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Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

AUDITED FINANCIAL STATEMENTS
OF
APEX CAPITAL SECURITIES (PRIVATE) LIMITED
FOR THE YEAR ENDED
JUNE 30, 2024

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OF
APEX CAPITAL SECURITIES (PRIVATE) LIMITED
FOR THE YEAR ENDED
JUNE 30, 2024**

**Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
KARACHI, LAHORE & ISLAMABAD**



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CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the members of Apex Capital Securities (Private) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of M/s. Apex Capital Securities (Private) Limited (the Company), which comprise the statement of financial position as at **June 30, 2024**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the financial statements'), 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, 2024** 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.

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.

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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 scepticism 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 (XVIII of 1980);
- e) the Company was in compliance with the requirement of section 78 of the Securities Act, 2015 and section 62 of the Futures Market Act, 2016, and the relevant requirements of the Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared; and
- f) The Company was in compliance with the relevant requirements of Futures Brokers (Licensing and Operations Regulations), 2018 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Waseem.**


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: October 07, 2024

UDIN: AR202410213McSYLODQp

Apex Capital Securities (Private) Limited

Statement of Financial Position

As at June 30, 2024

	Note	2024 Rupees	2023
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital	4	75,000,000	75,000,000
Issued, subscribed and paid up capital	4	59,500,000	59,500,000
<i>Revenue reserves</i>			
Unappropriated profits / accumulated losses		20,209,146	(2,948,332)
<i>Capital reserve</i>			
Capital contribution from the chief executive	5	16,609,500	16,609,500
		96,318,646	73,161,168
Current liabilities			
Trade and other payables	6	69,879,604	7,050,227
Contingencies and commitments	7	-	-
Total equity and liabilities		166,198,250	80,211,395
ASSETS			
Non-current assets			
Property and equipment	8	7,240,728	8,253,356
Intangible asset	9	2,500,000	2,500,000
Long term deposits	10	1,500,000	1,500,000
		11,240,728	12,253,356
Current assets			
Short term investments	11	50,593,412	31,228,183
Trade debts	12	16,513,803	18,535,618
Advance, deposit and other receivables	13	24,454,349	5,606,620
Taxation - net		8,209,684	8,243,798
Cash and bank balances	14	55,186,274	4,343,820
		154,957,522	67,958,039
Total assets		166,198,250	80,211,395

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Executive



Director

Rsin

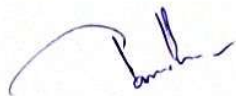
Apex Capital Securities (Private) Limited

Statement of Profit or Loss

For the year ended June 30, 2024

		2024	2023
	Note	Rupees	Rupees
Operating revenue	15	20,710,966	5,076,875
Income / (loss) from investments - net	16	23,734,145	(7,767,629)
		<u>44,445,111</u>	<u>(2,690,754)</u>
Administrative expenses	17	(21,527,188)	(7,157,729)
Financial charges	18	(93,191)	(83,386)
Other expenses	19	(964,664)	(645,793)
Other income	20	1,880,691	800,605
Profit / (loss) before levies and taxation		<u>23,740,759</u>	<u>(9,777,057)</u>
Levies	21	(265,458)	-
Profit / (loss) before taxation		<u>23,475,301</u>	<u>(9,777,057)</u>
Taxation - net	22	(317,823)	(215,676)
Profit / (loss) after taxation		<u><u>23,157,478</u></u>	<u><u>(9,992,733)</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Executive



Director

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Apex Capital Securities (Private) Limited

Statement of Comprehensive Income

For the year ended June 30, 2024

	2024	2023
	Rupees	
Profit / (loss) after taxation	23,157,478	(9,992,733)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year	<u><u>23,157,478</u></u>	<u><u>(9,992,733)</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Executive

Rasih



Director

Apex Capital Securities (Private) Limited

Statement of Changes in Equity

For the year ended June 30, 2024

	Issued, subscribed and paid up capital	Revenue reserve Unappropriated profit	Capital reserve Capital contribution from the Chief Executive	Total
Balance as at June 30, 2022	59,500,000	7,044,401	16,609,500	83,153,901
<i>Total comprehensive loss for the year ended June 30, 2023</i>				
- Loss after taxation	-	(9,992,733)	-	(9,992,733)
- Other comprehensive income	-	-	-	-
	-	(9,992,733)	-	(9,992,733)
Balance as at June 30, 2023	59,500,000	(2,948,332)	16,609,500	73,161,168
<i>Total comprehensive income for the year ended June 30, 2024</i>				
- Profit after taxation	-	23,157,478	-	23,157,478
- Other comprehensive income	-	-	-	-
	-	23,157,478	-	23,157,478
Balance as at June 30, 2024	59,500,000	20,209,146	16,609,500	96,318,646

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Executive



Director

Ravi

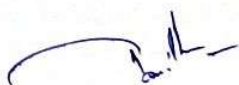
Apex Capital Securities (Private) Limited

Statement of Cash Flows

For the year ended June 30, 2024

	2024	2023
Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before levies and taxation	23,740,759	(9,777,057)
<i>Adjustments for non-cash and other items:</i>		
- Depreciation on property & equipments	8 1,362,345	1,497,560
- (Gain) / loss on re-measurement of investments	(22,063,880)	8,392,717
- Capital loss / (gain) realized on disposal of investments	302,317	(43,455)
- Financial charges	18 93,191	83,386
	<u>(20,306,027)</u>	<u>9,930,208</u>
Operating profit before working capital changes	3,434,732	153,151
<i>Changes in working capital:</i>		
<i>(Increase) / Decrease in current assets</i>		
- Short term investments - net	2,396,334	(2,451,221)
- Trade debts	2,021,815	13,329,492
- Advance, deposit and other receivables	(18,847,729)	(313,910)
<i>Increase/(Decrease) in current liabilities</i>		
- Trade and other payables	62,829,377	(17,034,881)
	<u>48,399,797</u>	<u>(6,470,520)</u>
Cash generated from / (used in) operations	51,834,529	(6,317,369)
Financial charges paid	(93,191)	(83,386)
Tax paid - net	(549,167)	(127,821)
Net cash generated from / (used in) operating activities	51,192,171	(6,528,576)
CASH FLOWS FROM INVESTING ACTIVITIES		
- Capital expenditure	(349,717)	(18,260)
Net used in investing activities	(349,717)	(18,260)
Net increase / (decrease) in cash and cash equivalents	50,842,454	(6,546,836)
Cash and cash equivalents at beginning of the year	4,343,820	10,890,656
	<u>55,186,274</u>	<u>4,343,820</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Executive



Director

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Apex Capital Securities (Private) Limited

Notes to the Financial Statements

For the year ended June 30, 2024

1. STATUS AND NATURE OF BUSINESS

1.1 Apex Capital Securities (Private) Limited ('the Company') was incorporated in Pakistan on February 24, 2004 as a private limited company under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced by Companies Act, 2017 ('the Act'). The Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company are investments, share brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services. Company's registered office is situated at Room No. 439-440, 4th Floor, Stock Exchange Building, Pakistan Stock Exchange Road, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for 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. These 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 approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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.

Review

Following are some significant areas where management used estimates and judgements other than those which have been disclosed elsewhere in these financial statements.

	<u>Note</u>
- Useful lives and residual values of property and equipment.	3.1
- Useful lives and residual values of intangible assets.	3.2
- Provision for expected credit losses	3.3.3
- Levies and taxation	3.8

2.5 New accounting pronouncements

2.5.1 Amendments to existing standards that became effective during the year

The following new or amended standards and interpretations became effective during the period which are considered to be relevant to the Company's financial statements :

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The above amendments / interpretations do not likely have an effect on the financial statements of the Company except noted below:

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

2.5.2 New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 01, 2022 and have not been early adopted by the Company:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above). Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

Review

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for accompany to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business.
- International Tax Reform - Pillar Two Model Rules – Amendments to IAS 12 (the Amendments). - The Amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the Pillar Two model rules and requires new disclosures about an entity's exposure to income taxes arising from the Pillar Two model rules for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, before its effective date. The mandatory temporary exception applies immediately and retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The disclosure requirements, in relation to periods in which Pillar Two legislation has been enacted but is yet to take effect for the entity, apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

Review

- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and IFRS 7. Amendments to the Classification and Measurement of Financial Instruments. The amendments:
 - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
 - Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.
 - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI)
 - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).
 - Annual Improvements - Volume Eleven:
 - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
 - Gain or Loss on Derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.
 - Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
 - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.
 - Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.
 - Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.

Review

- Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.
- Determination of a 'De Facto Agent' (Amendments to IFRS 10) - Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in 874 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.
- Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Company and are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024:

- IFRS 1 - First Time Adoption of Financial Reporting Standards
- IFRS 18 (Presentation and Disclosure in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)

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 8. 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, useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2024 did not require any adjustment.

Review

3.2 Intangible asset - Trading Rights Entitlement Certificate

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

3.3 Financial assets

3.3.1 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.

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 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.

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(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 *Impairment*

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.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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

3.3.4 *De-recognition*

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.

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3.4 Financial liabilities

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.

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.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.6 Trade debts

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.

3.7 Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at amortized cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances and short term running finance.

3.8 Levies and Taxation

Levies

A levy is an outflow of resources embodying economic benefits imposed by the government that does not meet the definition of income tax provided in the International Accounting Standard (IAS) 12 'Income Taxes' because it is not based on taxable profit.

In these financial statements, levy includes minimum tax under section 113 or other sections of Income tax ordinance, Income tax under final tax regime, workers' welfare fund expense and workers' profit participation. The corresponding effect of levy other than worker's welfare fund expense and workers' profit participation, advance tax paid has been netted off and the net position is shown in the statement of financial position.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Review

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.9 Provisions and contingent liabilities

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.

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.

3.10 Operating revenue

Revenue from trading activities - brokerage commission

Commission revenue from trading of securities is recognized when the performance obligation is satisfied, being when transaction is settled by the clearing house and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Broker's bills are also generated at that point in time.

The Company does not expect to have contracts where the period between the services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

3.11 Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

Review

3.12 Dividends distribution

Dividend distribution is recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

4. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024	2023		2024	2023
-----Number of shares-----			----- Rupees-----	
<u>7,500,000</u>	<u>7,500,000</u>	Authorized:	<u>75,000,000</u>	<u>75,000,000</u>
		Ordinary shares of Rs. 10/- each		
<u>5,950,000</u>	<u>5,950,000</u>	Issued, subscribed and paid-up :	<u>59,500,000</u>	<u>59,500,000</u>
		Ordinary shares of Rs. 10/- each issued as fully paid in cash		

4.1 Shareholders holding pattern of the shares are as follows:

	2024		2023	
	Number of shares	% shareholding	Number of shares	% shareholding
Mouhammad Amin	297,500	5%	297,500	5%
Shahzeen Kaiser	595,000	10%	595,000	10%
Naveed Godil	714,000	12%	714,000	12%
Shaikh Umer	773,360	13%	773,360	13%
Khalida Zafar	773,640	13%	773,640	13%
Sheikh Moiz	952,000	16%	952,000	16%
Sheikh Kaiser	1,844,500	31%	1,844,500	31%
	<u>5,950,000</u>	<u>100%</u>	<u>5,950,000</u>	<u>100%</u>

4.2 There is no agreement with shareholders with respect to voting rights, board selection, rights of first refusal and block voting.

5. CAPITAL CONTRIBUTION FROM THE CHIEF EXECUTIVE

This represents the difference between the nominal value and present value (at the disbursement date) of long term loan received from the Chief Executive of the Company in March 2016. Since the loan is interest-free and had to be repaid after 3 years from the disbursement date, it had been discounted at the Company's borrowing rate with the effect of discounting credited to equity in accordance with the requirements of Technical Release 32 *Accounting Directors' Loan* issued by the Institute of Chartered Accountants of Pakistan. Subsequently, the said loan had been repaid to the CEO on June 28, 2019.

6. TRADE AND OTHER PAYABLES	Note	2024	2023
		----- Rupees -----	
Creditors		53,783,433	3,977,453
Accrued liabilities	28.2	2,537,231	1,229,441
Withholding tax liabilities	28.2	473,086	36,243
Client future profit withheld		2,081,519	728,585
Others		11,004,335	1,078,505
		<u>69,879,604</u>	<u>7,050,227</u>

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

In the previous years, the income tax authorities had issued Show Cause Notices to various members of the Pakistan Stock Exchange Limited, including the Company, to amend original assessment order under section 122(9) read with section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2017. In this regard, in 2018, the PSX Stock Brokers Association filed a Constitutional Petition before the Sindh High Court (SHC), Karachi and the Company became a party with them. SHC granted stay order in favour of the Petitioners. As at reporting date, the case is still pending for adjudication. However, the management based on legal advise is confident that the eventual outcome of the matter will be decided in favour of the Company, therefore, no provision has been made in this regard.

7.2 Commitments	2024	2023
	Rupees	
<i>Bank guarantee in favour of NCCPL against</i>		
- Exposure margin in Ready Market	2,500,000	2,500,000
- Exposure margin in Future Market	<u>2,500,000</u>	<u>2,500,000</u>

8. PROPERTY AND EQUIPMENT

	Building	Furniture & fixture	Vehicles	Office equipment	Computers	Total
	Rupees					
As at June 30, 2022						
Cost	9,208,860	788,780	8,540,900	921,935	2,274,635	21,735,110
Accumulated depreciation	(5,277,868)	(635,962)	(3,378,873)	(675,022)	(2,034,729)	(12,002,454)
Net book value	<u>3,930,992</u>	<u>152,818</u>	<u>5,162,027</u>	<u>246,913</u>	<u>239,906</u>	<u>9,732,656</u>
<i>Movement during the year ended June 30, 2023</i>						
Opening net book value	3,930,992	152,818	5,162,027	246,913	239,906	9,732,656
Additions during the year	-	-	-	-	18,260	18,260
Depreciation for the year	(589,649)	(22,923)	(774,304)	(37,037)	(73,647)	(1,497,560)
Closing net book value	<u>3,341,343</u>	<u>129,895</u>	<u>4,387,723</u>	<u>209,876</u>	<u>184,519</u>	<u>8,253,356</u>
As at June 30, 2023						
Cost	9,208,860	788,780	8,540,900	921,935	2,292,895	21,753,370
Accumulated depreciation	(5,867,517)	(658,885)	(4,153,177)	(712,059)	(2,108,376)	(13,500,014)
Net book value	<u>3,341,343</u>	<u>129,895</u>	<u>4,387,723</u>	<u>209,876</u>	<u>184,519</u>	<u>8,253,356</u>
<i>Movement during the year ended June 30, 2024</i>						
Opening net book value	3,341,343	129,895	4,387,723	209,876	184,519	8,253,356
Additions during the year	-	-	-	55,000	294,717	349,717
Depreciation for the year	(501,201)	(19,484)	(658,158)	(39,731)	(143,771)	(1,362,345)
Closing net book value	<u>2,840,142</u>	<u>110,411</u>	<u>3,729,565</u>	<u>225,145</u>	<u>335,465</u>	<u>7,240,728</u>
As at June 30, 2024						
Cost	9,208,860	788,780	8,540,900	976,935	2,587,612	22,103,087
Accumulated depreciation	(6,368,718)	(678,369)	(4,811,335)	(751,790)	(2,252,147)	(14,862,359)
Net book value	<u>2,840,142</u>	<u>110,411</u>	<u>3,729,565</u>	<u>225,145</u>	<u>335,465</u>	<u>7,240,728</u>
Rate of depreciation	15%	15%	15%	15%	30%	

9. INTANGIBLE ASSET	Note	2024	2023
		Rupees	
Trading Rights Entitlement (TRE) Certificate			
Cost	10.1	2,500,000	2,500,000
Less: provision for impairment		-	-
		<u>2,500,000</u>	<u>2,500,000</u>

9.1 Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 ('the Act'), the Company has received a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of PSX. The right has been carried at cost less impairment.

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		2024	2023
		Rupees	
10.	LONG TERM DEPOSITS - considered good		
	With Central Depository Company of Pakistan Limited in respect of basic deposit	100,000	100,000
	With National Clearing Company of Pakistan Limited		
	- in respect of security deposit - DFC	1,000,000	1,000,000
	- in respect of security deposit - Ready	200,000	200,000
	- in respect of basic deposit	200,000	200,000
		<u>1,500,000</u>	<u>1,500,000</u>

11. SHORT TERM INVESTMENT

Fair value through profit or loss

- Investment in quoted securities	11.1	49,310,687	30,148,332
- Investment in Units of Mutual Funds	11.2	1,282,725	1,079,851
		<u>50,593,412</u>	<u>31,228,183</u>

11.1 Investment in quoted securities

2024	2023		Note	2024	2023
-- (Number of shares) --		Scrip name		Fair value	Fair value
5,000	5,000	Adamjee Insurance Company Limited		179,550	113,150
5,000	5,000	Amreli Steels Limited		134,950	76,750
500,000	477,250	Askari Bank Limited		11,265,000	6,185,160
12,500	12,500	Attock Refinery Limited		4,394,875	2,145,375
10,000	-	Beema-Pakistan Company Limited	11.1.1	-	-
500,000	500,000	Bank Makramah Limited		920,000	875,000
100,000	213,750	Fauji Cement Company Limited		2,291,000	2,513,700
11,000	11,000	Frieslandcampina Engro Pakistan Limited		770,220	649,330
144	144	Ferozsons Laboratories Limited		35,915	19,706
30,000	10,000	Fauji Fertilizer Company Limited		4,901,400	984,400
16,200	16,200	Ghandhara Tyre And Rubber Company Limited		665,172	330,642
210	210	Habib Bank Limited		26,046	15,378
100	100	Lucky Core Industries Limited		92,949	60,414
2	2	Nishat Mills Limited		142	114
40,000	-	Norrie Textile Mills Limited	11.1.1	-	-
6,000	6,000	National Refinery Limited		1,592,880	900,000
500,000	500,000	Pakistan International Bulk Terminal Limited		3,085,000	2,055,000
-	30,000	Pakistan Refinery Limited		-	406,800
-	24,000	Seervice Global Footwear Limited		-	669,120
27,000	27,000	Treet Corporation Limited		420,120	427,410
1,446,953	1,446,953	Pakistan Stock Exchange Limited		18,535,468	10,707,452
-	11,000	Trg Pakistan Limited - Class 'A'		-	1,013,430
<u>3,210,109</u>	<u>3,296,109</u>			<u>49,310,687</u>	<u>30,148,331</u>

11.1.1 These securities are non-traded therefore have been assigned Nil value.

11.1.2 As of the reporting date, the total value of pledged securities was as follows;

		2024	2023
		Rupees	
Pledged with Financial Institutions			
	Clients	-	-
	Brokerage house	17,641,600	9,050,229
		<u>17,641,600</u>	<u>9,050,229</u>
Pledged with PSX/NCCPL			
	Clients	30,036,680	22,653,866
	Brokerage house	27,363,417	17,988,947
		<u>57,400,097</u>	<u>40,642,813</u>

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11.2 Investment in Units of Mutual Fund

2024 -- (Number of units) --	2023	Fund name	2024 Fair value	2023 Fair value
<u>108,205</u>	<u>128,167</u>	NBP Money Market Fund	<u>1,282,725</u>	<u>1,079,851</u>

12. TRADE DEBTS

Considered good- secured	16,513,803	18,535,618
Considered doubtful- unsecured	1,995,006	1,995,006
	<u>18,508,809</u>	<u>20,530,624</u>
Less: Provision for expected credit losses	<u>(1,995,006)</u>	<u>(1,995,006)</u>
	<u>16,513,803</u>	<u>18,535,618</u>

12.1 The company held equity securities having fair value of Rs. 213.09 million (2023: Rs. 158.93 million) owned by its client, as collateral against trade debt.

12.2 Trade debts includes Rs. 4.116 million (2023: Rs. 8.579 million) due from related parties. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 46.068 million (2023: Rs. 25.418).

13. ADVANCE, DEPOSIT AND OTHER RECEIVABLES - Considered good	Note	2024 Rupees	2023
Advances to employees - unsecured		114,500	236,000
<i>Deposits placed with NCCPL in respect of:</i>			
- Exposure margin against ready market		9,050,000	2,800,000
- Exposure margin against DFCs		9,300,000	2,175,753
- Exposure margin against loss on DFCs		435,306	-
		<u>18,785,306</u>	<u>4,975,753</u>
<i>Receivable from NCCPL in respect of</i>			
- Future retained profit		5,554,543	394,867
		<u>24,454,349</u>	<u>5,606,620</u>

14. CASH AND BANK BALANCES

Cash in hand		24,277	5,955
Cash at bank			
- Saving account		28,864	21,328
- Current account	14.1	55,133,133	4,316,537
		<u>55,161,997</u>	<u>4,337,865</u>
		<u>55,186,274</u>	<u>4,343,820</u>

14.1 This includes a balance of Rs. 53.78 million (2023: Rs. 3.98 million) held in a separate bank account designated to clients.

14.2 The return on these balances ranges from 12% to 20.5% (2023: 5% to 12%) per annum on daily average product basis.

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	Note	2024	2023
		Rupees	
15. OPERATING REVENUE			
Brokerage commission income - gross		28,620,706	7,621,518
Less: Sales tax		<u>(3,194,897)</u>	<u>(819,095)</u>
		25,425,809	6,802,423
Commission paid to agents		(13,256,285)	(3,031,808)
Clearing house charges recovered from clients		8,541,442	1,306,260
	28.2	<u>20,710,966</u>	<u>5,076,875</u>
16. INCOME / (LOSS) FROM INVESTMENTS - net			
Realised (loss) / gain on sale of investments - net	28.2	(302,317)	43,455
Net change in unrealized gain / loss on re-measurement of investments	28.2	<u>22,063,880</u>	<u>(8,392,717)</u>
		21,761,563	(8,349,262)
Dividend income	28.2	<u>1,972,582</u>	<u>581,633</u>
		<u>23,734,145</u>	<u>(7,767,629)</u>
17. ADMINISTRATIVE EXPENSES			
Salaries, benefits and allowances		2,560,250	2,093,400
Directors' remuneration	22	4,400,000	-
Office maintenance charges		208,770	333,848
Printing and stationery		29,960	20,680
Communication expenses		208,189	178,509
Software charges		546,000	505,800
Auditors' remuneration		625,000	550,000
Legal and professional charges		686,980	345,425
Fees and subscription		114,130	33,540
Electricity charges		298,984	325,365
Entertainment expense		301,825	92,500
Repair and maintenance		150,993	-
Depreciation	8	1,362,345	1,497,560
PSX charges	28.2	5,099,286	468,043
NCCPL charges		4,376,810	460,660
CDC charges		546,041	241,680
Others	28.2	<u>11,625</u>	<u>10,719</u>
		<u>21,527,188</u>	<u>7,157,729</u>
18. FINANCIAL CHARGES			
Bank markup on short term running finance		13,459	5,272
Bank charges		<u>79,732</u>	<u>78,114</u>
		<u>93,191</u>	<u>83,386</u>

Rs in

	2024	2023
	Rupees	
19. OTHER EXPENSES		
Parking fee	57,200	26,000
Kits charges	845,064	541,993
Advances written off	12,250	-
Misc Expense	50,150	77,800
	<u>964,664</u>	<u>645,793</u>
20. OTHER INCOME		
Profit on margin deposits	1,873,155	800,605
Interest income on bank deposit	7,536	-
	<u>1,880,691</u>	<u>800,605</u>
21. LEVIES		
Income tax - Final tax regime	<u>265,458</u>	<u>-</u>
22. TAXATION		
Current	317,823	215,368
Prior	-	308
	<u>317,823</u>	<u>215,676</u>

22.1 The Company in the light of 'Application Guidance' issued by Institute of Chartered Accountants of Pakistan (ICAP) via Circular No.07/2024 dated May 15, 2024, has accounted for the accounting treatment and presentation of 'Minimum and Final Taxes', charged under the Income tax Ordinance, 2001 (ITO) as a change in accounting policy in the current year. The related corresponding effect is not restated retrospectively due to the consequential impacts being immaterial.

22.2 Reconciliation between tax charge based on accounting profit and tax expense

As the income of the Company for the tax years 2024 and 2023 is subject to taxation under minimum and final tax regimes, a reconciliation between the tax charge based on accounting profit and tax expense recognized in the financial statements has not been presented.

23. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The aggregate amounts charged in the financial statements for remuneration, including certain benefits, to the Chief Executive and Directors of the Company are as follows:

	Chief Executive		Directors		Total	
	2024	2023	2024	2023	2024	2023
	Rupees					
Managerial remuneration	<u>1,800,000</u>	<u>-</u>	<u>2,400,000</u>	<u>-</u>	<u>4,200,000</u>	<u>-</u>
Number of persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>

23.1 Presently, the Company has no 'executives' as defined in the Fifth Schedule to the Companies Act, 2017.

23.2 The Chief Executive and Directors have also been provided with free use of the Company maintained cars.

Review

24. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprises of directors, key management personnel and their close family members. Remuneration to key management personnel are in accordance with their terms of employment.

Details of transactions and balances at period end with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of the related party, relationship with company and Nature of Transaction	2024	2023
	Rupees	
<u>KEY MANAGEMENT PERSONNEL</u>		
Sheikh Kaiser (CEO / Director)		
<i>Balances at the year end</i>		
Trade Payable at year end	1,894,650	-
Sheikh Umer (Director)		
<i>Balances at the year end</i>		
Trade Receivable at year end	3,714,217	8,451,993
Mrs. Shahzeen Kaiser (Director)		
<i>Balances at the year end</i>		
Trade Receivable at year end	274,525	-
<u>CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL</u>		
Sana Umer		
<i>Balances at the year end</i>		
Trade Receivable at year end	127,576	126,957

- 24.1 The Company has a practice of not charging any commission from its directors and their spouses / children in respect of trading in securities carried out on their behalf.

25. FINANCIAL INSTRUMENTS

25.1 Financial risk analysis

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest/mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. 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.

a) Market risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risks: foreign currency risk, price risk and interest rate risk. The market risks associated with the Company's business activities are discussed as under:

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i) *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. As of the reporting date, the Company was not exposed to currency risk since there were no foreign currency transactions and balances at the reporting date.

ii) *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 equity 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 securities in particular sector of the market.

Sensitivity analysis

The table below summarizes Company's equity price risk as of June 30, 2024 and 2023 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end 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 equity 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	Hypothetical increase / (decrease) in profit before tax
June 30, 2024	50,593,412	10% increase 10% decrease	55,652,753 45,534,071	5,059,341 (5,059,341)
June 30, 2023	31,228,183	10% increase 10% decrease	34,351,001 28,105,365	3,122,818 (3,122,818)

iii) *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. Majority of the interest rate exposure arises from deposits against exposure margin requirements as well as short-term borrowings from banking companies.

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Fair value sensitivity of fixed-rate financial instruments

As the reporting date, the Company did not hold any fixed-rate financial assets and liabilities. Accordingly, a change in interest rates would not affect the carrying amount of any financial instruments.

Cash flow sensitivity of variable-rate financial instruments

At the reporting date, the profile of the Company's variable-rate financial instruments was as follows:

	2024	2023	2024	2023
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - pls account	12% to 20.5%	5% to 12%	<u>28,864</u>	<u>21,328</u>

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, 2024		
Cash flow sensitivity - Variable rate financial instruments	<u>289</u>	<u>(289)</u>
As at June 30, 2023		
Cash flow sensitivity - Variable rate financial instruments	<u>213</u>	<u>(213)</u>

b) **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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 90 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.

Maximum exposure to credit risk

As of the reporting date, the maximum exposure to credit risk was as follows :

	Note	2024	2023
		Rupees	
Long term deposits	10	1,500,000	1,500,000
Trade debts - Note (a)	12	16,513,803	18,535,618
Advance, deposit and other receivables	13	24,454,349	5,606,620
Bank balances - Note (b)	14	55,161,997	4,337,865
		<u>97,630,149</u>	<u>29,980,103</u>

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Note (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.

As of the reporting date, the ageing analysis of trade debts was as follows:

	June 30, 2024		June 30, 2023	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	————— Rupees —————			
Past due 1-30 days	12,704,560	-	8,856,126	-
Past due 31-180 days	2,870,877	-	8,490,478	-
Past due 181-365 days	141,000	-	73,171	-
Past due above 365 days	2,792,372	1,995,006	3,110,849	1,995,006
	<u>18,508,809</u>	<u>1,995,006</u>	<u>20,530,624</u>	<u>1,995,006</u>

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.

Note (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:

Banks	Short term rating	Credit rating agency	2024		2023	
			————— Rupees —————		————— Rupees —————	
Bank Al-Falah Limited	A1+	PACRA	40,099,463		4,271,094	
MCB Bank Limited	A1+	PACRA	7,876		7,876	
Bank of Khyber Limited	A1	PACRA	53,896		53,896	
Bank Makramah Limited	-	-	5,000		5,000	
Habib Metropolitan Bank Limited	A1+	PACRA	5,300,000		-	
Meezan Bank Limited	A1+	VIS	9,695,762		-	
			<u>55,161,997</u>		<u>4,337,866</u>	

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. As of the reporting date, the Company was exposed to the following concentrations of credit risk:

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	June 30, 2024			June 30, 2023		
	Total	Concentration	% of total	Total	Concentration	% of total
	Rupees					
Trade debts - gross	16,513,803	5,222,681	31.63%	20,530,624	12,682,709	61.77%
Bank balances	55,161,997	39,230,890	71.12%	4,337,865	4,271,093	98.46%
		<u>44,453,571</u>			<u>16,953,802</u>	

e) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	June 30, 2024			
	Carrying amount	Contractual cash flows	Upto three months	Three months to one year
Financial liabilities				
Trade and other payables	69,406,518	69,406,518	69,406,518	-

	June 30, 2023			
	Carrying amount	Contractual cash flows	Upto three months	Three months to one year
Financial liabilities				
Trade and other payables	7,013,984	7,013,984	7,013,984	-

25.2 Financial instruments by categories	2024	2023
	Rupees	
Financial assets		
<i>At fair value through profit or loss</i>		
Short term investments	50,593,412	31,228,183
<i>At amortized cost</i>		
Trade debts	16,513,803	18,535,618
Advance, deposit and other receivables	24,454,349	5,606,620
Long term deposits	1,500,000	1,500,000
Bank balances	55,161,997	4,337,865
	<u>148,223,561</u>	<u>61,208,286</u>
Financial liabilities		
<i>At amortized cost</i>		
Trade and other payables	69,406,518	7,013,984

Review

26. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures the fair value of its assets and liabilities carried at fair value using the following hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Presently, the only item in the financial statements that is carried at fair value is the Company's short term investment in quoted equity securities. At each reporting date, the Company re-measures the fair value of such investments based on the share prices quoted on Pakistan Stock Exchange. Hence, the Company classifies all such investments within Level 1 of the fair value hierarchy.

27. CAPITAL

27.1 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.

27.2 The Capital adequacy level as required by CDC is calculated as follows;

	2024	2023
	Rupees	
Total assets	166,198,250	80,211,395
Less: Total liabilities	69,879,604	7,050,227
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-	-
	<u>96,318,646</u>	<u>73,161,168</u>

27.3 While determining the value of the total assets, the notional value of the TRE Certificate as at year end as determined by Pakistan Stock Exchange has been considered.

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27.4 Liquid Capital Balance

The Liquid Capital Balance as required under Third Schedule of Securities Brokers (Licensing and Operations) Regulation 2016, read with SECP guidelines is calculated as follows;

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets				
1.1	Property & Equipment	7,240,728	7,240,728	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
	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.	-	-	-
1.4	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.	-	-	-
	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.	26,342,145	4,998,471	21,343,674
1.5	ii) (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	22,968,542	22,968,542	-
	iii. If unlisted, 100% of carrying value.	1,282,725	1,282,725	-
1.6	Investment in subsidiaries	-	-	-
	Investment in associated companies/undertaking	-	-	-
1.7	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.	18,785,306	-	18,785,306
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	-	-	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
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.	114,500	114,500	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation .	8,209,684	8,209,684	-
	(iii) In all other cases 100% of net value	-	-	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.16	Receivables from clearing house or securities exchange(s)	-	-	-
	i) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	ii) claims on account of entitlements against trading of securities in all markets including MtM gains.	5,554,543	-	5,554,543
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>i. Lower of net balance sheet value or value determined through adjustments.</i>	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	6,678,246	-	6,678,246
	v. In case 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. <i>v. Lower of net balance sheet value or value determined through adjustments</i>	3,687,876	2,211,528	1,476,348
	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. <i>vi. Lower of net balance sheet value or value determined through adjustments</i>	3,714,217	-	3,714,217
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	1,378,564	-	1,378,564
	ii. Bank balance-customer accounts	53,783,433	-	53,783,433
	iii. Cash in hand	24,277	-	24,277
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	163,764,786	51,026,178	112,738,608
2. Liabilities				
2.1	Trade Payables	-	-	-
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	53,783,433	-	53,783,433

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.2	Current Liabilities	-	-	-
	i. Statutory and regulatory dues	473,086	-	473,086
	ii. Accruals and other payables	15,623,085	-	15,623,085
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	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	-	-	-
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	69,879,604	-	69,879,604

3. Ranking Liabilities Relating to :

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

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
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	-	-	926,773
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts 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. In case 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. In case 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	-	-	926,773

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	163,764,786	51,026,178	112,738,608
(ii) Less: Adjusted value of liabilities (serial number 2.6)	69,879,604	-	69,879,604
(iii) Less: Total ranking liabilities (series number 3.11)	-	-	926,773
	<u>93,885,182</u>	<u>51,026,178</u>	<u>41,932,231</u>

28. GENERAL

28.1 Client assets held in Central Depository System

	2024	2023
No. of shares as at reporting period	<u>45,401,729</u>	<u>45,622,174</u>
Amount of shares as at reporting period	<u>748,499,383</u>	<u>409,920,758</u>

Review

28.2 Corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purpose of comparison and better presentation. Following reclassifications have been made in the financial statements.

Reclassification from component	Reclassification to component	Note	— Rupees —
Operating revenue (Dividend income)	Income / (loss) from investments - net (Dividend income)	16	<u>581,633</u>
Capital loss on sale of investment	Income / (loss) from investments - net (Realised gain / (loss) on sale of investments - net)	16	<u>43,455</u>
Loss on re-measurement of investment carried at fair value through profit or loss - net	Income / (loss) from investments - net (Net change in unrealized gain / loss on re-measurement of investments)	16	<u>8,392,717</u>
Trade and other payables (Accrued liabilities)	Trade and other payables (Withholding tax liabilities)	6	<u>36,243</u>
Administrative expenses (Others)	Administrative expenses (PSX charges)	17	<u>468,043</u>

28.3 Number of employees

The total number of employees at year end and average number of employees during the year, respectively, are as follows:

	2024	2023
	(Number)	
Total number of employees at year end	<u>8</u>	<u>7</u>
Average number of employees during the year	<u>8</u>	<u>7</u>

28.4 Date of authorization for issue

These financial statements were approved by the board of directors and authorized for issue on October 07, 2024.

28.5 Level of rounding

Figures in these financial statements have been rounded off to the nearest rupee.


Chief Executive


Director

Ravi