000	500,000
Insurance expense		644,984	162,740
Depreciation		4,573,944	2,912,053
Other expenses		73,436	75,078
		80,392,767	**54,367,175**

17.1 Remuneration of Chief Executive and Director

	2026			2025		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
Managerial remuneration	299,500	574,500	-	1,200,000	2,400,000	-
	299,500	**574,500**	**-**	**1,200,000**	**2,400,000**	**-**
Number of persons (including those who worked part of the year)	**1**	**3**	**-**	**1**	**3**	**-**

17.2 Auditors' remuneration

Audit services		
Annual audit fee	428,800	297,000
	428,800	**297,000**

17.3 Donations

Details of donations given to a single party exceeding Rs. 1,000,000/- or 10 percent of Company's total amount of donation, whichever is higher, during the year are as follows:

Millat Foundation	150,000	150,000
Bantva Anis Hospital	100,000	100,000
Bantva Town Memon Welfare Committee	50,000	50,000
Bantva Memon Jamat	200,000	200,000
	500,000	**500,000**

None of the directors or their spouse had any interest in the donees.

	Notes	Rupees 2026	Rupees 2025
18 OTHER INCOME			
Profit on exposure deposit		621,990	747,299
Profit on deposit with banks		2,557,245	2,590,728
Reversal of provision for doubtful debts		638,993	-
Gain on disposal of motor vehicle		48,158	906,401
Others		611,808	530,398
		4,478,194	**4,774,826**
19 FINANCE COSTS			
Markup on short term borrowings		17,126	16
Bank charges		79,104	78,764
		96,230	**78,780**
20 LEVIES			
Final tax	**20.1**	744,334	185,568
		744,334	**185,568**

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

21 INCOME TAX		
Current year	1,142,724	566,803
Prior year	250,798	(23,879)
Deferred	795,383	351,948
	2,188,905	**894,872**
21.1 Relationship between income tax expense and accounting profit		
Profit before levies and income taxes	**3,064,242**	**6,004,038**
Tax at the applicable tax rate of 29%	888,630	1,741,170
Tax effect of inadmissible deductions	3,201,470	1,050,546
Tax effect of admissible deductions	(1,296,443)	(879,947)
Tax effect of exempt income	(222,674)	(551,738)
Tax effect of income subject to lower tax rate	(683,925)	(173,196)
Adjustment of excess minimum tax paid in prior year	-	(289,464)
Tax credit on charitable donations	-	(145,000)
Prior year tax	250,798	(23,879)
Deferred tax	795,383	351,948
Amount transferred to levies	(744,334)	(185,568)
	2,188,905	**894,872**

Notes	Rupees 2026	Rupees 2025

21.2 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:

Current tax liability for the year as per applicable tax laws	1,887,058	752,371
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(1,142,724)	(566,803)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(744,334)	(185,568)
Difference	-	-

21.3 The aggregate of minimum tax, final tax and income tax, amounting to Rs. 1,887,058/- (2025: Rs. 752,371/-) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

21.4 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.

22 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:

Short term borrowings from banking companies	-	(25,089,867)
Cash & bank balances	100,328,429	71,715,970
	100,328,429	**46,626,103**

23 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

23.1 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (foreign currency risk, price risk and interest/mark-up rate 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.

23.1.1 **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 fluctuate because of changes in market interest rates. The interest rate exposure arises from short borrowings from banking companies. At the reporting date, the profile of the Company's interest-bearing financial instruments was as follows:

	2026	2025
	— Carrying amounts (Rs.) —	
Financial asset		
Deposit against exposure margin requirements	6,022,500	6,022,500
Deposit with banks	54,153,812	1,653,910
	60,176,312	**7,676,410**
Financial liabilities		
Short term borrowings - secured	-	25,089,867
	-	**25,089,867**

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate would not affect the carrying amount of any financial instrument.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Effect on profit before tax	
	1% increase	1% decrease
As at June 30, 2026		
Cash flow sensitivity - Variable rate financial instruments	**601,763**	**(601,763)**
As at June 30, 2025		
Cash flow sensitivity - Variable rate financial instruments	**(174,135)**	**174,135**

(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 collaterals 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.

Sensitivity analysis:

The table below summarizes Company's equity price risk as of June 30, 2026 and 2025 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 shareholders' equity	Hypothetical increase / (decrease) in profit before tax (Rupees)	Hypothetical increase / (decrease) in other comprehensive income
June 30, 2026	268,700	**10% increase**	**295,570**	**26,870**	**26,870**	-
		10% decrease	**241,830**	**(26,870)**	**(26,870)**	-
June 30, 2025	8,028,850	10% increase	8,831,735	802,885	802,885	-
		10% decrease	7,225,965	(802,885)	(802,885)	-

23.1.2 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.

	2026			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	(Rupees)			
Financial liabilities				
Short term borrowings - secured	-	-	-	
Trade payables	67,902,025	67,902,025	67,902,025	-
Accrued expenses & other liabilities	5,163,868	5,163,868	5,163,868	-
	73,065,893	**73,065,893**	**73,065,893**	-

	2025			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	(Rupees)			
Financial liabilities				
Short term borrowings - secured	25,089,867	25,089,867	25,089,867	-
Trade payables	71,223,310	71,223,310	71,223,310	-
Accrued expenses & other liabilities	2,917,975	2,917,975	2,917,975	-
	99,231,152	**99,231,152**	**99,231,152**	-

23.1.3 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 mainly arises from deposits with banks and financial institutions, trade debts, receivable against margin financing, short term loans, 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 net 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 management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk which ultimately affects the recoverability of debts. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors.

The carrying amount of financial assets represent the maximum credit exposure at the reporting date, are detailed as follows:

	Rupees 2026	Rupees 2025
Long term advances & deposits	1,500,000	1,500,000
Trade receivables	128,656,222	144,486,745
Advances, deposits, pre-payments & other receivables	30,318,324	18,777,625
Cash and bank balances	100,328,429	71,715,970
	260,802,975	**236,480,340**

a) **Credit risk exposure on trade debts**

To reduce the exposure to credit risk arising from trade debts / receivable against margin financing, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net 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 management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk which ultimately affects the recoverability of debts.

	June 30, 2026		June 30, 2025	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	Rupees			
Not past due	-	-	-	-
Past due 1 day - 90 days	123,792,389	87,485	136,842,015	-
Past due 91 days - 180 days	4,204,629	196,252	1,474,980	69,790
Past due 181 days - 360 days	500,177	159,238	98,269	98,269
Above 360 days	860,667	295,958	1,209,867	1,209,867
	129,357,862	**738,933**	**139,625,131**	**1,377,926**

Except as disclosed above, no provision for expected credit losses has been recognized in respect of trade debts as the security against the same is adequate or counter parties have sound financial standing.

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:

Name of banks	Rating Agency	Ratings (Short-term / Long-term)		Amount of bank balances (Rs.)	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
National Bank of Pakistan	PACRA	A1+ / AAA	A1+ / AAA	78,432,608	70,467,147
Bank AL Habib Limited	PACRA	A1+ / AAA	A1+ / AAA	21,860,342	1,205,037
				100,292,950	**71,672,184**

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.

23.2 Financial Instruments by category

23.2.1 Financial Assets

	2026			
	At fair value through profit or loss	At fair value through other comprehensive income	At amortised cost	Total
Long term advances & deposits	-	-	1,500,000	1,500,000
Trade receivables		-	128,656,222	128,656,222
Short term investments	268,700	-	-	268,700
Advances, deposits, pre-payments & other receivables	-	-	30,318,324	30,318,324
Cash and bank balances	-	-	100,328,429	100,328,429
	268,700	-	**260,802,975**	**261,071,675**

	2025			
	At fair value through profit or loss	At fair value through other comprehensive income	At amortised cost	Total
Long term advances & deposits	-	-	1,500,000	1,500,000
Trade receivables	-	-	144,486,745	144,486,745
Short term investments	8,028,850	-	-	8,028,850
Advances, deposits, pre-payments & other receivables	-	-	18,777,625	18,777,625
Cash and bank balances	-	-	71,715,970	71,715,970
	8,028,850	-	**236,480,340**	**244,509,190**

23.2.2 Financial Liabilities

	2026		
	Amortised cost	At fair value through profit or loss	Total
Trade payables	67,902,025	-	**67,902,025**
Accrued expenses & other liabilities	3,851,985	-	**3,851,985**
	71,754,010	-	**71,754,010**

	2025		
	Amortised cost	At fair value through profit or loss	Total
Trade payables	71,223,310	-	**71,223,310**
Accrued expenses & other liabilities	2,214,312	-	**2,214,312**
	73,437,622	-	**73,437,622**

24 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

	2026			
	Level 1	Level 2	Level 3	Total
At fair value through profit and loss				
Investment in quoted equity securities	268,700	-	-	268,700
	268,700	-	-	**268,700**

	2025			
	Level 1	Level 2	Level 3	Total
At fair value through profit and loss				
Investment in quoted equity securities	8,028,850	-	-	8,028,850
	8,028,850	-	-	**8,028,850**

25 CAPITAL

25.1 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.

25.2 Capital Adequacy Level

		June 30, 2026
Total Assets		300,482,736
Less: Total Liabilities		(74,025,730)
Less: Revaluation Reserves (Created upon revaluation of Fixed Assets)		-
Capital Adequacy Level	**25.2.1**	**226,457,006**

25.2.1 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, 2026, as determined by Pakistan Stock Exchange has been considered.

25.3 Liquid Capital Balance

Liquid Capital Balance of the Company, as at June 30, 2026, in accordance with the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 is enclosed as Annexure A-I.

26 RELATED PARTY TRANSACTIONS

Related parties comprise of directors and their close family members, major shareholders of the Company. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Remuneration of the Chief Executive and Directors is disclosed in note 17.1 to the financial statements.

Following are the related parties with whom the Company had entered into transactions or have arrangement/ agreement in place:

Name of related party	Nature of relationship	Percentage of shareholding
Muhammad Iqbal Usman Kodvavi	Chief Executive Officer / Shareholder	68.85%
Farzana Iqbal Usman Kodvavi	Director / Shareholder	31.15%
Muhammad Yameen	Director / Shareholder	0.00%
Mustafa Iqbal Usman Kodvavi	Close family member of Chief Executive Officer	0.00%
Yasin Iqbal Usman Kodvavi	Close family member of Chief Executive Officer	0.00%

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

	2026	2025
	Rupees	
Muhammad Iqbal Usman Kodvavi		
Transactions during the year		
Advance paid to Mohammad Iqbal Kodvavi	-	1,885,000
Amount received against issuance of shares	34,424,990	41,310,000
Balances at year end		
Trade receivable at year end	20,367,389	-
Trade payable at year end	-	5,674,612
Advance receivable at year end	1,885,000	1,885,000
Outstanding shares 10,327,499 (2025: 6,885,000)	103,274,990	68,850,000

	2026	2025
	Rupees	
Farzana Iqbal Usman Kodvavi		
Transactions during the year		
Amount received against issuance of shares	15,575,000	18,539,985
Balances at year end		
Trade receivable at year end	51,955,224	118,888,389
Outstanding shares 4,672,497 (2025: 3,114,997)	46,724,970	31,149,970
Muhammad Yameen		
Transactions during the year		
Commission earned on sale and purchase of securities	62,361	66,289
Commission paid	-	37,236
Amount received against issuance of shares	10	20
Balances at year end		
Trade receivable at year end	41,501	-
Trade payable at year end	5,071,578	239,099
Outstanding shares 4 (2025: 3)	40	30
Yasin Iqbal Usman Kodvavi		
Balances at year end		
Trade receivable at year end	301	301
Mustafa Iqbal Usman Kodvavi		
Balances at year end		
Trade receivable at year end	39,539,716	4,158,758

27 GENERAL

27.1 Number of Employees

	2026	2025
Total employees of the Company at the year end	15	15
Average employees of the Company during the year	15	15

27.2 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.

Figures have been rounded off to the nearest rupee.

03 OCT 2026

27.3 Authorization for Issue

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

Chief Executive

Director

IQBAL USMAN KODVAVI SECURITIES (PRIVATE) LIMITED
COMPUTATION OF LIQUID CAPITAL
AS ON JUNE 30, 2026

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. ASSETS				
1.1	Property & Equipment	28,781,388	28,781,388	-
1.2	Intangible Assets	2,500,000	2,500,000	-
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.	268,700	40,305	228,395
	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	-	-	-
	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, clearing house or central depository or any other entity.**			
	(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	1,500,000	1,500,000	-
1.9	Margin deposits with exchange and clearing house.	6,022,500	-	6,022,500
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	353,178	353,178	-
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.	674	674	-
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.	-	-	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation .	7,776,495	7,776,495	-
	(iii) In all other cases 100% of net value	24,295,150	24,295,150	-
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.	37,293	-	37,293
	ii. claims on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
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***	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	4,133,087	-	4,133,087
	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***	13,320,645	2,915,407	10,405,238
	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***	111,904,130	300	111,903,830
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietary accounts	32,390,925	-	32,390,925
	ii. Bank balance-customer accounts	67,902,025	-	67,902,025
	iii. Cash in hand	35,479	-	35,479
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**	**301,221,669**	**68,162,897**	**233,058,772**
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	67,902,025	-	67,902,025
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	1,462,825	-	1,462,825
	ii. Accruals and other payables	3,781,364	-	3,781,364
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	879,516	-	879,516
	vii. Provision for taxation	-	-	-
	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	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2	Liabilities			
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**	74,025,730	-	74,025,730
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	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions** 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	-	-	26,870

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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	-	-	1,787,591
	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**	-	-	1,814,461
		227,195,939	**Liquid Capital**	157,218,581

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	233,058,772
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(74,025,730)
(iii) Less: Total ranking liabilities (serial number 3.11)	(1,814,461)
	157,218,581

Chief Executive **Director**