



Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

**AUDITED FINANCIAL STATEMENTS
OF
INTERMARKET SECURITIES LIMITED
FOR THE YEAR ENDED
JUNE 30, 2024**

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Russell Bedford International

A global network of independent accountancy firms,
business consultants and specialist legal advisers.

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Board of Directors of Intermarket Securities Limited (IMS) are pleased to present the Annual Report of IMS as a Public Limited (Unquoted) entity for the financial year ended June 30, 2024. These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Act, 2017.

The Directors' Report is prepared under section 226 of the Companies Act 2017.

NATURE OF BUSINESS

Intermarket Securities Limited is a Public Limited Company (Unlisted) and TREC holder of Pakistan Stock Exchange Limited (PSX) and Pakistan Mercantile Exchange Limited (PMEX). The Company is engaged in the business of share brokerage, underwriting, investment, portfolio management and other related brokerage activities.

MANAGEMENT OBJECTIVES AND STRATEGIES

Our objective and strategy going forward is to remain focused on enhancing our brokerage services, providing excellent financial advisory, controlling risk, optimizing and expanding products and services and staying firm on the ethical and regulatory standards.

The Directors are pleased to report that:

- a) The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- b) Proper books of accounts of the Company have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements;
- e) The system of internal control is sound and has been effectively implemented and monitored;
- f) The Company on account of statutory payment of taxes, duties, levies and charges has no outstanding liability as at the balance sheet date;
- g) Earnings per share (EPS) of the company for the year ended June 30th 2024 is Rs. (8.52/Share).

Financial Statements

The Financial statements of the company have been audited and approved without qualification by the auditors of the company, Rahman Sarfraz Rahim Iqbal Rafiq Chartered Accountants.

Market Review

The KSE100 index returned an astounding total return of 89% in FY24 compared with average annual returns of 8% over the previous three years. The rally was driven majorly by the start of a short-term IMF SBA program since July 2023, which helped Pakistan avert a severe balance-of-payment crisis and restored the economy towards a sustainable path. Pakistan also held general elections in February 2024, without much political upheaval, and the SBP commenced monetary easing in June 2024.

Market activity in FY24 surged to an ADVT of US\$55mn vs US\$25mn during FY23. This was majorly driven by retail and HNWI individuals, while most institutional investors remained overweight on fixed income securities, as the policy rate averaged 22% for almost the entire year. Foreigners turned net buyers of c.US\$140mn in FY24, compared with net outflows in four of the past five years. Key outperforming sectors, among the large caps, included banking and fertilizer – largely due to their high dividend yields and other defensive attributes.

Pakistan successfully completed the IMF SBA program by April 2024, which gave the country a head-start on negotiations with the Fund for another longer term program. The country saw considerable disinflation during the year – from a peak CPI outturn of 38% in May 2023 to 11% by June 2024. This was due to significantly lower food inflation and a stable exchange rate; the latter was owed to the IMF program and concomitant buildup of forex reserves with the SBP (from c.US\$4bn in June 2023 to over US\$9bn by end of FY24). The CA deficit in FY24 was only 0.2% of GDP, down from an alarming 4.7% in FY22 – thanks to contained goods trade deficit and strong remittances. Finally, Pakistan had an impressive primary surplus of 0.9% of GDP compared to a large deficit of 3.1% in FY22.

AUDITORS

As recommended by the Finance Committee, the present auditors M/s Rahman Sarfraz Rahim Iqbal Rafiq Chartered Accountants retire and being eligible, have offer themselves for re-appointment.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2024 is as under;

Name	No. of Shares	Shareholding %
Erum Bilwani – Chairperson	25,673,630	51%
Muhammad Uraib Bilwani	24,666,817	49%
Wajid Hussain – CEO/Director	1	0.00%
Muhammad Rehan Alam – Director	1	0.00%
Muhammad Ashfaq – Independent Director	1	0.00%
Shehzad Hussain– Independent Director	1	0.00%



UAN (92 21) 111 467 000



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INTERMARKET
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ACKNOWLEDGEMENTS

We would like to acknowledge the Securities and Exchange Commission of Pakistan, Central Depository Company of Pakistan Limited, National Clearing Company of Pakistan Limited and the management of Pakistan Stock Exchange Limited for their efforts to strengthen the capital markets and measures to protect investor rights.

For and on behalf of the Board of Directors

Wajid Hussain
CEO/Director

Shehzad Hussain
Director

23 SEP 2024

Registered Office:

Bahria Complex-IV,
5th Floor, Ext. Block,
Ch. Khaliq-uz-Zaman
Road, Gizri,
Karachi-75600, Pakistan.
UAN: (92 21) 111 467 000

Branch - I

Plot # 38-A,
Adjacent Genix Pharma,
Korangi Creek,
Karachi 75190,
Pakistan.
UAN: (92 21) 111 467

Branch - II

Pakistan Stock Exchange
Main Building, Suite no. 139
140 & 409, 3rd & 4th Floor,
Karachi 74000,
Pakistan.
Tel: (92 21) 32428765-66

Branch - III

Office No. 212, 2nd Floor,
Balad Trade Centre (BTC),
Plot No 118, Block-3,
B.M.C.H.S, Karachi 79001,
Pakistan
Tel: (92 21) 34122991,

Regional Lahore Office:

M.M. Towers, Property No.
28, 11th Floor, Block-K,
M.M. Alam Road,
Gulberg III, Lahore.
Tel: (92 42) 35788841,
35817666



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INTERMARKET
SECURITIES LTD

Statement by Chief Executive Officer

I, Wajid Hussain, CEO of Intermarket Securities Limited declare that there are no transactions entered into by Intermarket Securities Limited during the year, which are fraudulent, illegal, or in violation of any securities market laws.

Wajid Hussain
Chief Executive Officer
Intermarket Securities Limited

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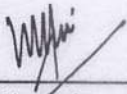
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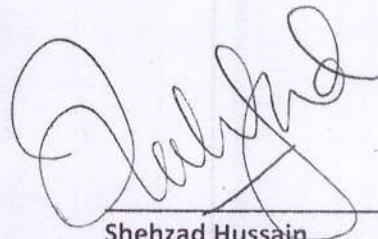
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**Statement of Compliance with Corporate Governance Code for
Securities Brokers (Given under Annexure-D of Securities Brokers
Licensing and Operations Regulations 2016)**

Intermarket Securities Limited is in compliance with the Corporate Governance Code for Securities Brokers as mentioned in Annexure D of Regulations 16 (1) (f) of Securities Brokers (Licensing and Operations) Regulations, 2016


Wajid Hussain
Chief Executive Officer


Shehzad Hussain
Director

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INDEPENDENT AUDITORS' REPORT**To the members of Intermarket Securities Limited****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and, respectively, give a true and fair view of the state of the Company's affairs as at **June 30, 2024** and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Cont'd... P/2

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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: September 28, 2024

UDIN: AR202410213m7lOjZVrF

Intermarket Securities Limited

Statement of Financial Position

As at June 30, 2024

		2024	2023
ASSETS	Note	Rupees	
Non-current assets			
Property and equipment	4	68,372,241	21,086,840
Right-of-use assets	5	29,199,539	22,087,252
Intangible assets	6	7,808,190	5,702,018
Long term investment	7	30,127,296	30,127,296
Deferred Taxation - net	8	10,720,983	15,324,264
Long term deposits	9	7,093,405	4,593,405
		153,321,654	98,921,076
Current assets			
Short term investments	10	249,587,559	191,867,147
Trade debts	11	533,684,613	310,173,236
Receivables against margin financing	12	369,903,590	196,652,533
Advances, deposits, prepayment and other receivables	13	419,249,631	172,543,852
Taxation - net		-	16,993,748
Short term loan		-	42,646,012
Cash and bank balances	14	448,507,978	433,991,912
		2,020,933,371	1,364,868,440
Total assets		2,174,255,025	1,463,789,516
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 (2023: 100,000,000) ordinary shares of Rs.10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	15	503,404,510	503,404,510
Revenue reserves			
Unappropriated profit		637,833,548	208,666,083
		1,141,238,058	712,070,593
Non-current liabilities			
Lease liability	16	17,723,125	11,670,304
Current liabilities			
Short term borrowings - secured	17	266,088,221	376,141,682
Current portion of lease liability	16	6,422,661	6,747,840
Trade and other payables	18	693,568,956	335,792,492
Taxation - net		21,080,643	-
Accrued markup	19	28,133,361	21,366,605
		1,015,293,842	740,048,619
Contingencies and commitments	20	-	-
Total equity and liabilities		2,174,255,025	1,463,789,516

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

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Chief executive

Director

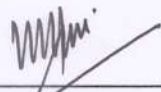
Intermarket Securities Limited

Statement of Profit or Loss

For the year ended June 30, 2024

	Note	2024 Rupees	2023
Operating revenue	21	688,067,610	272,759,960
Capital gain / (loss) on sale of short term investments		313,037,882	(25,219,235)
Net change in unrealized gain / (loss) on remeasurement of short term investment		6,612,978	(75,536,734)
		<u>1,007,718,470</u>	<u>172,003,991</u>
Administrative expenses	22	(425,697,915)	(274,548,235)
Other expense	23	(54,370,587)	(1,516,619)
Other income	24	<u>26,414,498</u>	<u>12,850,457</u>
		554,064,466	(91,210,406)
Finance costs	25	(102,348,103)	(55,652,259)
Profit / (loss) before levies and taxation		<u>451,716,363</u>	<u>(146,862,665)</u>
Levies	26	(1,749,690)	(9,171,141)
Profit before taxation		<u>449,966,673</u>	<u>(156,033,806)</u>
Taxation - net	27	(20,799,208)	17,703,899
Profit / (loss) after taxation		<u><u>429,167,465</u></u>	<u><u>(138,329,907)</u></u>

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


Chief executive


Director

Intermarket Securities Limited

Statement of Comprehensive Income

For the year ended June 30, 2024

	2024	2023
	<u>Rupees</u>	
Profit / (loss) before levies and taxation	429,167,465	(138,329,907)
Other comprehensive income	-	-
Total comprehensive profit / (loss) for the year	<u>429,167,465</u>	<u>(138,329,907)</u>

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

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Chief executive



Director

Intermarket Securities Limited

Statement of Changes in Equity

For the year ended June 30, 2024

	Issued, subscribed and paid up share capital	Revenue reserve Unappropriated profits	Total
		Rupees	
Balance as at June 30, 2022	503,404,510	346,995,991	850,400,501
Total comprehensive loss for the year ended June 30, 2023			
- Loss after taxation	-	(138,329,907)	(138,329,907)
- Other comprehensive income	-	-	-
	-	(138,329,907)	(138,329,907)
Balance as at June 30, 2023	503,404,510	208,666,083	712,070,593
Total comprehensive income for the year ended June 30, 2024			
- Profit after taxation	-	429,167,465	429,167,465
- Other comprehensive income	-	-	-
	-	429,167,465	429,167,465
Balance as at June 30, 2024	503,404,510	637,833,548	1,141,238,058

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

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Chief executive

Director

Intermarket Securities Limited

Statement of Cash Flows

For the year ended June 30, 2024

		2024	2023
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Profit / (loss) before levies and taxation		451,716,363	(146,862,665)
<i>Adjustments for:</i>			
- Depreciation on property and equipment	4	3,968,661	3,544,271
- Depreciation on right-of-use-of-asset	5	6,221,713	1,681,223
- Amortization of intangible assets	6.2	393,828	175,505
- Net change in unrealized (gain) / loss on investments		(6,612,978)	75,536,734
- Capital (gain) / loss on investment		(313,037,882)	25,219,235
- (gain) / loss on disposal of property and equipment		(74,417)	389,007
- Receivables and deposits written off	23	2,222	294,039
- Property and equipment written off		686,435	811,364
- Finance costs	25	102,348,103	55,652,259
		(206,104,315)	163,303,637
		<u>245,612,048</u>	<u>16,440,972</u>
Changes in working capital items			
<i>(Increase) / decrease in current assets</i>			
- Short term investments		261,930,448	(48,124,539)
- Trade debts		(223,511,377)	95,818,004
- Receivables against margin financing		(173,251,057)	(67,542,925)
- Advances, deposits, prepayments and other receivables		(246,708,001)	(76,546,627)
		(381,539,987)	(96,396,087)
<i>(Decrease) / increase in current liabilities</i>			
- Trade and other payables		357,776,464	130,569,522
Net cash generated from operating activities		<u>221,848,525</u>	<u>50,614,407</u>
Income tax refund		20,128,774	23,594,615
Long term deposits (paid) / refunded		(2,500,000)	900,990
Net cash generated from operating activities		<u>239,477,299</u>	<u>75,110,012</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	4	(10,576,509)	(4,540,241)
Additions to right-of-use assets		(1,586,000)	(4,937,675)
Purchase of intangible assets	6.2	(2,500,000)	(2,736,250)
Proceeds from disposal of fixed assets		1,356,441	2,640,801
Net cash used in investing activities		<u>(13,306,068)</u>	<u>(9,573,365)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability - Principal portion		(6,020,358)	(788,821)
Finance costs paid		(95,581,346)	(43,406,236)
Net cash used in financing activities		<u>(101,601,704)</u>	<u>(44,195,057)</u>
Net increase in cash and cash equivalents		124,569,527	21,341,590
Cash and cash equivalents at the beginning of the year		57,850,230	36,508,640
Cash and cash equivalents at the end of the year	28	<u>182,419,757</u>	<u>57,850,230</u>

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

Chief executive

Director

Intermarket Securities Limited

Notes to the Financial Statements

For the year ended June 30, 2024

1. LEGAL STATUS AND OPERATIONS

1.1 Intermarket Securities Limited ('the Company') was incorporated in Pakistan as a private limited company on September 06, 2002 under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced by Companies Act, 2017 ('the Act'). In the year 2009, the status of the Company was changed to public unlisted company. The Company is a Trading Rights Entitlement Certificate (TREC) of holder of Pakistan Stock Exchange Limited (PSX) and Pakistan Mercantile Exchange Limited (PMEX). The registered office of the Company is situated at 5th Floor, Ext. Block, Bahria Complex IV, Ch. Khaliq-ur-Zaman Road, Clifton, Karachi. The principal activities of the Company are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.

1.2 The geographical location of Company's offices are as follows:

- Office # 139 and 140, 3rd Floor, Stock Exchange Building, Stock Exchange Road, Karachi.
- Office # 409, 4th Floor, Stock Exchange Building, Stock Exchange Road, Karachi.
- Office # 1003-1010 10th Floor, New Stock Exchange Building, Stock Exchange Road, Karachi.
- Office # 212 2nd Floor Balad Trade Centre Plot No. # 118 Block 3, BMCHS, Karachi
- Plot # 38-A, Adjacent Genix Pharma, Korangi Creek, Karachi
- 11th Floor, M.M Towers, Property No. 28, Block K, M.M Alam Road, Gulberg III, Lahore

1.3 The Board of Directors of the Company in their meeting held on February 27, 2024 approved the draft Scheme of Arrangement under Sections 279 and 283 of the Companies Act, 2017 ('the Scheme') to be entered into between the Company and EFG Hermes Pakistan (EFG) which then approved the members of the Company in their extra-ordinary general meeting held on March 28, 2024. Under the said Scheme, it is proposed that the entire business and undertaking of the Company, including all its assets, rights, liabilities, and obligations, shall be merged into and with EFG through amalgamation. As a result, EFG will issue shares to the shareholders of the Company based on a swap ratio of 2.16 ordinary shares of EFG for every 1 share held by the Company's shareholders. As of the reporting, the scheme is pending for approval with the High Court of Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) 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, provisions of, and directives, issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement of items in the financial statements

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

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

In preparation of these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these financial statements is included in the following notes:

Area of Judgement	Brief description of the judgement applied
Deferred tax assets	Whether deferred tax assets should be recorded on realized and unrealized losses on short term investments in securities - availability of future taxable profit on securities with in next three tax years against which such losses can be utilised
Timing of revenue recognition	<i>Underwriting and Financial Advisory services:</i> Whether performance obligation is satisfied at a point in time or over time that is whether the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs

(b) Assumptions and other major sources of estimation uncertainty

There are no assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

2.5 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

2.5.1 Amendments to existing standards that became effective during the year

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

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

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

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

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

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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.
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

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- 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

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- 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)

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

Owned

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. Further, when the written down value of the item of assets falls below Rs. 25,000 the same is charged directly to the statement of profit or loss.

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. The Company's estimate of residual value of property and equipment as at June 30, 2024 did not require any adjustment.

3.2 Intangible assets

3.2.1 Computer software

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the reducing balance method over assets estimated useful life at the rates stated in note 5.2, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

Amortization is charged from the date the assets are put to use while no amortization is charged after the date when the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the statement of profit or loss.

3.2.2 Membership cards and privileges (TREC)

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 Financial instruments

3.3.1 Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place.

The Company classifies its financial assets into either of following three categories:

- (a) financial assets measured at amortized cost;
- (b) financial assets measured at fair value through other comprehensive income (FVOCI); and
- (c) financial assets measured at fair value through profit or loss (FVTPL).

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(a) *Financial assets measured at amortized cost*

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) *Financial assets at FVOCI*

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) *Financial assets at FVTPL*

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.3.2 *Subsequent measurement*

(a) *Financial assets measured at amortized cost*

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit and loss.

(b) *Financial assets at FVOCI*

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

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) *Financial assets at FVTPL*

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.3.3 Impairment

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

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

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

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

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

3.3.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.4 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL).

A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Trade debts and receivables against margin financing

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized on the settlement date as this is the point in time that the payment of the consideration by the customer becomes due.

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3.7 Cash and cash equivalents

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

3.8 Staff retirement benefits - Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the employee.

The Company operates a defined contribution plan i.e. recognized provident fund ("the Fund") for all of its eligible employees in accordance with trust deed and rules made thereunder. Monthly contributions at the rate 10.00% of basic salary are made to the Fund by the Company and the employees.

When an employee has rendered service to the Company during a period, the Company recognises the contribution payable to a defined contribution plan in exchange for that service as an expense in profit or loss and as a liability in the statement of financial position (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they are discounted using the discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds (or when there is no deep market in such bonds, the government bonds) having term consistent with the estimated term of the post-employment benefit obligations.

3.9 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 income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the unconsolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from 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 determined using effective rate of income tax enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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When the excess as referred above is treated as a 'levy', the effective rate of income tax is equal to the enacted rate of income tax while calculating the deferred tax.

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.10 Provisions and contingent liabilities

Provisions

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

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

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

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

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.

3.11 Operating revenue

Revenue from trading activities - brokerage commission

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

Revenue from advisory and consultancy services

Revenue is recognized when the performance obligation is satisfied i.e. when services are provided.

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

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Dividend income

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

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.

4. PROPERTY AND EQUIPMENT - owned assets

	Leasehold land	Leasehold improvement	Furniture & fixture	Office equipment	Vehicles	Computer	Office premises	Total
Note	(Rupees)							
As at June 30, 2022								
Cost	6,903,077	16,375,000	520,603	3,353,042	7,605,040	8,995,368	12,674,940	56,427,070
Accumulated depreciation	-	(14,117,697)	(163,593)	(983,163)	(5,269,848)	(4,241,656)	(7,719,070)	(32,495,027)
Net book value	6,903,077	2,257,303	357,010	2,369,879	2,335,192	4,753,712	4,955,870	23,932,043
For the year ended June 30, 2023								
Opening net book value	6,903,077	2,257,303	357,010	2,369,879	2,335,192	4,753,712	4,955,870	23,932,043
Additions during the year	-	376,603	-	1,934,214	105,000	2,124,424	-	4,540,241
Disposals/Write off during the year								
Cost	-	(4,089,604)	(150,000)	(618,017)	(2,796,999)	(1,525,555)	-	(9,180,175)
Acc. Depreciation	-	2,583,297	25,125	99,007	1,823,197	808,376	-	5,339,002
Depreciation for the period	-	(1,506,307)	(124,875)	(519,010)	(973,802)	(717,179)	-	(3,841,173)
Closing net book value	6,903,077	718,378	208,922	3,433,383	1,046,136	4,316,661	4,460,283	21,086,840
As at June 30, 2023								
Cost	6,903,077	12,661,999	370,603	4,669,239	4,913,041	9,594,237	12,674,940	51,787,136
Accumulated depreciation	-	(11,943,621)	(161,681)	(1,235,856)	(3,866,905)	(5,277,576)	(8,214,657)	(30,700,296)
Net book value	6,903,077	718,378	208,922	3,433,383	1,046,136	4,316,661	4,460,283	21,086,840
For the year ended June 30, 2024								
Opening net book value	6,903,077	718,378	208,922	3,433,383	1,046,136	4,316,661	4,460,283	21,086,840
Additions during the year	-	2,000,000	43,250	1,399,360	453,501	1,337,463	47,302,512	52,536,086
Disposals/Write off during the year								
Cost	-	(507,719)	(33,999)	(181,569)	(1,736,500)	(1,505,924)	-	(3,965,711)
Acc. Depreciation	-	414,190	9,199	78,542	1,176,050	1,005,706	-	2,683,687
Depreciation for the period	-	(93,529)	(24,800)	(103,027)	(560,450)	(500,218)	-	(1,282,024)
Closing net book value	6,903,077	1,906,102	203,199	4,336,114	722,465	3,742,315	50,558,969	68,372,241
As at June 30, 2024								
Cost	6,903,077	14,154,280	379,854	5,887,030	3,630,042	9,425,776	59,977,452	100,357,511
Accumulated depreciation	-	(12,248,178)	(176,655)	(1,550,916)	(2,907,577)	(5,683,461)	(9,418,483)	(31,985,270)
Net book value	6,903,077	1,906,102	203,199	4,336,114	722,465	3,742,315	50,558,969	68,372,241
Rate of Depreciation	0%	33%	10%	10%	20%	30%	10%	

5.	RIGHT-OF-USE ASSETS	Note	2024	2023
			<u>Rupees</u>	
	Opening net book value		22,087,252	-
	Add: Additions during the year		13,334,000	23,768,475
			<u>35,421,252</u>	<u>23,768,475</u>
	Less: Depreciation charged during the year	22	(6,221,713)	(1,681,223)
	Closing net book value		<u>29,199,539</u>	<u>22,087,252</u>
	Depreciation rate (per annum)		<u>20%</u>	<u>20%</u>

- 5.1 This represents Company's right to use certain vehicles, held by it under lease arrangements(Musharika Arrangement). The principal terms and conditions of the said arrangements are as follows:

	Toyota Yaris	MG HS	Sazgar Haval	Honda City	Honda City
Lessor name	First Habib Mudarbha	JS Bank Limited	JS Bank Limited	JS Bank Limited	JS Bank Limited
Lease agreement date	06-Dec-2022	31-May-2023	31-May-2023	30-May-2024	30-May-2024
Lease commencement date	06-Dec-2022	31-May-2023	31-May-2023	30-May-2024	30-May-2024
Initial contractual term of the lease	3 years	4 Years	4 Years	4 Years	4 Years
Availability of extension option?	No	No	No	No	No
Estimated lease term (as on the date of commencement of the lease)	3 years	4 Years	4 Years	4 Years	4 Years

6.	INTANGIBLE ASSETS	Note	2024	2023
			<u>Rupees</u>	
	Membership card right and privileges			
	Trading Rights Entitlement (TRE) Certificate	6.1	5,000,000	5,000,000
	Computer software	6.2	2,808,190	702,018
			<u>7,808,190</u>	<u>5,702,018</u>
6.1	Trading Right Entitlement Certificate (TREC)			
	Cost	6.1.1	6,394,750	6,394,750
	Accumulated impairment		(1,394,750)	(1,394,750)
		6.1.2	<u>5,000,000</u>	<u>5,000,000</u>

- 6.1.1 This represents the following two Trading Rights Entitlement Certificate (TREC):

- TREC of Pakistan Stock Exchange Limited, received by the Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 as amended by the Stock Exchanges (Corporatization, Demutualization and Integration) (Amendment) Act, 2015.
- TREC of Pakistan Mercantile Exchange Limited, acquired during the year 2022 from Vision Commodities (Pvt). Limited.

These are being carried at cost less accumulated impairment losses (if any).

- 6.1.2 PSX vide notice no. PSX/N - 225 dated February 16, 2021 have notified the notional value of a Trading Right Entitlement Certificate amounting to Rs. 2.5 million.

		2024	2023
	Note	Rupees	
6.2 Computer software			
<i>Net carrying amount</i>			
Opening net book value		702,018	641,273
Additions during the year		2,500,000	236,250
Amortisation charge	22	(393,828)	(175,505)
Closing net book value		2,808,190	702,018
<i>Gross carrying amount</i>			
Cost		6,996,052	4,496,052
Accumulated amortisation		(4,187,862)	(3,794,034)
Net book value		2,808,190	702,018
Amortisation rate (per annum)		20%	20%

7. LONG TERM INVESTMENT

Coastal Company Limited - unquoted public company	7.1	30,127,296	30,127,296
7.1	This represents shares of Coastal Company Limited which were acquired when the collateral relating to short term loan amounting to Rs. 36 million was realized in the form of shares of this NBFC. Shares are in the name of the then Director and not in Company's name in accordance to NBFC Rules 2003. An agreement was made between director and the Company under which the proceeds from sale of investment including gain/(loss) would be rendered back to Company. Shares are blocked but arrangement would be made for conversion into marketable lot and disposal in accordance to NBFC Rules 2003 as soon as economic condition of the above NBFC improves.		

		2024	2023
	Note	Rupees	
8. DEFERRED TAXATION - NET			
<i>Deferred tax asset / (liability) in respect of:</i>			
- Capital loss on short term investments		11,813,423	-
- Other temporary differences	8.1	(1,092,440)	15,324,264
		10,720,983	15,324,264
8.1 Deferred tax in respect of other temporary differences			
Deferred tax liability - accelerated depreciation		(3,881,198)	(2,743,237)
Deferred tax liability - Right-of-use assets		(8,467,866)	(6,405,303)
Deferred tax asset recognized	8.1.1	11,256,624	24,472,804
		(1,092,440)	15,324,264
8.1.1 Deferred tax assets			
Intangible assets		404,478	404,478
Unrealized gain on short term investment		935,990	-
Provision for expected credit loss		2,913,878	835,052
Minimum tax paid u/s 113		-	2,970,242
Unused tax losses		-	14,921,772
Lease Liability		7,002,278	5,341,260
Deferred tax assets available for recognition		11,256,624	24,472,804

9.	LONG TERM DEPOSITS	Note	2024	2023
			Rupees	
	<i>Deposit placed with</i>			
	- Central Depository Company - Basic deposit		100,000	100,000
	- National Clearing Company of Pakistan - Basic deposit		200,000	200,000
	- National Clearing Company of Pakistan - Future		1,000,000	1,000,000
	- National Clearing Company of Pakistan - Reg		200,000	200,000
	- National Clearing Company of Pakistan - SLB		100,000	100,000
	- Pakistan Mercantile Exchange Limited	35.1	1,250,000	1,250,000
			<u>2,850,000</u>	<u>2,850,000</u>
	<i>Security deposits</i>			
	- Deposits against leased office premises		4,204,105	1,704,105
	- Others		39,300	39,300
			<u>4,243,405</u>	<u>1,743,405</u>
			<u>7,093,405</u>	<u>4,593,405</u>
10.	SHORT TERM INVESTMENTS - At fair value through profit or loss			
	Quoted equity securities	10.1 & 10.2	249,535,543	191,815,131
	Units of mutual funds		52,016	52,016
			<u>249,587,559</u>	<u>191,867,147</u>

10.1 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)		(Rupees)
Clients	34,954,922	601,227,661	6,733,982	81,715,226
Brokerage House	1,699,509	118,141,192	9,525,801	56,105,275
	<u>36,654,431</u>	<u>719,368,853</u>	<u>16,259,783</u>	<u>137,820,501</u>

10.2 The number and fair value of securities pledged with financial institutions are as follows:

	June 30, 2024		June 30, 2023	
	Number of securities	Fair value	Number of securities	Fair value
		(Rupees)		(Rupees)
Clients	7,545,724	452,964,105	3,736,799	129,282,000
Brokerage House	2,152,414	105,031,209	11,747,026	114,420,731
	<u>9,698,138</u>	<u>557,995,314</u>	<u>15,483,825</u>	<u>243,702,731</u>

11.	TRADE DEBTS	Note	2024	2023
			Rupees	
	<i>Gross receivables</i>			
	Equity brokerage	11.1	543,529,067	312,849,325
	Advisory and consultancy fees		203,400	203,400
			<u>543,732,467</u>	<u>313,052,725</u>
	Less: Provision for expected credit losses	11.2	(10,047,854)	(2,879,489)
			<u>533,684,613</u>	<u>310,173,236</u>

11.1 Trade debts - Equity brokerage

11.1.1 Trade debts includes Rs. 31.49 million (2023: Rs. 50.59 million) due from related parties. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 45.52 million (2023: Rs. 68.48 million).

11.1.2 The Company holds capital securities having fair value of Rs. 2,817.32 million (2023: Rs. 1,935.25 million) owned by its clients including related parties, as collaterals against trade debts.

11.2	Movement in provision for expected credit losses	Note	2024	2023
			<u>Rupees</u>	
	Balance at the beginning of the year		2,879,489	2,045,916
	Charged during the year	23	7,168,365	833,573
	Balance at the end of the year		<u>10,047,854</u>	<u>2,879,489</u>

12. RECEIVABLE AGAINST MARGIN FINANCING

Receivable against margin financing	<u>369,903,590</u>	<u>196,652,533</u>
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12.1 Margin financing facility is provided to clients on markup basis with ceiling upto KIBOR + 8.00% per annum (2023: KIBOR + 8%).

13.	ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES	Note	2024	2023
			<u>Rupees</u>	
	<i>Advances</i>			
	Advance to staff	13.1	4,170,503	5,339,968
	Advance to supplier		<u>1,391,251</u>	<u>3,391,251</u>
			5,561,754	8,731,219
	<i>Deposits</i>			
	Exposure deposit with National Clearing Company of Pakistan Limited (NCCPL)	13.2	280,780,211	82,263,367
	<i>Prepayments</i>			
	- Against leased office premises	35.1	5,317,874	4,929,682
	- Others	35.1	<u>1,411,977</u>	<u>1,440,735</u>
			6,729,851	6,370,417
	<i>Other receivables</i>			
	Due from related parties	13.3	42,522,234	42,522,234
	Loan to director	13.4	5,352,095	5,552,095
	Future profit receivable		75,719,470	22,966,595
	Receivable from dealers		64,652	210,439
	Receivable against trading of securities		-	2,368,548
	Sales tax receivable	35.1	762,103	1,476,252
	Others	35.1	<u>1,757,261</u>	<u>82,686</u>
			126,177,815	75,178,849
			<u>419,249,631</u>	<u>172,543,852</u>

13.1 This represents interest free advances provided in accordance with the Company's policy and these has been secured against the provident fund balance.

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

		2024	2023
		Rupees	
13.3	Due from related parties		
	Intertechnologies (Private) Limited	42,522,234	42,522,234
13.4	Reconciliation of loan to director:		
	<i>Erum Bilwani</i>		
	Opening balance	5,352,095	-
	Disbursement made during the year	-	295,852,095
	Repayment received during the year	-	(290,500,000)
	Closing balance	5,352,095	5,352,095
	<i>Rehan Alam</i>		
	Opening balance	200,000	770,800
	Disbursement made during the year	-	200,000
	Repayment received during the year	(200,000)	(770,800)
	Closing balance	-	200,000

14. CASH AND BANK BALANCES

	Cash in hand	35.1	33,030	11,538
	<i>Cash at bank</i>			
	- current accounts		443,289,372	420,701,741
	- saving accounts	14.1	5,185,576	13,278,633
			448,474,948	433,980,374
		14.2	448,507,978	433,991,912

14.1 Markup on these balances ranges from 11.01 % to 20.05% (2023: 9.5% to 17.5%) per annum on daily product basis.

14.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 444.16 million (2023: Rs. 429.74 million).

15. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024	2023	2024	2023
(Number of shares)		Rupees	
50,340,451	50,340,451	503,404,510	503,404,510

Ordinary shares of Rs.10/- each fully paid in cash

15.1 Pattern of shareholding

	June 30, 2024		June 30, 2023	
Categories of shareholders	Number of shares held	% of shares held	Number of shares held	% of shares held
<i>Individuals</i>				
Ms. Erum Bilwani	25,673,630	51.00%	25,673,630	51.00%
Mr. Muhammad Uraib Bilwani	24,666,817	49.00%	24,666,817	49.00%
Mr. Syed Raza Haider Jafri	-	0.00%	1	0.00%
Mr. Wajid Hussain	1	0.00%	-	0.00%
Mr. Rehan Alam	1	0.00%	1	0.00%
Mr. Muhammad Ashfaq	1	0.00%	1	0.00%
Mr. Shehzad Hussain	1	0.00%	1	0.00%
	50,340,451	100.00%	50,340,451	100.00%

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

16.	LEASE LIABILITY	Note	2024	2023
			<u>Rupees</u>	
	Opening balance		18,418,144	-
	Additions		11,748,000	18,748,083
	Interest expense	25	4,758,592	376,165
	Payments		(10,778,950)	(706,104)
			<u>24,145,786</u>	<u>18,418,144</u>
	Less: Current maturity shown under current liabilities		(6,422,661)	(6,747,840)
	Non-current		<u>17,723,125</u>	<u>11,670,304</u>

17. SHORT TERM BORROWINGS - Secured

Running finance:

JS Bank Limited	266,088,221	376,041,682
JS Bank Limited - Intraday	-	100,000
	<u>266,088,221</u>	<u>376,141,682</u>

17.1

17.1 Short term running finance facilities are available with the M/s. JS Bank Limited, under mark-up arrangements, amounting to Rs. 980 million (2023: Rs. 680 million) having maturity date of March 31, 2025. These running finance facilities carry mark-up 3 month KIBOR + 2% (2023: 3 month KIBOR + 2.0% to 8.0%) calculated on a daily product basis that is payable quarterly. These arrangements are secured against pledge of marketable securities having fair value Rs. 557.99 million and personal guarantee of all directors' holding more than 10% shareholding of the Company.

17.2 As of the reporting date, the Company had unutilized facilities for short term borrowings available from above mentioned banks amounting to Rs. 713.91 million (2023: Rs. 303.85 million).

18.	TRADE AND OTHER PAYABLES	Note	2024	2023
			<u>Rupees</u>	
	Trade payables	18.1	466,275,094	179,925,600
	Future profit withheld		76,136,792	67,805,903
	Payable against Margin Trading		18,676,799	26,790,170
	Commission payable to dealers		47,726,263	23,979,417
	Withholding taxes payable		33,193,663	13,233,539
	Accrued expenses		27,319,182	2,199,200
	Due to related parties		3,778,358	1,298,358
	Other payables		20,462,805	20,560,305
			<u>693,568,956</u>	<u>335,792,492</u>

18.1 This includes Rs. 135,000 (2022: Rs. 220,000) payable to related parties.

19.	ACCRUED MARKUP	2024	2023
		<u>Rupees</u>	
	- Short term borrowing	27,676,644	21,366,605
	- Lease liability	456,717	-
		<u>28,133,361</u>	<u>21,366,605</u>

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

As of June 30, 2024, there were no material contingent liabilities known to exist.

N

		2024	2023
		Rupees	
20.2	Commitments		
Following commitments were outstanding as at the reporting date:			
	Bank guarantee in favour of NCCPL	20.2.1	335,000,000
	Bank guarantee in favour of PSX	20.2.2	25,000,000
20.2.1	This bank guarantee has been issued by M/s. Dubai Islamic Bank Pakistan Limited in favor of National Clearing Company Pakistan Limited amounting to Rs. 200 million against Ready Market and amounting to Rs.135 million against Future Market on behalf of the Company.		
20.2.2	This bank guarantee has been issued by M/s. Dubai Islamic Bank Pakistan Limited in favor of Pakistan Stock Exchange Limited amounting to Rs. 25 million against Base minimum capital requirement on behalf of the Company.		
21.	OPERATING REVENUE		
		2024	2023
		Rupees	
	Brokerage commission	543,271,990	222,874,729
	Underwriting and financial advisory service revenue	17,936,767	6,744,861
	Markup on Margin Financing	111,826,837	34,135,418
	Dividend income on investment in equity securities	15,032,016	9,004,952
		688,067,610	272,759,960
22.	ADMINISTRATIVE EXPENSES		
		2024	2023
		Rupees	
	Salaries, commission and other benefits	22.1	268,700,146
	Communication expenses		170,280,026
	Directors remuneration	30	26,335,818
	Rent, rates and taxes		19,232,885
	Legal and professional charges	35.1	24,655,341
	CDC and NCCPL charges		16,488,982
	Merger expenses		14,197,105
	Branch expense		14,279,075
	Depreciation on right-of-use-asset	5	13,894,527
	Advertisement expense		14,601,636
	Utility expense		18,113,368
	Bank charges		8,012,980
	Depreciation on operating fixed assets	4	10,995,743
	Traveling and conveyance expenses		-
	PSX rent, electricity and service charges		9,700,184
	Repair and maintenance		7,305,384
	Insurance expense		6,221,713
	Entertainment expense		1,681,223
	Auditor's remuneration	22.2 & 35.1	5,011,860
	Printing and stationery		28,198
	Amortization of intangible assets	6.2	4,853,401
	Postage and courier		3,845,964
	Vehicle maintenance expense		4,648,487
	Other expense		4,739,912
			3,968,661
			3,544,271
			3,321,508
			1,903,106
			2,225,219
			1,585,542
			1,861,369
			1,096,564
			1,347,059
			1,030,318
			1,302,908
			1,497,261
			935,000
			800,000
			624,750
			641,874
			393,828
			175,505
			149,456
			158,128
			50,675
			120,637
			2,189,789
			1,498,764
			425,697,915
			274,548,235
22.1	Salaries, commission and other benefits		
		2024	2023
		Rupees	
	Salaries and other benefits	22.1.1	132,448,882
	Commission		98,000,290
			136,251,264
			72,279,736
			268,700,146
			170,280,026
22.1.1	Salaries, commission and other benefits include Rs.11.03 million (2023: Rs. 9.97 million) in respect of provident fund contribution.		

22.2	Auditors' remuneration	Note	2024	2023
			Rupees	
	Audit fee		710,000	600,000
	Others		225,000	200,000
			<u>935,000</u>	<u>800,000</u>
23.	OTHER EXPENSE			
	Provision for expected credit losses on trade debts		7,168,365	833,573
	Other receivables and deposits written off		2,222	294,039
	Donation	23.1	47,200,000	-
	Loss on disposal of operating fixed assets		-	389,007
			<u>54,370,587</u>	<u>1,516,619</u>
23.1	None of the directors or their spouses have any interest in donees.			
	Company has made donations to the following parties during the period;			
	<div> <ul style="list-style-type: none"> - Indus Hospital and Health Care Network - Bantva Hospital - Shakeel Patel - Memon professional forum - Aitmaad Trust - Bantva Town Memon Welfare Committee </div> <div> <ul style="list-style-type: none"> - Ahsas-e-Insaniyat Foundation Pakistan - Patel Foundation - Dawat-e-Islami - Saylani Welfare Trust - Baitussalam Welfare Trust </div>			
24.	OTHER INCOME	Note	2024	2023
			Rupees	
	Interest income on bank deposits		83,380	224,990
	Interest income on deposits with NCCPL		24,778,955	4,449,102
	Gain on disposal of operating fixed assets		74,417	-
	Others		1,477,746	8,176,365
			<u>26,414,498</u>	<u>12,850,457</u>
25.	FINANCE COSTS			
	Markup on short term borrowings		79,289,795	54,804,675
	Markup on MTS		18,299,716	471,419
	Markup on lease		4,758,592	376,165
			<u>102,348,103</u>	<u>55,652,259</u>
26.	LEVIES		2024	(Restated) 2023
			Rupees	
	Excess of minimum tax over normal tax		-	7,752,347
	Income tax - Final tax regime		1,749,690	1,418,794
			<u>1,749,690</u>	<u>9,171,141</u>
27.	TAXATION - NET			
	Current - for the year		28,403,382	-
	Current - for the prior year		(12,207,455)	-
			<u>16,195,927</u>	<u>-</u>
	Deferred	8	4,603,281	(17,703,899)
			<u>20,799,208</u>	<u>(17,703,899)</u>

27.1 Relationship between income tax expense and accounting profit before taxation

	2024 -- Rupees --
Profit before taxation	451,716,363
Tax at the applicable rate of 29% (2023: 29%)	130,997,745
<i>Tax effects of:</i>	
- permanent difference	(644)
- income subject to taxation under Presumptive Tax Regime	(4,955,372)
- benefit of unused tax losses and tax credits for which deferred tax asset was not previously recognized	(13,012,694)
- Realized or unrealized capital gain on short term investments	(93,634,739)
- super tax	13,070,444
- prior tax	(12,207,455)
- others	541,923
	<u>20,799,208</u>

27.2 Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2023. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit 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 audit.

28. CASH AND CASH EQUIVALENTS

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

	<i>Note</i>	2024 Rupees	2023
Cash and bank balances	14	448,507,978	433,991,912
Short term borrowings from banking companies	17	(266,088,221)	(376,141,682)
		<u>182,419,757</u>	<u>57,850,230</u>

29. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of associated companies, key management personnel including directors and their close family members, major shareholders of the Company and staff provident fund. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules. Remuneration of the Chief Executive and Directors is disclosed in note 28 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 company and nature of transaction	Note	2024	2023
		Rupees	
Intertechnologies (Private) Limited			
Balance due	13.2	42,522,234	42,522,234
Vision Commodities (Private) Limited			
Balance due		3,778,358	1,298,358
PMEX TREC Transfer		-	2,500,000
Advance made during the year		2,480,000	82,665
AB Holdings Limited			
Balance due		2,375,163	25,003,866
Brokerage Commission earned		719,835	903,887

KEY MANAGEMENT PERSONNEL

Erum Bilwani (Director)

Brokerage commission earned, on sale and purchase of securities		5,920,330	21,459,853
Loan provided during the year		-	295,852,095
Loan paid off during the year		-	290,500,000
Loan to be received		5,352,095	5,352,095
Balance outstanding		31,013,845	26,008,757

Azneem Bilwani (Spouse of Director)

Brokerage commission earned		72,681,021	14,585,877
Balance due		135,149,229	707,569

Muhammad Rehan Alam (Director)

Brokerage commission earned		1,262,772	282,174
Loan provided during the year		-	200,000
Loan paid off during the year	13.3	(200,000)	(1,800,000)
Loan to be received		-	200,000
Balance due		471,272	80,914

Laiba Azneem Bilwani (Close family member of director)

Brokerage commission earned		608,959	21,429
Balance due		114,583	804,469

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

Particulars	Chief Executive		Directors		Executives		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees							
Managerial remuneration	8,017,500	7,320,000	8,549,741	8,181,231	44,632,352	40,244,000	61,199,592	55,745,231
Bonus	3,095,000	-	3,089,397	-	4,161,232	-	10,345,629	-
Meeting fee	200,000	100,000	950,000	500,000	-	-	1,150,000	600,000
Retirement benefits	470,250	468,000	283,453	519,751	2,585,241	2,655,840	3,338,944	3,643,591
	<u>11,782,750</u>	<u>7,888,000</u>	<u>12,872,591</u>	<u>9,200,982</u>	<u>51,378,824</u>	<u>42,899,840</u>	<u>76,034,165</u>	<u>59,988,822</u>
Number of persons	1	1	6	2	13	11		

30.1 The Company has also provided its Chief Executive, Directors and certain executives with the use of Company maintained car.

31. FINANCIAL INSTRUMENTS

31.1 Financial risk analysis

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

31.1.1 Market risk

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

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. All foreign currency translations are carried out within acceptable parameters of policies established by Board of Directors.

(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 equity investments and collaterals held before it leads the Company to incur significant mark-to-market and credit losses. As of the reporting date, the Company was exposed to price risk since it had investments in quoted equity securities and units of mutual funds, amounting in aggregate, to Rs. 249.587 million (2023: Rs. 191.187 million) and also because the Company held collaterals in the form of equity securities against their debtor balances.

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

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of securities in particular sectors of the market.



Analysis of short term investment in quoted equity securities by business sector is as follows:

	June 30, 2024		June 30, 2023	
	(Rupees)	%	(Rupees)	%
Automobile Assembler	19,290,521	7.73%	10,001,600	5.21%
Cement	4,707,250	1.89%	13,145,877	6.85%
Chemical	604,900	0.24%	4,449,907	2.32%
Commercial Banks	24,245,390	9.72%	32,488,663	16.94%
Engineering	50,220,000	20.13%	6,525	0.00%
Electricity	2,210	0.00%	-	0.00%
Fertilizer	16,175	0.01%	391,720	0.20%
Food & Personal Care Products	294,611	0.12%	66,546,378	34.69%
Glass & Ceramics	-	0.00%	417,150	0.22%
Insurance	-	0.00%	5,326,868	2.78%
Inv. Banks / Inv. Cos. / Securities Cos.	4,491,429	1.80%	2,594,581	1.35%
Miscellaneous	-	0.00%	140,097	0.07%
Oil & Gas Exploration Companies	2,318,044	0.93%	5,060,614	2.64%
Oil & Gas Marketing Companies	-	0.00%	5,962,791	3.11%
Paper & Board	11,243,950	4.51%	3,510,400	1.83%
Pharmaceuticals	72,236,580	28.95%	2,145,101	1.12%
Power Generation & Distribution	-	0.00%	21,426,550	11.17%
Property	-	0.00%	23,998	0.01%
Refinery	1,374,890	0.55%	1,641,007	0.86%
Sugar & Allied Industries	3,213,176	1.29%	-	0.00%
Synthetic & Rayon	473	0.00%	-	0.00%
Technology & Communication	53,319,122	21.37%	7,580,784	3.95%
Tobacco	1,955,205	0.78%	-	0.00%
Textile Composite	1,617	0.00%	8,954,520	4.67%
	<u>249,535,543</u>	<u>100.00%</u>	<u>191,815,131</u>	<u>100.00%</u>

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 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	Hypothetical increase / (decrease) in profit / (loss) before tax
June 30, 2024	249,587,559	10% increase	274,546,315	24,958,756
		10% decrease	224,628,803	(24,958,756)
June 30, 2023	191,867,147	10% increase	211,053,862	19,186,715
		10% decrease	172,680,432	(19,186,715)

(i) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in note to these financial statements.

Financial assets and liabilities include balances of Rs. 5.185 million (2023: Rs. 13.278 million) and Rs. 266.088 million (2023: Rs. 376.141 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

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 - variable rate instruments				
Bank deposits - pls account	11.01% to 20.05%	6% to 14%	<u>5,185,576</u>	<u>13,278,633</u>
Financial liabilities - variable rate instruments				
Short Term Borrowing	23.46% to 24.90%	18.82% to 25.58%	<u>266,088,221</u>	<u>376,141,682</u>

Sensitivity analysis

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

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

	Effect on profit after tax	
	1% increase	1% (decrease)
	----- Rupees -----	
As at June 30, 2024		
Cash flow sensitivity-Variable rate financial instruments	<u>(1,852,409)</u>	<u>1,852,409</u>
As at June 30, 2023		
Cash flow sensitivity-Variable rate financial instruments	<u>(2,576,328)</u>	<u>2,576,328</u>

31.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

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



The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk which ultimately affects the recoverability of debts. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

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

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

	Note	2024	2023
		Rupees	
Long term deposits	9	7,093,405	4,593,405
Trade debts - Note (a and b)	11	533,684,613	310,173,236
Receivables against margin financing	12	369,903,590	196,652,533
Short term deposits	13	280,780,211	82,263,367
Other receivables	13	126,177,815	75,178,849
Short term loans		-	42,646,012
Bank balances	14	448,474,948	433,980,374
		<u>1,766,114,582</u>	<u>1,145,487,776</u>

(a) Trade debts were due from local clients.

(b) The Company holds capital securities having fair value of Rs. 2,817.32 million (2023: Rs. 1434.185 million) owned by its clients, as collaterals against trade debts.

	June 30, 2024		June 30, 2023	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
Past due 1-30 days	415,834,234	-	195,905,413	-
Past due 31-180 days	70,461,704	2,452,635	72,093,691	555,931
Past due 181-365 days	14,604,905	1,950,609	24,963,594	921,012
More than 365 days	42,831,624	5,644,610	20,090,027	1,402,546
	<u>543,732,467</u>	<u>10,047,854</u>	<u>313,052,725</u>	<u>2,879,489</u>

The credit quality of Company's liquid funds can be assessed with reference to external credit ratings as

Banks / other institutions	Short term rating	Credit rating agency	2024	2023
			Rupees	
JS Bank Limited	A1+	PACRA	293,700,861	261,809,077
Summit Bank Limited	-	-	14,462,043	12,644,261
Dubai Islamic Bank	A1+	JCR VIS	18,702,921	20,938,739
United Bank Limited	A1+	JCR VIS	4,723,109	2,044,792
Meezan Bank Limited	A1+	JCR VIS	17,099,586	23,360,812
Al Baraka Bank Limited	A1	JCR VIS	40,042,331	23,887,976
Habib Bank Limited	A1+	JCR VIS	14,994,817	74,157,906
Bank Al Habib Limited	A1+	PACRA	25,902,948	744,946
MCB Bank Limited	A1	PACRA	5,559,645	13,210,981
Bank Alfalah Limited	A1+	PACRA	271,266	600,429
Habib Metropolitan Bank	A1+	PACRA	13,015,421	580,455
			<u>448,474,948</u>	<u>433,980,374</u>

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

31.1.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

	Contractual cash flows					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	Rupees					
June 30, 2024						
Short term borrowings - secured	266,088,221	266,088,221	266,088,221	-	-	-
Lease Liability	24,145,786	34,077,569	5,816,186	5,510,456	22,750,927	-
Trade and other payables	660,375,293	660,375,293	660,375,293	-	-	-
Accrued markup	28,133,361	28,133,361	28,133,361	-	-	-
	978,742,661	988,674,444	960,413,061	5,510,456	22,750,927	-
June 30, 2023						
Short term borrowings - secured	376,141,682	376,141,682	-	-	-	-
Lease Liability	18,418,144	27,807,893	3,849,147	3,790,887	20,167,859	-
Trade and other payables	322,558,953	322,558,953	322,558,953	-	-	-
Accrued markup	21,366,605	21,366,605	21,366,605	-	-	-
	738,485,384	747,875,133	347,774,705	3,790,887	20,167,859	-

31.2 Financial instruments by categories

The table below provides reconciliation of the line items in the Company's statement of financial position to the categories of financial instruments.

	June 30, 2024		
	At fair value through profit or loss	At amortised cost	At fair value through other comprehensive income
Rupees			
Financial assets			
Long term deposits	-	7,093,405	-
Short term investments	249,587,559	-	-
Trade debts	-	533,684,613	-
Receivables against margin financing	-	369,903,590	-
Short term deposits	-	280,780,211	-
Other receivables	-	126,177,815	-
Short term loan	-	-	-
Cash and bank balances	-	448,507,978	-
	<u>249,587,559</u>	<u>1,766,147,612</u>	<u>-</u>
Financial liabilities			
Short term borrowings - secured	-	266,088,221	-
Lease liabilities	-	24,145,786	-
Trade and other payables	-	660,375,293	-
Accrued markup	-	28,133,361	-
	<u>-</u>	<u>978,742,661</u>	<u>-</u>

	June 30 , 2023		
	At fair value through profit or loss	At amortised cost	At fair value 'through other comprehensive income
	Rupees		
Financial assets			
Long term deposits	-	4,593,405	-
Short term investments	191,867,147	-	-
Trade debts	-	310,173,236	-
Receivables against margin financing	-	196,652,533	-
Short term deposits	-	82,263,367	-
Other receivables	-	75,178,849	-
Short term loan	-	42,646,012	-
Cash and bank balances	-	433,991,912	-
	<u>191,867,147</u>	<u>1,145,499,314</u>	<u>-</u>
Financial liabilities			
Short term borrowings - secured	-	376,141,682	-
Lease liabilities	-	18,418,144	-
Trade and other payables	-	322,558,953	-
Accrued markup	-	21,366,605	-
	<u>-</u>	<u>738,485,384</u>	<u>-</u>

32. Fair value of assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

Level Valuation techniques based on observable inputs.

Level 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.

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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	----- Amount in Rupees -----			
<i>Financial assets measured at fair value</i>				
Short term investments	249,587,559	-	-	249,587,559
June 30, 2023	----- Amount in Rupees -----			
<i>Financial assets measured at fair value</i>				
Short term investments	191,867,147	-	-	191,867,147

33. CAPITAL MANAGEMENT

33.1 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

Following is the quantitative analysis of what the Company manages as capital:

		2024	2023
Borrowings:	Note	Rupees	
Short term borrowings - secured	17	266,088,221	376,141,682
Shareholders' equity:			
Issued, subscribed and paid up capital	15	503,404,510	503,404,510
Unappropriated profit		637,833,548	208,666,083
		1,141,238,058	712,070,593
Total capital managed by the Company		1,407,326,279	1,088,212,275

33.2 Capital Adequacy Level

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

		2024	2023
	Note	Rupees	
Total assets	33.2.1	2,174,255,025	1,463,789,516
Less: Total liabilities		1,033,016,967	751,718,923
Capital Adequacy Level		1,141,238,058	712,070,593

✓

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

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

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets				
1.1	Property & Equipment	97,571,780	97,571,780	-
1.2	Intangible Assets	7,808,190	7,808,190	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	237,471,707	38,756,656	198,715,051
	Provided, that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.	12,115,852	12,115,852	-
	ii. If unlisted, 100% of carrying value.	30,127,296	30,127,296	-
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, however, any excess amount of cash deposited with securities exchange to comply with the requirements of Base minimum capital, may be taken in the calculation of LC.	2,850,000	2,850,000	-
1.9	Margin deposits with exchange and clearing house.	280,780,211	-	280,780,211
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	12,364,507	12,364,507	-
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	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets				
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.)	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	4,170,503	-	4,170,503
	ii. Advance tax to the extent it is netted with provision of taxation.	10,720,983	10,720,983	-
	iii. Receivables other than trade receivables	50,458,345	50,458,345	-
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.	75,719,470	-	75,719,470
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.	369,903,590	23,525,918	346,377,672
	i. Lower of net balance sheet value or value determined through adjustments.			
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value.	-	-	-
	ii. Net amount after deducting haircut	-	-	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,	-	-	-
	iii. Net amount after deducting haircut	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	85,726,147	-	85,726,147
	iv. Balance sheet value			
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts.	278,690,052	154,897,975	123,792,077
	v. Lower of net balance sheet value or value determined through adjustments			
	vi. In the case of amount of receivable 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. Upto 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. Lower of net balance sheet values or values determined through adjustments	169,268,414	96,009,733	73,258,682
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	4,315,222	-	4,315,222
	ii. Bank balance-customer accounts	444,159,726	-	444,159,726
	iii. Cash in hand	33,030	-	33,030
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 investments 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. Balance sheet values or net values after deducting haircuts.	-	-	-
1.20	Total Assets	2,174,255,025	537,207,235	1,637,047,790

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	466,275,094	-	466,275,094
2.2	Current Liabilities			
	i. Statutory and regulatory dues	33,193,663	-	33,193,663
	ii. Accruals and other payables	222,233,560	-	222,233,560
	iii. Short-term borrowings	266,088,221	-	266,088,221
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	21,080,643	-	21,080,643
	ix. Other liabilities as per accounting principles and included in the financial statements	6,422,661	-	6,422,661
2.3	Non-Current Liabilities			
	i. Long-Term financing			
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease	17,723,125	-	17,723,125
	b. Other long-term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. 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.	-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.4	Subordinated Loans			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP	-	-	-
2.5	Total Liabilities	1,033,016,967	-	1,033,016,967
3	Ranking Liabilities Relating to :			
3.1	Concentration in Margin Financing			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	2,322,401
3.2	Concentration in securities lending and borrowing			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net-Adjusted Value
3	Ranking Liabilities Relating to :			
3.3	Net underwriting Commitments			
	(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	Concentrated proprietary positions			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
3.9	Opening Positions in futures and options			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	Short sell positions			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilities	-		2,322,401
		<u>1,141,238,058</u>		<u>601,708,422</u>

34. RESTATEMENT

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

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

- (i) The expenses reported in the statement of profit or loss would have been (higher) / lower and the profits would have been (lower) / higher by the amounts presented below:

	2024	2023
	Rupees	
Profit before taxation	449,966,673	(156,033,806)
Taxation - current tax	(30,153,072)	9,171,141
Profit after taxation	<u>419,813,601</u>	<u>(146,862,665)</u>

- (ii) The retrospective effects on the corresponding figure as change in accounting policy presented in these financial statement as follows:

		As previously reported	Effect of restatement	As restated
		Rupees		
	Note			
For the year ended June 30, 2023				
Levies	26	-	9,171,141	9,171,141
Taxation - Current tax	27	9,171,141	(9,171,141)	-

35. GENERAL

35.1 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.

Reclassified from component	Reclassified to component	Amount (Rupees)
Advances, deposits, prepayment and other receivables (Other receivable - others)	Long term deposit (Deposit placed with - PMEX)	<u>500,000</u>
Advances, deposits, prepayment and other receivables (Prepayments - Against leased office premises)	Advances, deposits, prepayment and other receivables (Prepayments - others)	<u>1,440,735</u>
Administrative expenses (Audit remuneration)	Administrative expenses (Legal and professional)	<u>200,000</u>
Advances, deposits, prepayment and other receivables (Other receivable - others)	Advances, deposits, prepayment and other receivables (Other receivable - Sales tax receivable)	<u>588,539</u>
Advances, deposits, prepayment and other receivables (Other receivable - others)	Cash and bank balances (Cash in hand)	<u>11,538</u>

35.2 Date of authorization of financial statement for issue

These financial statements have been authorised by the Board of Directors of the Company in their meeting held on ~~2023~~ 23 SEP 2024 23 SEP 2024


35.3 Number of employees

Total number of employees as at the year end
Average number of employees during the year

2024	2023
Number	Number
67	66
66	68

35.4 Level of rounding

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



Chief executive



Director