

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

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

INDEPENDENT AUDITORS' REPORT

To the members of FDM Capital Securities (Private) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **M/s. FDM 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, the statement of 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, the statement of 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, total 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.

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; and
- 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.

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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, the statement of 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: **AR202410213AP8Wgkh0i**

DIRECTORS' REPORT

The Directors take pleasure in presenting their report together with audited financial statements of the Company for the financial year ended June 30, 2024. The working results of the company for the said financial year are given as under:

Financial Results:	Rupees
Operating Revenue	209,344,055
Operating expenses	(95,939,750)
Other expenses	<u>(3,596,023)</u>
Operating Profit/(Loss)	109,808,282
Financial Charges	(388,323)
Other Income	34,696,225
Profit/(Loss) before taxation	144,116,184
Levies	(1,320,412)
Taxation	<u>(27,085,043)</u>
Profit/(Loss) after taxation	<u>115,710,729</u>

Equity Market Review:

As of June 30, 2024, the Pakistan Stock Exchange (PSX) had a positive performance for the fiscal year, positioning the KSE-100 index as one of the strongest globally. The KSE-100 index recorded impressive gains due to a favorable macroeconomic environment, investor confidence, and an increase in global and local institutional interest. This growth was primarily attributed to positive political developments, improved foreign reserves, and lower inflation. Subsequently, the KSE-100 witnessed its highest return since FY03, achieving 90% in FY24.

In terms of sector performance, Power, Banks and Fertilizer sectors reported a strong returns driven by dividend plays and cheaper valuations while E&Ps performance also reflected improved cash flows.

Future Prospects:

The continuation of aggressive monetary easing by the SBP, as inflation drops into single digits for the first time in three years, is expected to stimulate economic activity. Additionally, the PSX is expected to perform well over the coming year due to shifting of funds from fixed income to equities, supported by the prospect of ongoing monetary easing.

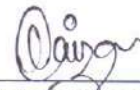
Appointment of External Auditors:

The retiring auditor's M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, retire and being eligible have offered themselves for reappointment for the financial year ended June 30, 2025, subject to approval by the members in the forthcoming annual general meeting.

Muhammad Farooq
 Chief Executive Officer




Faizan Farooq
 Director



Dated: October 04, 2024



FDM Capital Securities (Pvt) Ltd

Head Office: Suite No. 620-621,
6th Floor, Stock Exchange Building,
Off. I. I. Chundrigar Road,
Karachi-Pakistan.
Phone : 021-2427175-76, 021-32275157

Compliance Report with the corporate financial reporting framework

This is to certify that M/s **FDM Capital Securities (Private) Limited** has obtained necessary [permission/ license/approval] from Securities and Exchange Commission of Pakistan to undertake the business activities as authorized in its memorandum of association, and that the company is compliant with the conditions contained in [permission/license/approval] to carry on the business activities imposed by Securities and Exchange Commission of Pakistan for the year ended June 30, 2024.

It is further certified that there are no transactions entered into by the broker during the year, which are fraudulent, illegal or in violation of any securities market laws.



Mr. Muhammad Farooq
Chief Executive Officer
Date: October 04, 2024

Branch Office: Suite No. 506 5th Floor, Emerald Tower, Near 2 Talwar, Clifton, Block-5, Karachi.
Phone: 021-35148731-36 UAN: 111-336-336

**Statement of Compliance with Code of Corporate Governance for Securities Broker
Regulations 2016**

FDM Capital Securities (Private) Limited
June 30, 2024

The company has complied with the requirements of the Regulations in the following manner:

1. Board of Directors

a) The Company has established an effective Board of Directors which is responsible for ensuring long term success, and for monitoring and evaluating the management's performance. The Board of Directors is fully aware with the complexity of the business of the Company. At present the following are the executive directors of the company:

i)	Mr. Muhammad Farooq	Executive Director/CEO
ii)	Mr. Muhammad Munir	Executive Director
iii)	Mr. Faizan Farooq	Executive Director

2. Responsibilities, power and functions of Board of Directors

The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures. The Board has devised the policy which intended to encourage all stakeholders including employees and others to report suspected or actual occurrence of illegal, unethical or inappropriate events without retribution. The board has appointed Chief Executive Officer to lead the management team, and exercise executive authority over operations of the company. There is no any casual vacancy occurred on the board to intimate Securities Exchange.

3. Meetings of the Board

- a) The Board meets on yearly and half yearly basis.
b) The Board ensures that the minutes of the meetings are appropriately recorded.

4. Board committees

The Board has formed the following committees comprising of members given below:

a. Audit Committee

- Mr. Muhammad Munir-Chairman
- Mr. Muhammad Farooq-Member
- Mr. Faizan Farooq-Member

b. Human Resource Committee

- Mr. Faizan Farooq-Chairman
- Mr. Muhammad Farooq-Member

5. Appointment of senior management officers

The Company has appointed appropriate and suitable qualified management team for its operations.

6. Awareness program of directors

One Director has obtained certificates as per the requirements of regulatory certifications.

7. Auditors


The Company has appointed Statutory Auditors from category "A" of the State Bank of Pakistan's panel of Auditors.

8. Related party transactions

The details of all related party transactions are placed before the Board for review and approval.

9. Corporate and financial reporting frame work

- a) Financial Statement of the Company are prepared within the stipulated time which shall be submitted to related authorities. The Annual Report contains:
- i) Annual audited financial statements
 - ii) Directors' Report;
 - iii) A statement by the CEO that there are no transactions entered into by the broker during the year, which are fraudulent, illegal or in violation of any securities market laws.
- b) The half yearly and annual financial statements are approved by board and CEO.
- c) The directors report is prepared as required by section 226 of the Companies Act, 2017.


Mr. Muhammad Farooq
Chief Executive Officer
Date: October 04, 2024



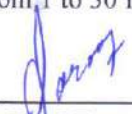
FDM Capital Securities (Private) Limited

Statement of Financial Position

As at June 30, 2024

ASSETS	Note	2024 Rupees	2023
Non-current assets			
Property and equipment	4	19,041,074	24,073,230
Intangible assets	5	6,611,284	3,500,000
Long term deposits and advances	6	4,000,000	4,000,000
		<u>29,652,358</u>	<u>31,573,230</u>
Current assets			
Trade debts	7	35,475,209	54,104,794
Short term investments	8	219,285,690	125,906,538
Deposits, loans and other receivables	9	55,752,656	37,560,866
Income tax refundable	10	-	6,321,904
Cash and bank balances	11	296,970,144	129,598,240
		<u>607,483,699</u>	<u>353,492,342</u>
Total assets		<u><u>637,136,057</u></u>	<u><u>385,065,572</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital	12	150,000,000	150,000,000
Issued subscribed and paid up capital	12	139,000,000	139,000,000
<i>Capital reserve</i>			
Capital contribution from directors		5,900,852	5,900,852
<i>Revenue reserve</i>			
Unappropriated profits		234,941,362	119,230,633
		<u>379,842,214</u>	<u>264,131,485</u>
Non-current liabilities			
Loans from directors	13	-	-
Deferred taxation - net	14	12,209,705	-
		<u>12,209,705</u>	-
Current liabilities			
Trade and other payables	15	242,829,815	117,747,655
Current maturity of loans from directors	13	-	2,500,000
Income tax payable	10	2,254,323	-
Payable to provident fund		-	686,432
		<u>245,084,138</u>	<u>120,934,087</u>
Contingencies and commitments	16	-	-
Total equity and liabilities		<u><u>637,136,057</u></u>	<u><u>385,065,572</u></u>

The annexed notes from 1 to 30 form an integral part of these financial statements.


Chief Executive




Director



FDM Capital Securities (Private) Limited

Statement of Profit or Loss

For the year ended June 30, 2024

	Note	2024	2023
		Rupees	
Commission revenue	17	112,799,089	47,348,026
Income from investments - net	18	96,544,966	5,205,023
		<u>209,344,055</u>	<u>52,553,049</u>
Operating and administrative expenses	19	(95,939,750)	(71,025,805)
Other expenses	20	(3,596,023)	(1,320,731)
Other operating profit	21	34,696,225	15,813,520
		<u>144,504,507</u>	<u>(3,979,967)</u>
Finance costs	22	(388,323)	(2,604,999)
Profit / (loss) before levies and taxation		<u>144,116,184</u>	<u>(6,584,966)</u>
Levies	23	(1,320,412)	(1,102,035)
Profit / (loss) before taxation		<u>142,795,772</u>	<u>(7,687,001)</u>
Taxation	24	(27,085,043)	(610,410)
Profit / (loss) after taxation		<u>115,710,729</u>	<u>(8,297,411)</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

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Chief Executive





Director

FDM Capital Securities (Private) Limited

Statement of Comprehensive Income

For the year ended June 30, 2024

	2024	2023
	Rupees	
Profit / (loss) after taxation	115,710,729	(8,297,411)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	<u><u>115,710,729</u></u>	<u><u>(8,297,411)</u></u>

The annexed notes from 1 to 30 form an integral part of these financial statements.



Chief Executive





Director

Review

FDM Capital Securities (Private) Limited

Statement of Changes in Equity

For the year ended June 30, 2024

	Issued, subscribed and paid up capital	Unappropriated profits	Capital contribution from a Director	Total
	Rupees			
Balance as at June 30, 2022	139,000,000	127,528,044	5,900,852	270,005,284
<i>Total comprehensive income for the year ended June 30, 2023</i>				
- Loss after taxation	-	(8,297,411)	-	(8,297,411)
- Other comprehensive income	-	-	-	-
	-	(8,297,411)	-	(8,297,411)
Balance as at June 30, 2023	<u>139,000,000</u>	<u>119,230,633</u>	<u>5,900,852</u>	<u>264,131,485</u>
<i>Total comprehensive income for the year ended June 30, 2024</i>				
- Profit after taxation	-	115,710,729	-	115,710,729
- Other comprehensive income	-	-	-	-
	-	115,710,729	-	115,710,729
Balance as at June 30, 2024	<u>139,000,000</u>	<u>234,941,362</u>	<u>5,900,852</u>	<u>379,842,214</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

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Chief Executive




Director

FDM Capital Securities (Private) Limited

Statement of Cash Flows

For the year ended June 30, 2024

	Note	2024	2023
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before levies and taxation		144,116,184	(6,584,966)
<i>Adjustment for non-cash and other items:</i>			
- Depreciation on property and equipment	4	4,243,878	5,104,464
- Amortisation on intangible assets	5.2	112,616	-
- Trade debts written off	20	895,380	440,510
- Provision against expected credit losses	20	339,143	-
- Profit on saving accounts	21	(22,586,350)	(9,975,429)
- Profit on deposits placed with NCCPL / PSX	21	(3,082,327)	(1,650,990)
- Reversal of provision against expected credit losses	21	-	(592,249)
- Rental income	21	-	(80,000)
- Gain on sale of operating fixed assets	21	(6,101,722)	-
- Finance costs	22	388,323	2,604,999
Cash generated from / (used in) operating activities before working capital changes		118,325,125	(10,733,661)
Effects of working capital changes			
<i>(Increase) / decrease in current assets</i>			
- Trade debts		17,395,062	(3,689,643)
- Short term investments		(93,379,152)	24,500,645
- Deposits, loans and other receivables		(15,619,320)	(16,689,349)
<i>Increase / (decrease) in current liabilities</i>			
- Trade and other payables		125,082,160	11,825,793
- Payable to provident fund		(686,432)	588,058
		32,792,318	16,535,504
Cash generated from operations		151,117,443	5,801,843
Income tax paid		(7,619,523)	(4,068,754)
Finance costs paid		(388,323)	(10,341)
Long term deposits placed		-	-
Net cash generated from operating activities		143,109,597	1,722,748
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(310,000)	(5,773,900)
Proceeds from sale of operating fixed assets		7,200,000	-
Purchase of intangible asset		(3,223,900)	-
Profit received on saving accounts		20,133,313	8,531,435
Profit received on deposits placed with NCCPL / PSX		2,962,894	1,531,797
Rental income received		-	360,000
Net cash generating from investing activities		26,762,307	4,649,332
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan paid to directors		(2,500,000)	(31,000,000)
Net cash used in investing activities		(2,500,000)	(31,000,000)
Net decrease in cash and cash equivalents		167,371,904	(24,627,920)
Cash and cash equivalents at the beginning of the year		129,598,240	154,226,160
Cash and cash equivalents at the end of the year		296,970,144	129,598,240

The annexed notes from 1 to 30 form an integral part of these financial statements.

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[Signature]
Chief Executive



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Director

FDM Capital Securities (Private) Limited

Notes to the Financial Statements

For the year ended June 30, 2024

1. INTRODUCTION

- 1.1 **FDM Capital Securities (Private) Limited** ('the Company') was incorporated in Pakistan on July 29, 2001 as a private limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company is a Trading Rights Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (PSX) and is categorized as a 'Trading and Self-Clearing' broker under the Securities and Exchange Commission of Pakistan (SECP). The Company is also a member of Pakistan Mercantile Exchange Limited (PMEX).

The principal activities of the Company are investments, share brokerage and Initial Public Offer (IPO) underwriting.

- 1.2 The address of all business units of the Company are as follows:

Registered Office:

The registered office of the Company is situated at Room Nos. 620-621, Stock Exchange Building, Stock Exchange Road, Karachi.

Branch Office:

The Branch office of the Company is situated at Suit No. 506, 5th Floor, Emerald Tower, Near 2 Talwar, Block-5, Clifton, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where the provisions of, and directives issued, under the Companies Act, 2017 differ from the IFRS Standards, 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 equity instruments and mutual funds which are stated at fair value.

2.3 Functional and presentation currency

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

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2.4 Use of key estimates and judgments

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

- (a) Useful lives, residual values and depreciation method of property and equipment
- (b) Effective interest rate use to determine the present value of future cash flows of long term loan from director.
- (c) Provision for taxation
- (d) Provision for expected credit loss.

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

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 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); and
- 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 July 01, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

These 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 requires to understand other information in the financial statements.

- During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these financial statements. The effects of restatements are as follows:

Review

		Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
<i>Note</i> ----- (Rupees in '000) -----				
Effect on statement of profit or loss				
For the year ended June 30, 2023				
Loss before levies and taxation		(6,584,966)	-	(6,584,966)
Levies	27	-	(1,102,035)	(1,102,035)
Loss before taxation		(6,584,966)	(1,102,035)	(7,687,001)
Taxation	28			
- Current tax		(9,372,663)	1,102,035	(610,410)
- Prior year		(2,147,266)	-	-
- Deferred tax		-	-	-
		(11,519,929)	1,102,035	(610,410)
Loss after taxation		(18,104,895)	-	(8,297,411)
For the year ended June 30, 2024				
Profit before levies and taxation		144,116,184	-	144,116,184
Levies	27	-	(1,320,412)	(1,320,412)
Profit before taxation		144,116,184	(1,320,412)	142,795,772
Taxation	28			
- Current tax		(12,842,270)	1,320,412	(14,162,682)
- Prior year		(712,656)	-	(712,656)
- Deferred tax		(12,209,705)	-	(12,209,705)
		(25,764,631)	1,320,412	(27,085,043)
Profit after taxation		118,351,553	-	115,710,729

2.5.2 *Standards, interpretations and amendments to published approved accounting standards that are not yet effective*

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below:

- 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 January 01, 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).

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 January 01, 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.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company 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 January 01, 2024, with early application permitted.

- 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 01, 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 01, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business

- 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 expired or the liability otherwise qualified 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).

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- 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).

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 International Financial Reporting Standards) ;
- IFRS 18 (Presentation and Disclosure in Financial Statements) ; and
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures) .

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

3.1 Property and equipment

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

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

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

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

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

3.2 Intangible assets

Trading Right Entitlement Certificate (TREC) and Membership card of PMEX

The useful lives of these assets are indefinite and hence, no amortization is charged by the Company.

These are 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.

Review

3.3 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.

3.4 Cash and cash equivalents

Cash in hand and at banks are carried at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand and bank balances.

3.5 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

In these financial statements, minimum tax on local sales revenue is recognized as levy under section 113 of the Income Tax Ordinance and other sections of the said ordinance. Any excess charged under the normal tax regime is recognized as current tax.

In these financial statements, Income tax under final tax regime is recognized as levy and the excess amount charged is recognized as current tax.

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 income 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 income 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 income tax liability is settled.

A deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Review

3.6 Provisions and contingent liabilities

Provisions

A provision is recognized in the statement of financial position when the Company has a present 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 recognized 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.

3.7 Financial assets

3.7.1 *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) fair value through other comprehensive income (FVOCI) ; and
- (c) 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.

Review

(c) *Financial assets at FVTPL*

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized 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.

3.7.2 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 or loss.

(b) *Financial assets at FVOCI*

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

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized 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 recognized 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 recognized in other comprehensive income is not reclassified from equity to profit or loss.

Dividends received from investments measured at fair value through profit or loss 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.

3.7.3 Impairment

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

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

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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 recognizes 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 amortized cost are deducted from the gross carrying amount of the assets.

3.7.4 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.

3.8 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.

3.9 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to setoff the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

3.10 Revenue

Revenue from trading activities - brokerage commission

Commission revenue arising from sales / purchase of securities on clients' behalf is recognized on the date of settlement of the transaction by the clearing house.

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3.11 Other income

Mark up / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

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.

4. PROPERTY AND EQUIPMENT

	Office premises	Furniture and fixtures	Office equipment	Vehicles	Computers	Total
	Rupees					
At June 30, 2022						
Cost	30,731,465	2,383,684	3,109,699	16,796,000	7,246,645	60,267,493
Accumulated depreciation	(25,955,471)	(587,535)	(1,783,877)	(2,534,727)	(6,002,089)	(36,863,699)
Net book value	4,775,994	1,796,149	1,325,822	14,261,273	1,244,556	23,403,794
<i>Movement during the year ended June 30, 2023</i>						
Opening net book value	4,775,994	1,796,149	1,325,822	14,261,273	1,244,556	23,403,794
Additions	-	-	-	5,656,000	117,900	5,773,900
Depreciation charge	(477,600)	(179,615)	(132,582)	(3,927,669)	(386,998)	(5,104,464)
Closing net book value	4,298,394	1,616,534	1,193,240	15,989,604	975,458	24,073,230
At June 30, 2023						
Cost	30,731,465	2,383,684	3,109,699	22,452,000	7,364,545	66,041,393
Accumulated depreciation	(26,433,071)	(767,150)	(1,916,459)	(6,462,396)	(6,389,087)	(41,968,163)
Net book value	4,298,394	1,616,534	1,193,240	15,989,604	975,458	24,073,230
<i>Movement during the year ended June 30, 2024</i>						
Opening net book value	4,298,394	1,616,534	1,193,240	15,989,604	975,458	24,073,230
Additions	-	-	-	-	310,000	310,000
Disposals:						
- Cost	(6,408,000)	-	-	-	-	(6,408,000)
- Accumulated depreciation	5,309,722	-	-	-	-	5,309,722
	(1,098,278)	-	-	-	-	(1,098,278)
Depreciation charge	(400,235)	(161,654)	(119,324)	(3,197,921)	(364,744)	(4,243,878)
Closing net book value	2,799,881	1,454,880	1,073,916	12,791,683	920,714	19,041,074
At June 30, 2024						
Cost	24,323,465	2,383,684	3,109,699	22,452,000	7,674,545	59,943,393
Accumulated depreciation	(21,523,584)	(928,804)	(2,035,783)	(9,660,317)	(6,753,831)	(40,902,319)
Net book value	2,799,881	1,454,880	1,073,916	12,791,683	920,714	19,041,074
Annual rates of depreciation	10%	10%	10%	20%	30%	

Review

		2024	2023
		Rupees	
5.	INTANGIBLE ASSETS		
	Trading Rights Entitlement (TRE) Certificate		
	Cost	8,170,850	8,170,850
	Less: Accumulated Impairment	(5,670,850)	(5,670,850)
		<u>2,500,000</u>	<u>2,500,000</u>
	Membership card - Pakistan Mercantile Exchange Limited	1,000,000	1,000,000
	Mobile application	3,111,284	-
		<u>6,611,284</u>	<u>3,500,000</u>

5.1 Pursuant to the promulgation of the Stock Exchanges (Corporatization, Demutualization and Integration) Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012, the Company received a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of Pakistan Stock Exchange Limited (PSX). This is being carried at cost less accumulated impairment computed based on the notional value of the TREC as notified by PSX.

		2024	2023
		Rupees	
5.2	Mobile application		
	Cost	3,223,900	-
	Accumulated amortisation	(112,616)	-
		<u>3,111,284</u>	<u>-</u>
	<i>Amortisation rate</i>	<u>25%</u>	<u>25%</u>

		2024	2023
		Rupees	
6.	LONG TERM DEPOSITS AND ADVANCES		
	Trading deposits		
	- National Clearing Company of Pakistan Limited	1,400,000	1,400,000
	- Central Depository Company of Pakistan Limited	100,000	100,000
		<u>1,500,000</u>	<u>1,500,000</u>
	Advances		
	- Pakistan Mercantile Exchange Limited (PMEX)	2,500,000	2,500,000
		<u>4,000,000</u>	<u>4,000,000</u>

6.1 These includes basic deposits and security deposits (including the security deposit relating to DFC market).

6.2 This represent an advance made to Pakistan Mercantile Exchange Limited (PMEX) for acquiring an office space at National Commodity Exchange Limited (NCEL) Building Project.

		2024	2023
		Rupees	
7.	TRADE DEBTS		
	Trade receivables - gross	37,343,217	55,633,659
	Less: Provision against expected credit losses	(1,868,008)	(1,528,865)
		<u>35,475,209</u>	<u>54,104,794</u>

7.1 These receivables include Nil (2023: Rs.16.112 million) due from the related parties. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Nil (2023: Rs. 135.048 million).

7.2 As of the reporting date, the Company held equity securities having fair value of Rs. 845.359 million (2023: Rs. 931.441 million) owned by its clients, as collaterals against trade debts.

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7.3	Movement in provision against expected credit losses	Note	2024	2023
			Rupees	
	Balance at the beginning of the year		1,528,865	2,121,114
	Reversed during the year	21	-	(592,249)
	Charged during the year		339,143	-
	Balance at the end of the year		<u>1,868,008</u>	<u>1,528,865</u>

**8 SHORT TERM INVESTMENTS -
At fair value through profit or loss**

Investment in equity securities

- Quoted equity securities	8.1	217,047,176	122,444,209
- Unquoted equity securities	8.2	1,473,014	1,473,014
		<u>218,520,190</u>	<u>123,917,223</u>
Units of mutual funds	8.3	765,500	1,989,315
		<u>219,285,690</u>	<u>125,906,538</u>

8.1 Investment in quoted equity securities

2024	2023	Name of Investee	Scrip Symbol	2024	2023
Number of shares				Market value in Rupees	
28,750	28,750	ASKARI BANK LIMITED	AKBL	647,738	372,600
-	2,500	ATTOCK PETROLEUM LIMITED	APL	-	750,625
-	25,587	AISHA STEEL MILLS LIMITED	ASL	-	138,170
10,000	10,000	AISHA STEEL MILLS LIMITED - PREFERENCE SHARES	ASLPS	90,000	164,200
10,000	-	AIR LINK COMMUNICATION LIMITED	AIRLINK	888,300	
27,250	23,000	AVANCEON LIMITED	AVN	1,472,045	1,012,920
75,000	50,000	BANK ALFALAH LIMITED	BAFL	5,101,500	1,522,000
50,000	50,000	BANK AL HABIB LIMITED	BAHL	5,609,000	2,161,000
-	10,000	BECO STEEL LIMITED	BECO	-	80,000
25,000	50,000	BANKISLAMI PAKISTAN LIMITED	BIPL	556,500	888,000
22,000	22,000	CENTURY INSURANCE COMPANY LIMITED	CENI	528,000	352,000
25,000	25,000	CHERAT CEMENT COMPANY LIMITED	CHCC	4,078,250	3,007,000
-	100,000	CNERGYICO PK LIMITED	CNERGY	-	284,000
28,912	28,912	CHERAT PACKAGING LIMITED	CPPL	3,412,772	2,815,740
20,000	20,000	CRESCENT STEEL & ALLIED PRODUCTS LIMITED	CSAP	1,080,200	430,000
15,000	-	D.G. KHAN CEMENT COMPANY LIMITED	DGKC	1,354,050	-
50,000	50,000	DESCON OXYCHEM LIMITED	DOL	1,120,000	1,211,000
-	25,000	ENGRO FERTILIZERS LIMITED	EFERT	-	2,063,250
50,000	50,000	ENGRO POLYMER & CHEMICALS LIMITED	EPCL	2,246,000	2,112,500
25,000	25,000	ENGRO POWERGEN QADIRPUR LIMITED	EPQL	702,500	570,000
150,000	75,000	FAYSAL BANK LIMITED	FABL	7,866,000	1,513,500
100,000	100,000	FAUJI CEMENT COMPANY LIMITED	FCCL	2,291,000	1,176,000
25,000	25,000	FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED	FCEPL	1,750,500	1,475,750
100,000	100,000	FAUJI FERTILIZER BIN QASIM LIMITED	FFBL	3,547,000	1,178,000
50,000	50,000	FAUJI FERTILIZER COMPANY LIMITED	FFC	8,169,000	4,922,000
100,000	25,000	FAUJI FOODS LIMITED	FFL	887,000	143,500
10,700	-	FAST CABLES LIMITED	FCL	255,837	
5,000	5,000	GADOON TEXTILE MILLS LIMITED	GADT	869,500	1,217,250
30,000	30,000	GUL AHMED TEXTILE MILLS LIMITED	GATM	633,000	534,300
30	30	GHANI GLOBAL HOLDINGS LIMITED	GGL	286	296
50,000	47,997	GHANI GLASS LIMITED	GHGL	1,303,000	1,223,924
10,000	10,000	GLAXOSMITHKLINE PAKISTAN LIMITED	GLAXO	1,438,400	753,700
90,000	-	HABIB BANK LIMITED	HBL	11,162,700	
-	100,000	HASCOL PETROLEUM LIMITED	HASCOL	-	555,000
-	25,000	HI-TECH LUBRICANTS LIMITED	HTL	-	530,750
50,000	50,000	THE HUB POWER COMPANY LIMITED	HUBC	8,154,000	3,479,000
200,000	-	HUM NETWORK LIMITED	HUMNL	2,052,000	-
10,007	11,023	IBL HEALTHCARE LIMITED	IBLHL	309,316	358,799
5,750	5,750	IGI HOLDINGS LIMITED	IGIHL	724,500	483,115

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2024	2023	Name of Investee	Script Symbol	2024	2023
Number of shares				Market value in Rupees	
50,000	37,500	INTERLOOP LIMITED	ILP	3,541,500	1,322,250
10,000	10,000	INTERNATIONAL INDUSTRIES LIMITED	INIL	1,957,100	732,400
25,000	25,000	INTERNATIONAL STEELS LIMITED	ISL	2,113,750	1,013,250
250,000	250,000	K-ELECTRIC LIMITED	KEL	1,157,500	430,000
25,000	25,000	KOHAT CEMENT COMPANY LIMITED	KOHC	6,260,750	4,336,750
8,500	8,500	LUCKY CORE INDUSTRIES LIMITED	LCI	7,900,665	5,135,190
50,000	100,000	LOTTE CHEMICAL PAKISTAN LIMITED	LOTCHEM	884,000	2,752,000
9,000	9,000	MARI PETROLEUM COMPANY LIMITED	MARI	24,411,060	13,631,760
10,000	15,000	MCB BANK LIMITED	MCB	2,270,200	1,717,050
10,000	-	MEEZAN BANK LIMITED	MEBL	2,393,900	
25,000	50,000	MAPLE LEAF CEMENT FACTORY LIMITED	MLCF	950,000	1,416,500
50,000	50,000	MUGHAL IRON AND STEEL INDUSTRIES LTD	MUGHAL	4,650,000	2,422,000
25,000	25,000	NATIONAL BANK OF PAKISTAN	NBP	928,750	487,000
25,000	25,000	NISHAT (CHUNIAN) LIMITED	NCL	655,250	507,500
69,531	69,531	NISHAT CHUNIAN POWER LIMITED	NCPL	2,082,453	1,161,168
13,000	-	NETSOL TECHNOLOGIES LIMITED	NETSOL	1,764,880	-
-	10,000	NISHAT MILLS LIMITED	NML	-	567,700
75,000	50,000	NISHAT POWER LIMITED	NPL	2,964,750	847,500
26,250	28,750	OCTOPUS DIGITAL LIMITED	OCTOPUS	2,280,338	1,074,961
25,000	25,000	OIL & GAS DEVELOPMENT COMPANY LIMITED	OGDC	3,384,250	1,950,000
10,000	10,001	PAKISTAN ALUMINIUM BEVERAGE CANS LIMITED	PABC	738,500	452,245
-	500	PAKISTAN INTERNATIONAL AIRLINES CORP	PIAA	-	1,680
100,000	100,000	PAKISTAN INTERNATIONAL BULK TERMINAL LIMITED	PIBTL	617,000	411,000
25,000	25,000	PIONEER CEMENT LIMITED	PIOC	4,216,250	2,165,750
75,000	100,000	PAKGEN POWER LIMITED	PKGP	6,562,500	4,461,000
7,500	7,500	PACKAGES LIMITED	PKGS	4,015,650	2,917,050
5,000	4,000	PAKISTAN OILFIELDS LIMITED	POL	2,449,700	1,607,080
25,000	10,000	PAKISTAN PETROLEUM LIMITED	PPL	2,927,750	591,400
1,602,953	1,652,953	PAKISTAN STOCK EXCHANGE LIMITED	PSX	20,533,828	12,231,852
24,600	24,600	PANTHER TYRES LIMITED	PTL	931,110	495,936
50,000	-	PERVEZ AHMED CONSULTANCY SERVICES LTD	PASL	95,500	
-	4,500	RUPALI POLYESTER LIMITED	RUPL	-	85,500
-	25,000	STANDARD CHARTERED BANK (PAKISTAN) LTD.	SCBPL	-	543,750
25,055	15,555	SERVICE GLOBAL FOOTWEAR LIMITED	SGF	1,858,079	433,673
500	500	SIEMENS PAKISTAN ENGINEERING CO. LTD.	SIEM	262,795	346,245
25,000	35,124	SUI NORTHERN GAS PIPELINES LIMITED	SNGP	1,586,750	1,382,832
298	12,298	SYNTHETIC PRODUCTS ENTERPRISES LIMITED	SPEL	4,744	127,899
50,000	50,000	SITARA PEROXIDE LIMITED	SPL	662,500	618,500
50,000	50,000	SAIF POWER LIMITED	SPWL	921,500	900,000
50,000	50,000	SHABBIR TILES & CERAMICS LIMITED	STCL	725,000	416,000
20,000	20,000	SYSTEMS LIMITED	SYS	8,366,000	8,066,600
5,500	5,500	THAL LIMITED	THALL	2,658,370	891,000
25,000	30,000	THE ORGANIC MEAT COMPANY LIMITED	TOMCL	879,750	623,400
-	25,000	TREET CORPORATION LIMITED	TREET	-	395,750
10,000	10,000	TRG PAKISTAN LIMITED - CLASS 'A'	TRG	620,500	921,300
-	1,916	TRI-PACK FILMS LIMITED	TRIPF	-	228,675
10,000	-	UNITED BANK LIMITED	UBL	2,562,400	
-	23,287	WAVES SINGER PAKISTAN LIMITED	WAVES	-	143,215
20	20	ZEAL PAK CEMENT FACTORY LIMITED - FREEZE	ZELP	9	9

4,426,106	4,362,084
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217,047,176	122,444,209
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Review

8.1.1 The number and fair value of securities pledged with PSX and NCCPL are as follows:

	June 30, 2024		June 30, 2023	
	Number of securities	Fair value	Number of securities	Fair value
----- Rupees -----				
Clients	57,500	4,418,200	52,500	2,893,100
Brokerage House	3,280,481	120,247,408	3,349,876	84,925,265
	<u>3,337,981</u>	<u>124,665,608</u>	<u>3,402,376</u>	<u>87,818,365</u>

8.1.2 The number and fair value of securities pledged with Banks are as follows:

	June 30, 2024		June 30, 2023	
	Number of securities	Fair value	Number of securities	Fair value
----- Rupees -----				
Clients	443,000	82,408,145	759,500	39,253,390
Brokerage House	146,121	16,573,023	378,621	20,883,514
	<u>589,121</u>	<u>98,981,168</u>	<u>1,138,121</u>	<u>60,136,904</u>

8.2 Investment in unquoted equity securities

This represents the investment in 200,000 ordinary shares (2023: 200,000 ordinary shares) of M/s.Dawood Family Takaful Limited.

8.3 Investment in units of mutual funds

2024	2023	Name of Funds	Fund Symbol	2024	2023
Number of units				Market value in Rupees	
50,000	50,000	HBL GROWTH FUND - CLASS A	HGFA	348,500	234,000
-	50,000	HBL GROWTH FUND - CLASS B SEGMENT	HGFB	-	612,315
150,000	150,000	HBL INVESTMENT FUND - CLASS A	HIFA	417,000	232,500
-	150,000	HBL INVESTMENT FUND - CLASS B SEGMENT	HIFB	-	910,500
<u>200,000</u>	<u>400,000</u>			<u>765,500</u>	<u>1,989,315</u>

9. DEPOSITS, LOANS AND OTHER RECEIVABLES

	Note	2024	2023
		----- Rupees -----	
<i>Deposits</i>			
Deposits placed with NCCPL in respect of:			
- Exposure margin on Ready Market		20,800,000	5,200,000
- Exposure margin on DFCs	9.1	11,563,956	15,845,739
- Deposits placed with NCCPL in respect of Loss on DFCs		-	5,548,020
- Exposure margin and loss on GEM		418,898	318,408
		<u>32,782,854</u>	<u>26,912,167</u>
<i>Loans</i>			
Loan to employees - unsecured		1,677,000	324,000
<i>Other receivables</i>			
-Receivable from NCCPL against profit held on Deliverable Futures Contracts		16,762,449	8,261,050
Profit receivable on saving accounts		4,126,741	1,673,704
Profit receivable on deposits with NCCPL / PSX		403,612	284,179
Others		-	105,766
		<u>21,292,802</u>	<u>10,324,699</u>
		<u>55,752,656</u>	<u>37,560,866</u>

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9.1 As of the reporting date, the exposure is paid by the Company, including clients' exposure, which is subsequently recovered from the clients.

10. INCOME TAX REFUNDABLE	Note	2024	2023
		Rupees	
Opening balance		6,321,904	3,965,595
Advance tax paid during the year		7,619,523	4,068,754
Less: Provision for current tax & levies for the year	24.	<u>(16,195,750)</u>	<u>(1,712,445)</u>
		<u>(2,254,323)</u>	<u>6,321,904</u>
11. CASH AND BANK BALANCES			
Cash in hand		154,846	22,970
Cash at bank:			
- current accounts		83,091,745	81,073,749
- saving accounts	11.1	213,723,553	48,501,521
		<u>296,815,298</u>	<u>129,575,270</u>
		<u>296,970,144</u>	<u>129,598,240</u>

11.1 This amount carries interest ranging from 11.01% - 20.05% per annum (2023: 10% to 19%).

11.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 226.025 million (2023: Rs. 76.194 million).

12. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024		2023	2024		2023
(Number of shares)			Rupees		
Authorized capital					
<u>1,500,000</u>	<u>1,500,000</u>	Ordinary shares of Rs. 100/- each	<u>150,000,000</u>	<u>150,000,000</u>	
Issued, subscribed and paid up capital					
<u>1,390,000</u>	<u>1,390,000</u>	Ordinary shares of Rs.100/- each	<u>139,000,000</u>	<u>139,000,000</u>	
		Issued for cash	<u>139,000,000</u>	<u>139,000,000</u>	

12.1 There are no agreements among shareholders in respect of voting rights, board selection, rights of first refusal, and block voting.

12.2 As of the reporting date, the pattern of shareholding of the Company was as follows:

Shareholder name	June 30, 2024		June 30, 2023	
	Shares held	% of holding	Shares held	% of holding
Mohammad Farooq Moosa	1,299,997	93.52%	1,299,997	93.52%
Mohammad Munir	90,002	6.47%	90,003	6.48%
Faizan Farooq	1	0.00%	-	-
	<u>1,390,000</u>	<u>100%</u>	<u>1,390,000</u>	<u>100%</u>

13. LOANS FROM DIRECTORS	Note	2024	2023
		Rupees	
Opening balance		2,500,000	30,905,342
Loan paid during the year		(2,500,000)	(31,000,000)
Effect of unwinding of loan during the year	22	-	2,594,658
		-	2,500,000
Less: Current maturity shown under current liabilities		-	(2,500,000)
		-	-

Review

13.1 The company received an interest free loan from the director for the purpose of working capital requirement. The loan was agreed to be repaid after 2 years from the date of disbursement, therefore it had been discounted at the company's borrowing rate of KIBOR + 3%. Hence the company measured it at its present value in accordance with the requirement of IFRS 9 Financial Instruments and Technical release 32 Accounting Director's Loan issued by the Institute of Chartered Accountant of Pakistan (ICAP). During the year, the loan amount has been repaid to the director.

	2024	2023
	Rupees	
14. DEFERRED TAXATION - net		
Deferred tax liability in respect of temporary differences	<u>12,209,705</u>	<u>-</u>
	<u>12,209,705</u>	<u>-</u>
14.1 Deferred tax in respect of other temporary differences		
Deferred tax liability recognized	(12,751,427)	(2,210,716)
Deferred tax asset recognized	541,722	2,210,716
	<u>(12,209,705)</u>	<u>-</u>
14.1.1 Deferred tax liability		
Accelerated depreciation	(1,539,447)	(2,210,716)
Short term investments	(11,211,980)	-
	<u>(12,751,427)</u>	<u>(2,210,716)</u>
14.1.2 Deferred tax assets		
Short term investments	-	1,060,081
Provision for expected credit losses	541,722	443,371
Unused business losses	-	888,109
Deferred tax assets available for recognition	<u>541,722</u>	<u>2,391,561</u>
Deferred tax assets actually recognized	541,722	2,210,716
Unrecognized deferred tax assets	-	180,845
	<u>541,722</u>	<u>2,391,561</u>
15. TRADE AND OTHER PAYABLES		
Creditors	15.1 220,876,561	72,886,617
Exposure withheld	-	33,945,459
Commission payable to dealers	-	860,184
Accrued expenses	5,994,732	1,703,848
Profit on DFCs payable to clients	15,260,998	7,355,888
Withholding income tax payable	26,784	503,289
Sales tax payable	670,740	492,370
	<u>242,829,815</u>	<u>117,747,655</u>

15.1 This includes Rs. 10.003 Million (2023: 0.581 Million) payable to related parties. The maximum aggregate amount outstanding during the year to such parties (with reference to month-end balances) amounted to Rs. 7.583 million (2023: Rs. Nil).

16. CONTINGENCIES AND COMMITMENTS

As of the reporting date, there were no material contingencies and commitments to report (2023: None).

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		2024	2023
	Note	Rupees	
17. COMMISSION REVENUE			
Brokerage commission		112,520,554	47,348,026
Book building and IPO commission		278,535	-
		<u>112,799,089</u>	<u>47,348,026</u>
18. INCOME / (LOSS) FROM INVESTMENTS - net			
Capital loss:			
- Realized gain on disposal - net		9,515,527	613,516
- Net change in unrealized gain /(loss)		74,746,531	(7,067,207)
		<u>84,262,058</u>	<u>(6,453,691)</u>
Other returns:			
- Dividend income on investment in quoted equity securities		9,996,468	8,721,933
- Dividend income on investment in mutual funds		2,286,440	2,936,781
		<u>12,282,908</u>	<u>11,658,714</u>
		<u>96,544,966</u>	<u>5,205,023</u>
19. OPERATING AND ADMINISTRATIVE EXPENSES			
Commission to dealers		-	19,112,311
Salaries, benefits and allowances	19.1	45,715,716	23,124,074
Performance bonus to dealers		21,777,369	-
Communication expense		6,446,529	6,030,006
Depreciation	4	4,243,878	5,104,464
Repairs and maintenance		3,379,300	3,500,094
Directors' remuneration	25	1,888,000	1,392,000
PSX, SECP and CDC charges		2,292,884	3,153,251
NCCPL charges		1,548,607	962,094
Electricity charges		2,958,775	2,017,087
Entertainment expenses		1,069,260	1,958,054
Legal and professional charges		1,049,300	1,202,917
Printing and stationery		223,870	182,780
Insurance		-	314,922
Auditor's remuneration	19.2	1,500,000	1,200,000
Amortization expense		112,616	-
Miscellaneous		1,733,646	1,771,751
		<u>95,939,750</u>	<u>71,025,805</u>
19.1	This includes Rs. 630,700 (2023: Rs. 304,580) in respect of staff retirement benefits.		
19.2 Auditor's remuneration		2024	2023
		Rupees	
Audit fee		1,200,000	900,000
Certification and advisory services		300,000	300,000
		<u>1,500,000</u>	<u>1,200,000</u>
20. OTHER EXPENSES			
Trade debts written off		895,380	440,510
Provision against expected credit losses		339,143	-
Donation		2,288,360	757,965
Other		73,140	122,256
		<u>3,596,023</u>	<u>1,320,731</u>

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		2024	2023
	<i>Note</i>	Rupees	
21. OTHER INCOME			
Profit on saving accounts		22,586,350	9,975,429
Profit on deposits placed with NCCPL / PSX		3,082,327	1,650,990
Rental income		-	80,000
Reversal of provision against expected credit losses		-	592,249
Gain on sale of operating fixed assets		6,101,722	-
Others		2,925,826	3,514,852
		<u>34,696,225</u>	<u>15,813,520</u>
22. FINANCE COSTS			
Interest on unwinding of loans from directors	13	-	2,594,658
Bank charges		319,771	-
Markup on short term borrowings		68,552	10,341
		<u>388,323</u>	<u>2,604,999</u>
23. LEVIES			
Income tax - Final tax regime		<u>1,320,412</u>	<u>1,102,035</u>
24. TAXATION			
Current tax			
- for the year		14,162,682	610,410
- for prior year		712,656	-
		<u>14,875,338</u>	<u>610,410</u>
Deferred tax expense		12,209,705	-
		<u>27,085,043</u>	<u>610,410</u>

24.1 The income tax assessments of the Company have been finalized up to, and including, the tax year 2023. Tax returns filed by the Company are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 unless selected for re-assessment or audit by the taxation authorities. However, at any time during a period of five years from the date of filing of a return, the taxation authorities may select an income tax return filed by the Company for the purpose of re-assessment.

	2024	2023
	Rupees	
24.2 Relationship between tax expense and accounting loss		
Profit / (loss) before taxation	144,116,184	(6,584,966)
Accounting tax expense as per applicable rate - 29 %	41,793,693	(1,909,640)
Tax effect of income taxed under FTR / reduced rate	(5,001,134)	(2,456,912)
Tax effect of exempt / notional income	(21,676,494)	2,049,490
Transfer to levies	(1,320,412)	(1,102,035)
Other miscellaneous items	13,289,390	4,029,507
	<u>27,085,043</u>	<u>610,410</u>

25. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

Review

Particulars	2024			2023			
	Chief Executive	Director	Total	Chief Executive	Director	Executives	Total
Managerial Remuneration (Rupees)	-	1,189,440	1,189,440	696,000	696,000	1,285,200	2,677,200
House allowance	-	434,240	434,240	-	-	469,200	469,200
Utilities	-	264,320	264,320	-	-	285,600	285,600
	-	1,888,000	1,888,000	696,000	696,000	2,040,000	3,432,000
Number of persons	1	2	3	1	1	1	3

25.1 In addition to the above emoluments, the Chief Executive and Director of the Company have been provided with Company-maintained cars.

26. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel including directors and their close family members and major shareholders of the Company. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Remuneration of the Chief Executive and Directors is disclosed in note 23 to the financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

26.1	Name of the related party, relationship with the Company and the nature of transaction / balance	2024	2023
		Rupees	
	<u>KEY MANAGEMENT PERSONNEL</u>		
	Mr. Muhammad Farooq (CEO / Director)		
	<i>Transactions during the year</i>		
	Loan repaid	(2,500,000)	-
	Trade (payable) / receivable at year end	(2,102,656)	12,060,213
	Mr. Muhammad Munir (Director)		
	<i>Transactions during the year</i>		
	Loan repaid	-	31,000,000
	<i>Balance at year end</i>		
	Trade (payable) / receivable at year end	(203,300)	3,335,786
	Mr. Faizan Farooq (Director)		
	Trade payable at year end	541,617	167,309
	<u>CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL</u>		
	Mr. Qasim Farooq		
	Trade payable at year end	18,125	413,797
	Ms. Anjum Banoo		
	Trade (payable) / receivable at year end	(343,165)	616,737
	Mr. Abdul Basit Munir		
	Trade payable	32,834	-
	Mr. Muqees Munir		
	Trade (payable) / receivable at year end	(3,058,286)	99,020
	Ms. Adila Faizan		
	Trade payable at year end	13,536	-
	Mr. Muhammad Ahmed		
	Trade payable at year end	654,549	-
	Mr. Moosa		
	Trade payable at year end	137,337	-

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26.2 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.

26.3 The Company's branch office (referred to in note 1.2) has been rented out to the Company by Mr. Faizan Farooq (son of the Chief Executive). The rental arrangement is on a non-arm's length basis whereby the Company has been granted a right of use the said office premises against no consideration.

27. FINANCIAL INSTRUMENTS

27.1 Financial risk analysis

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

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

- Credit risk
- Liquidity risk
- Market risk

27.1.1 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

The maximum exposure to credit risk at the reporting date was as follows:

	Note	2024 Rupees	2023
Long term deposits		1,500,000	1,500,000
Trade debts	(a)	35,475,209	54,104,794
Deposits, loans and other receivables		55,752,656	37,560,866
Bank balances	(b)	296,815,298	129,575,270
		<u>389,543,163</u>	<u>222,740,930</u>

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Note (a) - Credit risk exposure on trade debts

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

As of the reporting date, the aging 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	31,602,374	-	42,940,768	-
Past due 31-180 days	3,211,661	-	7,051,113	-
Past due 181-365 days	329,122	-	2,178,983	-
More than 365 days	2,200,060	1,868,008	3,462,795	1,528,865
	<u>37,343,217</u>	<u>1,868,008</u>	<u>55,633,659</u>	<u>1,528,865</u>

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:

	Short term rating	Credit rating agency	2024	2023
			----- Rupees -----	
Bank Al-Falah Limited	A-1+	PACRA	345,047	168,687
Bank Al-Habib Limited	A-1+	PACRA	1,289,483	2,992,586
Dubai Islamic Bank Limited	A-1+	JCR-VIS	5,113	-
Habib Bank Limited	A-1+	JCR-VIS	6,126,345	659,983
Habib Metropolitan Bank Limited	A-1+	PACRA	284,919,629	120,062,776
JS Bank Limited	A-1+	PACRA	287,999	5,006,457
Meezan Bank Limited	A-1+	JCR-VIS	3,801,987	645,086
MCB Bank Limited	A-1+	PACRA	39,695	39,695
			<u>296,815,298</u>	<u>129,575,270</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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	30-Jun-24			30-Jun-23		
	Total exposure	Concentration	% of total exposure	Total exposure	Concentration	% of total exposure
	Rupees					
Trade debts	35,475,209	7,928,984	22%	54,104,794	12,060,213	22%
Bank balances	296,815,298	284,919,629	96%	129,575,270	120,062,776	93%
		<u>292,848,613</u>			<u>132,122,989</u>	

27.1.2 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 following are the contractual maturities of financial liabilities:

	June 30, 2024					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
Non-derivative financial liabilities	Rupees					
Trade and other payables	242,132,291	242,132,291	242,132,291	-	-	-
	<u>242,132,291</u>	<u>242,132,291</u>	<u>242,132,291</u>	<u>-</u>	<u>-</u>	<u>-</u>
	June 30, 2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
Non-derivative financial liabilities	Rupees					
Loan to director	2,500,000	2,500,000	2,500,000	-	-	-
Trade and other payables	119,251,996	119,251,996	119,251,996	-	-	-
	<u>121,751,996</u>	<u>121,751,996</u>	<u>121,751,996</u>	<u>-</u>	<u>-</u>	<u>-</u>

27.1.3 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:

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.

Review

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/ mark up 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. Presently, daily stock market fluctuation is controlled by regulatory authorities which reduces the volatility of prices of equity securities. The Company manages price risk by monitoring the exposure in quoted 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 securities and mutual funds and also because the Company held collaterals in the form of equity securities against their debtor balances.

The carrying value of investments subject to price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and, consequently, the amount realized on 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, the amount realized on 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 sectors of the market.

Sensitivity analysis

The table below summarizes Company's 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 markets and the aforementioned concentrations existing in Company's investment portfolio.

	Fair value (Rupees)	Hypothetical price change	Estimated fair value after hypothetical change in prices (Rupees)	Hypothetical effect on profit / loss before tax (Rupees)
June 30, 2024	217,812,676	10% increase	239,593,944	21,781,268
		10% decrease	196,031,408	(21,781,268)
June 30, 2023	124,433,524	10% increase	136,876,876	12,443,352
		10% decrease	111,990,172	(12,443,352)

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.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective interest rate (%)		Carrying amounts (Rs.)	
	2024	2023	2024	2023
Financial assets				
<i>Variable rate instruments</i>				
Balance held in saving accounts	11.01% - 20.05%	10%-19%	213,723,553	48,501,521

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Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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
	----- Rupees -----	
As at June 30, 2024		
Cash flow sensitivity - Variable rate financial instruments	<u>2,137,236</u>	<u>(2,137,236)</u>
As at June 30, 2023		
Cash flow sensitivity - Variable rate financial instruments	<u>485,015</u>	<u>(485,015)</u>
	2024	2023
	----- Rupees -----	
27.2 Financial instruments by category		
27.2.1 Financial assets		
<i>At fair value through profit or loss</i>		
Short term investments	<u>219,285,690</u>	<u>125,906,538</u>
<i>At amortized cost</i>		
Long term deposits	1,500,000	1,500,000
Trade debts	35,475,209	54,104,794
Deposits, loans and other receivables	55,752,656	37,560,866
Cash and bank balances	<u>296,970,144</u>	<u>129,598,240</u>
	<u>389,698,009</u>	<u>222,763,900</u>
27.2.2 Financial liabilities		
<i>At amortized cost</i>		
Loans from directors	-	2,500,000
Trade and other payables	<u>242,132,291</u>	<u>119,251,996</u>
	<u>242,132,291</u>	<u>121,751,996</u>
28. FAIR VALUE OF ASSETS AND LIABILITIES		

The Company measures fair value of its assets and liabilities using the following fair value 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.

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

The table below analyses assets 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:

	Level 1	Level 2	Level 3	Total
	Rupees			
June 30, 2024				
Short term investments	217,812,676		1,473,014	219,285,690
June 30, 2023				
Short term investments	124,433,524		1,473,014	125,906,538

29. CAPITAL RELATED DISCLOSURES

29.1 Capital management

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.

Following is the capital analysis of what company manages as capital:

	2024	2023
	Rupees	
Borrowings:		
Loan from directors	-	2,500,000
Shareholders' equity:		
Issued, subscribed and paid up capital	139,000,000	139,000,000
Unappropriated profits	234,941,362	119,230,633
	373,941,362	258,230,633
	373,941,362	260,730,633

The Company is not subject to any externally imposed capital requirements other than the ones specified in notes 27.2 and 27.3 below.

29.2 Capital Adequacy Level

The **Capital Adequacy Level** as defined by the Central Depository Company of Pakistan Limited (CDC) is calculated as follows:

	Note	2024	2023
		Rupees	
Total assets	29.2.1	637,136,057	385,065,572
Less: Total liabilities		(257,293,843)	(120,934,087)
Less: Revaluation reserves (created upon revaluation of fixed assets)		-	-
Capital Adequacy Level		379,842,214	264,131,485

29.2.1 While determining the value of the total assets of the Company, notional value of the TRE certificate as determined by Pakistan Stock Exchange Limited has been considered.

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29.3 Liquid Capital [as per the requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016]

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets				
1.1	Property & Equipment	19,041,074	19,041,074	-
1.2	Intangible Assets	6,611,284	6,611,284	-
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.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.4	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.	179,788,061	28,119,466	151,668,595
1.5	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	37,259,114	37,259,114	-
	ii. If unlisted, 100% of carrying value.	2,238,514	2,238,514	-
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.	1,500,000	1,500,000	-
1.9	Margin deposits with exchange and clearing house.	32,782,854	-	32,782,854
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	2,500,000	2,500,000	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	4,126,741	-	4,126,741
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>)	-	-	-
	Advances and receivables other than trade Receivables;			
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	1,677,000	1,677,000	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation .	-	-	-
	(iii) In all other cases 100% of net value	-	-	-
	Receivables from clearing house or securities exchange(s)			
1.16	i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	17,166,061	-	17,166,061

Review

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets				
	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>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. iv. Balance sheet value	20,132,946	-	20,132,946
1.17	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. v. Lower of net balance sheet value or value determined through adjustments	13,753,353	2,821,336	10,932,017
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. vi. Lower of net balance sheet value or value determined through adjustments	1,588,911	1,588,911	
	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	70,790,338	-	70,790,338
	ii. Bank balance-customer accounts	226,024,960	-	226,024,960
	iii. Cash in hand	154,846	-	154,846
1.19	Subscription money against investment in IPO / offer for sale (asset) 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.	-	-	-
1.20	Total Assets	637,136,057		533,779,358
2. Liabilities				
	Trade Payables			
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	220,876,561	-	220,876,561
	Current Liabilities			
	i. Statutory and regulatory dues	2,951,847	-	2,951,847
	ii. Accruals and other payables	21,255,730	-	21,255,730
	iii. Short-term borrowings	-	-	-
2.2	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	12,209,705	-	12,209,705
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	Non-Current Liabilities			
2.3	i. Long-Term financing	-	-	-
	a. 100% haircut may be allowed against Long-Term financing obtained from financial institution including amount due against finance leases	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements.	-	-	-

Reserve

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
Short sell positions				
3.10	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	-	-	56,647,102
		<u>379,842,214</u>	Liquid Capital	<u>219,838,413</u>

30. GENERAL

30.1 Customers assets held in the Central Depository System

	2024	2023
No. of shares	<u>240,121,144</u>	<u>263,833,903</u>
Amount of shares	<u>3,989,242,968</u>	<u>2,976,594,680</u>

30.2 Number of employees

Number of persons employed by the Company as on the year end were 35 (2023: 39) and average number of employees during the year were 37 (2023: 38).

30.3 Date of authorization of financial statements for issue

These financial statements were approved by the Board of Directors of the Company in their meeting held on October 04, 2024.

30.4 Level of rounding

All the figures in the financial statements have been rounded off to the nearest rupee.

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[Signature]
Chief Executive



[Signature]
Director