



**Russell Bedford**  
*taking you further*

**Rahman Sarfaraz Rahim Iqbal Rafiq**

CHARTERED ACCOUNTANTS

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

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**Russell Bedford International**

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# MRA Securities Limited

TREC HOLDER: PAKISTAN STOCK EXCHANGE LIMITED

**HEAD OFFICE:** Room No 66 1st Floor, Room 416, 4th Floor, Room 718, 733, 738-741 7th Floor Stock Exchange Main Building & Room No. 805 8th Floor, Stock Exchange New Building, Karachi.  
Phones : 32410136-40, 32414112-15 Fax : 32460708

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors the undersigned takes pleasure to present before you the Financial Statements of MRA Securities Limited as Unlisted Public Limited 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 requirements of the Companies Act, 2017.

### Board Composition

Director	Designation
Muhammad Farhan	Director
Muhammad Shoaib	Independent Director
Muhammad Haroon	Independent Director

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

### Nature of Business

MRA Securities Limited (MRA) is an Unlisted Public Limited and TREC holder of Pakistan Stock Exchange Limited (PSX). The company is engaged in the Securities Brokerage Services, Underwriting and Consultant to the issue and other securities broker related services.

### Management Objective And Strategies

MRA's objective and strategy to build financially trusted relationship with investors and provide unique solutions for portfolio management and trading risk management and increase the number of capital market investors in Pakistan.

### Performance Overview

The following depicts the Company's performance in the current year.

	Rupees
Operating Revenue	1,526,146,160
Operating Expenses	(996,886,074)
Operating Profit	529,260,086
Other income	103,115,022
Finance Cost	(197,608,563)
<b>Profit before Levies &amp; Taxation</b>	<b>434,766,545</b>
<b>Levies</b>	<b>(5,891,789)</b>
<b>Profit before Taxation</b>	<b>428,874,756</b>
Taxation	(50,332,581)
<b>Profit after Taxation</b>	<b>378,542,175</b>

Earnings per share

0.30

### CORPORATE OFFICE:

Room No. 1010-1011, 10th Floor, Saima Trade Tower "A", I.I. Chundrigar Road, Karachi. Tel: 32274974-76

### BRANCHES

Room No 405-406, 4th Floor, Stock Exchange Building, Karachi. Tel: 32465614-19	Room No 408, 4th Floor, Stock Exchange Building, Karachi. Tel: 32421905	Room No 535-536, 5th Floor, Stock Exchange Building Karachi. Tel: 32416908, 32468086	Room No 608-609, 6th Floor, Stock Exchange New Building, Karachi. Tel: 32431295, 32466269	Room No. 701-703, 7th Floor, Stock Exchange New Building, Karachi. Tel: 32417997, 32461065	Room No 719, 722 7th Floor, Stock Exchange Building, Karachi. Tel: 32417430, 32400012	A-356, Sector 11-B, New Disco More, North, Karachi. Tel: 36907108
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Email: info@mra.com.pk Web: www.mra.com.pk





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## Capital Market Review & Outlook

During the financial year, KSE 100 Index showed the positive sentiments and crossed the 80,000 index level and posted highest return 89% on YoY basis. This significant return improves the investors' confidence on capital market.

Furthermore, average daily volumes climbed up to 460.2 million shares and average daily value traded to PKR 15.6 billion from 191 million shares and PKR6.1 billion, as compared to previous financial year. Foreign investors bought equities approximately worth of USD124.2 million during the period under review

Going forward investor confidence is expected to considerably improve further with the new IMF program in place, and further expectation of interest rates.

## Dividend:

The Directors do not recommend any cash dividend during the year due to cash flow requirement during next financial year.

## The Directors are pleased to report that:

- 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;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern;
- The Company has on account of statutory payment of taxes, duties, levies and a charge has no outstanding liability as at the balance sheet date;
- There are no transactions entered into by the broker during the year which are fraudulent, illegal or in violation of any securities market laws;
- No material changes and commitments affecting the financial position of your Company have occurred between end of the financial year of the company to which the financial statement relates and the date of the Directors' Report.

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## Changes in Board During the Financial Year

During the financial year 2023-2024, The company has not made any changes in its board of directors.

## Pattern of Shareholding

The detailed pattern of the shareholding and categories of shareholders of the Company as at June 30, 2024 is enclosed in financial statement.

Name	Shares Held	%
Muhammad Farhan (Director)	36,124,755	28.33
Muhammad Junaid Rafiq (Sponsor)	25,000,000	19.61
Ahmed Rafiq (Sponsor)	26,219,231	20.56
Mumtaz Rafiq (Shareholder)	14,032,427	11.01
Haji Muhammad (Sponsor)	9,513,462	7.46
Hina (Shareholder)	16,608,482	13.03
Muhammad Shoaib (Independent Director)	247	0.00
Muhammad Haroon (Independent Director)	170	0.00
Nabeel (Shareholder)	1,226	0.00
<b>Total</b>	<b>127,500,000</b>	<b>100</b>

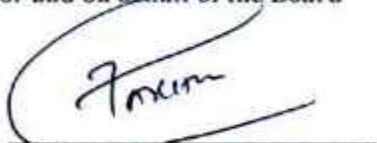
## External Auditors

The retiring auditors, M/s. Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants, being eligible, have offered themselves for reappointment.

## Acknowledgement

The Board of Directors of your company MRA Securities Limited wishes to recognize the efforts of all the stakeholders and employees of the company who contributed towards the betterment of the company.

For and on behalf of the Board

  
Director

  
Chief Executive

Place: Karachi  
Dated: October 07, 2024



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## Statement of Chief Executive Officer

**Under Annexure D, Clause 9 (III) of Securities Broker Securities Brokers  
(Licensing and Operations) Regulations, 2016**

I, **Mirza Mohammad Baig**, Chief Executive officer of MRA Securities Limited declare that there are no transactions entered into by the MRA Securities Limited during the year, which are fraudulent, illegal or in violation of any securities market laws.

  
**Mirza Mohammad Baig**  
Chief Executive Officer



Place: Karachi

Date: October 07, 2024

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**Statement of Compliance with Corporate Governance Code of  
Securities Brokers under Clause 10, Annexure D of the Securities  
Broker Securities Brokers (Licensing and Operations)  
Regulations, 2016**

M/s. MRA Securities Limited is in compliance with the Corporate Governance Code for Securities Brokers as mentioned in Clause 16(1)(f), Annexure D, of the Securities Broker Securities Brokers (Licensing and Operations) Regulations, 2016.

  
**Muhammad Farhan**  
Director

  
**Mirza Mohammad Baig**  
Chief Executive Officer

Place: Karachi  
Date: October 07, 2024



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**Rahman Sarfaraz Rahim Iqbal Rafiq**

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To the members of MRA Securities Limited

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

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

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

#### Basis for Opinion

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

#### Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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taking you further

**Rahman Sarfaraz Rahim Iqbal Rafiq**  
CHARTERED ACCOUNTANTS

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Lahore - Rawalpindi / Islamabad

- : 3: -

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980);
- 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
- 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 Rafiq Dosani**.

  
**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

Karachi

Date: October 07, 2024  
UDIN: AR202410210Rl4hoqvWH

# MRA Securities Limited

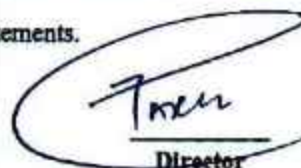
## Statement of Financial Position

As at June 30, 2024

		2024	(Restated) 2023	(Restated) 2022
ASSETS	Note		Rupees	
<b>Non-current assets</b>				
Property and equipment	4	127,883,626	115,665,321	130,268,516
Intangible asset	5	2,500,000	2,500,000	2,500,000
Long term advances and deposits	6	6,110,000	1,510,000	1,510,000
Investment property	7	3,221,052	3,578,947	3,976,608
Deferred taxation - net	8	-	-	-
		<u>139,714,678</u>	<u>123,254,268</u>	<u>138,255,124</u>
<b>Current assets</b>				
Investment in quoted equity securities	9	1,105,112,541	510,381,136	988,304,352
Trade debts	10	1,283,870,318	1,188,982,096	808,952,327
Receivable against margin financing		995,657,309	354,433,123	845,610,146
Loans, deposits, prepayments and other receivables	11	546,972,297	124,048,632	264,177,819
Income tax refundable		-	11,822,374	12,834,097
Cash and bank balances	12	223,238,916	33,720,335	38,123,689
		<u>4,154,851,381</u>	<u>2,223,387,696</u>	<u>2,958,002,430</u>
<b>Total assets</b>		<u>4,294,566,059</u>	<u>2,346,641,964</u>	<u>3,096,257,554</u>
<b>EQUITIES AND LIABILITIES</b>				
<b>Share capital and reserves</b>				
<i>Authorized capital</i>				
150,000,000 (2023: 150,000,000) ordinary shares of Rs. 10/- each		<u>1,500,000,000</u>	<u>1,500,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up capital	13	1,275,000,000	1,275,000,000	750,000,000
<i>Capital reserve</i>				
Capital contribution from directors		159,998,124	61,528,214	-
<i>Revenue reserve</i>				
Unappropriated profits		<u>436,549,096</u>	<u>45,775,122</u>	<u>708,866,928</u>
		<u>1,871,547,220</u>	<u>1,382,303,336</u>	<u>1,458,866,928</u>
<b>Non-current liabilities</b>				
Staff retirement benefits - gratuity	14	74,631,793	68,486,902	63,133,023
Long term loans from shareholders	15	160,416,664	174,855,746	-
		<u>235,048,457</u>	<u>243,342,648</u>	<u>63,133,023</u>
<b>Current liabilities</b>				
Short term borrowings from banking companies	16	1,345,800,321	406,786,135	919,191,269
Subordinated loans from directors	17	-	50,000,000	265,000,000
Trade and other payables	18	784,326,457	234,330,075	368,143,089
Accrued markup		45,029,698	29,879,770	21,923,245
Taxation - net	19	12,813,906	-	-
		<u>2,187,970,382</u>	<u>720,995,980</u>	<u>1,574,257,603</u>
<b>Contingencies and commitments</b>	20			
<b>Total equity and liabilities</b>		<u>4,294,566,059</u>	<u>2,346,641,964</u>	<u>3,096,257,554</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
Chief Executive

  
Director





# MRA Securities Limited

## Statement of Profit or Loss

For the year ended June 30, 2024

		2024	(Restated) 2023
	Note	Rupees	
Commission revenue	21	1,231,680,376	549,512,889
Income from investments - net	22	294,465,784	(63,092,975)
		<u>1,526,146,160</u>	<u>486,419,914</u>
Operating and administrative expenses	23	(981,213,813)	(523,699,484)
Other expenses	24	(15,672,261)	(4,031,800)
Other income	25	103,115,022	43,125,599
		<u>632,375,108</u>	<u>1,814,229</u>
Finance costs	26	(197,608,563)	(142,952,323)
Profit / (loss) before levies and taxation		<u>434,766,545</u>	<u>(141,138,093)</u>
Levies	27	(5,891,789)	(2,557,568)
Profit / (loss) before taxation		<u>428,874,756</u>	<u>(143,695,661)</u>
Taxation	28	(50,332,581)	(8,962,361)
Profit / (loss) after taxation		<u><u>378,542,175</u></u>	<u><u>(152,658,022)</u></u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

✓

  
Chief Executive

  
Director



## MRA Securities Limited

### Statement of Comprehensive Income

For the year ended June 30, 2024

	2024	(Restated) 2023
	Rupees	
Profit / (loss) after taxation	378,542,175	(152,658,022)
<i>Other comprehensive income</i>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Actuarial gain on remeasurement of defined benefit obligation	12,231,799	14,566,216
<b>Total comprehensive income / (loss) for the year</b>	<b>390,773,974</b>	<b>(138,091,806)</b>

The annexed notes from 1 to 36 form an integral part of these financial statements.

✓

  
Chief Executive

  
Director





# MRA Securities Limited

## Statement of Changes in Equity

For the year ended June 30, 2024

	Issued, subscribed and paid up capital	Capital reserve Capital contribution from directors	Revenue reserve Unappropriated profits	Total
	Rupees			
Balance as on June 30, 2022 (as previously reported)	750,000,000	-	747,558,602	1,497,558,602
Effect of correction of prior period error (see note 35)	-	-	(38,691,674)	(38,691,674)
Balance as at June 30, 2022 (restated)	750,000,000	-	708,866,928	1,458,866,928
Total comprehensive loss for the year ended June 30, 2023				
- Loss after taxation (restated)	-	-	(152,658,022)	(152,658,022)
- Other comprehensive income (restated)	-	-	14,566,216	14,566,216
	-	-	(138,091,806)	(138,091,806)
Effect of discounting of loan term loan from director (see note 15)	-	61,528,214	-	61,528,214
Transaction with owners				
- Bonus shares issued	525,000,000	-	(525,000,000)	-
Balance as on June 30, 2023 (restated)	1,275,000,000	61,528,214	45,775,122	1,382,303,336
Total comprehensive income for the year ended June 30, 2024				
- Profit after taxation	-	-	378,542,175	378,542,175
- Other comprehensive income	-	-	12,231,799	12,231,799
	-	-	390,773,974	390,773,974
Effect of discounting of loan term loan from director (see note 15)	-	98,469,910	-	98,469,910
Balance as on June 30, 2024	1,275,000,000	159,998,124	436,549,096	1,871,547,220

The annexed notes from 1 to 36 form an integral part of these financial statements.




Chief Executive      Director



# MRA Securities Limited

## Statement of Cash Flows

For the year ended June 30, 2024

		2024	(Restated) 2023
	Note	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before levies and taxation		434,766,545	(141,138,093)
Adjustments for:			
- Depreciation on property and equipment	4	17,854,089	17,598,041
- Depreciation on investment property	7	357,895	397,661
- Capital (gain) / loss on sale of investments		(246,776,330)	104,017,022
- Unrealized gain on remeasurement of investments		(24,396,533)	(26,877,989)
- Provision for staff retirement benefits		23,810,692	23,527,248
- Provision / reversal of provision for expected credit losses	10.2	12,441,299	3,917,800
- Finance costs	26	197,608,563	142,952,323
- Loss / (gain) on disposal of operating fixed assets	24 & 25	2,698,192	(580,141)
- Profit on exposure deposit	25	(99,447,335)	(39,016,649)
- Rental income	25	(3,180,000)	(3,180,000)
		(119,029,468)	222,755,316
<b>Cash generated from operating activities before working capital changes</b>		<b>315,737,077</b>	<b>81,617,223</b>
<b>Effect on cash flow due to working capital changes</b>			
(Increase)/decrease in current assets			
- Trade debts		(107,329,521)	(383,947,569)
- Receivable against margin financing		(641,224,186)	491,177,023
- Loans, deposits, prepayments and other receivables		(422,923,665)	140,129,187
Increase/(decrease) in current liabilities			
- Trade and other payables		549,996,382	(133,425,530)
		(621,480,990)	113,933,111
<b>Cash (used in) / generated from operating activities</b>		<b>(305,743,913)</b>	<b>195,550,334</b>
Short term investments - net		(323,558,537)	400,753,682
Income tax (paid) / refund received		(31,588,095)	(10,508,205)
Finance costs paid		(148,427,807)	(113,611,838)
Long term deposits - net		(4,600,000)	-
Staff retirement paid		(5,434,002)	(3,994,637)
<b>Net cash (used in) / generated from operating activities</b>		<b>(819,352,354)</b>	<b>468,189,336</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property and equipment		(40,170,586)	(23,355,705)
Proceeds from disposal of operating fixed assets		7,400,000	20,971,500
Profit received on exposure deposit		99,447,335	39,016,649
Rent received		3,180,000	3,180,000
<b>Net cash generated from investing activities</b>		<b>69,856,749</b>	<b>39,812,444</b>
Net increase in cash and cash equivalents		(749,495,605)	508,001,780
Cash and cash equivalents at the beginning of the year		(373,065,800)	(881,067,580)
<b>Cash and cash equivalents at the end of the year</b>	29	<b>(1,122,561,405)</b>	<b>(373,065,800)</b>

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
Chief Executive

  
Director





# MRA Securities Limited

## Notes to the Financial Statements

For the year ended June 30, 2024

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 MRA Securities Limited ('the Company') was incorporated in Pakistan as a private limited company on August 17, 2000 under the repealed Companies Ordinance, 1984 (which was later replaced by the Companies Act, 2017 in May 2017). In September 2016, the Company was converted into a public unlisted company.
- 1.2 The Company is a holder of the Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.
- 1.3 The geographical location of Company's offices are as follows:

City	Office Type	Office Address
Karachi	Head office (Registered office)	Room No. 738-741, 7th Floor, Stock Exchange Building, Karachi
Karachi	Regional office	Room No. 718-723, 7th Floor, Stock Exchange Building, Karachi
Karachi	Regional office	Room No. 701-703, 7th Floor, New Stock Exchange Building, Karachi
Karachi	Regional office	Room No. 608-609, 6th Floor, New Stock Exchange Building, Karachi
Karachi	Regional office	Room No. 535-536, 5th Floor, Stock Exchange Building, Karachi
Karachi	Regional office	Room No. 408, 4th Floor, Stock Exchange Building, Karachi
Karachi	Regional office	Room No. 405-406, 4th Floor, Stock Exchange Building, Karachi
Karachi	Regional office	Room No. 1010-1011, Saima Trade Tower, I.I. Chundrigar Road, Karachi
Karachi	Regional office	A-356, Sector 11-B, New Disco More, North Karachi, Karachi

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

#### 2.2 Basis of measurement 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. The financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

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## 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.

### (b) Assumptions and other major sources of estimation uncertainty

Information about 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 is included in the following notes:

Area of estimation uncertainty	Brief description of the assumption or the source of estimation uncertainty
Provision for Expected Credit losses	Estimation of the default rates for each age bracket of aging of customers.
Investment Property	Estimation of fair value of investment property

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

### 2.5.1 Amendments to existing standards that became effective during the year

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

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

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

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

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



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

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

		Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Note	----- (Rupees in '000) -----		
Effect on statement of profit or loss				
For the year ended June 30, 2023				
Loss before levies and taxation		(141,138,093)	-	(141,138,093)
Levies	27	-	(2,557,568)	(2,557,568)
Loss before taxation		(141,138,093)	(2,557,568)	(143,695,661)
Taxation	28			
- Current tax		(9,372,663)	2,557,568	(6,815,095)
- Prior year		(2,147,266)	-	(2,147,266)
- Deferred tax		-	-	-
		(11,519,929)	2,557,568	(8,962,361)
Loss after taxation		(152,658,022)	-	(152,658,022)
For the year ended June 30, 2024				
Profit before levies and taxation		434,766,545	-	434,766,545
Levies	27	-	(5,891,789)	(5,891,789)
Profit before taxation		434,766,545	(5,891,789)	428,874,756
Taxation	28			
- Current tax		(56,224,370)	5,891,789	(50,332,581)
- Prior year		-	-	-
- Deferred tax		-	-	-
		(56,224,370)	5,891,789	(50,332,581)
Profit after taxation		378,542,175	-	378,542,175

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

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

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- 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 Group company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after January 01, 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Lease liability in a sale and leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after January 01, 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from lease liability in a sale and leaseback for an earlier period, the entity shall disclose that fact.
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for accompany to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after January 01, 2024, with early application permitted.
- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 01, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 01, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business



- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and IFRS 7. Amendments to the Classification and Measurement of Financial Instruments. The amendments:
  - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expired or the liability otherwise qualified for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
  - Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.
  - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI).
  - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).
- Annual Improvements - Volume Eleven:
  - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
  - Gain or loss on derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.
  - Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
  - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.
  - Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.
  - Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.
  - Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.



- Determination of a 'De Facto Agent' (Amendments to IFRS 10) - Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in 874 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.
- Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

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

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

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

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

#### 3.1 Property and equipment

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

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

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

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

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at the reporting date did not require any adjustment.

#### 3.2 Intangible asset

##### *Trading Rights Entitlement (TRE) Certificate*

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



### 3.3 Investment property

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises expenditure that is directly attributable to the acquisition of the asset including transaction costs.

Depreciation on investment property is charged using reducing balance method in accordance with the rates specified in note 7 to these financial statements. The useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

### 3.4 Financial instruments

#### 3.4.1 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 (including house own investments) are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place.

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

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

#### *(a) Financial assets measured at amortized cost*

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

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

#### *(b) Financial assets at FVOCI*

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

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

#### *(c) Financial assets at FVTPL*

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

Such financial assets are initially measured at fair value.

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### 3.4.2 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.

### 3.4.3 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.



#### **3.4.4 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.

#### **3.5 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.

#### **3.6 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.

#### **3.7 Trade debts and other receivables**

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

#### **3.8 Cash and cash equivalents**

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

#### **3.9 Staff retirement benefits - Defined benefit plan**

Defined benefit plans provide an amount of pension or gratuity that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligations are calculated annually by independent actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plans.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

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### **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.

#### *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 Commission revenue**

#### *Revenue from trading activities - brokerage commission*

Commission revenue from trading of securities is recognized when the transaction is settled by the clearing house and there is no unfulfilled obligation that could affect the customer's acceptance.

A receivable is recognized on the settlement date as this is the point in time that the payment of commission by the customer becomes due.

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

### **3.12 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.

### **3.13 Other income**

#### *Mark up / interest income*

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

#### *Rental income*

Rent from operating leases is recognized as income on a straight line basis. Any modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.



### 3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 3.15 Levies and Taxation

#### *Levies*

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

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

#### *Current tax*

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

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

#### *Deferred tax*

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

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

#### *Judgment and estimates*

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

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

## Offsetting

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

## 4. PROPERTY AND EQUIPMENT

	Office premises	Office equipment	Computers	Furniture and fixtures	Vehicles	Total
	Rupees					
<b>As at June 30, 2022</b>						
Cost	48,209,226	12,799,794	15,142,626	15,870,847	84,765,250	176,787,743
Accumulated depreciation	(14,954,425)	(8,018,543)	(12,205,653)	(5,465,539)	(5,875,068)	(46,519,227)
Net book value	<u>33,254,801</u>	<u>4,781,251</u>	<u>2,936,974</u>	<u>10,405,308</u>	<u>78,890,182</u>	<u>130,268,516</u>
<b>Movement during the year ended June 30, 2023</b>						
Opening net book value	33,254,801	4,781,251	2,936,974	10,405,308	78,890,182	130,268,516
Additions during the year	3,000,000	873,840	1,095,275	-	18,386,590	23,355,705
Disposals:						
- Cost	-	-	-	-	(23,851,400)	(23,851,400)
- Accumulated depreciation	-	-	-	-	3,490,541	3,490,541
	-	-	-	-	(20,360,859)	(20,360,859)
Depreciation for the year	(3,570,412)	(769,194)	(1,066,307)	(1,560,796)	(10,631,332)	(17,598,041)
Closing net book value	<u>32,684,389</u>	<u>4,885,897</u>	<u>2,965,942</u>	<u>8,844,512</u>	<u>66,284,581</u>	<u>115,665,321</u>
<b>As at June 30, 2023</b>						
Cost	51,209,226	13,673,634	16,237,901	15,870,847	79,300,440	176,292,048
Accumulated depreciation	(18,524,837)	(8,787,737)	(13,271,960)	(7,026,335)	(13,015,859)	(60,626,727)
Net book value	<u>32,684,389</u>	<u>4,885,897</u>	<u>2,965,942</u>	<u>8,844,512</u>	<u>66,284,581</u>	<u>115,665,321</u>
<b>Movement during the year ended June 30, 2024</b>						
Opening net book value	32,684,389	4,885,897	2,965,942	8,844,512	66,284,581	115,665,321
Additions during the year	-	147,000	1,782,636	-	38,240,950	40,170,586
Disposals:						
- Cost	-	-	-	-	(13,410,000)	(13,410,000)
- Accumulated depreciation	-	-	-	-	3,311,808	3,311,808
	-	-	-	-	(10,098,192)	(10,098,192)
Depreciation for the year	(3,268,439)	(736,993)	(1,058,907)	(1,326,677)	(11,463,073)	(17,854,089)
Closing net book value	<u>29,415,950</u>	<u>4,295,904</u>	<u>3,689,671</u>	<u>7,517,835</u>	<u>82,964,266</u>	<u>127,883,626</u>
<b>As at June 30, 2024</b>						
Cost	51,209,226	13,820,634	18,020,537	15,870,847	104,131,390	203,052,634
Accumulated depreciation	(21,793,276)	(9,524,730)	(14,330,867)	(8,353,012)	(21,167,124)	(75,169,008)
Net book value	<u>29,415,950</u>	<u>4,295,904</u>	<u>3,689,671</u>	<u>7,517,835</u>	<u>82,964,266</u>	<u>127,883,626</u>
Annual rate of depreciation	<u>10%</u>	<u>15%</u>	<u>30%</u>	<u>15%</u>	<u>15%</u>	

4.1 Office premises include Offices no. 535-536, 718 and 739-741 situated in the Stock Exchange Building, Karachi as well as Offices no. 701-703 situated in the New Stock Exchange Building, Karachi which are mortgaged against certain financial guarantees, except office no. 701 and 702, issued by a commercial bank on behalf of the Company.

4.2 Following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the year:



Asset description	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain / (loss) on disposal	Buyer	Relationship with the buyer	Mode of disposal
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Rupees

KIA Sorento	9,210,000	2,060,044	7,149,955	4,400,000	(2,749,955)	Mr. Faizan Iqbal	None	Negotiation
Toyota Sienta	4,200,000	1,251,764	2,948,236	3,000,000	51,764	Mr. Kamran	Employee	Negotiation
June 30, 2024	13,410,000	3,311,808	10,098,192	7,400,000	(2,698,192)			
June 30, 2023	23,851,400	3,490,541	20,360,859	20,941,000	580,141			

		2024	2023
<b>5. INTANGIBLE ASSET</b>	<i>Note</i>	<b>Rupees</b>	
<i>Trading Right Entitlement Certificate</i>			
Cost		5,000,000	5,000,000
Accumulated impairment		(2,500,000)	(2,500,000)
	5.1	<u>2,500,000</u>	<u>2,500,000</u>
5.1	Pakistan Stock Exchange Limited vide its notification no. PSX/N-225 dated February 16, 2021 has notified the notional value of a Trading Right Entitlement Certificate (TREC) amounting to Rs. 2.5 million. Accordingly, the Company has carried its TREC at the said amount.		
<b>6. LONG TERM ADVANCES AND DEPOSITS</b>	<i>Note</i>	<b>Rupees</b>	
<i>Advance</i>			
Advance against purchase of car		4,500,000	-
<i>Deposits</i>			
Basic deposit - CDC		100,000	100,000
Deposits - NCCPL	6.1	<u>1,510,000</u>	<u>1,410,000</u>
		1,610,000	1,510,000
		<u>6,110,000</u>	<u>1,510,000</u>
6.1	Deposits placed with National Clearing Company of Pakistan Limited (NCCPL)		
Basic deposit		200,000	200,000
Exposure margin on Ready Market		200,000	200,000
Exposure margin on DFCs		1,000,000	1,000,000
Exposure margin on Margin Trading		100,000	-
Other deposit		10,000	10,000
		<u>1,510,000</u>	<u>1,410,000</u>
<b>7. INVESTMENT PROPERTY -</b>			
<b>Offices in PSX Building</b>			
<i>Opening balance</i>			
- Cost		15,030,000	15,030,000
- Accumulated depreciation		<u>(11,451,053)</u>	<u>(11,053,392)</u>
		3,578,947	3,976,608
<i>Movement during the year</i>			
Depreciation for the year		(357,895)	(397,661)
<i>Closing net book value</i>		<u>3,221,052</u>	<u>3,578,947</u>
<i>Closing balance</i>			
- Cost		15,030,000	15,030,000
- Accumulated depreciation		<u>(11,808,948)</u>	<u>(11,451,053)</u>
		3,221,052	3,578,947
<i>Depreciation rate (per annum)</i>		<u>10%</u>	<u>10%</u>

- 7.1 Investment property comprises offices no. 37 and 38 situated in the Stock Exchange Building, Karachi which are mortgaged against certain financial guarantees issued by a commercial bank on behalf of the Company. The offices have an aggregate fair value of Rs. 9.0 million (2023: Rs. 9.0 million) as at the reporting date.

		2024	2023
		Rupees	
8.	DEFERRED TAXATION - net	Note	
	Deferred tax asset / (liability) in respect of:		
	- Capital loss on short term investments	8.1	-
	- Other temporary differences	8.2	-
			-

8.1 Deferred tax in respect of capital loss on short term investments

Deferred tax asset amounting to Rs. 93.754 million (2023: Rs. 95.141 million) has not been recognized in respect of the realized and unrealized capital losses on short term investments because it is not probable that future capital gain on securities will be available against which the Company can use the benefits therefrom.

8.2	Deferred tax in respect of other temporary differences	Note	2024	2023
			Rupees	
	Deferred tax liability recognized	8.2.1	(15,829,167)	(11,641,834)
	Deferred tax asset recognized	8.2.2	15,829,167	11,641,834
			<u>-</u>	<u>-</u>

8.2.1 Deferred tax liability

Long term loan from shareholders	(15,829,167)	(11,641,834)
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8.2.2 Deferred tax assets

Accelerated depreciation	2,286,595	2,777,853
Provision for expected credit losses	6,973,694	3,365,717
Staff retirement benefits - gratuity	21,643,220	19,861,202
Unused business losses	-	12,873,500
Minimum tax carried forward	-	6,077,335
Deferred tax assets available for recognition	<u>28,616,914</u>	<u>44,955,607</u>
Deferred tax assets actually recognized	15,829,167	11,641,834
Unrecognized deferred tax assets	<u>12,787,746</u>	<u>33,313,773</u>
	<u>28,616,914</u>	<u>44,955,607</u>



9. INVESTMENT IN QUOTED EQUITY SECURITIES -  
At fair value through profit or loss

2024	2023	Name of Investee	2024	2023
----- Number of shares -----			---- Market value in Rupees ----	
-	10,000	Abdullah Shah Ghazi Sugar Mills Limited	-	52,500
-	227,800	Agha Steel Industries Limited	-	2,214,216
-	84,203	Agp Limited	-	4,755,785
-	714,500	Agrotech Limited	-	3,100,930
240,000	55,500	Air Link Communication Limited	21,319,200	1,100,565
-	532,000	Aisha Steel Mills Limited	-	2,872,800
600,000	963,444	Al Shaheer Corporation Limited	4,842,000	6,965,700
650,000	355,000	Amreli Steels Limited	17,543,500	5,449,250
2,000	2,000	Arif Habib Corporation Limited	97,020	49,740
-	35,000	Arif Habib Limited	-	933,800
-	116,962	At-Tahir Limited	-	1,925,195
40,000	49,086	Attock Refinery Limited	14,063,600	8,424,630
-	14,000	Avanceon Limited	-	616,560
-	459,597	Azgard Nine Limited	-	2,757,582
-	10,000	B.R.R. Guardian Modaraba	-	115,000
-	170,000	Balochistan Glass Limited	-	1,751,000
-	80,000	Bankislami Pakistan Limited	-	1,420,800
425,000	2,206	Century Paper & Board Mills Limited	12,728,750	62,297
-	1,500	Cherat Cement Company Limited	-	180,420
2,516,000	889,500	Cnergyico Pk Limited	9,686,600	2,526,180
100,000	82,000	Crescent Steel & Allied Products Limited	5,401,000	1,763,000
630,000	-	Citi Pharma Ltd.	17,955,000	-
168,000	495,000	D.G. Khan Cement Company Limited	15,165,360	25,393,500
90,000	54,000	Dawood Hercules Corporation Limited	14,483,700	5,400,000
-	667,000	Dewan Cement Limited	-	2,768,050
400,000	150,000	Dewan Farooque Motors Limited	16,196,000	1,611,000
-	7,500	Dewan Farooque Spinning Mills Limited	-	15,750
-	300,000	Dost Steels Limited	-	1,593,000
-	6,325	Ecopack Limited	-	91,713
-	13,696	Engro Corporation Limited	-	3,559,453
-	4,293	Engro Fertilizers Limited	-	354,301
-	9,000	Engro Powergen Qadirpur Limited	-	205,200
7,500	-	Exide Pakistan Limited	4,419,825	-
200	200	Fateh Textile Mills Limited	14,800	14,800
557,000	364,875	Fauji Cement Company Limited	12,760,870	4,290,930
136,500	374,970	Fauji Fertilizer Bin Qasim Limited	4,841,655	4,417,147
605,000	45,000	Fauji Fertilizer Company Limited	98,844,900	4,429,800
-	587,520	Fauji Foods Limited	-	3,372,365
-	270,000	First National Equities Limited	-	893,700
445,000	449,700	Flying Cement Company Limited	3,702,400	2,491,338
539,000	79,000	Frieslandcampina Engro Pakistan Limited	37,740,780	4,663,370
-	65,500	Ghandhara Tyre & Rubber Company Limited	-	1,336,855
-	285,085	Ghani Chemical Industries Limited	-	2,691,202
245,955	72,078	Ghani Glass Limited	6,409,587	1,837,989
-	350,000	Ghani Global Glass Limited	-	2,044,000

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2024	2023	Name of Investee	2024	2023
----- Number of shares -----			---- Market value in Rupees ----	
50,000	243,000	Ghani Global Holdings Limited	476,000	2,398,410
98,000	59,000	Glaxosmithkline Pakistan Limited	14,096,320	4,446,830
-	3,593	Globe Residency Reit	-	49,332
210,000	457,500	Gul Ahmed Textile Mills Limited	4,431,000	8,148,075
-	1,500	Habib Bank Limited	-	109,845
-	13,400	Haleon Pakistan Limited	-	1,877,876
50,000	406,250	Hascol Petroleum Limited	309,500	2,254,688
-	41,500	Interloop Limited	-	1,463,290
825,000	-	International Packaging Films	19,470,000	-
1	1	Ivibl	-	-
10,000	-	Igi Holdings Limited	1,260,000	-
50,000	50,000	Jahangir Sidd(Pref)	365,000	325,000
375,000	1,038,500	Jahangir Siddiqui & Co. Ltd.	7,080,000	9,865,750
280,000	280,000	Japan Power Generation Limited	-	-
25,000	25,000	Javed Omer Vohra & Company Limited	-	-
318	318	Jslcfo	-	-
500,000	-	Jubilee General Insurance Company Limited	22,815,000	-
490,000	535,500	K-Electric Limited	2,268,700	921,060
-	25,000	Kohinoor Industries Limited		185,000
-	475,000	Kohinoor Spinning Mills Limited		1,116,250
7,200	53,000	Kot Addu Power Company Limited	238,392	1,102,400
-	195,000	Lalpir Power Limited		2,915,250
-	430,028	Loads Limited		2,730,678
-	40,000	Lotte Chemical Pakistan Limited		1,100,800
-	57,238	Lucky Cement Limited		29,883,387
245,000	159,500	Macpac Films Limited	4,390,400	2,499,365
186,000	242,610	Maple Leaf Cement Factory Limited	7,068,000	6,873,141
-	42,500	Matco Foods Limited		1,157,275
-	599,500	Meezan Pakistan Etf		4,670,105
-	350,000	Merit Packaging Limited		3,080,000
-	4,001	Millat Tractors Limited		1,561,630
-	37,625	Mughal Iron & Steel Industries Limited		1,822,555
30,000		Mitchells Fruit Farms Limited	3,982,800	
51,000	59,514	National Refinery Limited	13,539,480	8,927,100
130,000	43,500	Netsol Technologies Limited	17,648,800	3,255,105
39,000	-	Nishat Chunian Power Limited	1,168,050	-
165,000	38,500	Nishat Mills Limited	11,690,250	2,185,645
-	21,550	Octopus Digital Limited	-	805,755
692,000	417,081	Oil & Gas Development Company Limited	93,676,040	32,532,318
-	47,000	Olympia Mills Limited		977,600
-	10,000	Pace (Pakistan) Limited		19,600



2024	2023	Name of Investee	2024	2023
----- Number of shares -----			---- Market value in Rupees ----	
-	498,500	Pak Agro Packaging Limited		3,459,590
379,000	986,500	Pak Elektron Limited	9,365,090	8,927,825
-	5,500	Pak Suzuki Motor Company Limited		523,600
-	170,497	Pakistan Aluminium Beverage Cans Limited		7,709,874
-	50,000	Pakistan International Airlines Corp		168,000
924,000	188,500	Pakistan International Bulk Terminal	5,701,080	774,735
-	154,800	Pakistan International Container		8,831,340
-	39,100	Pakistan National Shipping Corporation		5,181,923
61,500	25,892	Pakistan Oilfields Limited	30,131,310	10,402,629
-	7,812	Pakistan Oxygen Limited		736,672
463,000	392,309	Pakistan Petroleum Limited	54,221,930	23,201,154
175,000	51,500	Pakistan Refinery Limited	4,060,000	698,340
269,150	127,346	Pakistan State Oil Company Limited	44,735,422	14,136,679
2,400,000	4,647,500	Pakistan Stock Exchange Limited	30,744,000	34,391,500
250,000	947,000	Pakistan Telecommunication Company Ltd	3,002,500	5,691,470
-	31,500	Panther Tyres Ltd.	-	635,040
-	60,978	Pioneer Cement Limited	-	5,282,524
-	360,000	Power Cement Limited	-	1,476,000
-	5,000	Quice Food Industries Limited	-	17,500
250,000	74,000	Roshan Packages Limited	3,525,000	657,860
-	95,823	Service Globalfootwear Limited	-	2,671,545
-	47,000	Shabbir Tiles & Ceramics Limited	-	391,040
112,000		Sazgar Engineering Works Limited	93,235,520	
85,500	221,500	Shell Pakistan Limited	11,465,550	25,616,475
194,170	330,000	Siddiqsons Tin Plate Limited	1,099,002	1,956,900
325,000	368,500	Sitara Peroxide Limited	4,306,250	4,558,345
800,000	106,000	Sui Northern Gas Pipelines Limited	50,776,000	4,173,220
45,000	3,683,500	Sui Southern Gas Company Limited	426,600	31,641,265
-	5,400	Synthetic Products Enterprises Limited		56,160
50,000	-	Symmetry Group Limited	243,500	
-	340,205	Telecard Limited		2,245,353
-	70,000	Thatta Cement Company Limited		795,200
832,415	37,000	The Hub Power Company Limited	135,750,238	2,574,460
349,500	155,000	The Searle Company Limited	19,963,440	5,939,600
200,000	247,502	Tpl Properties Limited	1,748,000	3,083,875
-	35,522	Treet Corporation Limited	-	562,313
119,000	199,000	Trg Pakistan Limited	7,383,950	18,333,870
1,572,000	190,548	Unity Foods Limited	47,395,800	2,978,265
-	97	Universal Network Systems Limited (Gem)	-	5,966
-	292,000	Waves Home Appliance Limited	-	1,293,560
-	274,000	Waves Singer Pakistan Limited	-	1,685,100
-	720,000	Worldcall Telecom Limited	-	784,800
-	278,500	Yousaf Weaving Mills Limited	-	712,960
3,732,000	3,732,000	Zeal Pak Cement Factory Limited	1,642,080	1,642,080
26,493,909	36,261,580	Total	1,105,112,541	510,381,136

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

	June 30, 2024		June 30, 2023	
	Number of securities	Fair value (Rupees)	Number of securities	Fair value (Rupees)
Clients	7,167,169	87,388,243	6,472,929	49,762,492
Brokerage House	984,300	62,902,593	6,621,150	69,171,899
	<u>8,151,469</u>	<u>150,290,836</u>	<u>13,094,079</u>	<u>118,934,390</u>

9.1.2 The number and fair value of securities pledged with banks are as follows:

	June 30, 2024		June 30, 2023	
	Number of securities	Fair value (Rupees)	Number of securities	Fair value (Rupees)
Clients	76,578,152	1,811,018,300	80,220,582	902,204,662
Brokerage House	16,577,850	858,127,079	17,536,700	238,813,807
	<u>93,156,002</u>	<u>2,669,145,378</u>	<u>97,757,282</u>	<u>1,141,018,469</u>

	Note	2024	2023
		Rupees	
<b>10. TRADE DEBTS</b>			
Trade receivables - gross	10.1	1,307,917,538	1,200,588,017
Less: Provision for expected credit losses	10.2	(24,047,220)	(11,605,921)
		<u>1,283,870,318</u>	<u>1,188,982,096</u>

#### 10.1 Trade receivables - gross

10.1.1 These include Rs. 61.232 million (2023: Rs. 441.075 million) due from related parties. The maximum aggregate amount outstanding during the year from such parties (with respect to month-end balances) amounted to Rs. 838.025 million (2023: Rs. 599.200 million).

10.1.2 As of the reporting date, the Company held capital securities having fair value of Rs. 5,009 million (2023: Rs. 3,924 million) owned by its clients, as collaterals against trade debts.

	Note	2024	2023
		Rupees	
<b>10.2 Provision for expected credit losses</b>			
Opening balance		11,605,921	7,688,121
Charge for the year	24	12,441,299	3,917,800
Closing balance		<u>24,047,220</u>	<u>11,605,921</u>



11.	LOANS, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2024	2023
			Rupees	
	<b>Loans</b>			
	Loan to employees - unsecured		500,000	1,050,000
	<b>Deposits</b>			
	Deposits placed with NCCPL in respect of:			
	- Exposure margin on Ready Market		221,000,000	80,000,000
	- Exposure margin on DFCs (net of demand)		229,262,286	4,192,063
	- Loss on DFCs (net of demand)		-	14,691
	- Exposure deposit - GEM		78,203	78,203
	- Loss margin - GEM		154,650	154,650
	- Loss margin - MTS		6,085,838	-
	Other deposits		1,454,611	731,033
			458,035,588	85,170,640
	<b>Prepayments</b>			
	Prepaid insurance		2,435,989	2,119,965
	<b>Other receivables</b>			
	Receivable from NCCPL against:			
	- profit held on Deliverable Futures Contracts (DFCs)		62,712,880	28,187,948
	- accrued markup on deposits against exposure margins		22,188,207	7,460,456
	Commission receivable from CDC		388,312	59,623
	Dividend receivable		439,500	-
	Others		271,821	-
			86,000,720	35,708,027
			<u>546,972,297</u>	<u>124,048,632</u>

## 12. CASH AND BANK BALANCES

Cash in hand	78,896	91,406
Cash at banks - current accounts	223,160,020	33,628,929
	<u>223,238,916</u>	<u>33,720,335</u>

- 12.1 Bank balances include customers' bank balances held in designated bank accounts amounting Rs. 219.162 million (2023: Rs. 31.302 million).

## 13. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024	2023		2024	2023
— Number of shares —			Rupees	
		Ordinary shares of Rs.10/- each issued:		
48,800,000	48,800,000	- for cash	488,000,000	488,000,000
3,200,000	3,200,000	- for consideration other than cash	32,000,000	32,000,000
75,500,000	75,500,000	- as bonus shares	755,000,000	755,000,000
<u>127,500,000</u>	<u>127,500,000</u>		<u>1,275,000,000</u>	<u>1,275,000,000</u>

### 13.1 Pattern of shareholding

Shareholder	June 30, 2024		June 30, 2023	
	Number of shares held	% shareholding	Number of shares held	% shareholding
Mr. Muhammad Farhan	36,124,755	28.33%	36,124,755	28.33%
Mr. Muhammad Junaid	25,000,000	19.61%	31,123,076	24.41%
Mr. Ahmed Rafiq	26,219,231	20.56%	26,219,231	20.56%
Mr. Mumtaz Rafiq	14,032,427	11.01%	11,032,427	8.65%
Mr. Haji Muhammad	9,513,462	7.46%	9,513,462	7.46%
Ms. Hina Farhan	16,608,482	13.03%	13,485,406	10.58%
Mr. Muhammad Shoaib	247	0.00%	247	0.00%
Mr. Nabeel	1,226	0.00%	1,226	0.00%
Mr. Muhammad Haroon	170	0.00%	170	0.00%
	<u>127,500,000</u>	<u>100.00%</u>	<u>127,500,000</u>	<u>100.00%</u>

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

### 14. STAFF RETIREMENT BENEFITS - gratuity

The Company operates an unfunded gratuity scheme for its permanent employees. The latest actuarial valuation of the plan was carried out as at June 30, 2024 by M/s. Nauman Associates, using Projected Unit Credit Method. Details of the defined benefit plan are presented below :

			(Restated)	
			2024	2023
			Rupees	
14.1	Movement in defined benefit obligation	Note		
	Opening balance		68,486,902	63,133,023
	Expense recognized in profit or loss	14.2	23,810,692	23,527,248
	Remeasurement gain recognized in other comprehensive income	14.3	(12,231,799)	(14,566,216)
	Benefits due but not paid		-	(20,000)
	Benefits paid		(5,434,002)	(3,587,153)
	Closing balance		74,631,793	68,486,902
14.2	Expense recognized in profit or loss			
	Current service cost		13,123,083	15,401,096
	Interest cost on defined benefit obligation		10,687,609	8,126,152
			23,810,692	23,527,248
14.3	Remeasurement gain recognized in other comprehensive income			
	Actuarial (gains) / losses arising from:			
	- Changes in financial assumptions		(2,745,046)	694,756
	- Experience adjustments		(9,486,753)	(15,260,972)
			(12,231,799)	(14,566,216)
14.4	Sensitivity analysis of defined benefit obligation			
	Discount rate + 100 bps		69,152,566	63,529,939
	Discount rate - 100 bps		80,984,353	74,249,177
	Rate of salary increase + 100 pbs		81,198,056	74,440,573
	Rate of salary increase - 100 pbs		68,868,183	63,273,911



The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for gratuity recognized within the statement of financial position.

#### 14.5 Principal actuarial assumptions used

Mortality rates

SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year
----------------------------------	----------------------------------

Discount rate

15.25%	16.25%
--------	--------

Expected rate of increase in salaries

10% - 14.25%	15.25%
--------------	--------

Retirement age

60 years	60 years
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#### 14.6 Expected benefit payments for future periods

2024	2023
Rupees	

FY 2025	14,576,667	14,361,188
FY 2026	9,587,625	10,113,671
FY 2027	9,742,133	9,971,495
FY 2028	9,440,366	10,271,197
FY 2029	14,556,365	10,074,558
FY 2030	16,003,004	11,359,361
FY 2031	13,389,435	18,730,461
FY 2032	9,656,879	14,402,235
FY 2033	10,281,356	11,090,762
FY 2034	10,999,788	11,973,808
FY 2035 and onwards	1,637,881,071	2,227,433,713

14.7 As at June 30, 2024, the weighted average duration of the defined benefit plan was 8 years (2023: 8 years).

14.8 The scheme exposes the Company to the actuarial risks such as:

##### 14.8.1 Salary risk

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

##### 14.8.2 Demographic risks

###### - Mortality risk:

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

###### - Withdrawal risk:

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

15.	LONG TERM LOANS FROM SHAREHOLDERS	Note	2024	2023
			Rupees	
	<i>Gross amount</i>			
	Opening balance		215,000,000	-
	Transferred from subordinated loans from directors	15.1	50,000,000	215,000,000
			265,000,000	215,000,000
	<i>Cumulative effect of discounting / unwinding</i>			
	Opening balance		(40,144,254)	-
	Effect of discounting credited to equity		(98,469,910)	(61,528,214)
	Effect of unwinding recognized in finance costs	26	34,030,828	21,383,960
			(104,583,336)	(40,144,254)
			160,416,664	174,855,746

- 15.1 The Company obtained long term loan from its shareholders which is classified as non-current liabilities. Further, in accordance with the requirement of IFRS 9 "Financial Instruments" and Technical release 32 Accounting Director's Loan issued by the Institute of Chartered Accountant of Pakistan (ICAP), the loan has been discounted at the Company's borrowing rate of KIBOR+2%. The terms of borrowing are described below:

S. No.	Name of shareholder	Date of old agreement	Date of revised agreement	Principal repayment period as per old agreement	Principal repayment period as per new agreement	Discount rate used
1	Mr. Haji Muhammad	September 26, 2022	March 7, 2024	after two years	after three years	23.09%
2	Mr. Ahmed	September 10, 2021	December 22, 2023	On demand	after two years	23.66%

16.	SHORT TERM BORROWINGS FROM BANKING COMPANIES	Note	2024	2023
			Rupees	
	Running finance obtained from:			
	- MCB Bank Limited		-	23,870,271
	- JS Bank Limited	16.1	1,012,460,472	324,995,551
	- The Bank of Khyber Limited	16.2	134,950,000	50,000,000
	- Bank Al Habib Limited	16.3	198,389,849	7,920,313
			1,345,800,321	406,786,135

- 16.1 This represents the amount availed under a short-term running finance facility with a limit of Rs. 1,500 million (2023: Rs. 1,500 million) obtained from M/s. JS Bank Limited to finance the trading or investment in shares. The facility carries markup at the rate of 3-Month KIBOR plus 2% p.a. (2023: 3-Month KIBOR plus 2% p.a.) and is secured against the following:

- pledge of shares with a minimum margin of 35% to be governed by Pakistan Stock Exchange Limited (as per JS' approved list of shares) duly registered with CDC;
- 1st exclusive charge over pledge of shares registered with the SECP; and
- personal guarantees of all directors whose holding is more than 10% along with net worth statement.

The facility is due to expire on December 31, 2024.

- 16.2 This represents the amount availed under a short-term running finance facility with a limit of Rs. 300 million (2023: Rs. 300 million) obtained from M/s. The Bank of Khyber Limited to meet working capital requirements of the Company. The facility carries markup at the rate of 1-Month KIBOR plus 2% p.a. (2023: 1-Month KIBOR plus 2% p.a.) and is secured against the following:

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- pledge of shares (including third party shares) quoted at Pakistan Stock Exchange Limited in categories i.e. A and B in CDC account as per the Bank's approved list (with required margin as stated policy); and
- personal guarantees of all directors.

The facility is due to expire on December 31, 2024.

16.3 This represents the amount availed under a short-term running finance facility with a limit of Rs. 300 million (2023: Rs. 300 million) obtained from M/s. Bank Al Habib Limited to meet working capital requirements of the Company. The facility carries markup at the rate of 3-Month KIBOR plus 1.75% p.a. (2023: 3-Month KIBOR plus 1.75% p.a.) and is secured against the following:

- pledge of shares of listed companies in the name of the Company (as per the Bank's approved list of shares) quoted at Pakistan Stock Exchange Limited duly registered with the SECP;
- pledge of shares of listed companies in the name of director and third party (as per the Bank's approved list of shares) quoted at Pakistan Stock Exchange Limited duly registered with the SECP; and
- personal guarantees of all directors.

The facility is due to expire on May 31, 2026.

		2024	2023
		Rupees	
17.	<b>SUBORDINATED LOANS FROM DIRECTORS</b>		
	Opening balance	50,000,000	265,000,000
	Transferred to long-term loans from shareholders	(50,000,000)	(215,000,000)
		<u>-</u>	<u>50,000,000</u>
			(Restated)
		2024	2023
		Rupees	
18.	<b>TRADE AND OTHER PAYABLES</b>		
	Trade payables	666,562,177	187,673,029
	Profit on DFCs payable to clients	54,069,240	22,949,138
	Accrued expenses	40,994,112	11,497,889
	Gratuity payable to ex-employees	-	1,707,330
	Sindh sales tax payable	11,450,373	3,770,463
	Withholding income tax payable	7,018,412	2,500,083
	Advance against sale of property	4,000,000	4,000,000
	Other liabilities	232,143	232,143
		<u>784,326,457</u>	<u>234,330,075</u>
18.1	This represents an advance received against the sale of offices no. 701 and 702 situated in the New Stock Exchange Building, Karachi. The sale consideration for both the offices is Rs. 6 million and the remaining consideration will be received within one year. The possession of the property will be transferred to the buyer after the receipt of remaining consideration.		
		2024	2023
		Rupees	
19.	<b>TAXATION - net</b>		
	Opening balance	11,822,374	12,834,097
	Advance tax paid during the year	31,588,090	10,508,206
	Less: Provision for current tax and levies for the year	(56,224,370)	(11,519,929)
		<u>(12,813,906)</u>	<u>11,822,374</u>

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### 19.1 Status of income tax assessments

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

## 20. CONTINGENCIES AND COMMITMENTS

### 20.1 Contingencies

As of June 30, 2024, there were no material contingent liabilities or assets to report (2023: None).

	2024	2023
	Rupees	
<b>20.2 Commitments</b>		
Financial guarantees given by commercial banks on behalf of the Company	120,000,000	120,000,000

These represent bank guarantees issued by M/s. Bank of Khyber Limited and M/s. JS Bank Limited in favor of National Clearing Company Pakistan Limited on behalf of the Company amounting to Rs. 20 million (2023: Rs. 20 million) and Rs. 100 million (2023: Rs. 100 million) respectively in respect of exposure margin requirements for Deliverable Futures Contracts (DFCs).

	Note	2024	2023
		Rupees	
<b>21. COMMISSION REVENUE</b>			
Brokerage commission - gross		1,277,174,494	574,652,025
Recovery of expenses		114,624,331	46,297,540
		1,391,798,825	620,949,565
Less: Sales tax on services		(160,118,449)	(71,436,676)
	21.1	1,231,680,376	549,512,889

21.1 This includes brokerage commission earned from related parties amounting to Rs. 30.77 million (2023: Rs. 8.343 million).

	Note	2024	2023
		Rupees	
<b>22. INCOME FROM INVESTMENTS - net</b>			
Realised gain / (loss) on sale of investments - net	36.3	246,776,330	(104,017,022)
Net change in unrealized gain / loss on re-measurement of investments	36.3	24,396,533	26,877,989
		271,172,863	(77,139,033)
Dividend income	36.3	23,292,921	14,046,058
		294,465,784	(63,092,975)



23. OPERATING AND ADMINISTRATIVE EXPENSES	Note	(Restated)	
		2024	2023
		Rupees	
Staff salaries and allowances	23.1	282,107,412	211,500,680
Performance bonus to dealers		479,193,518	183,192,476
Directors' remuneration	31	6,138,000	8,966,000
PSX charges		52,580,383	20,407,900
NCSS & UIN charges		41,710,921	17,872,671
CDC charges		8,404,878	4,100,031
IKATS & gateway charges		7,084,571	3,973,911
Traveling and conveyance		6,169,300	-
Communication		5,193,920	4,572,467
Insurance		279,768	142,416
Legal and professional charges		1,532,720	1,570,678
Repairs and maintenance		3,854,854	3,404,649
Printing and stationery		1,083,050	435,872
Vehicle running expenses		4,204,926	2,969,642
Utilities		8,029,352	6,468,591
Auditors' remuneration	23.2	750,000	650,000
Postage and courier		-	660
Software charges		1,157,600	929,650
Fees and subscription		7,846,294	8,336,991
Rent, rates and taxes		1,962,982	3,806,044
Donations	23.3	43,350,000	21,000,000
Entertainment		367,380	402,453
Depreciation on property and equipment	4	17,854,089	17,598,041
Depreciation on investment property	7	357,895	397,661
General expense		-	1,000,000
		<u>981,213,813</u>	<u>523,699,484</u>

23.1 These include an amount of Rs. 23.811 million (2023: Rs. 22.910 million) in respect of staff retirement benefits.

23.2 Auditors' remuneration	(Restated)	
	2024	2023
	Rupees	
Statutory audit fee	650,000	550,000
Other certifications	100,000	100,000
	<u>750,000</u>	<u>650,000</u>

#### 23.3 Donations

None of the directors or their spouse had any interest in the donees. Further, the particulars of the parties to whom donation paid exceeds Rs. 1 million or 10% of the total donation, whichever is higher, are as follows:

	Note	(Restated)	
		2024	2023
		Rupees	
Bantwa Town Memon Welfare Committee		7,500,000	-
Al-Qadir Welfare Foundation		9,000,000	18,500,000
Pakistan Cancer Welfare Society		-	2,500,000
Saylani Welfare Trust		23,000,000	-

#### 24. OTHER EXPENSES

Loss on disposal of fixed assets		2,698,192	-
Doubtful debts written off		532,770	114,000
Provision for expected credit losses	10.2	12,441,299	3,917,800
		<u>15,672,261</u>	<u>4,031,800</u>

		2024	2023
	Note	Rupees	
<b>25. OTHER INCOME</b>			
Profit on exposure deposit		99,447,335	39,016,649
Rental income		3,180,000	3,180,000
Gain on disposal of operating fixed assets		-	580,141
Others		487,687	348,809
		<u>103,115,022</u>	<u>43,125,599</u>
<b>26. FINANCE COSTS</b>			
Markup on short term borrowings		161,361,756	119,194,655
Interest on unwinding of loan from a director		34,030,828	21,383,960
Bank charges		2,215,979	2,373,708
		<u>197,608,563</u>	<u>142,952,323</u>
<b>27. LEVIES</b>			
Excess of minimum tax over normal tax		1,962,956	516,637
Income tax - Final tax regime		3,462,974	2,040,931
Income tax - Super tax		465,858	-
		<u>5,891,789</u>	<u>2,557,568</u>
<b>28. TAXATION</b>			
Current tax - for the year		50,332,581	6,815,095
Current tax - for prior year		-	2,147,266
		<u>50,332,581</u>	<u>8,962,361</u>
Deferred		-	-
		<u>50,332,581</u>	<u>8,962,361</u>
<b>28.1 Reconciliation between tax expense and accounting profit</b>			
Profit / (loss) before taxation		428,874,756	(143,695,661)
Accounting tax expense as per applicable rate		124,373,679	(41,671,742)
Tax effect of income taxed under FTR / reduced rate		(81,783,057)	24,050,649
Tax effect of exempt / notional income		(7,074,995)	(7,794,617)
Other miscellaneous items		14,816,954	34,378,071
		<u>50,332,581</u>	<u>8,962,361</u>

## 29. CASH AND CASH EQUIVALENTS

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

		2024	2023
	Note	Rupees	
Cash and bank balances	12	223,238,916	33,720,335
Short term borrowings - running finance	16	(1,345,800,321)	(406,786,135)
		<u>(1,122,561,405)</u>	<u>(373,065,800)</u>



### 30. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Company comprise of key management personnel (including directors) and their close family members. Remuneration of the Chief Executive and directors is disclosed in note 31 to these financial statements. Transactions entered into, and balances held with, related parties are as follows:

#### KEY MANAGEMENT PERSONNEL

	2024	2023
	Rupees	
<b>Muhammad Farhan Rafiq (Director)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on trading of securities	<u>2,601,766</u>	<u>1,503,477</u>
<i>Balances at the year end</i>		
Trade receivable at year end	<u>11,358,301</u>	<u>61,094,760</u>
<b>Muhammad Junaid Rafique (Substantial shareholder)</b>		
<i>Transactions during the year</i>		
Brokerage commission earned on trading of securities	<u>11,703,033</u>	<u>5,003,125</u>
Car purchased from	<u>17,319,400</u>	<u>-</u>
<i>Balances at the year end</i>		
Trade receivable at year end	<u>19,594,811</u>	<u>223,942,576</u>
<b>Haji Muhammad (Sponsor)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on trading of securities	<u>11,203,701</u>	<u>414,600</u>
<i>Balances at the year end</i>		
Subordinated loan payable	<u>215,000,000</u>	<u>215,000,000</u>
Trade receivable at year end	<u>10,823,162</u>	<u>1,850,527</u>
<b>Ahmed Rafiq Adam (Substantial shareholder)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on trading of securities	<u>5,261,934</u>	<u>1,422,156</u>
<i>Balances at the year end</i>		
Trade receivable at year end	<u>19,456,002</u>	<u>154,187,061</u>
Subordinated loan payable	<u>50,000,000</u>	<u>50,000,000</u>
<b>Mumtaz Rafiq Adam (Close family member of director)</b>		
<i>Balances at the year end</i>		
Trade receivable at year end	<u>-</u>	<u>2,889</u>
<b>Mirza Muhammad Baig</b>		
<i>Transaction during the year</i>		
Loan received during the year	<u>550,000</u>	<u>600,000</u>
<i>Balances at the year end</i>		
Loan receivable at year end	<u>500,000</u>	<u>1,050,000</u>

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### 31. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees							
Managerial remuneration	2,790,000	2,790,000	3,348,000	5,301,000	184,115,000	115,095,000	190,253,000	123,186,000
Bonus	850,000	425,000	600,000	450,000	33,720,000	19,910,000	35,170,000	20,785,000
	<u>3,640,000</u>	<u>3,215,000</u>	<u>3,948,000</u>	<u>5,751,000</u>	<u>217,835,000</u>	<u>135,005,000</u>	<u>225,423,000</u>	<u>143,971,000</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>60</u>	<u>45</u>		

- 31.1 In addition to the benefits above, the Chief Executive, Directors and certain executives have also been provided with free use of the Company-maintained car.

### 32. FINANCIAL INSTRUMENTS

#### 32.1 Financial risk management

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

#### 32.1.1 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. Market risk comprises of three types of risks: foreign currency risk, price risk and interest rate risk.

##### i) Foreign currency risk

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

##### ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company manages price risk by monitoring the exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Company to incur significant mark-to-market and credit losses. As of the reporting date, the Company was exposed to price risk since it had investments in quoted equity securities and also because the Company held collaterals in the form of equity securities against their debtor balances.



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

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

The table below summarizes Company's equity price risk as of June 30, 2024 and 2023 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the 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 equity investment portfolio.

	Fair value (Rupees)	Hypothetical price change	Estimated fair value after hypothetical change in prices ----- Rupees -----	Hypothetical increase / (decrease) in profit before tax
June 30, 2024	1,105,112,541	10% increase	1,215,623,795	110,511,254
		10% decrease	994,601,287	(110,511,254)
June 30, 2023	510,381,136	10% increase	561,419,250	51,038,114
		10% decrease	459,343,022	(51,038,114)

### iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from deposits against exposure margin requirements as well as short-term borrowings from banking companies.

#### *Fair value sensitivity of fixed-rate financial instruments*

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

#### *Cash flow sensitivity of variable-rate financial instruments*

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

	2024 — Effective interest rate (%) —	2023 — Effective interest rate (%) —	2024 — Carrying amounts (Rs.) —	2023 — Carrying amounts (Rs.) —
<b>Financial assets</b>				
Deposits against exposure margin requirements			450,340,489	84,270,266
<b>Financial liabilities</b>				
Short term borrowings	23.99% to 24.37%	17.16% to 24.61%	1,345,800,321	406,786,135

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

	Effect on profit before tax	
	1% increase	1% decrease
<b>As at June 30, 2024</b>		
Cash flow sensitivity - Variable rate financial instruments	<u>(8,954,598)</u>	<u>8,954,598</u>
<b>As at June 30, 2023</b>		
Cash flow sensitivity - Variable rate financial instruments	<u>(3,225,159)</u>	<u>3,225,159</u>

### 32.1.2 Credit risk

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

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 90 days or more.

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

#### *Maximum exposure to credit risk*

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

		2024	2023
	Note	Rupees	
Long term deposits		1,610,000	1,510,000
Trade debts	(a)	1,283,870,318	1,188,982,096
Receivable against margin financing	(a)	995,657,309	354,433,123
Loans, deposits and other receivables		544,096,808	121,928,667
Bank balances	(b)	223,160,020	33,628,929
		<u>3,048,394,455</u>	<u>1,700,482,815</u>

#### Note (a) - Credit risk exposure on trade debts / receivable against margin financing

To reduce the exposure to credit risk arising from trade debts / receivable against margin financing, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk which ultimately affects the recoverability of debts.



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

	June 30, 2024		June 30, 2023	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	Rupees			
Past due 1-30 days	1,127,048,134	(5,304,121)	896,347,742	(4,484,657)
Past due 31-180 days	126,302,883	(1,193,949)	227,441,628	(2,275,897)
Past due 181-365 days	20,718,549	(8,366,403)	56,753,013	(2,839,498)
Past due above 365 days	33,847,972	(9,182,747)	20,045,634	(2,005,869)
	<u>1,307,917,538</u>	<u>(24,047,220)</u>	<u>1,200,588,017</u>	<u>(11,605,921)</u>

Except as disclosed above, no provision for expected credit losses has been recognized in respect of trade debts as the security against the same is adequate or counter parties have sound financial standing.

#### Note (b) - Credit risk exposure on bank balances

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

Bank	Short term rating	Credit rating agency	2024	2023
			Rupees	
Allied Bank Limited	A-1+	PACRA	1,064,977	449,746
Askari Bank Limited	A-1+	PACRA	759,761	806,872
Bank Al-Falah Limited	A-1+	PACRA	1,335,313	2,484,880
Bank Al-Habib Limited	A-1+	PACRA	194,141,137	1,634,260
Bank Islami Pakistan Limited	A-1	PACRA	1,353,200	307,097
The Bank of Khyber	A-1	PACRA	792,723	587,898
Dubai Islamic Bank Limited	A-1+	JCR-VIS	1,201,408	205,015
Faysal Bank Limited	A-1+	PACRA	1,306,309	1,552,792
Habib Bank Limited	A-1+	JCR-VIS	817,744	4,093,069
Habib Metropolitan Bank Limited	A-1+	PACRA	2,814,781	3,005,747
J.S Bank Limited	A-1+	PACRA	3,634,749	9,522,743
MCB Bank Limited	A-1+	PACRA	1,164,831	2,073,341
Meezan Bank Limited	A-1+	JCR-VIS	7,968,725	2,783,767
National Bank of Pakistan	A-1+	PACRA	1,898,715	432,630
Sindh Bank Limited	A-1	JCR-VIS	308,638	277,638
Soneri Bank Limited	A-1+	PACRA	953,001	1,080,397
Summit Bank Limited	-	JCR-VIS	15,000	1,224,095
United Bank Limited	A-1+	JCR-VIS	1,629,008	1,106,942
			<u>223,160,020</u>	<u>33,628,929</u>

#### 32.1.3 Liquidity risk

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

The following are the contractual maturities of financial liabilities, including estimated interest payments (except on short term borrowings from banking companies):

	June 30, 2024			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees			
<b>Financial liabilities</b>				
Long term loans from shareholders	160,416,664	265,000,000	-	265,000,000
Short term borrowings from banking companies (including markup)	1,390,830,019	1,390,830,019	1,390,830,019	-
Trade and other payables	761,857,672	761,857,672	761,857,672	-
	<u>2,313,104,355</u>	<u>2,417,687,691</u>	<u>2,152,687,691</u>	<u>265,000,000</u>

	June 30, 2023			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees			
<b>Financial liabilities</b>				
Long term loan from shareholders	174,855,746	215,000,000	-	215,000,000
Short term borrowings from banking companies (including markup)	436,665,905	436,665,905	436,665,905	-
Subordinated loans from shareholders	50,000,000	50,000,000	50,000,000	-
Trade and other payables	222,352,199	222,352,199	222,352,199	-
	<u>883,873,850</u>	<u>924,018,104</u>	<u>709,018,104</u>	<u>215,000,000</u>

	2024	2023
	Rupees	
<b>32.2 Financial instruments by category</b>		
<b>32.2.1 Financial assets</b>		
<i>At amortized cost</i>		
Long term deposits	1,610,000	1,510,000
Trade debts	1,283,870,318	1,188,982,096
Receivable against margin financing	995,657,309	354,433,123
Loans, deposits and other receivables	544,096,808	121,928,667
Cash and bank balances	223,238,916	33,720,335
	<u>3,048,473,351</u>	<u>1,700,574,221</u>
<i>At fair value through profit or loss</i>		
Investment in quoted equity securities	<u>1,105,112,541</u>	<u>510,381,136</u>
<b>32.2.2 Financial liabilities</b>		
<i>At amortized cost</i>		
Long term loans from shareholders	160,416,664	174,855,746
Short term borrowings from banking companies	1,345,800,321	406,786,135
Subordinated loans from directors	-	50,000,000
Trade and other payables	761,857,672	222,352,199
Accrued markup	45,029,698	29,879,770
	<u>2,313,104,355</u>	<u>883,873,850</u>



### 33. FAIR VALUE OF ASSETS AND LIABILITIES

In case of equity instruments, the Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

**Level 2:** Valuation techniques based on observable inputs.

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

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

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

June 30, 2024				
	Level 1	Level 2	Level 3	Total
	Rupees			
<i>Financial assets measured at fair value</i>				
Investment in quoted equity securities	1,105,112,541	-	-	1,105,112,541
June 30, 2023				
	Level 1	Level 2	Level 3	Total
	Rupees			
<i>Financial assets measured at fair value</i>				
Investment in quoted equity securities	510,381,136	-	-	510,381,136

### 34. CAPITAL

#### 34.1 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The management closely monitors the return on capital employed along with the level of distributions to ordinary shareholders. Further, in order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital, or issue new shares.

On a regular basis, the Company manages to meet the financial resource requirements applicable to the Company (i.e., minimum levels of Liquid Capital or net worth) as specified in the Securities Brokers (Licensing and Operations) Regulations, 2016.

		(Restated)	
		2024	2023
	Note	Rupees	
34.2 Capital Adequacy Level			
Total assets	34.2.1	4,294,566,059	2,346,641,964
Less: Total liabilities		(2,423,018,839)	(964,338,628)
Less: revaluation reserves (created upon revaluation of fixed assets)		-	-
<b>Capital Adequacy Level</b>		<b>1,871,547,220</b>	<b>1,382,303,336</b>

34.2.1 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.

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

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>I. Assets</b>				
1.1	Property & Equipment	131,104,678	131,104,678	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
<b>Investment in Debt Securities</b>				
<b>If listed than:</b>				
1.4	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.	-	-	-
<b>If unlisted than:</b>				
1.4	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.	-	-	-
<b>Investment in Equity Securities</b>				
1.5	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.	1,059,773,457	169,278,329	890,495,128
	Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	45,339,083	45,339,083	-
	ii. If unlisted, 100% of carrying value.	-	-	-
1.6	Investment in subsidiaries	-	-	-
<b>Investment in associated companies/undertaking</b>				
1.7	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
<b>Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.</b>				
1.8	(i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC	6,110,000	6,110,000	-
1.9	Margin deposits with exchange and clearing house.	450,340,489	-	450,340,489
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	3,890,600	3,890,600	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	439,500	439,500	-
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	<b>Advances and receivables other than trade Receivables;</b>			
	(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	500,000	500,000	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	-	-	-
	(iii) In all other cases 100% of net value	271,821	271,821	-



S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>1. Assets</b>				
<b>Receivables from clearing house or securities exchange(s)</b>				
1.16	i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MiM gains.		-	
	ii. claims on account of entitlements against trading of securities in all markets including MiM gains.	91,529,887	-	91,529,887
<b>Receivables from customers</b>				
1.17	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.	995,657,309	14,445,997	981,211,312
	<b>i. Lower of net balance sheet value or value determined through adjustments.</b>			
	ii. In case receivables are against margin trading, 5% of the net balance sheet value.	-	-	-
	<b>ii. Net amount after deducting haircut</b>			
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,	-	-	-
	<b>iii. Net amount after deducting haircut</b>			
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	766,267,668	-	766,267,668
	<b>iv. Balance sheet value</b>			
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts.	456,370,372	15,022,816	441,347,556
	<b>v. Lower of net balance sheet value or value determined through adjustments</b>			
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var-based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable.	61,232,279	-	61,232,279
	<b>vi. Lower of net balance sheet value or value determined through adjustments</b>			
<b>Cash and Bank balances</b>				
1.18	i. Bank Balance-proprietary accounts	3,997,548	-	3,997,548
	ii. Bank balance-customer accounts	219,162,472	-	219,162,472
	iii. Cash in hand	78,896	-	78,896
<b>Subscription money against investment in IPO/ offer for sale (asset)</b>				
1.19	(i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	(ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities.	-	-	-
	(iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.	-	-	-
1.20	<b>Total Assets</b>	<b>4,294,566,059</b>	<b>388,902,824</b>	<b>3,905,663,235</b>
<b>2. Liabilities</b>				
<b>Trade Payables</b>				
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	720,631,417	-	720,631,417
<b>Current Liabilities</b>				
2.2	i. Statutory and regulatory dues	31,282,691	-	31,282,691
	ii. Accruals and other payables	90,255,953	-	90,255,953
	iii. Short-term borrowings	1,345,800,321	-	1,345,800,321
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements.	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>2. Liabilities</b>				
<b>Non-Current Liabilities</b>				
2.3	i. Long-Term financing	-	-	-
	ii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	iii. Staff retirement benefits	74,631,793	-	74,631,793
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases	-	-	-
<b>Subordinated Loans</b>				
2.4	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	160,416,664	160,416,664	-
<b>Advance against shares for Increase in Capital of Securities broker:</b>				
2.5	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.			
2.6	e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
	<b>Total Liabilities</b>	<b>2,423,018,839</b>	<b>160,416,664</b>	<b>2,262,602,175</b>

### 3. Ranking Liabilities Relating to :

<b>Concentration in Margin Financing</b>				
3.1	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.			
	(Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million)			
	Note: Only amount exceeding by 10% of each financee from aggregate amount shall be included in the ranking liabilities	-	-	24,840,838
<b>Concentration in securities lending and borrowing</b>				
3.2	The amount by which the aggregate of:			
	(i) Amount deposited by the borrower with NCCPL			
	(ii) Cash margins paid and			
	(iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
(Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)				
<b>Net underwriting Commitments</b>				
3.3	(a) In the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of:			
	(i) the 50% of Haircut multiplied by the underwriting commitments and			
	(ii) the value by which the underwriting commitments exceeds the market price of the securities.	-	-	-
	In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment			
(b) in any other case : 12.5% of the net underwriting commitments				
3.4	<b>Negative equity of subsidiary</b>			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
<b>Foreign exchange agreements and foreign currency positions</b>				
3.5	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	-	-	-



S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>3. Ranking Liabilities Relating to :</b>				
<b>Repo adjustment</b>				
3.7	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities.			
	In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
<b>Concentrated proprietary positions</b>				
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
<b>Opening Positions in futures and options</b>				
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	346,552,688
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-	-
<b>Short sell positions</b>				
3.10	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	<b>Total Ranking Liabilities</b>	-	-	<b>371,393,526</b>
		<b>1,871,547,220</b>	<b>Liquid Capital</b>	<b>1,271,667,534</b>

**Calculations Summary of Liquid Capital**

(i) Adjusted value of Assets (serial number 1.20)	3,905,663,235
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(2,262,602,175)
(iii) Less: Total ranking liabilities (series number 3.11)	(371,393,526)
	<b>1,271,667,534</b>

### 35. CORRECTION OF PRIOR PERIOD ERRORS

As per Section 57 of IAS-19: *Employee Benefits*, an entity operating a defined benefit plan for its employees is required to use the projected unit credit method to measure its defined benefit obligation. Further, the aforesaid Section 57 requires a reporting entity to measure its defined benefit obligation and the current service cost on a discounted present value basis of the benefit.

However, up to the last year, the Company had been measuring its defined benefit obligation as the number of years of service completed by an eligible employee up to the reporting date multiplied by their current basic monthly salary (i.e. the basic monthly salary prevailing on that reporting date).

During the year, the Company engaged M/s. Nauman Associates to carryout the actuarial valuation of its defined benefit gratuity plan as at June 30, 2022, 2023 and 2024.

In these financial statements, the above errors have been corrected retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 '*Accounting Policies, Changes in Accounting Estimates and Errors*', and all the corresponding figures affected thereby have been restated. Furthermore, since these restatements have a material effect on the statement of financial position as at the beginning of the earliest period presented (i.e. as of June 30, 2022), the said third statement has also been presented in these financial statements in accordance with the requirements of IAS 1 '*Presentation of Financial Statements*'.

The aforesaid retrospective correction has its effects on the corresponding figures presented in these financial statements as follows:

**Effects on the statement of financial position**

	Unappropriated profits	Defined benefit obligation - staff gratuity	Trade and other payables
	Rupees		
Balance as at June 30, 2022 (as previously reported)	747,558,602	26,536,163	-
Increase in defined benefit obligation	(38,691,674)	36,596,860	-
Recognition of gratuity payable to ex-employees	-	-	2,094,814
Balance as at June 30, 2022 (as restated)	<u>708,866,928</u>	<u>63,133,023</u>	<u>2,094,814</u>
Balance as at June 30, 2023 (as previously reported)	81,965,828	34,003,526	-
Increase in defined benefit obligation	(36,190,706)	34,483,376	-
Recognition of gratuity payable to ex-employees	-	-	1,707,330
Balance as at June 30, 2023 (as restated)	<u>45,775,122</u>	<u>68,486,902</u>	<u>1,707,330</u>

**Effects on comprehensive income for the year ended June 30, 2023**

*Effects on profit or loss*

Increase in operating and administrative expenses - Salaries, allowances and other benefits	(12,065,248)
Increase in loss before and after taxation	<u>(12,065,248)</u>

*Effects on other comprehensive income*

Recognition of actuarial gain on remeasurement of defined benefit obligation	14,566,216
Increase in other comprehensive income	
Net decrease in total comprehensive loss	<u>2,500,968</u>

**36. GENERAL**

**36.1 Customers assets held in the Central Depository System**

	2024	2023
No. of shares	682,141,038	722,764,212
Value of shares (Rupees)	<u>11,558,748,135</u>	<u>8,298,734,663</u>

**36.2 Number of employees**

	2024	2023
	Number	
Total number of employees as at the year end	108	108
Average number of employees during the year	<u>108</u>	<u>107</u>

**36.3 Reclassification of corresponding figures**

Corresponding figures have been rearranged and reclassified in these financial statements, wherever necessary, for the purpose of comparison. Major reclassification are detailed hereunder:

✓



Reclassification from component	Reclassification to component	Note	— Rupees —
Commission revenue (Dividend income)	Income from investments -net (Dividend income)	22	<u>14,046,058</u>
Realised loss on sale of investments - net	Income from investments -net	22	<u>104,017,022</u>
Net change in unrealized gain on re-measurement of investments	Income from investments -net	22.	<u>26,877,989</u>

**36.4 Date of authorization of the financial statements**

The financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 07 OCT 2024.

**36.5 Level of rounding**

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

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Chief Executive

  
Director

