

ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

ISMALIQBAL

Securities (Pvt.) Ltd.

Corporate Member Pakistan Stock Exchange Ltd.

OCT 28, 2024

Director Review

The Board of Directors of Ismail Iqbal Securities (Pvt) Ltd present the Financial Statements of the Company for the period ended June 30, 2024.

Market Performance

In FY 2023-24, PSX benchmark KSE-100 Index posted a positive return of 89.85% to close at 78,700 as compared to previous year when there was a decrease of 0.2%. However, 2024 marked a remarkable year for Pakistan's stock market, with the KSE-100 Index delivering substantial positive returns. This bullish trend was driven by improving economic indicators, successful IMF program implementation, and overall investor confidence. Ismail Iqbal Securities (Pvt) Ltd. capitalized on this positive market sentiment, recording significant growth in its brokerage business and achieving substantial profits.

Financial Performance

During the year under review, operating profit stood at Rs. 33.97 million as compared to operating loss of Rs. 19.6 million in the corresponding period, due to increase in brokerage revenue by 273% to Rs. 126.39 million for FY24. Other income stood at Rs. 131.73 million as compared to other losses of Rs. 9.1 million in the corresponding period. Due to higher dividend income of Rs. 40.284 million and capital gain of RS66.484 million. The earning per share stood at Rs. 3.93 as compared to loss per share of Rs 1.60 in the corresponding period.

	2024	2023
	PKR in million	
Operating Revenue	33.979	(19.62)
Profit/ (Loss) Before Tax	151.318	(47.98)
Profit/ (Loss) After Tax	136.21	(55.51)
Earnings Per share -Rupees	3.93	(1.60)

Auditors

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

Head Office :

C-94, KDA Scheme No. 1, Main Karsaz Road, Karachi
Board : (92-21) 34302182-4, Sales : (92-21) 34302173-7
Phone : (92-21) 34302179, Fax : (92-21) 34302186
E-Mail : info@ismaliqbal.com Website : www.ismaliqbal.com

Stock Exchange Office :

407, 4th Floor, Pakistan Stock Exchange Building,
Stock Exchange Building Road Karachi-74000
Ph : (92-21) 32460636 - 32460691
Fax : (92-21) 32470998

ISMAILIQBAL

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Acknowledgement

The Directors are thankful to the Company's valued Customers, SECP, PSX and business partners, without whose continued support and guidance we would not be able to pursue our strategy and good performance. The dedicated contribution put in by the company employees is also sincerely appreciated.

On behalf of the Board of Directors



Ahfaz Mustafa
Chief Executive Office

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED (the Company), which comprise of the statement of financial position as at June 30, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement 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 no comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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- 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.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the 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.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- e) the Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and section 62 of the Future Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.
- f) The Company was in compliance with the relevant requirements of Futures Brokers (Licensing and Operations Regulations), 2018 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Mehmood A. Razzak**.



Baker Tilly Mehmoode Qamar
Chartered Accountants

Karachi

Date: October 07, 2024

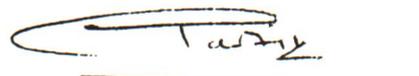
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ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
Non - Current Assets			
Operating assets	4	11,376,919	18,622,561
Intangible assets	5	2,500,000	2,500,000
Investment	6	7,000,000	7,000,000
Long term deposits	7	2,384,965	2,984,965
		23,261,884	31,107,526
Current Assets			
Short term investment	8	30,701,761	15,280,903
Trade debts	9	57,919,847	37,380,055
Advances, deposits, prepayments and other receivables	10	199,033,397	111,877,051
Cash and bank balances	11	285,047,112	126,619,789
		572,702,117	291,157,797
TOTAL ASSETS		595,964,001	322,265,324
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE			
Authorized Share Capital			
35,000,000 (2023: 35,000,000) Ordinary shares of Rs. 10/- each		350,000,000	350,000,000
Issued, Subscribed and Paid-up Share Capital			
34,682,360 (2023: 34,682,360) Ordinary shares of Rs. 10/- each	12	346,823,600	346,823,600
Accumulated losses		(22,611,278)	(158,824,606)
Total shareholders' equity		324,212,322	187,998,994
Non - Current Liabilities			
Deferred liability - staff gratuity	13	3,560,037	4,988,171
Lease liabilities	14	-	1,749,271
		3,560,037	6,737,442
Current Liabilities			
Current portion of lease liabilities	14	-	501,152
Trade and other payables	15	261,152,532	123,350,460
Accrued mark-up	16	7,039,110	3,677,276
		268,191,642	127,528,888
CONTINGENCIES AND COMMITMENTS			
	17	-	-
		595,964,001	322,265,324

The annexed notes 1 to 35 form an integral part of these financial statements


Chief Executive Officer


Director

ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Commission income	18	126,397,990	63,891,381
Operating expenses	19	(92,418,822)	(83,515,830)
Operating profit / (loss)		33,979,168	(19,624,449)
Financial charges	20	(14,387,595)	(19,207,755)
Other income / (loss) - net	21	131,726,932	(9,153,171)
Profit / (loss) before income tax and levy (final & minimum tax)		151,318,505	(47,985,375)
Final taxes	22.2	(6,042,663)	(5,111,845)
Minimum tax	22.3	(6,169,402)	(2,437,751)
Profit / (loss) before income tax		139,106,440	(55,534,971)
Income tax			
- Current		(2,387,555)	-
For the year		(505,557)	15,226
Prior year	22.4	(2,893,112)	15,226
- Deferred		-	-
Profit / (loss) after taxation		136,213,328	(55,519,745)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		136,213,328	(55,519,745)
Earning / (loss) per share	23	3.93	(1.60)

The annexed notes 1 to 35 form an integral part of these financial statements

by



Chief Executive Officer



Director

**ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024**

	Issued, subscribed and paid-up share capital	Accumulated losses	Total
	Rupees		
Balance as at July 01, 2022	346,823,600	(103,304,861)	243,518,739
Loss for the year ended June 30, 2023	-	(55,519,745)	(55,519,745)
Other comprehensive income	-	-	-
Total comprehensive loss for the year ended June 30, 2023	-	(55,519,745)	(55,519,745)
Balance as at June 30, 2023	346,823,600	(158,824,606)	187,998,994
Profit for the year ended June 30, 2024	-	136,213,328	136,213,328
Other comprehensive income	-	-	-
Total comprehensive income for the year ended June 30, 2024	-	136,213,328	136,213,328
Balance as at June 30, 2024	346,823,600	(22,611,278)	324,212,322

The annexed notes 1 to 35 form an integral part of these financial statements

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Chief Executive Officer



Director

ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before income tax and levy		151,318,505	(47,985,375)
Adjustments for non cash charges and other items			
Depreciation		1,752,177	3,210,336
Amortization of intangible assets		-	79,046
Financial charges		14,387,595	19,207,755
Dividend income		(40,284,423)	(34,078,965)
Gratuity expense		3,650,208	2,626,133
Bad debts write-off		-	-
Loss / (gain) on disposal of property and equipment		682,908	(1,520,700)
Realised loss on re-measurement of short term investments		(66,484,955)	42,148,154
		(86,296,490)	31,671,759
Operating profit / (loss) before working capital changes		65,022,015	(16,313,616)
(Increase) / decrease in current assets			
Trade debts		(20,539,792)	9,672,839
Short term investments		51,064,097	95,413,367
Advances, deposits, prepayments and other receivables		(89,285,087)	3,114,840
		(58,760,782)	108,201,046
Increase / (decrease) in current liabilities			
Trade and other payables		137,802,072	(106,649,376)
		144,063,305	(14,761,946)
Taxes paid - net		(12,976,436)	(7,333,987)
Gratuity paid		(5,078,342)	(3,372,236)
Financial charges paid		(11,025,761)	(18,152,751)
Net cash generated from / (used in) operating activities		114,982,766	(43,620,920)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from trading investments		40,284,423	34,078,965
Additions in operating assets		(360,342)	(431,900)
Proceeds from sale of property and equipment		5,170,899	8,614,600
Long term deposits		600,000	(74,000)
Net cash generated from investing activities		45,694,980	42,187,665
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability - net		(2,250,423)	(174,643)
Net cash used in financing activities		(2,250,423)	(174,643)
Net increase / (decrease) in cash and cash equivalents		158,427,323	(1,607,898)
Cash and cash equivalents at the beginning of the year		126,619,789	128,227,687
Cash and cash equivalents at the end of the year	11	285,047,112	126,619,789

The annexed notes 1 to 35 form an integral part of these financial statements

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Chief Executive Officer

Director

ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. STATUS AND NATURE OF BUSINESS

- 1.1 The company is incorporated as a private company limited by shares under the Companies Ordinance, 1984 (repealed by Companies Act, 2017) and is a holder of the Trading Right Entitlement Certificate (TREC) of the Pakistan Stock Exchange Limited. It is principally engaged in the business of brokerage of shares and securities, investment advisory services, portfolio management and securities research. The Company is geographically located in the province of Sindh situated at Bunglow no. C-94, Main House, Karsaz Road, Karachi, Pakistan.
- 1.2 The Company also operates through its branch office in Pakistan Stock Exchange Building having address of Room no. 407, 4th Floor Stock Exchange Building, Stock Exchange Road, Karachi.

2. BASIS OF PREPARATION

2.1 Accounting Convention

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

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

2.2 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), provisions of and directives issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016. Where provisions of and directives issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016, shall prevail.

2.3 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

During the year the Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance – "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires taxes paid under final tax regime to be shown separately as a levy instead of showing it in current tax. Further the treatment of minimum taxes has been presented differently in this guidance.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) – 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the Statement of Financial Position, Earnings per share and Statement of Changes in Equity as a result of this change.

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Effect on statement of profit or loss and other comprehensive income

	Had there been no Change in accounting policy	Impact of Change in accounting policy	After incorporating effects of change in accounting policy
	Rupees		
For the year ended June 30, 2024			
Taxation-Final taxes	-	(6,042,663)	(6,042,663)
Taxation-Minimum Taxes	-	(6,169,402)	(6,169,402)
Profit before taxation	151,318,505	-	151,318,505
Taxation-Income tax	(15,105,177)	12,212,065	(2,893,112)
	136,213,328	-	136,213,328
For the year ended June 30, 2023			
Taxation-Final taxes	-	(5,111,845)	(5,111,845)
Taxation-Minimum Taxes	-	(2,437,751)	(2,437,751)
Loss before taxation	(47,985,375)	-	(47,985,375)
Taxation-Income tax	(7,534,370)	7,549,596	15,226
	(55,519,745)	-	(55,519,745)

2.4 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

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

Management reviewed the accounting policies and updates to the information disclosed in Note 3 Material accounting policies (2023: Summary of significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

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2.5 New accounting standards, amendments and interpretations that are either not yet effective or relevant to the Company

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<u>Effective date (annual periods beginning on or after)</u>
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures'- Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statement' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption.	

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3. MATERIAL ACCOUNTING POLICIES INFORMATION

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

3.1 Operating assets

Owned

Operating assets are stated at cost less accumulated depreciation.

Depreciation on all operating assets is charged to income using the reducing balance method in accordance with the rates specified in note 4 to these financial statements. Depreciation on additions is charged from the month the asset is available for use.

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

Gain or loss on disposal of assets is included in statement of profit or loss.

3.2 Intangible Assets

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

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

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

3.3 Financial assets

Initial Measurement

The Company classifies its financial assets into following three categories:

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

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

Subsequent measurement

Debt Investments at FVOCI

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

Financial assets at FVTPL

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

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Financial assets measured at amortised cost

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

Equity Investments at FVOCI

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

Impairment of financial assets

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

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

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

3.4 Financial liabilities

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

3.5 Off-setting of financial assets and financial liabilities

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

3.6 Lease liability against right-of-use assets

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

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

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

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3.7 Trade debtors

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

3.8 Provisions

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

3.9 Trade and other payables

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

3.10 Borrowing costs

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

3.11 Cash and cash equivalents

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

3.12 Staff retirement benefits

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

3.13 Taxation and levy

3.13.1 Levy - final and minimum tax

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

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

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

3.13.2 Taxation

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

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Current tax

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

Prior tax

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

Deferred tax

Deferred tax is recognized using statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

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

3.14 Revenue recognition

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

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

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

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

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

3.15 Transactions with related parties

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

3.16 Off setting

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

3.17 Functional and presentation currency

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

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4. OPERATING ASSETS

	Owned					Right-of-Use	Total
	Building	Office equipment	Computer and allied	Furniture and fixtures	Motor vehicles	Motor Vehicle	
Rupees							
Year ended June 30, 2023							
Opening net book value	4,486,817	1,029,716	896,878	126,434	15,962,364	5,992,688	28,494,897
Additions (at cost)	-	24,900	184,500	-	222,500	-	431,900
Disposals							
Cost	-	-	-	-	(8,738,000)	-	(8,738,000)
Accumulated depreciation	-	-	-	-	1,644,100	-	1,644,100
Depreciation charge	(224,341)	(157,881)	(292,163)	(18,965)	(1,618,083)	(898,903)	(3,210,336)
Net book value	4,262,476	896,735	789,215	107,469	7,472,881	5,093,785	18,622,561
At June 30, 2023							
Cost	6,425,000	3,090,596	4,130,051	1,514,157	29,262,481	6,226,169	50,648,454
Accumulated depreciation	(2,162,524)	(2,193,861)	(3,340,836)	(1,406,688)	(21,789,600)	(1,132,384)	(32,025,893)
Net book value	4,262,476	896,735	789,215	107,469	7,472,881	5,093,785	18,622,561
Year ended June 30, 2024							
Opening net book value	4,262,476	896,735	789,215	107,469	7,472,881	5,093,785	18,622,561
Additions (at cost)	-	128,500	96,842	-	135,000	-	360,342
Disposals							
Cost	-	(2,564,995)	-	-	(53,000)	(6,226,169)	(8,844,164)
Accumulated depreciation	-	1,804,973	-	-	53,000	1,132,384	2,990,357
Depreciation charge	(213,124)	(137,723)	(244,028)	(16,120)	(1,141,182)	-	(1,752,177)
Net book value	4,049,352	127,490	642,029	91,349	6,466,699	-	11,376,919
At June 30, 2024							
Cost	6,425,000	654,101	4,226,893	1,514,157	29,344,481	-	42,164,632
Accumulated depreciation	(2,375,648)	(526,611)	(3,584,864)	(1,422,808)	(22,877,782)	-	(30,787,713)
Net book value	4,049,352	127,490	642,029	91,349	6,466,699	-	11,376,919
Depreciation rate	5%	15%	30%	15%	15%	15%	

4.1 Disposal of operating assets

Name of purchaser	Relation with purchaser	Mode of disposal	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on disposal
			Rupees				
Fahad Rauf	Employee	As per company policy	6,226,169	1,132,384	5,093,785	5,140,899	47,114
Bilal	Employee	As per company policy	53,000	53,000	-	30,000	30,000
June 30, 2024			6,279,169	1,185,384	5,093,785	5,170,899	77,114

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	Note	2024 Rupees	2023 Rupees
5. INTANGIBLE ASSETS			
Trading rights entitlement certificates	5.1	2,500,000	2,500,000
Software	5.2	-	-
		<u>2,500,000</u>	<u>2,500,000</u>
5.1 Trading rights entitlement certificates (TREC)			
Cost		2,500,000	2,500,000
		<u>2,500,000</u>	<u>2,500,000</u>
5.2 Software			
Net carrying value basis			
Opening net book value		-	79,046
Add: Additions during the year		-	-
Less: Amortization for the year		-	(79,046)
Closing net book value		<u>-</u>	<u>-</u>
Gross carrying value			
Cost		3,399,880	3,399,880
Less: Accumulated amortization		(3,399,880)	(3,399,880)
Net book value		<u>-</u>	<u>-</u>
Amortization rate - number of years		<u>5</u>	<u>5</u>
6. INVESTMENT			
Investment at cost (unquoted - Dawood Family Takaful)		7,000,000	7,000,000
		<u>7,000,000</u>	<u>7,000,000</u>
6.1 This represents investment in unquoted equity securities of 700,000 shares in Dawood Family Takaful at par value of Rs. 10 each.			
7. LONG TERM DEPOSITS			
Pakistan Stock Exchange Limited		150,000	150,000
Central Depository Company of Pakistan Limited		150,000	150,000
National Clearing Company of Pakistan Limited		1,400,000	1,400,000
Deposit against PSO card		585,515	585,515
Rent deposit		-	600,000
Other deposits		99,450	99,450
		<u>2,384,965</u>	<u>2,984,965</u>
8. SHORT TERM INVESTMENT			
At fair value through profit or loss (quoted equity securities)		30,701,761	15,280,903
		<u>30,701,761</u>	<u>15,280,903</u>

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9. TRADE DEBTS	Note	2024 Rupees	2023 Rupees
Considered good:			
- Trade receivable		57,919,847	37,380,055
		<u>57,919,847</u>	<u>37,380,055</u>
9.1 Aging of trade debts			
Outstanding 0 to 14 days		17,511,744	7,186,867
Outstanding more than 14 days		40,408,103	30,193,188
		<u>57,919,847</u>	<u>37,380,055</u>

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance to staff		3,904,942	2,376,489
Exposure deposit into NCCPL	10.1	123,621,273	71,600,212
Receivable from PSX/NCCPL	10.2	2,206,199	2,886,880
Income tax refundable - net		16,141,093	18,269,833
Other receivables	10.3	51,069,655	16,553,402
Advance against vehicle		1,900,000	-
Other advances		190,235	190,235
		<u>199,033,397</u>	<u>111,877,051</u>

10.1 This represents deposit with NCCPL against trade in future and ready market.

10.2 This represents deposit with NCCPL against transactions in Margin Trading System and future profit held.

10.3 This represents receivable from a director Mr. Ahfaz Mustafa.

11. CASH AND BANK BALANCES	Note	2024 Rupees	2023 Rupees
Cash in hand		71,702	92,211
Cash at banks:			
- Current accounts		245,311,450	126,510,113
- Saving accounts		39,663,960	17,465
	11.1	<u>285,047,112</u>	<u>126,619,789</u>
11.1 Customer and proprietor wise balances			
Proprietary account balances including cash in hand		50,090,382	30,370,395
Client account balances		234,956,730	96,249,394
		<u>285,047,112</u>	<u>126,619,789</u>

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12. SHARE CAPITAL		2024	2023
		Rupees	Rupees
Authorized Share Capital			
<u>Number of Shares</u>			
2024	2023		
<u>35,000,000</u>	<u>35,000,000</u>	Ordinary shares of Rs. 10 each	
			<u>350,000,000</u> <u>350,000,000</u>

Issued, Subscribed and Paid-up Share Capital

<u>Number of Shares</u>			
2024	2023		
<u>34,682,360</u>	<u>34,682,360</u>	Ordinary shares of Rs. 10 each fully paid in cash	
			<u>346,823,600</u> <u>346,823,600</u>

12.1 Pattern of Shareholding

<u>Name of Shares holders</u>	2024	2023	2024	2023
	<u>Percentage</u>		<u>Number of Shares</u>	
Ahfaz Mustafa	65.23%	65.23%	22,622,660	22,622,660
Azhar Iqbal	17.39%	17.39%	6,030,100	6,030,100
Ayesha Naeem	17.39%	17.39%	6,029,590	6,029,590
Mohammad Taufiq	0.00003%	0.00003%	10	10
Total	<u>100%</u>	<u>100%</u>	<u>34,682,360</u>	<u>34,682,360</u>

13. DEFERRED LIABILITY - STAFF GRATUITY

	2024	2023
	Rupees	Rupees
Opening balance	4,988,171	5,734,274
Provision during the year	3,650,208	2,626,133
	8,638,379	8,360,407
Paid during the year	(5,078,342)	(3,372,236)
Closing balance	<u>3,560,037</u>	<u>4,988,171</u>

14. LEASE LIABILITIES

Opening balance	2,250,423	2,425,066
Additions during the year	-	-
Interest charge	162,309	659,360
	2,412,732	3,084,426
Payments during the year	(2,412,732)	(834,003)
	-	2,250,423
Less: Current portion of lease liability	-	(501,152)
	-	<u>1,749,271</u>

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- 14.1 The future minimum lease payments to which the Company is committed under the lease agreements and the periods in which they will become due are as follows:

	2024			2023		
	Minimum lease payments	Financial charges allocated	Present value of lease payments	Minimum lease payments	Financial charges allocated	Present value of lease payments
	Rupees					
Not later than one year	-	-	-	832,688	(331,536)	501,152
Later than one year but not later than five years	-	-	-	2,191,140	(441,869)	1,749,271
	-	-	-	3,023,828	(773,405)	2,250,423

- 14.2 The total principal amount along with financial charges is payable in 60 monthly instalments and carries mark-up at 3 month KIBOR + 2% per annum.

15. TRADE AND OTHER PAYABLES	2024 Rupees	2023 Rupees
Creditors	2,367,685	1,866,703
Trade payables	220,335,613	100,311,512
Accrued expenses	2,737,793	2,513,814
Sales and other taxes payable	1,524,742	837,304
Other liabilities	34,186,699	17,821,127
	<u>261,152,532</u>	<u>123,350,460</u>

16. ACCRUED MARK-UP

The company has obtained short term running finance facilities under mark-up arrangements with an aggregate limit of Rs. 475 million (2023: Rs. 550 million) from various commercial banks with variable mark-up rates ranging from 2024: 21.71% to 21.91% (2023: 24.41% to 24.91%). These are secured against pledge of marketable securities and personal guarantees of all the directors.

The company has nil (2023: nil) balance of principal amount outstanding against short term running finance facility as at year end.

17. CONTINGENCIES AND COMMITMENTS

Contingencies

The company has filed a recovery suit amounting to Rs. 12.6 million against a customer. The same customer has filed a counter suit of the same amount against the company. The company based on the advice of its legal counsel is confident that the case will be decided in its favor and the amount against which the claim has been filed will be received. Hence, no provision against this receivable has been made in these financial statements.

Commitments

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

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18. COMMISSION INCOME	Note	2024 Rupees	2023 Rupees
Brokerage commission		126,397,990	63,891,381
		126,397,990	63,891,381
18.1 Brokerage commission			
Brokerage commission gross		154,719,294	78,494,268
Less: Sales tax		17,445,123	8,904,523
		137,274,171	69,589,745
Less: Charges collected from clients for regulator		10,876,181	5,698,364
		126,397,990	63,891,381

19. OPERATING EXPENSES

Salaries and benefits	19.1	41,764,449	50,527,127
Printing and stationery		110,690	188,610
Rent, rates and taxes		166,844	2,966,627
Vehicle running and maintenance		4,419,225	5,933,643
Repairs and maintenance		1,941,581	1,838,245
Electricity and gas charges		1,406,077	3,175,513
Legal and professional charges		1,620,038	1,765,256
Commission expenses		26,296,549	3,564,892
Travelling and conveyance		2,137,100	53,700
Insurance expenses		2,040,067	2,480,666
Entertainment		302,985	1,221,897
Fees and subscription		3,809,205	2,536,829
Depreciation	4	1,752,177	3,210,336
Amortization of intangible	5.2	-	79,046
Computer expenses		4,201,835	3,544,443
Donation and charity	19.2	25,000	-
Auditors' remuneration	19.3	425,000	425,000
		92,418,822	83,515,830

19.1 Salaries and benefits include Rs. 3,650,208 (2023: Rs. 2,626,133) in respect of staff retirement benefits.

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

19.3 Auditors' Remuneration

	2024 Rupees	2023 Rupees
Audit fees	400,000	400,000
Out of pocket expenses	25,000	25,000
	425,000	425,000

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20. FINANCIAL CHARGES	Note	2024 Rupees	2023 Rupees
Mark-up on bank borrowings	17	14,001,329	18,224,566
Interest on lease liabilities		162,309	659,360
Bank charges		223,957	323,829
		<u>14,387,595</u>	<u>19,207,755</u>

21. OTHER INCOME / (LOSS) - NET

Dividend income	40,284,423	34,078,965
Mark-up on exposure deposit	8,846,942	2,188,319
Mark-up on bank	6,149,312	15,911
Mark-up on MF	953,074	-
Unrealized gain / (loss) on measurement of investments at FVTPL	8,770,359	(4,808,912)
Realized gain / (loss) on listed securities	66,484,955	(42,148,154)
(Loss) / gain on disposal of property and equipment	(682,908)	1,520,700
Others	920,775	-
	<u>131,726,932</u>	<u>(9,153,171)</u>

22. TAXATION

22.1 The income tax returns of the Company have been filed up to tax year 2023 under the Universal Self Assessment Scheme. This scheme provides that the return filed is deemed to be an assessment order. The returns may be selected for audit within five years. The Income Tax Commissioner may amend assessment if any objection is raised during audit.

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

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

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

23. EARNING / (LOSS) PER SHARE

	2024 ----- Rupees -----	2023 ----- Rupees -----
Profit / (loss) for the year	<u>136,213,328</u>	<u>(55,519,745)</u>
	----- Number -----	----- Rupees -----
Weighted average number of ordinary shares	<u>34,682,360</u>	<u>34,682,360</u>
Earning / (loss) per share	<u>3.93</u>	<u>(1.60)</u>

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24. PLEDGE SECURITIES WITH FINANCIAL INSTITUTION	June 30, 2024	
	Number of Shares	Pledge Value
Pledged to financial institutions on behalf of brokerage house	-	-
Pledged to financial institutions on behalf Directors / Sponsors / CEO / Shareholder	22,178,000	263,031,080
Pledged to financial institutions on behalf of clients	11,260,344	758,164,747

25. CUSTOMERS ASSETS HELD IN CDC

The house holds approx. 109.1 million (2023: 112.7 million) securities of its clients in the clients CDC sub accounts having approx. fair value Rs. 4,149.5 million (2023: Rs. 4,229.4 million).

26. RELATED PARTY TRANSACTIONS

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

Name and relation with the related Party	Transactions during the year and year end balances	2024 Rupees	2023 Rupees
	Brokerage income earned by the Company	445,148	1,143,483
Mr. Ahfaz Mustafa, Chief Executive	Trade receivable / (payable) at year end	11	949,566
	Other receivables at year end	51,069,655	16,553,402

27. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Director		Executives	
	2024	2023	2024	2023	2024	2023
	----- Rupees -----					
Managerial remuneration	2,782,292	3,801,900	1,800,000	2,395,000	9,366,666	13,947,975
Allowances	-	1,898,100	-	-	-	8,049,525
Bonus	-	-	-	-	446,856	369,977
Total	2,782,292	5,700,000	1,800,000	2,395,000	9,813,522	22,367,477
Number of persons	1	1	1	1	5	8

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

28. CAPITAL RISK MANAGEMENT

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

In order to maintain the balance of its capital structure the company may consider injecting further equity or issuing fresh debt. The company monitors its capital on the basis of its gearing ratio. Debt is calculated as total borrowings including both long term and short term borrowings. The gearing ratio as at June 30, 2024 and 2023 was as follows:

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	2024 Rupees	2023 Rupees
Total borrowings	-	2,250,423
Paid-up capital	346,823,600	346,823,600
Accumulated losses	(22,611,278)	(158,824,606)
	324,212,322	187,998,994
Gearing ratio	0%	1%

29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

	2024 Rupees	2023 Rupees
i) Financial instruments by category		
Financial assets		
At cost		
Long term Investment	7,000,000	7,000,000
At amortized cost		
Long term deposits	2,384,965	2,984,965
Trade debts	57,919,847	37,380,055
Advances, deposits and other receivables	53,466,090	22,007,006
Cash and bank balances	285,047,112	126,619,789
At fair value through profit or loss		
Short term investments	30,701,761	15,280,903
Total financial assets	436,519,775	211,272,718
Financial liabilities		
Lease liabilities	-	2,250,423
Deferred liability - staff gratuity	3,560,037	4,988,171
Trade and other payables	261,152,532	123,350,460
Accrued mark-up on borrowings	7,039,110	3,677,276
Total financial liabilities	271,751,679	134,266,330

ii) Financial risk management objectives and policies

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

a) Market risk

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

	2024 Rupees	2023 Rupees
Long term investment	7,000,000	7,000,000
Short term investments	30,701,761	15,280,903
	37,701,761	22,280,903

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b) **Credit risk**

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

	2024 Rupees	2023 Rupees
Long term deposits	2,384,965	2,984,965
Trade debts	57,919,847	37,380,055
Advances, deposits and other receivables	199,033,397	111,877,051
Bank balances	284,975,410	126,527,578
	544,313,619	278,769,648

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

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

No impairment has been recognized in respect of these debts as the custody of equity securities against the same is considered to be adequate.

c) **Liquidity risk**

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

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

	2024					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	Rupees					
Financial liabilities						
Trade and other payables	261,152,532	261,152,532	-	261,152,532	-	-
Accrued mark-up	7,039,110	7,039,110	7,039,110	-	-	-
	268,191,642	268,191,642	7,039,110	261,152,532	-	-
	2023					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	Rupees					
Financial liabilities						
Lease liabilities	2,250,423	2,250,423	199,040	217,969	499,146	1,334,268
Trade and other payables	123,350,460	123,350,460	-	123,350,460	-	-
Accrued mark-up	3,677,276	3,677,276	3,677,276	-	-	-
	129,278,159	129,278,159	3,876,316	123,568,429	499,146	1,334,268

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

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

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

Level 1 - quoted market prices

Level 2 - valuation techniques (market observable)

Level 3 - valuation techniques (non-market observable)

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

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

	2024			
	Level 1	Level 2	Level 3	Total
	Rupees			
Investment	-	-	7,000,000	7,000,000
Short term investment	30,701,761	-	-	30,701,761
	30,701,761	-	7,000,000	37,701,761

	2023			
	Level 1	Level 2	Level 3	Total
	Rupees			
Investment	-	-	7,000,000	7,000,000
Short term investment	15,280,903	-	-	15,280,903
	15,280,903	-	7,000,000	22,280,903

30. NUMBER OF EMPLOYEES

	2024	2023
Total number of employees at the end of the year	22	27
Average number of employees during the year	20	29

31. CAPITAL ADEQUACY LEVEL

	2024 Rupees	2023 Rupees
Total assets	595,964,001	322,265,324
Less: Total liabilities	(271,751,679)	(134,266,330)
Revaluation Reserves (Created upon revaluation of fixed assets)	-	-
	324,212,322	187,998,994

Capital Adequacy Level

31.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by the Company as at year ended June 30, 2024 as determined by Pakistan Stock Exchange has been considered.

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32. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	11,376,919	100%	-
1.2	Intangible Assets	2,500,000	100%	-
1.3	Investment in Government Securities: (Haircut applied on the basis of Difference between book value and sale value on the date on the basis of PKRV published by NIFT)	-	-	-
	Investment in Debt Securities			
	If listed then:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.5%	-
1.4	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10%	-
	If unlisted then:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.5%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15%	-
	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.	30,701,761	22,495,423	8,206,338
	ii. If unlisted, 100% of carrying value.	7,000,000	100%	-
	iii. Subscription money against investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
1.5	iv. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	-	100%	-
1.6	Investment in subsidiaries	-	100%	-
	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.	-	100%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,700,000	100%	-
1.9	Margin deposits with exchange and clearing house.	123,621,273	-	108,621,273
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	0%	-
1.11	Other deposits and prepayments	18,916,292	100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	0%	-
	100% haircut to be applied in respect of markup accrued on loans to directors, subsidiaries and other related parties	51,069,655	100%	-
1.13	Dividends receivable.	-	-	-
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>)	-	-	-
	Advances and Receivables other than trade receivables			
1.15	i. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	3,904,942	100%	-
	ii. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	-	0%	-
	iii. In all other cases, 100% of net value	-	100%	-
1.16	Receivables from clearing house or securities exchange(s)			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	2,206,199	2,206,199	2,206,199

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.			
	i. Lower of net balance sheet value or value determined through adjustments.			
	ii. In case receivables are against margin trading, 5% of the net balance sheet value.		5%	-
	ii. Net amount after deducting haircut			
1.17	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,			-
	iii. Net amount after deducting haircut			
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	14,727,771	0%	14,727,771
	iv. Balance sheet value			
	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.	38,886,905	4,115,792	4,115,792
	v. Lower of net balance sheet value or value determined through adjustments			
	vi. 100% haircut in the case of amount receivable from related parties.	4,305,171	100%	-
	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	50,018,680	0%	50,018,680
	ii. Bank balance-customer accounts	234,956,730	0%	234,956,730
	iii. Cash in hand	71,702	0%	71,702
1.19	Subscription money against investment in IPO/ offer for sale (asset)		0%	-
1.20	Total Assets	595,964,001		422,924,486

2. Liabilities

	Trade Payables			
2.1	i. Payable to exchanges and clearing house	-	0%	-
	ii. Payable against leveraged market products	-	0%	-
	iii. Payable to customers	220,335,613	0%	220,335,613
	Current Liabilities			
	i. Statutory and regulatory dues	1,524,742	0%	1,524,742
	ii. Accruals and other payables	46,331,286	0%	46,331,286
	iii. Short-term borrowings	-	0%	-
2.2	iv. Current portion of subordinated loans	-	0%	-
	v. Current portion of long term liabilities	-	0%	-
	vi. Deferred Liabilities	-	0%	-
	vii. Provision for taxation	-	0%	-
	viii. Other liabilities as per accounting principles and included in the financial statements	-	0%	-
	Non-Current Liabilities			
2.3	i. Long-Term financing	-	100%	-
	ii. Staff retirement benefits	3,560,037	0%	3,560,037
	iii. Other liabilities as per accounting principles and included in the financial statements	-	0%	-
2.4	Subordinated Loans			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	100%	-
2.5	Advance against shares for increase in capital of securities broker			
	100% Haircut may be allowed in respect of advance against shares if:			
	(i) The existing authorized share capital allows the proposed enhanced share capital			
	(ii) Board of Directors of the company has approved the increase in capital			
	(iii) Relevant Regulatory approvals have been obtained			
	(iv) There is no unreasonable delay in Issue of shares against advance and all regulatory requirements relating to the increase in paid-up capital have been completed			
2.6	Total Liabilities	271,751,679		271,751,679

3. Ranking Liabilities Relating to :

	Concentration in Margin Financing			
3.1	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.	-	-	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Concentration in securities lending and borrowing			
3.2	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
	Net underwriting Commitments			
3.3	(a) In the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price 5% of the Haircut multiplied by the net underwriting (b) In any other case : 12.5% of the net underwriting commitments	-	-	-
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	-	-	-
3.9	Opening Positions in futures and options i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral / pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	4,525,817	-	4,525,817
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	4,525,817	-	4,525,817

319,686,505 Liquid Capital 146,646,990

Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	422,924,486
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(271,751,679)
(iii) Less: Total ranking liabilities (serial number 3.11)	<u>(4,525,817)</u>
	<u>146,646,990</u>

by

33. DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors in their meeting held on
07 OCT 2024

34. CORRESPONDING FIGURES

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

35. GENERAL

Figures have been rounded off to the nearest rupee.

by



Chief Executive Officer



Director