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Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS



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**AUDITED FINANCIAL STATEMENTS
OF
MEMON 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 Memon Securities (Private) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **M/s. Memon 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.



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: AR202410213OYk6WyIv1

Memon Securities (Private) Limited

Statement of Financial Position

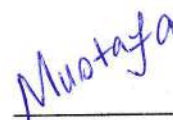
As at June 30, 2024

| | | 2024 | 2023 |
|---|------|----------------------|----------------------|
| ASSETS | Note | Rupees | |
| Non-current assets | | | |
| Property and equipment | 4 | 10,450,630 | 12,460,764 |
| Intangible assets | 5 | 3,500,000 | 3,500,000 |
| Investment property | 6 | 1,284,395 | 1,351,995 |
| Long term deposits and advances | 7 | 4,510,200 | 4,510,200 |
| | | 19,745,225 | 21,822,959 |
| Current assets | | | |
| Trade debts | 8 | 7,574,871 | 1,771,175 |
| Short term investments | 9 | 1,368,221,628 | 878,456,056 |
| Loans, deposits, prepayments and other receivable | 10 | 76,939,831 | 13,287,276 |
| Income tax refundable | 11 | 15,358,327 | 15,226,112 |
| Cash and bank balances | 12 | 129,014,899 | 160,436,241 |
| | | 1,597,109,556 | 1,069,176,860 |
| Total assets | | <u>1,616,854,781</u> | <u>1,090,999,819</u> |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorized capital | 13 | <u>250,000,000</u> | <u>100,000,000</u> |
| Issued, subscribed and paid up capital | 13 | 250,000,000 | 250,000,000 |
| Revenue reserves | | | |
| Unappropriated profit | | 859,641,466 | 474,914,505 |
| General reserve | | 2,600,000 | 2,600,000 |
| | | 862,241,466 | 477,514,505 |
| | | 1,112,241,466 | 727,514,505 |
| Current liabilities | | | |
| Trade and other payables | 14 | 178,751,884 | 182,032,359 |
| Short term borrowing | 15 | 324,566,652 | 180,254,395 |
| Accrued markup | | 1,294,779 | 1,198,560 |
| | | 504,613,315 | 363,485,314 |
| Contingencies and commitments | 16 | - | - |
| Total equity and liabilities | | <u>1,616,854,781</u> | <u>1,090,999,819</u> |

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



Chief Executive



Director

Ravi


Memon Securities (Private) Limited

Statement of Profit or Loss

For the year ended June 30, 2024

| | Note | 2024 Rupees | 2023 |
|---|------|---------------------------|---------------------------|
| Operating revenue | 17 | 127,739,501 | 85,933,879 |
| Capital gain / (loss) on sale of investments | | 76,783,044 | (12,426,929) |
| | | <u>204,522,545</u> | <u>73,506,950</u> |
| Administrative expenses | 18 | (60,218,991) | (53,310,874) |
| Finance costs | 19 | (4,580,101) | (3,873,715) |
| | | <u>(64,799,092)</u> | <u>(57,184,589)</u> |
| Other income | 20 | 4,735,247 | 2,036,311 |
| Operating Profit | | <u>144,458,700</u> | <u>18,358,672</u> |
| Unrealized gain / (loss) on re-measurement of investments carried at fair value through profit or loss - net | | 256,844,890 | (10,609,216) |
| Profit before levies and taxation | | <u>401,303,590</u> | <u>7,749,456</u> |
| Levies | 21 | (14,912,710) | (10,636,977) |
| Profit / (loss) before taxation | | <u>386,390,880</u> | <u>(2,887,521)</u> |
| Taxation | 22 | (1,663,919) | 86,236 |
| Profit / (Loss) after taxation | | <u><u>384,726,961</u></u> | <u><u>(2,801,285)</u></u> |

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

Rosie

 Chief Executive

Mustafa

 Director

Memon Securities (Private) Limited

Statement of Comprehensive Income

For the year ended June 30, 2024

| | 2024 | 2023 |
|--|--------------------|--------------------|
| | <u>Rupees</u> | |
| Profit / (Loss) after taxation | 384,726,961 | (2,801,285) |
| Other comprehensive income | - | - |
| Total comprehensive income / (loss) for the year | <u>384,726,961</u> | <u>(2,801,285)</u> |

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


Chief Executive


Director

Perin

Memon Securities (Private) Limited

Statement of Changes in Equity

For the year ended June 30, 2024

| | Issued, subscribed and paid up capital | Revenue reserves | | Total |
|--|--|--------------------------|--------------------|---------------|
| | | Unappropriated profit | General reserve | |
| | Rupees | | | |
| Balance as at June 30, 2022 | 97,400,000 | 630,315,790 | 2,600,000 | 730,315,790 |
| <i>Total comprehensive loss for the year ended June 30, 2023</i> | | | | |
| - Loss after taxation | - | (2,801,285) | - | (2,801,285) |
| - Other comprehensive income | - | - | - | - |
| | - | (2,801,285) | - | (2,801,285) |
| <i>Transactions with owners</i> | | | | |
| Issuance of 156.67% bonus shares | 152,600,000 | (152,600,000) | - | - |
| Balance as at June 30, 2023 | 250,000,000 | 474,914,505 | 2,600,000 | 727,514,505 |
| <i>Total comprehensive income for the year ended June 30, 2024</i> | | | | |
| - Profit after taxation | - | 384,726,961 | - | 384,726,961 |
| - Other comprehensive income | - | - | - | - |
| | - | 384,726,961 | - | 384,726,961 |
| Balance as at June 30, 2024 | 250,000,000 | 859,641,466 | 2,600,000 | 1,112,241,466 |

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

Resin

Chief Executive

Mustafa

Director

Memon Securities (Private) Limited

Statement of Cash Flows

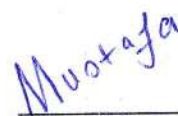
For the year ended June 30, 2024

| | | 2024 | 2023 |
|--|------|---------------|---------------|
| | | Rupees | |
| CASH FLOWS FROM OPERATING ACTIVITIES | Note | | |
| Profit before levies and taxation | | 401,303,590 | 7,749,456 |
| Adjustment for non-cash and other items: | | | |
| Depreciation on property and equipment | 4 | 2,010,134 | 2,184,790 |
| Depreciation on investment property | 6 | 67,600 | 71,158 |
| (Reversal) / Provision for expected credit losses on trade debts | | (100,068) | 56,129 |
| Finance cost | 19 | 4,580,101 | 3,873,715 |
| Profit on saving accounts | 20 | (2,748,185) | (1,001,513) |
| Rental income | 20 | (410,038) | (448,877) |
| (Gain) / loss on re-measurement of investments | | (256,844,890) | 10,609,216 |
| | | (253,445,346) | 15,344,618 |
| Cash flow before working capital changes | | 147,858,244 | 23,094,074 |
| Changes in working capital | | | |
| (Decrease)/Increase in current assets | | | |
| Trade debts | | (5,703,628) | 1,018,943 |
| Purchase / sale of investments-net | | (232,920,682) | (96,649,383) |
| Loans, deposits, prepayments and other receivable | | (63,652,555) | (6,066,986) |
| | | (302,276,865) | (101,697,426) |
| (Decrease)/Increase in current liabilities | | | |
| Trade and other payables | | (3,280,475) | 54,872,706 |
| Cash used in operations | | (157,699,096) | (23,730,646) |
| Finance cost paid | | (4,483,882) | (3,586,648) |
| Income tax paid | | (16,708,844) | (10,850,135) |
| Net cash used in operating activities | | (178,891,822) | (38,167,429) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Addition to property and equipment | 4 | - | (9,000,000) |
| Long term deposit placed with PMEX | 7 | - | (500,000) |
| Profit on saving accounts | | 2,748,185 | 1,001,513 |
| Rental income received | | 410,038 | 75,000 |
| Net cash generated from / (used in) investing activities | | 3,158,223 | (8,423,487) |
| Net decrease in cash and cash equivalents | | (175,733,599) | (46,590,916) |
| Cash and cash equivalents at the beginning of the year | | (19,818,154) | 26,772,762 |
| Cash and cash equivalents at the end of the year | 23 | (195,551,753) | (19,818,154) |

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



Chief Executive



Director

Memon Securities (Private) Limited

Notes to the Financial Statements

For the year ended June 30, 2024

1. STATUS AND NATURE OF BUSINESS

Memon Securities (Private) Limited ('the Company') was incorporated in Pakistan on August 03, 2000 as a private limited company under the Companies Ordinance, 1984 (which has now been repealed by the enactment of the Companies Act, 2017 in May 2017). The Company is a Trading 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.

The registered office and other office of the Company is situated at Room Nos. 151 to 154, Stock Exchange Building, Stock Exchange Road, 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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

| | Note |
|---|------|
| (a) Useful lives, depreciation methods and residual values of property and equipment; | 3.1 |
| (b) Useful lives, depreciation methods and residual values of investment property; | 3.3 |
| (c) Provision for taxation. | 3.6 |

2.5 New standards, amendments to approved accounting and reporting standards and new interpretations

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 not considered to be relevant to the Company's financial statements:

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

The above amendments / interpretations do not likely have an effect on the financial statements of the Company.

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

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

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:

| | | Had there been no change in accounting policy | Impact of change in accounting policy | After incorporating effects of change in accounting policy |
|---------------------------------------|------|---|---|--|
| | Note | ----- (Rupees in '000) ----- | | |
| Effect on statement of profit or loss | | | | |
| For the year ended June 30, 2024 | | | | |
| Profit before levies and taxation | | 401,303,590 | - | 401,303,590 |
| Levies | 21 | - | (14,912,710) | (14,912,710) |
| Profit before taxation | | 401,303,590 | (14,912,710) | 386,390,880 |
| Taxation | | | | |
| - Current tax | | (16,592,223) | 14,912,710 | (1,679,513) |
| - Prior year | | 15,594 | - | 15,594 |
| | | (16,576,629) | 14,912,710 | (1,663,919) |
| Profit after taxation | | 384,726,961 | - | 384,726,961 |

For the year ended June 30, 2023

| | | | | |
|-----------------------------------|----|--------------------|---------------------|--------------------|
| Profit before levies and taxation | | 7,749,456 | - | 7,749,456 |
| Levies | 21 | - | (10,636,977) | (10,636,977) |
| Profit before taxation | | 7,749,456 | (10,636,977) | (2,887,521) |
| Taxation | 21 | | | |
| - Current tax | | (10,636,977) | 10,636,977 | - |
| - Prior year | | 86,236 | - | 86,236 |
| | | (10,550,741) | 10,636,977 | 86,236 |
| Profit after taxation | | (2,801,285) | - | (2,801,285) |

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 1 July 2023:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

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- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for accompany to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - Lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business
- International Tax Reform - Pillar Two Model Rules – Amendments to IAS 12 (the Amendments). - The Amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the Pillar Two model rules and requires new disclosures about an entity's exposure to income taxes arising from the Pillar Two model rules for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, before its effective date. The mandatory temporary exception applies immediately and retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The disclosure requirements, in relation to periods in which Pillar Two legislation has been enacted but is yet to take effect for the entity, apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.
- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and IFRS 7. Amendments to the Classification and Measurement of Financial instruments. The amendments:
 - Clarify that a financial liability is derecognised on the 'settlement date', i.e, when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
 - Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.
 - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI)
 - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).

- Annual Improvements - Volume Eleven:
- Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- Gain or Loss on Derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement
- Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
- Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.
- Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.
- Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.
- Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.
- Determination of a 'De Facto Agent' (Amendments to IFRS 10) - Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in 874 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.
- Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

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

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

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and equipment

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

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

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

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

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

3.2 Intangible assets

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.

3.3 Investment property

Investment properties are held for capital appreciation and is measured initially at its cost, including transaction costs. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses

Depreciation on investment property is charged using reducing balance method in accordance with the rates specified in note 6 to these financial statements. The useful life and depreciation method are reviewed and adjusted, if appropriate, at each statement of financial position date.

3.4 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.

3.5 Cash and cash equivalents

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

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3.6 Taxation

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

The computation of final taxes so designated under provisions of ITO, 2001 is not based on taxable income and fall under levy within the scope of IFRIC 21/IAS 37. Hence, Final tax paid is classified as levy and not income tax in the statement of profit and loss. There will not arise any current and deferred income tax which is presented as such in the statement of profit and loss or other comprehensive income.

Current tax

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

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred 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 realized or the deferred income tax liability is settled.

A deferred tax asset is recognized 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 realized.

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

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

3.7 Provisions and contingent liabilities

Provisions

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

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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.

3.8 Financial assets

3.8.1 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.

(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.

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3.8.2 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.

3.8.3 Impairment

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

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

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

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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.

3.8.4 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.

3.9 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 and loss account.

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.

3.10 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.

3.11 Revenue recognition

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.

3.12 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.

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4. PROPERTY AND EQUIPMENT

| | Offices | Furniture and fixtures | Office Equipment | Computers | Vehicles | Total |
|---|------------------|------------------------|------------------|----------------|------------------|-------------------|
| Rupees | | | | | | |
| At June 30, 2022 | | | | | | |
| Cost | 3,450,000 | 485,037 | 1,782,174 | 1,387,053 | 6,457,383 | 13,561,647 |
| Accumulated depreciation | (639,953) | (331,578) | (762,653) | (1,240,304) | (4,941,605) | (7,916,093) |
| Net book value | 2,810,047 | 153,459 | 1,019,521 | 146,749 | 1,515,778 | 5,645,554 |
| <i>Movement during the year ended June 30, 2023</i> | | | | | | |
| Opening net book value | 2,810,047 | 153,459 | 1,019,521 | 146,749 | 1,515,778 | 5,645,554 |
| Additions | - | - | - | - | 9,000,000 | 9,000,000 |
| Depreciation charge | (137,856) | (14,962) | (99,403) | (69,571) | (1,862,998) | (2,184,790) |
| Closing net book value | 2,672,191 | 138,497 | 920,118 | 77,178 | 8,652,780 | 12,460,764 |
| At June 30, 2023 | | | | | | |
| Cost | 3,450,000 | 485,037 | 1,782,174 | 1,387,053 | 15,457,383 | 22,561,647 |
| Accumulated depreciation | (777,809) | (346,540) | (862,056) | (1,309,875) | (6,804,603) | (10,100,883) |
| Net book value | 2,672,191 | 138,497 | 920,118 | 77,178 | 8,652,780 | 12,460,764 |
| <i>Movement during the year ended June 30, 2024</i> | | | | | | |
| Opening net book value | 2,672,191 | 138,497 | 920,118 | 77,178 | 8,652,780 | 12,460,764 |
| Depreciation charge | (133,610) | (13,850) | (92,012) | (40,106) | (1,730,556) | (2,010,134) |
| Closing net book value | 2,538,581 | 124,647 | 828,106 | 37,072 | 6,922,224 | 10,450,630 |
| At June 30, 2024 | | | | | | |
| Cost | 3,450,000 | 485,037 | 1,782,174 | 1,387,053 | 15,457,383 | 22,561,647 |
| Accumulated depreciation | (911,419) | (360,390) | (954,068) | (1,349,981) | (8,535,159) | (12,111,017) |
| Net book value | 2,538,581 | 124,647 | 828,106 | 37,072 | 6,922,224 | 10,450,630 |
| Depreciation rate (% per annum) | 5% | 10% | 10% | 30% | 20% | |

| | | 2024 | 2023 |
|---|-------------|------------------|------------------|
| 5. INTANGIBLE ASSETS | <i>Note</i> | Rupees | |
| Membership Card - PMEX | | 1,000,000 | 1,000,000 |
| Trading Right Entitlement Certificate - PSX | 5.1 | 2,500,000 | 2,500,000 |
| | | 3,500,000 | 3,500,000 |

- 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 |
|--|------------------|------------------|
| 6. INVESTMENT PROPERTY | Rupees | |
| Opening net book value | 1,351,995 | 1,423,153 |
| Less: Depreciation charge for the year | (67,600) | (71,158) |
| Closing net book value | 1,284,395 | 1,351,995 |
| | 5% | 5% |

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- 6.1 The Company measure its investment properties using cost model. As at the reporting date, the fair value of investment properties amounting to Rs. 2.1 million (2023: Rs 2.1 million), calculated on the basis of present market values for similar sized of properties in the vicinity and replacement values of similar type of properties adjusted for depreciation factor for the existing assets in use. The said property is located at PSX, Room No. 134.

| 7. | LONG TERM DEPOSITS AND ADVANCES | Note | 2024 | 2023 |
|----|--|------|------------------|------------------|
| | | | Rupees | |
| | <i>Deposits placed with National Clearing Company of Pakistan Limited with respect to:</i> | | | |
| | - Security deposit - DFCs | | 1,000,000 | 1,000,000 |
| | - Security deposit - Basic | | 200,000 | 200,000 |
| | - Security deposit - Ready Market | | 200,000 | 200,000 |
| | | | <u>1,400,000</u> | <u>1,400,000</u> |
| | Central Depository Company of Pakistan Limited | | 100,000 | 100,000 |
| | Pakistan Mercantile Exchange Limited (PMEX) | | 500,000 | 500,000 |
| | Other deposits | | 10,200 | 10,200 |
| | <i>Advances</i> | | | |
| | - Pakistan Mercantile Exchange Limited (PMEX) | 7.1 | 2,500,000 | 2,500,000 |
| | | | <u>4,510,200</u> | <u>4,510,200</u> |

- 7.1 This represents an advance made to M/s. Pakistan Mercantile Exchange Limited (PMEX) for acquiring an office space at NCEL Building Project.

| 8. | TRADE DEBTS | Note | 2024 | 2023 |
|----|--|------|------------------|------------------|
| | | | Rupees | |
| | Considered good - secured | | 7,574,871 | 1,771,175 |
| | Considered doubtful - unsecured | | 57,108 | 157,176 |
| | | | <u>7,631,979</u> | <u>1,928,351</u> |
| | Less: Provision for expected credit losses | 8.2 | (57,108) | (157,176) |
| | | | <u>7,574,871</u> | <u>1,771,175</u> |

- 8.1 As of the reporting date, the Company held equity securities having fair value of Rs. 555.055 million (2023: Rs. 407.026 million) owned by its clients, as collaterals against trade debts.

| 8.2 | Movement in provision for doubtful debts | Note | 2024 | 2023 |
|-----|--|------|---------------|----------------|
| | | | Rupees | |
| | Balance at the beginning of the year | | 157,176 | 101,047 |
| | Add: Charge for the year | 18 | - | 56,129 |
| | Less: Reversal for the year | 20 | (100,068) | - |
| | Balance at the end of the year | | <u>57,108</u> | <u>157,176</u> |

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

| | | | |
|----------------------------|-----|----------------------|--------------------|
| - Quoted equity securities | 9.1 | 1,367,343,974 | 878,456,056 |
| - Mutual Funds | 9.2 | 877,654 | - |
| | | <u>1,368,221,628</u> | <u>878,456,056</u> |

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9.1 Investment in quoted equity securities

| Scrips | | Scrip name | Market Value | |
|-------------------|-----------|--|------------------|-------------|
| 2024 | 2023 | | 2024 | 2023 |
| -----Numbers----- | | | -----Rupees----- | |
| - | 1,650 | Abbott Laboratories (Pakistan) Limited | - | 610,500 |
| 692,000 | - | Agri-tech Limited | 14,158,320 | - |
| 265,500 | - | Agha Steel Industries Limited | 2,660,310 | - |
| 597,130 | 33,000 | Aisha Steel Mills Limited | 4,394,877 | 178,200 |
| 1,047 | 1,047 | Akzo Nobel Pakistan Limited | - | - |
| 331,500 | 92,000 | Al Shaheer Corporation Limited | 2,675,205 | 665,160 |
| 1,250 | 1,250 | Al-Ghazi Tractors Limited | 436,250 | 317,300 |
| - | 7,500 | Amreli Steels Limited | - | 115,125 |
| - | 7,500 | Attock Petroleum Limited | - | 2,251,875 |
| 106,000 | 402,500 | Avanceon Limited | 5,726,120 | 17,726,100 |
| - | 4,500 | Azgard Nine Limited | - | 27,000 |
| 27,000 | 6,500 | Air Link Communication Limited | 2,398,410 | 128,895 |
| 100,280 | 105,280 | Attock Cement Pakistan Limited | 9,741,199 | 8,724,554 |
| 540 | - | Bata Pakistan Limited | 943,240 | - |
| 7,500 | - | Bank Islami Pakistan Limited | 166,950 | - |
| 50,000 | 51,800 | Bestway Cement Limited | 11,214,000 | 7,511,000 |
| 40,000 | - | Century Paper & Board Mills Limited | 1,198,000 | - |
| 117,182 | 89,502 | Cherat Cement Company Limited | 19,115,900 | 10,765,301 |
| 1,533,500 | 189,500 | Cnergyico Pk Limited | 5,903,975 | 538,180 |
| 696 | 696 | Colgate-Palmolive (Pakistan) Limited | 849,064 | 781,483 |
| 165,000 | 51,000 | Citi Pharma Limited | 4,702,500 | 1,088,340 |
| 2,500 | - | Dewan Farooque Motors Limited | 101,225 | - |
| 56,000 | - | Descon Oxychem Limited | 1,254,400 | - |
| 42,000 | 50,500 | D.G. Khan Cement Company Limited | 3,791,340 | 2,590,650 |
| 470,500 | 570,000 | Dolmen City Reit | 7,739,725 | 7,797,600 |
| 8,050 | 8,050 | Dawood Lawrencepur Limited | 1,808,835 | 1,796,680 |
| 5,000 | - | Emco Industries Limited | 172,350 | - |
| 41,787 | 7,000 | Engro Corporation Limited | 13,902,953 | 1,819,230 |
| 602,170 | 796,086 | Engro Fertilizers Limited | 100,092,697 | 65,700,978 |
| 1,000 | 6,000 | Engro Polymer & Chemicals Limited | 44,920 | 253,500 |
| 94,400 | - | Fatima Fertilizer Company Limited | 4,872,928 | - |
| 16,500 | - | Faysal Bank Limited | 865,260 | - |
| 590,750 | 462,750 | Fauji Cement Company Limited | 13,534,083 | 5,441,940 |
| 16,500 | 38,691 | Fauji Fertilizer Bin Qasim Limited | 585,255 | 455,780 |
| 1,623,216 | 1,920,653 | Fauji Fertilizer Company Limited | 265,201,030 | 189,069,081 |
| 1,417,500 | 1,317,500 | Fauji Foods Limited | 12,573,225 | 7,562,450 |
| 672,000 | 92,000 | Flying Cement Company Limited | 5,591,040 | 509,680 |
| 35,500 | 35,500 | Faran Sugar Mills Limited | 1,863,750 | 2,059,000 |
| 16,000 | - | Frieslandcampina Engro Pak | 1,120,320 | - |
| - | 147,500 | Ghandhara Industries Limited | - | 11,879,650 |
| - | 5,500 | Ghani Global Glass Limited | - | 32,120 |
| 594,500 | 410,500 | Ghani Global Holdings Limited | 5,659,640 | 4,051,635 |
| 252,000 | - | Gul Ahmed Textile Mills Limited | 5,317,200 | - |
| - | - | Habib Sugar Mills Limited | - | - |
| 15,000 | - | Hbl Inv Fund Class A"" | 41,700 | - |
| - | 44 | Highnoon Laboratories Limited | - | 14,791 |
| - | - | ICI Pakistan Limited | - | - |
| 143,500 | - | Interloop Limited | 10,164,105 | - |
| 1,190 | - | Indus Motor Company Limited | 1,880,200 | - |
| 10,500 | 550 | International Industries Limited | 2,054,955 | 40,282 |
| 266,500 | - | International Steels Limited | 22,532,575 | - |
| 11,000 | 151 | Ibl Healthcare Limited | 340,010 | 4,915 |
| 246,000 | 1,432,000 | K-Electric Limited | 1,138,980 | 2,463,040 |
| - | 58,500 | Kohinoor Textile Mills Limited | - | 2,978,235 |
| 1,351,500 | - | Kohinoor Spinning Mills Limited | 5,500,605 | - |
| 72,500 | 4,000 | Kot Addu Power Company Limited | 2,400,475 | 83,200 |
| 9,000 | 5,000 | Lalpir Power Limited | 228,780 | 74,750 |
| - | - | Loads Limited | - | - |
| - | 357,069 | Lotte Chemical Pakistan Limited | - | 9,826,539 |
| 42,501 | 72,001 | Lucky Cement Limited | 38,536,932 | 37,591,002 |
| 9,397 | 9,550 | Lucky Core Industries Limited | 8,734,418 | 5,769,537 |
| 177,708 | 154,174 | Maple Leaf Cement Factory Limited | 6,752,904 | 4,367,749 |
| 50,589 | 31,149 | Mari Petroleum Company Limited | 137,214,568 | 47,179,521 |
| - | - | Merit Packaging Limited | - | - |

| Scrips | | Scrip name | Market Value | |
|-------------------|---------|--|------------------|-------------|
| 2024 | 2023 | | 2024 | 2023 |
| -----Numbers----- | | | -----Rupees----- | |
| - | 48,270 | Millat Tractors Limited | - | 18,840,264 |
| 55,000 | 19,366 | Mughal Iron & Steel Industries Limited | 5,115,000 | 938,089 |
| - | 2 | Macter International Limited | - | 194 |
| 35,000 | - | Macto Food | 947,450 | - |
| - | 908 | Meezan Bank Limited | - | 78,424 |
| 63,000 | 19,500 | National Refinery Limited | 16,725,240 | 2,925,000 |
| 59,000 | 23,000 | Netsol Technologies Limited | 8,009,840 | 1,721,090 |
| 16,500 | 71,500 | Nishat Chunian Limited | 432,465 | 1,451,450 |
| 46,500 | 44,900 | Nishat Mills Limited | 3,294,525 | 2,548,973 |
| - | 2,518 | National Foods Limited | - | 247,771 |
| 1 | 1 | Nestle Pakistan Limited | 7,154 | 6,448 |
| 1,000 | 76,000 | Nishat Power Limited | 39,530 | 1,288,200 |
| 444,000 | 254,156 | Nishat Chunian Power Limited | 13,297,800 | 4,244,405 |
| 27,132 | - | Nimir Industrial Chemicals Limited | 3,282,429 | - |
| 814,000 | 484,654 | Oil & Gas Development Company Limited | 110,191,180 | 37,803,012 |
| 16,270 | 10,770 | Otsuka Pakistan Limited | 1,904,729 | 779,748 |
| - | 11,250 | Packages Limited | - | 4,375,575 |
| 773,000 | 747,000 | Pak Elektron Limited | 19,100,830 | 6,760,350 |
| - | 1,171 | Pak Suzuki Motor Company Limited | - | 111,479 |
| - | 13,500 | Pakgen Power Limited | - | 602,235 |
| 383,500 | 103,500 | Pakistan International Bulk Terminal Limited | 2,366,195 | 425,385 |
| 300,900 | 448,930 | Pakistan Oilfields Limited | 147,422,946 | 180,366,606 |
| 6,874 | 6,987 | Pakistan Oxygen Ltd | 553,220 | 658,874 |
| 3,000 | 399,000 | Pakistan Petroleum Limited | 351,330 | 23,596,860 |
| 1,065,500 | 500,500 | Pakistan Refinery Limited | 24,719,600 | 6,786,780 |
| 158,000 | 48,032 | Pakistan State Oil Company Limited | 26,261,180 | 5,332,032 |
| 883,500 | 100,000 | Pakistan Telecommunication Company Limited | 10,610,835 | 601,000 |
| 4,000 | 5,500 | Pioneer Cement Limited | 674,600 | 476,465 |
| 493,333 | 202,500 | Power Cement Limited | 2,713,332 | 830,250 |
| 58,601 | 17,500 | Power Pref Shares | 615,311 | 122,325 |
| 1,001,953 | 779,453 | Pakistan Stock Exchange Limited | 12,835,018 | 5,767,952 |
| - | 6,500 | Pakistan Paper Products Limited | - | 247,000 |
| - | 25,000 | Panther Tyres Ltd. | - | 504,000 |
| 500 | 500 | Reliance Cotton Spinning Mills Limited | 225,775 | 255,670 |
| - | 346,450 | Reliance Insurance Company Limited | - | 3,377,888 |
| 192 | 192 | Rafhan Maize Products Company Limited | 1,457,866 | 1,612,800 |
| - | 30 | Sanofi-Aventis Pakistan Limited | - | 20,745 |
| - | 15 | Sapphire Fibres Limited | - | 16,776 |
| 11,000 | 16,000 | Shezan International Limited | 1,027,620 | 1,688,320 |
| - | 208 | Synthetic Products Enterprises Limite | - | 2,163 |
| - | 600 | Service Industries Limited | - | 157,488 |
| 765,000 | 19,500 | Dewan Cement Limited | 6,533,100 | 80,925 |
| - | 28,000 | Pakistan International Airlines Corp | - | 94,080 |
| 5,000 | 2,000 | Systems Limited | 2,091,500 | 806,660 |
| 43,000 | 117,500 | Worldcall Telecom Limited | 54,180 | 128,075 |
| 5,000 | 1,000 | Engro Powergen Qadirpur Limited | 140,500 | 22,800 |
| - | 119,100 | Saif Power Limited | - | 2,143,800 |
| - | 35,400 | Security Papers Limited | - | 3,292,200 |
| 1,000 | 8,000 | Shell Pakistan Limited | 134,100 | 925,200 |
| 18,823 | 18,823 | Siemens (Pakistan) Engineering Company Limited | 9,893,181 | 13,034,739 |
| 74,500 | 112,500 | Sui Northern Gas Pipelines Limited | 4,728,515 | 4,429,125 |
| 21,000 | 107,000 | Sui Southern Gas Company Limited | 199,080 | 919,130 |
| 500 | 16,000 | Tariq Glass Industries Limited | 58,275 | 1,089,600 |
| 523,000 | 419,500 | Telecard Limited | 3,776,060 | 2,768,700 |
| 18,321 | 5,050 | Thal Limited | 8,855,272 | 818,100 |

| Scrips | | Scrip name | Market Value | |
|-------------------|-------------------|-------------------------------------|----------------------|--------------------|
| 2024 | 2023 | | 2024 | 2023 |
| -----Numbers----- | | | -----Rupees----- | |
| 150,010 | - | The Hub Power Company Limited | 24,463,631 | - |
| 71,500 | 316,000 | The Searle Company Limited | 4,084,080 | 12,109,120 |
| 188,500 | - | The Organic Meat Company Limited | 6,633,315 | - |
| - | 5,500 | Tpl Corp Limited | - | 33,055 |
| 836,000 | 244,500 | Treet Corporation Limited | 13,008,160 | 3,870,435 |
| 565,500 | 372,000 | Trg Pakistan Limited | 35,089,275 | 34,272,360 |
| 1,208,000 | 317,500 | Tpl Properties Limited | 10,557,920 | 3,956,050 |
| 919,500 | 199,500 | Unity Foods Limited | 27,722,925 | 3,118,185 |
| - | 1,142,000 | Waves Singer Pakistan Ltd | - | 7,023,300 |
| 1,003,000 | - | Waves Corporation Limited | 7,041,060 | - |
| 5,000 | 4,500 | Attock Refinery Limited | 1,757,950 | 772,335 |
| - | 4,110 | Ferozsons Laboratories Limited | - | 562,454 |
| - | 1,000 | Honda Atlas Cars (Pakistan) Limited | - | 92,360 |
| 858,000 | 5,000 | Hum Network Limited | 8,803,080 | 29,200 |
| 30,500 | 9,520 | Kohat Cement Company Limited | 7,638,112 | 1,651,434 |
| <u>27,032,793</u> | <u>17,504,009</u> | | <u>1,367,343,974</u> | <u>878,456,056</u> |

9.1.1 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 | - | - | - | - |
| Brokerage House | <u>8,742,446</u> | <u>223,888,422</u> | <u>2,503,894</u> | <u>119,683,545</u> |
| | <u>8,742,446</u> | <u>223,888,422</u> | <u>2,503,894</u> | <u>119,683,545</u> |

9.1.2 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 | - | - | 134,246 | 61,722,548 |
| Brokerage House | <u>5,097,594</u> | <u>707,391,282</u> | <u>1,838,249</u> | <u>260,498,076</u> |
| | <u>5,097,594</u> | <u>707,391,282</u> | <u>1,972,495</u> | <u>322,220,624</u> |

9.2 This represents Investment in mutual funds of M/s. United Bank Limited

| 10. LOANS, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | 2024 | 2023 |
|---|--------------------|-------------------|
| | ----- Rupees ----- | |
| Loan to employees - unsecured | 608,750 | 505,400 |
| Prepaid insurance | - | 24,189 |
| Deposits placed with NCCPL in respect of Loss on DFCs (net of demand) | 665,411 | 169,460 |
| Receivable from NCCPL against profit held on Deliverable Futures Contracts (DFCs) | <u>75,665,670</u> | <u>12,588,227</u> |
| | <u>76,939,831</u> | <u>13,287,276</u> |

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| | | 2024 | 2023 |
|-----|----------------------------------|--------------|--------------|
| 11. | INCOME TAX REFUNDABLE | Rupees | |
| | Opening balance | 15,226,112 | 14,926,718 |
| | Advance tax paid during the year | 16,708,844 | 10,850,135 |
| | | 31,934,956 | 25,776,853 |
| | Provision for taxation - current | (1,679,513) | - |
| | Levies | (14,912,710) | (10,636,977) |
| | Provision for taxation - prior | 15,594 | 86,236 |
| | | (16,576,629) | (10,550,741) |
| | Closing balance | 15,358,327 | 15,226,112 |

12. CASH AND BANK BALANCES

| | | | |
|--------------------|------|-------------|-------------|
| Cash in hand | | 29,681 | 7,905 |
| Cash at bank | | | |
| - Saving accounts | | 323,468 | 4,254 |
| - Current accounts | 12.1 | 128,661,750 | 160,424,082 |
| | | 128,985,218 | 160,428,336 |
| | | 129,014,899 | 160,436,241 |

12.1 The return on these balances is 20.5% (2023: 8.5% to 12.5%) per annum on daily product basis.

12.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 128.535 million (2023: Rs. 160.308 million).

13. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

| 2024 | 2023 | | 2024 | 2023 |
|----------------------------|-----------|-------------------------------------|-------------------|-------------|
| -----Number of shares----- | | | ----- Rupees----- | |
| 2,500,000 | 2,500,000 | Authorized capital | 250,000,000 | 250,000,000 |
| | | Ordinary shares of Rs. 100/- each | | |
| | | Issued, subscribed and paid-up | | |
| | | Ordinary shares of Rs. 100/- each: | | |
| 974,000 | 974,000 | - issued as fully paid in cash | 97,400,000 | 97,400,000 |
| 1,526,000 | 1,526,000 | - issued as fully paid bonus shares | 152,600,000 | 152,600,000 |
| 2,500,000 | 2,500,000 | | 250,000,000 | 250,000,000 |

13.1 There are no agreements with shareholders with respect to voting rights, board selection, rights of first refusal and block voting.

13.2 Pattern of shareholding is as follows:

| Categories of shareholders | June 30, 2024 | | June 30, 2023 | |
|----------------------------|-----------------------|------------------|-----------------------|------------------|
| | Number of shares held | % of Shares held | Number of shares held | % of Shares held |
| Individuals | | | | |
| Muhammad Amin Memeon | 2,243,326 | 89.73% | 2,243,326 | 89.73% |
| Emaan Amin | 128,337 | 5.13% | 128,337 | 5.13% |
| Muhammad Mustufa Amin | 128,337 | 5.13% | 128,337 | 5.13% |
| | 2,500,000 | 100.00% | 2,500,000 | 100.00% |

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| | Note | 2024 | 2023 |
|-------------------------------------|------|--------------------|--------------------|
| | | Rupees | |
| 14. TRADE AND OTHER PAYABLES | | | |
| Trade payables | | 128,535,707 | 160,307,731 |
| Accrued expenses | | 3,958,909 | 3,565,796 |
| FED and Sales Tax payable | | 3,856,464 | 110,578 |
| Profit on DFCs payable to clients | | 19,396,033 | 9,316,534 |
| DFC Exposure withheld | | 22,786,662 | 8,494,859 |
| Others | | 218,109 | 236,861 |
| | | <u>178,751,884</u> | <u>182,032,359</u> |

15. SHORT TERM BORROWING

| | | | |
|-----------------|------|--------------------|--------------------|
| Running finance | 15.1 | <u>324,566,652</u> | <u>180,254,395</u> |
|-----------------|------|--------------------|--------------------|

15.1 This represents the amount availed against a running finance facility obtained by the Company from M/s. Bank Al-Habib Limited in order to meet its working capital requirements. As of the reporting date, the limit of the facility was Rs. 400 million (2023: Rs. 300 million). The facility is secured against pledge over shares of listed companies quoted at Pakistan Stock Exchange Limited (as per bank approved list), lien over Treasury Call account. The facility carries markup at the rate of 3-Month KIBOR plus 1 % p.a. (2023: 3-Month KIBOR plus 1 % p.a.).

15.2 As of the reporting date, the amount of unavailed facility was Rs. 75.433 million (2023: Rs. 119.746 million).

16. CONTINGENCY AND COMMITMENT

16.1 Contingency

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

16.2 Commitment

Revolving guarantee given by a M/s. Habib Metropolitan Bank Limited on behalf of the Company in favour of National Clearing Company of Pakistan Limited (NCCPL) against DFC exposure amounting to Rs. 15 million (2023: Rs. 15 million)

| | 2024 | 2023 |
|------------------------------|--------------------|-------------------|
| | Rupees | |
| 17. OPERATING REVENUE | | |
| Commission income - gross | 35,389,108 | 17,834,265 |
| Less: Sales Tax | (4,133,817) | (2,051,730) |
| Commission income - net | <u>31,255,291</u> | <u>15,782,535</u> |
| Dividend income | 96,484,210 | 70,151,344 |
| | <u>127,739,501</u> | <u>85,933,879</u> |

| 18. | ADMINISTRATIVE EXPENSES | Note | 2024 | 2023 |
|-----|---|------|-------------------|-------------------|
| | | | Rupees | |
| | Salaries, commission, benefits and allowances | | 28,204,636 | 22,965,781 |
| | Directors' remuneration | 18.1 | - | 2,400,000 |
| | PSX service charges | | 4,653,855 | 2,017,589 |
| | CDC charges | | 2,923,187 | 1,566,010 |
| | NCCPL and other charges | | 3,372,106 | 1,243,513 |
| | Insurance expenses | | 23,900 | 227,189 |
| | Printing and stationery | | 199,805 | 116,757 |
| | Fees and subscription | | 3,101,690 | 3,686,821 |
| | Communication charges | | 703,155 | 417,296 |
| | Legal and professional | | 530,814 | 393,900 |
| | Auditors' remuneration - Audit fee | | 650,000 | 550,000 |
| | Vehicle running expenses | | 478,200 | 1,780,382 |
| | Donation | 18.2 | 4,338,108 | 2,990,000 |
| | Rent, rates & taxes | | 970,325 | 875,931 |
| | Travelling and conveyance | | 5,308,888 | 4,129,976 |
| | Entertainment | | 588,590 | 449,959 |
| | Repairs and maintenance | | 1,468,690 | 3,308,542 |
| | Depreciation | | 2,077,734 | 2,255,948 |
| | Provision for expected credit losses on trade debts | 8.2 | - | 56,129 |
| | General expenses | | 625,308 | 1,879,151 |
| | | | <u>60,218,991</u> | <u>53,310,874</u> |

18.1 Remuneration to Chief Executive, Director and Executives

| | Chief Executive | | Directors | | Executives | | Total | |
|-------------------|-----------------|-----------|-----------|------|------------|-----------|-----------|-----------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | Rupees | | | | | | | |
| Basic salary | - | 1,598,400 | - | - | 2,552,964 | 2,552,964 | 2,552,964 | 4,151,364 |
| House allowance | - | 641,760 | - | - | 1,025,019 | 1,025,019 | 1,025,019 | 1,666,779 |
| Utility allowance | - | 159,840 | - | - | 255,296 | 255,296 | 255,296 | 415,136 |
| | - | 2,400,000 | - | - | 3,833,279 | 3,833,279 | 3,833,279 | 6,233,279 |
| Number of persons | 1 | 1 | 1 | 1 | 3 | 3 | 5 | 5 |

18.2 The parties to whom donation paid by the Company exceeds or equals to Rs. 1 million are as follows:

| | 2024 | 2023 |
|------------------------------------|-----------|-----------|
| | Rupees | |
| M/s. Dar ul Sukun | 2,000,000 | - |
| M/s. The Jetpure Memon Association | 1,000,000 | 2,465,000 |

18.3 None of the directors of the Company or their spouses had any interest in the donee organizations.

| 19. | FINANCE COSTS | 2024 | 2023 |
|-----|---------------------------|------------------|------------------|
| | | Rupees | |
| | Markup on running finance | 3,453,494 | 3,682,991 |
| | Bank charges | 1,126,607 | 190,724 |
| | | <u>4,580,101</u> | <u>3,873,715</u> |

Review

| | 2024 | 2023 |
|---|------------------|------------------|
| | Rupees | |
| 20. OTHER INCOME | | |
| Profit on saving accounts | 2,748,185 | 1,001,513 |
| Profit on cash margin placed with NCCPL | 1,476,956 | 585,921 |
| Reversal of expected credit losses on trade debts | 100,068 | - |
| Rental income | 410,038 | 448,877 |
| | <u>4,735,247</u> | <u>2,036,311</u> |

| | 2024 | (Restated) 2023 |
|---------------------------------------|-------------------|--------------------|
| | Rupees | |
| 21. LEVIES | | |
| Excess of minimum tax over normal tax | 495,178 | 248,382 |
| Income tax - Final tax regime | 14,417,532 | 10,388,595 |
| | <u>14,912,710</u> | <u>10,636,977</u> |

| | | |
|---------------------|------------------|-----------------|
| 22. TAXATION | | |
| Current | 1,679,513 | - |
| Prior | (15,594) | (86,236) |
| | <u>1,663,919</u> | <u>(86,236)</u> |

22.1 Reconciliation of the tax expense with accounting profit

| | | |
|--|--------------------|------------------|
| Accounting profit before levies and taxation | <u>401,303,590</u> | <u>7,749,456</u> |
| Tax at the applicable rate of 29% (2023: 29%) | 116,378,041 | 2,247,342 |
| Tax effect of exempt income and income taxed at lower rate | (96,752,101) | 6,680,482 |
| Tax effect of income taxed at lower rate - dividend income | (11,469,366) | (7,799,426) |
| Tax effect of minimum tax | 495,178 | 248,382 |
| Tax effect of inadmissible expenses | 6,349,221 | 9,516,017 |
| Amount transferred to levies | (14,912,710) | (10,636,977) |
| Effect of prior tax | (15,594) | (86,236) |
| Others | 1,591,250 | (255,820) |
| | <u>1,663,919</u> | <u>(86,236)</u> |

22.2 The income tax assessments of the Company have been finalised up to and including the tax year 2023. Tax returns are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for re-assessment by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for the purpose of issuing an amended assessment order.

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting year as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

| | Note | 2024 | 2023 |
|------------------------|------|----------------------|---------------------|
| | | Rupees | |
| Cash and bank balances | 12 | 129,014,899 | 160,436,241 |
| Short term borrowings | 15 | (324,566,652) | (180,254,395) |
| | | <u>(195,551,753)</u> | <u>(19,818,154)</u> |

24. 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 18.1 to the financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

| 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 Amin Memon (CEO / Director) | | |
| Trade Receivable / (payable) at year end | <u>4,293,053</u> | <u>(12,386,499)</u> |
| Mrs. Emaan Amin | | |
| Trade payable at year end | <u>1,697,710</u> | <u>1,697,710</u> |
| <u>CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL</u> | | |
| Mrs. Rahat Amin | | |
| Trade Receivable / (payable) at year end | <u>1,596,974</u> | <u>(29,823,423)</u> |
| Mr. Ibrahim Ahmed Memon | | |
| Trade payable at year end | <u>-</u> | <u>61,275,481</u> |

25. FINANCIAL INSTRUMENTS

25.1 Financial risk analysis

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. 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

25.1.1 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.

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Maximum exposure to credit risk

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

| | Note | 2024 | 2023 |
|---------------------------------------|------|--------------------|--------------------|
| | | Rupees | |
| Long term deposits | | 2,010,200 | 2,010,200 |
| Trade debts | (a) | 7,631,979 | 1,928,351 |
| Deposits, loans and other receivables | | 76,939,831 | 13,263,087 |
| Bank balances | (b) | 128,985,218 | 160,428,336 |
| | | <u>215,567,228</u> | <u>177,629,974</u> |

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 | |
|-----------------------------|---------------------|----------------------------------|---------------------|----------------------------------|
| | Trade debts - Gross | Life time expected credit losses | Trade debts - Gross | Life time expected credit losses |
| | Rupees | | | |
| Past due 1 day - 30 days | 6,359,663 | - | 570,779 | - |
| Past due 31 days - 180 days | 224,154 | - | 207,890 | - |
| Past due 181 days - 1 year | 162,157 | - | 182,290 | - |
| More than 1 year | 886,005 | 57,108 | 967,392 | 157,176 |
| | <u>7,631,979</u> | <u>57,108</u> | <u>1,928,351</u> | <u>157,176</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:

| Bank | Rating agency | Short-term Rating | 2024 | 2023 |
|---------------------------------|---------------|-------------------|--------------------|--------------------|
| | | | Rupees | |
| Bank Al-Habib Limited | PACRA | A-1+ | 128,647,022 | 159,924,927 |
| Habib Metropolitan Bank Limited | PACRA | A-1+ | 193,833 | 468,209 |
| MCB Bank Limited | PACRA | A-1+ | 117,863 | - |
| National Bank of Pakistan | PACRA | A-1+ | 18,321 | 18,321 |
| Habib Bank Limited | JCR-VIS | A-1+ | 8,179 | 16,879 |
| | | | <u>128,985,218</u> | <u>160,428,336</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:

| | June 30, 2024 | | | 30-Jun-23 | | |
|---------------|----------------------|--------------------|---------------------|----------------------|--------------------|---------------------|
| | Total exposure-Gross | Concentration | % of total exposure | Total exposure-Gross | Concentration | % of total exposure |
| | Rupees | | | | | |
| Trade debts | 7,631,979 | 5,890,027 | 77.18% | 1,928,351 | - | 0.00% |
| Bank balances | 128,985,218 | 128,647,022 | 99.74% | 160,428,336 | 159,924,927 | 99.69% |
| | | <u>134,537,049</u> | | | <u>159,924,927</u> | |

25.1.2 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 |
| | Rupees | | | | | |
| <i>Non-derivative financial liabilities</i> | | | | | | |
| Trade and other payables | 174,895,420 | (174,895,420) | (174,895,420) | - | - | - |
| Short term borrowing | 324,566,652 | (324,566,652) | (324,566,652) | - | - | - |
| Accrued markup | 1,294,779 | (1,294,779) | (1,294,779) | - | - | - |
| | <u>500,756,851</u> | <u>(500,756,851)</u> | <u>(500,756,851)</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 |
| | Rupees | | | | | |
| <i>Non-derivative financial liabilities</i> | | | | | | |
| Trade and other payables | 181,921,781 | (181,921,781) | (181,921,781) | - | - | - |
| Short term borrowing | 180,254,395 | (180,254,395) | (180,254,395) | - | - | - |
| Accrued markup | 1,198,560 | (1,198,560) | (1,198,560) | - | - | - |
| | <u>363,374,736</u> | <u>(363,374,736)</u> | <u>(363,374,736)</u> | - | - | - |

25.1.3 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:

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

| | 2024 | 2023 | 2024 | 2023 |
|----------------------------------|-----------------------------|-------------------|------------------------|--------------------|
| | Effective interest rate (%) | | Carrying amounts (Rs.) | |
| Financial assets | | | | |
| <i>Variable rate instruments</i> | | | | |
| Balance held in saving accounts | 20.50% | 8.5%-12.5% | <u>323,468</u> | <u>4,254</u> |
| Financial liabilities | | | | |
| <i>Variable rate instruments</i> | | | | |
| Short term borrowing | 3-Month KIBOR +1% | 3-Month KIBOR +1% | <u>324,566,652</u> | <u>180,254,395</u> |

Sensitivity analysis

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 | | <u>(3,242,432)</u> | <u>3,242,432</u> |
| As at June 30, 2023 | | | |
| Cash flow sensitivity | | <u>(1,802,501)</u> | <u>1,802,501</u> |
| 2024 | 2023 | | |
| 25.2 Financial instruments by categories | Rupees | | |
| 25.2.1 Financial assets | | | |
| <i>At fair value through profit or loss</i> | | | |
| - Short term investments | | <u>1,368,221,628</u> | <u>878,456,056</u> |
| <i>At amortized cost</i> | | | |
| - Long term deposits | | 2,010,200 | 2,010,200 |
| - Trade debts | | 7,574,871 | 1,771,175 |
| - Deposits, loans and other receivables | | 76,939,831 | 13,263,087 |
| - Cash and bank balances | | <u>129,014,899</u> | <u>160,436,241</u> |
| | | <u>215,539,801</u> | <u>177,480,703</u> |
| 25.2.2 Financial liabilities | | | |
| <i>At amortized cost</i> | | | |
| - Trade and other payables | | 174,895,420 | 181,921,781 |
| - Short term borrowing | | 324,566,652 | 180,254,395 |
| - Accrued markup | | 1,294,779 | 1,198,560 |
| | | <u>500,756,851</u> | <u>363,374,736</u> |

i) *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Company was not exposed to currency risk since there were no foreign currency transactions and balances at the reporting date.

ii) *Price risk*

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ 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 also because the Company held collaterals in the form of equity securities against their debtor balances.

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

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of securities in particular 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 | Hypothetical price change | Estimated fair value after hypothetical change in prices (Rupees) | Hypothetical effect on profit / (loss) before tax (Rupees) |
|---------------|---------------|---------------------------|---|--|
| June 30, 2024 | 1,368,221,628 | 10% increase | 1,505,043,791 | 136,822,163 |
| | | 10% decrease | 1,231,399,465 | (136,822,163) |
| June 30, 2023 | 878,456,056 | 10% increase | 966,301,662 | 87,845,606 |
| | | 10% decrease | 790,610,450 | (87,845,606) |

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.

26. 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.

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 |
|------------------------|----------------------|---------|---------|----------------------|
| June 30, 2024 | Rupees | | | |
| Short term investments | 1,368,221,628 | - | - | 1,368,221,628 |
| June 30, 2023 | Rupees | | | |
| Short term investments | 878,456,056 | - | - | 878,456,056 |

27. CAPITAL RELATED DISCLOSURES

27.1 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: | | |
| Short term borrowing | 324,566,652 | 180,254,395 |
| Shareholder's equity: | | |
| Issued, subscribed and paid up capital | 250,000,000 | 250,000,000 |
| Unappropriated profit | 859,641,466 | 474,914,505 |
| General reserve | 2,600,000 | 2,600,000 |
| | 1,112,241,466 | 727,514,505 |
| | 1,436,808,118 | 907,768,900 |

The Company is not subject to any externally imposed capital requirements other than the ones specified in notes 26.2 and 26.3 below.

27.2 Capital Adequacy level

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

| | Note | 2023 | 2022 |
|---|--------|----------------------|--------------------|
| | | Rupees | |
| Total assets | 27.2.1 | 1,616,854,781 | 1,090,999,819 |
| Less: Total liabilities | | (504,613,315) | (363,485,314) |
| Less: Revaluation Reserves (created upon revaluation of fixed assets) | | - | - |
| Capital adequacy level | | 1,112,241,466 | 727,514,505 |

27.2.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate as at year ended as determined by Pakistan Stock Exchange has been considered.

27.3 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 |
|------------------|---|---------------------|------------------------|--------------------|
| 1. Assets | | | | |
| 1.1 | Property & Equipment | 11,735,025 | 11,735,025 | - |
| 1.2 | Intangible Assets | 3,500,000 | 3,500,000 | - |
| 1.3 | Investment in Govt. Securities | - | - | - |
| 1.4 | Investment in Debt. Securities | | | |
| | If listed than: | | | |
| | i. 5% of the balance sheet value in the case of tenure upto 1 year. | - | - | - |
| | ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years. | - | - | - |
| | iii. 10% of the balance sheet value, in the case of tenure of more than 3 years. | - | - | - |
| | If unlisted than: | | | |
| | i. 10% of the balance sheet value in the case of tenure upto 1 year. | - | - | - |
| | ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years. | - | - | - |
| 1.5 | Investment in Equity Securities | | | |
| | i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (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 | 1,368,221,628 | 252,186,726 | 1,116,034,902 |
| | ii. If unlisted, 100% of carrying value. | - | - | - |
| 1.6 | Investment in subsidiaries | - | - | - |
| 1.7 | Investment in associated companies/undertaking | | | |
| | i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher. | - | - | - |
| | ii. If unlisted, 100% of net value. | - | - | - |
| 1.8 | Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. | 2,000,000 | 2,000,000 | - |
| | (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC | - | - | - |
| 1.9 | Margin deposits with exchange and clearing house. | 665,411 | - | - |
| 1.10 | Deposit with authorized intermediary against borrowed securities under SLB. | - | - | - |
| 1.11 | Other deposits and prepayments | 2,510,200 | 2,510,200 | - |
| 1.12 | Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil) | - | - | - |
| | 100% in respect of markup accrued on loans to directors, subsidiaries and other related parties | - | - | - |
| 1.13 | Dividends receivables. | - | - | - |
| 1.14 | Amounts receivable against Repo financing. | - | - | - |
| | Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.) | - | - | - |

| S. No. | Head of Account | Value in Pak Rupees | Hair Cut / Adjustments | Net Adjusted Value |
|-----------------------|--|------------------------|---------------------------|-----------------------|
| 1. Assets | | | | |
| 1.15 | Advances and receivables other than trade Receivables; | | | |
| | (i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months. | 608,750 | 608,750 | - |
| | (ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation. | 15,358,327 | 15,358,327 | - |
| | (iii) In all other cases 100% of net value | - | - | - |
| 1.16 | Receivables from clearing house or securities exchange(s) | | | |
| | 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains. | - | - | - |
| | claims on account of entitlements against trading of securities in all markets including MtM gains. | 75,665,670 | - | 75,665,670 |
| 1.17 | Receivables from customers | | | |
| | i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. | - | - | - |
| | i. Lower of net balance sheet value or value determined through adjustments. | | | |
| | ii. In case receivables are against margin trading, 5% of the net balance sheet value. | - | - | - |
| | ii. Net amount after deducting haircut | | | |
| | iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, | - | - | - |
| | iii. Net amount after deducting haircut | | | |
| | iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. | 1,940,662 | - | 1,940,662 |
| | iv. Balance sheet value | | | |
| | v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. | 1,341,156 | 60,084 | 1,281,072 |
| | v. Lower of net balance sheet value or value determined through adjustments | | | |
| | vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. | 4,293,053 | 2,749,543 | 1,543,510 |
| | vi. Lower of net balance sheet value or value determined through adjustments | | | |
| 1.18 | Cash and Bank balances | | | |
| | i. Bank Balance-proprietary accounts | 449,511 | - | 449,511 |
| | ii. Bank balance-customer accounts | 128,535,707 | - | 128,535,707 |
| | iii. Cash in hand | 29,681 | - | 29,681 |
| 1.19 | Subscription money against investment in IPO/ offer for sale (asset) | | | |
| | (i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker. | - | - | - |
| | (ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities. | - | - | - |
| | (iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares. | - | - | - |
| 1.20 | Total Assets | 1,616,854,781 | 290,708,655 | 1,325,480,715 |
| 2. Liabilities | | | | |
| 2.1 | Trade Payables | | | |
| | i. Payable to exchanges and clearing house | | | |
| | ii. Payable against leveraged market products | | | |
| | iii. Payable to customers | 128,535,707 | - | 128,535,707 |
| 2.2 | Current Liabilities | | | |
| | i. Statutory and regulatory dues | 3,856,464 | - | 3,856,464 |
| | ii. Accruals and other payables | 47,654,492 | - | 47,654,492 |
| | iii. Short-term borrowings | 324,566,652 | - | 324,566,652 |
| | iv. Current portion of subordinated loans | - | - | - |
| | v. Current portion of long term liabilities | - | - | - |
| | vi. Deferred Liabilities | - | - | - |
| | vii. Provision for taxation | - | - | - |
| | viii. Other liabilities as per accounting principles and included in the financial statements | - | - | - |

| S. No. | Head of Account | Value in Pak Rupees | Hair Cut / Adjustments | Net Adjusted Value |
|-----------------------|--|------------------------|---------------------------|-----------------------|
| 2. Liabilities | | | | |
| | Non-Current Liabilities | | | |
| | i. Long-Term financing | - | - | - |
| | ii. Other liabilities as per accounting principles and included in the financial statements | - | - | - |
| 2.3 | iii. Staff retirement benefits | - | - | - |
| | Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases | - | - | - |
| | Subordinated Loans | | | |
| 2.4 | i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: | - | - | - |
| 2.5 | Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital. | - | - | - |
| 2.6 | Total Liabilities | 504,613,315 | - | 504,613,315 |

3. Ranking Liabilities Relating to :

| | | | | |
|-----|--|---|---|---|
| | Concentration in Margin Financing | | | |
| 3.1 | The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be included in the ranking liabilities | - | - | - |
| | Concentration in securities lending and borrowing | | | |
| 3.2 | The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities) | - | - | - |
| | Net underwriting Commitments | | | |
| 3.3 | (a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment (b) in any other case : 12.5% of the net underwriting commitments | - | - | - |
| 3.4 | Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary | - | - | - |
| 3.5 | Foreign exchange agreements and foreign currency positions 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency | - | - | - |
| 3.6 | Amount Payable under REPO | - | - | - |
| | Repo adjustment | | | |
| 3.7 | In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser. | - | - | - |

| S. No. | Head of Account | Value in Pak Rupees | Hair Cut / Adjustments | Net Adjusted Value |
|---|---|---------------------|------------------------|--------------------|
| 3. Ranking Liabilities Relating to : | | | | |
| Concentrated proprietary positions | | | | |
| 3.8 | If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security | - | - | - |
| Opening Positions in futures and options | | | | |
| 3.9 | i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/pledged with securities exchange after applying VaR haircuts | - | - | - |
| | ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met | - | - | - |
| 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 | - | - | - |

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)

1,616,854,781 290,708,655 1,325,480,715

(ii) Less: Adjusted value of liabilities (serial number 2.6)

(504,613,315) - (504,613,315)

(iii) Less: Total ranking liabilities (series number 3.11)

1,112,241,466 290,708,655 820,867,400

28. GENERAL

2024

2023

28.1 Customers assets held in the Central Depository System

No. of shares as at June 30

170,923,205

159,449,369

Amount of shares as at June 30

4,017,989,546

2,706,952,352

28.2 Reclassification of corresponding figures

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

28.3 Number of employees

Number of persons employed by the Company as on the year end were 29 (2023: 29) and average number of employees during the year were 29 (2023: 30).

28.4 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

9th July 2024

28.5 Level of rounding

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



Chief Executive



Director

