AUDITED FINANCIAL STATEMENTS
OF
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED
FOR THE YEAR ENDED JUNE 30, 2024

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

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INDEPENDENT AUDITORS' REPORT

To the members of Mohammad Munir Mohammad Ahmed Khanani Securities Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;

d) no zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance;

e) The Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and/or Section 62 of the Futures Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations Regulations), 2016 as at the date on which the statement of financial position was prepared; and

f) The Company was in compliance with the relevant requirements of Futures Brokers (Licensing and Operations Regulations), 2018 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Waseem**.

Rahman

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi
Date: October 07, 2024
UDIN: AR202410213yGkhBLNjm

Mohammad Munir Mohammad Ahmed Khanani Securities Limited

Statement of Financial Position

As at June 30, 2024

	Note	2024	2023
		Rupees	
ASSETS			
Non-current assets			
Property and equipment	5	**84,739,575**	68,767,057
Intangible assets	6	**3,415,428**	3,807,755
Long term deposits	7	**2,748,000**	2,663,000
Investment property	8	**95,264,927**	100,278,870
Deferred tax - net	9	**30,172,230**	29,867,117
		216,340,159	205,383,799
Current assets			
Short term investment in securities	10	**3,549,983,243**	900,735,358
Trade debts	11	**2,633,856,157**	1,570,184,188
Loans, deposits, advances and other receivables	12	**76,498,969**	37,427,934
Income tax refundable		**34,739,094**	73,849,398
Bank balances	13	**1,793,083,800**	872,648,289
		8,088,161,263	3,454,845,167
Total assets		**8,304,501,423**	3,660,228,966
EQUITIES AND LIABILITIES			
Share capital and reserves			
Authorized capital			
50,000,000 (2023: 50,000,000) ordinary shares of Rs.10/- each		**500,000,000**	500,000,000
Issued, subscribed and paid-up capital	14	**395,140,540**	395,140,540
Revenue reserve			
Unappropriated profits		**2,783,029,073**	1,949,286,425
		3,178,169,613	2,344,426,965
Non- current liabilities			
Long term deposits	15	**633,333**	633,333
Current liabilities			
Short term borrowings - secured	16	**2,924,474,628**	587,393,492
Trade and other payables	17	**2,168,006,928**	714,500,267
Accrued markup on short term borrowings		**33,216,921**	13,274,909
		5,125,698,477	1,315,168,668
Contingency and commitments	18	-	-
Total equity and liabilities		**8,304,501,423**	3,660,228,966

The annexed notes from 1 to 32 form an integral part of these financial statements.

Chief Executive | **Director**

Mohammad Munir Mohammad Ahmed Khanani Securities Limited

Statement of Profit or Loss
For the year ended June 30, 2024

	Note	2024	2023
		——— Rupees ———	
Operating revenue	19	**750,690,238**	223,184,636
Capital gain / (loss) on sale of short term investments - net	20	**452,529,315**	(145,806,178)
Net change in unrealized gain on re-measurement of short term investments - net	10	**175,351,030**	281,264,972
		1,378,570,582	358,643,430
Administrative and operating expenses	21	**(178,016,139)**	(197,018,130)
Finance costs	22	**(138,786,033)**	(54,586,523)
Other income	23	**85,772,519**	24,875,625
Profit before levies and taxation		**1,147,540,929**	131,914,403
Levies	24	**(15,472,532)**	-
Profit before taxation		**1,132,068,397**	131,914,403
Taxation - net	25	**(96,804,070)**	7,572,971
Profit after taxation		**1,035,264,327**	139,487,374
Earning per share - basic and diluted	26	**26.20**	3.53

The annexed notes from 1 to 32 form an integral part of these financial statements.

Chief Executive

Director

Mohammad Munir Mohammad Ahmed Khanani Securities Limited

Statement of Comprehensive Income
For the year ended June 30, 2024

	2024	2023
	Rupees	
Profit after taxation	**1,035,264,327**	139,487,374
Other comprehensive income	-	-
Total comprehensive income for the year	**1,035,264,327**	139,487,374

The annexed notes from 1 to 32 form an integral part of these financial statements.

Chief Executive **Director**

Mohammad Munir Mohammad Ahmed Khanani Securities Limited

Statement of Changes in Equity
For the year ended June 30, 2024

	Issued, subscribed and paid up capital	Revenue reserve Unappropriated profits	Total
	———	Rupees	———
Balance as on June 30, 2022	395,140,540	1,809,799,051	2,204,939,591
Total comprehensive income for the year ended June 30, 2023			
Profit after taxation	-	139,487,374	139,487,374
Other comprehensive income	-	-	-
	-	139,487,374	139,487,374
Balance as on June 30, 2023	**395,140,540**	**1,949,286,425**	**2,344,426,965**
Total comprehensive income for the year ended June 30, 2024			
Profit after taxation	-	**1,035,264,327**	**1,035,264,327**
Dividend		**(201,521,679)**	**(201,521,679)**
Other comprehensive income	-	-	-
	-	**833,742,648**	**833,742,648**
Balance as on June 30, 2024	**395,140,540**	**2,783,029,073**	**3,178,169,613**

The annexed notes from 1 to 32 form an integral part of these financial statements.

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Chief Executive

Director

Mohammad Munir Mohammad Ahmed Khanani Securities Limited

Statement of Cash Flows

For the year ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2024	2023
		Rupees	
Profit before levies and taxation		**1,147,540,929**	131,914,403
Adjustment for non-cash and other items :			
Depreciation on property and equipment	5	**14,163,163**	13,697,500
Amortization of intangible assets	6.1	**392,327**	560,467
Depreciation on investment property	8	**5,013,944**	5,277,835
Net change in unrealized gain on re-measurement of short term investments - net	10.1	**(175,351,030)**	(281,264,972)
Provision for expected credit losses on trade debts	11.1	**-**	70,668,140
Capital loss on sale of short term investments - net	20	**(452,529,315)**	145,806,178
Finance costs	22	**138,786,033**	54,586,523
Rental income	23	**(22,110,144)**	(19,889,493)
		(491,635,023)	(10,557,821)
Operating profit before working capital changes		**655,905,906**	121,356,582
Change in working capital			
(Increase) / decrease in current assets			
Short term investments - net		**(2,021,367,540)**	391,660,937
Trade debts		**(1,063,671,969)**	405,266,604
Loans, advances and other receivables		**(39,071,035)**	(9,017,269)
		(3,124,110,545)	787,910,272
(Decrease) / increase in current liabilities			
Trade and other payables		**1,453,506,661**	(260,601,565)
Cash generated from operations		**(1,014,697,977)**	648,665,288
Financial charges paid		**(118,844,020)**	(52,335,660)
Income tax paid		**(73,471,411)**	(16,342,489)
Net cash (used in) / generated from operating activities		**(1,207,013,408)**	579,987,138
CASH FLOW FROM INVESTING ACTIVITIES			
Addition to property and equipment	5	**(30,135,681)**	(19,019,638)
Rent received	23	**22,110,144**	19,889,493
Security deposits received		**-**	366,666
Long term deposits		**(85,000)**	60,000
Net cash (used in) / generated from investing activities		**(8,110,537)**	1,296,521
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		**(201,521,679)**	-
Net cash used in in financing activities		**(201,521,679)**	-
Net increase in cash and cash equivalents		**(1,416,645,624)**	581,283,660
Cash and cash equivalents at the beginning of the year		**285,254,797**	(296,028,862)
Cash and cash equivalents at the end of the year	27	**(1,131,390,827)**	285,254,797

The annexed notes from 1 to 32 form an integral part of these financial statements.

Chief Executive **Director**

Mohammad Munir Mohammad Ahmed Khanani Securities Limited

Notes to the Financial Statements
For the year ended June 30, 2024

1. STATUS AND NATURE OF BUSINESS

Mohammad Munir Mohammad Ahmed Khanani Securities Limited ('the Company') is a public unlisted company incorporated under the repealed Companies Ordinance, 1984 (now, Companies Act, 2017). The Company is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited. The registered office of the Company is located at Room No. 624-627, Stock Exchange Building, Pakistan Stock Exchange Road, Karachi. The principal activity of the Company is to carry on the business of stock brokerage, underwriting and investment etc.

As at June 30, 2024, the geographical location of Company's branch offices were as follows:

-	Karachi	Head office (Registered office)	Room # 623-627, 6th Floor, Stock Exchange Building, Stock Exchange Road, Karachi.
-	Karachi	Branch Office	Room # 65, 1st Floor, Stock Exchange Building, Stock Exchange Road, Karachi.
-	Karachi	Branch Office	Room # 601-603, 6th Floor, Stock Exchange Building, Stock Exchange Road, Karachi.
-	Karachi	Branch Office	MR 4/66, Achi Qabar, Bolton Market, Karachi.
-	Karachi	Branch Office	Room No. 637, 6th Floor, Stock Exchange Building, Stock Exchange Road Karachi
-	Karachi	Branch Office	House # A-928, Block H, North Nazimabad, Karachi.
-	Karachi	Branch Office	House # A-477, Block 5, Gulshan-e-Iqbal, Karachi.
-	Karachi	Branch Office	Office No. 3, 2nd Floor, Wali Centre, Gulshan-e-Iqbal, Karachi
-	Karachi	Branch Office	Off # 1814, 18th Floor, Mohammadi Trade Tower, SR-6/5-6, situated at Serai Quarters, Karachi.
-	Karachi	Branch Office	House No. R 1/2, Block 15 Gulistan e Jauhar, Near Dar-ul-Sehat Hospital, Johar Chowrangi, Karachi
-	Karachi	Branch Office	Commercial Plot office No. 18-B, 4th Floor (4th Cabin), Midway Commercial 'B', Bahria Town, Karachi.
-	Karachi	Branch Office	Office No.102, First Floor, Marine Faisal, Plot No. 10-A, Block-6 PECHS, Main Shahrah-e-Faisal Karachi.
-	Karachi	Branch Office	Mezzanine Floor, Plot No.3-C,Lane-8, Zamzama Commercial Area, Phase-V, Situated at Pakistan Defence Officers, Housing Authority Karachi.
-	Karachi	Branch Office	M-59, Mezzanine Floor, Glass Tower, Plot # 2 F.T-3, Frere Town, Main Clifton Road, Karachi.
-	Karachi	Branch Office	Office # 29, 3rd Floor, RJ Mall, Main Rashid Minhas Road,

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- Peshawar Regional Office	Office# 28-B. second floor. Cantt. Mall. Fakhre Alam Road. Peshawar Cantt
- Hyderabad Regional Office	Building # 345, Opp Yaqoob Centre near Jamia Masjid Saadar, Hyderabad.
- Islamabad Regional Office	Room # 501 A, 5th Floor, ISE Tower, 55-8, Jinnah Avenue, Blue Area, Islamabad.
- Lahore Regional Office	Room # 403-404, 4th Floor, LSE Plaza, 19 Khayaban-e-Aiwan-e-Iqbal, Lahore.
- Lahore Branch Office	Office # 416, 4th Floor, Siddique Trade Centre, Gulberg, Lahore.
- Lahore Branch Office	1st Floor, 112-Y, Commercial DHA, Cantt, Lahore.
- Sahiwal Branch Office	Shop No.104,104-A,Al Razzaq Royals, Old Harappa Road,

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

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and 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 accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policy are as follows:

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	Note
- Useful lives, depreciation methods and residual values of property and equipment;	*4.1*
- Useful lives, amortisation methods and residual values of intangible assets;	*4.2*
- Useful lives, depreciation methods and residual values of investment property;	*4.3*
- Provision for taxation.	*4.6*
- Provision for expected credit losses.	*4.8.3*

3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Amendments to existing standards that became effective during the year

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

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

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

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

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

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

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2023:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

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Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

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

- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business

- International Tax Reform - Pillar Two Model Rules – Amendments to IAS 12 (the Amendments). - The Amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the Pillar Two model rules and requires new disclosures about an entity's exposure to income taxes arising from the Pillar Two model rules for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, before its effective date. The mandatory temporary exception applies immediately and retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The disclosure requirements, in relation to periods in which Pillar Two legislation has been enacted but is yet to take effect for the entity, apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

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- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and FRS 7. Amendments to the Classification and Measurement of Financial instruments. The amendments:

    - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

    - Clarify how to assess the contractual cash now 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.

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

- Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method".

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

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

- IFRS 1 (First-time Adoption of International Financial Reporting Standards)

- IFRS 18 (Presentation and Disclosure in Financial Statements)

- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)

4. MATERIAL ACCOUNTING POLICY INFORMATION

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.

4.1 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. Further, when the written down value of the item of assets falls below Rs.10,000, the same is charged directly to the statement of profit or loss.

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

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2024 did not require any adjustment.

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4.2 Intangible assets

Computer software

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the reducing balance method over assets estimated useful life at the rates stated in note 5.1, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

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

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

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.

4.3 Investment property

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

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

4.4 Trade debts and receivables against margin financing

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

4.5 Cash and cash equivalents

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

4.6 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

Although temporary differences arises but no deferred tax is recorded in these financial statements. The entity is expected to be in non-tax/ levy regime for foreseeable future as, in such a case, the effective tax rate would be zero.

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.

4.7 Provisions and contingent liabilities

Provisions

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

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

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

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

Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.8 Financial assets

4.8.1 *Initial recognition, classification and measurement*

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

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

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Amounts paid under these agreements in respect of reverse repurchase transactions are recognized as a receivable. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued on a time proportion basis over the life of the reverse repo agreement.

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

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

(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.

4.8.2 *Subsequent measurement*

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is 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.

4.8.3 *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.

4.8.4 *De-recognition*

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

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

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4.9 Financial liabilities

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

4.10 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.

4.11 Revenue recognition

Revenue from trading activities - brokerage commission

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

Revenue from advisory and consultancy services

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

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

Dividend income

Dividends 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.

Mark up / interest income

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

4.12 Other Income

Interest income

Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

Rental income from investment property

Rental income from investment property is recognized on accrual basis.

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5. PROPERTY AND EQUIPMENT

	Office premises	Office equipment	Computers	Furniture and fixtures	Vehicles	Total
	---Rupees---					
Movement during the year ended June 30, 2023						
Opening net book value	16,790,238	2,074,031	22,258,541	254,698	22,067,411	63,444,919
Additions during the year	14,101,700	-	4,777,374	-	140,564	19,019,638
Depreciation for the year	(1,194,547)	(207,403)	(7,825,240)	(25,470)	(4,444,840)	(13,697,500)
Closing net book value	29,697,391	1,866,628	19,210,675	229,228	17,763,134	68,767,057
As at June, 2023						
Cost	33,711,700	4,224,723	50,175,659	535,987	42,976,239	131,624,308
Accumulated depreciation	(4,014,309)	(2,358,095)	(30,964,984)	(306,759)	(25,213,104)	(62,857,251)
Net book value	29,697,391	1,866,628	19,210,675	229,228	17,763,134	68,767,057
Movement during the year ended June 30, 2024						
Opening net book value	**29,697,391**	**1,866,628**	**19,210,675**	**229,228**	**17,763,134**	**68,767,057**
Additions during the year	**-**	**509,936**	**4,086,751**	**167,745**	**25,371,249**	**30,135,681**
Depreciation for the year	**(1,495,348)**	**(188,833)**	**(6,259,270)**	**(28,530)**	**(6,191,182)**	**(14,163,163)**
Closing net book value	**28,202,043**	**2,187,731**	**17,038,156**	**368,443**	**36,943,201**	**84,739,575**
As at June, 2024						
Cost	**33,711,700**	**4,734,659**	**54,262,410**	**703,732**	**68,347,488**	**161,759,989**
Accumulated depreciation	**(5,509,657)**	**(2,546,928)**	**(37,224,254)**	**(335,289)**	**(31,404,286)**	**(77,020,414)**
Net book value	**28,202,043**	**2,187,731**	**17,038,156**	**368,443**	**36,943,201**	**84,739,575**
Annual rates of depreciation	**5%**	**10%**	**30%**	**10%**	**20%**	

6. INTANGIBLE ASSETS

	Note	2024	2023
		Rupees	
Computer software	*6.1*	**915,428**	1,307,755
Trading Rights Entitlement (TRE) Certificate		**2,500,000**	2,500,000
		3,415,428	3,807,755

6.1 Computer Software

	2024	2023
Cost as at June 30	**5,093,822**	5,093,822
Accumulated amortization		
Opening balance	**(3,786,067)**	(3,225,600)
Charge for the year	**(392,327)**	(560,467)
Closing balance	**(4,178,394)**	(3,786,067)
Net book value as at June 30 2024	**915,428**	1,307,755
Amortisation rate	**30%**	30%

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7. LONG TERM DEPOSITS

	Note	2024	2023
		Rupees	
Deposit placed with			
- Central Depository Company - Basic deposit		**100,000**	100,000
- National Clearing Company of Pakistan - Basic deposit		**200,000**	200,000
- National Clearing Company of Pakistan - MFS		**100,000**	100,000
- National Clearing Company of Pakistan - Future		**1,200,000**	1,200,000
- Pakistan Mercantile Exchange Limited - Basic deposit		**500,000**	500,000
- Others		**648,000**	563,000
		2,748,000	2,663,000

8. INVESTMENT PROPERTY

	Note	2024	2023
As at July 01			
Cost		**123,638,482**	123,638,482
Accumulated depreciation		**(23,359,612)**	(18,081,777)
Opening carrying value		**100,278,870**	105,556,705
Depreciation charge for the year	*21*	**(5,013,944)**	(5,277,835)
Closing carrying value	*8.1*	**95,264,927**	100,278,870
Annual rate of depreciation		**5%**	5%

8.1 This represents investment in following properties to earn rental income or capital appreciation;

- Showroom at "The Residence Tower " Khaliq-uz-Zaman Rd, Block 8 Clifton, Karachi
- Banglow No 556, measuring 1 Canal, Airline Housing Scheme, Raiwind, Lahore.
- Commercial Plot No. 60 measuring 266.67 Square yards, Basement, Ground and First floor, Eman Square, Chaklala Scheme III, Rawalpindi.

8.2 The property located in Rawalpindi as detailed above, is in the name of Chief Executive Officer / director Mr.Muhammad Munir and shall be transferred in the name of Company in due course of time.

8.3 As at June 30, 2024, fair value of the investment properties amounts to Rs. 215 million.

9. DEFERRED TAX - NET

	Note	2024	2023
		Rupees	
Deferred tax asset / (liability) in respect of:			
- Capital loss on short term investments		**12,655,524**	-
- Other temporary differences - 'Provision for expected credit losses Trade debts and other receivables		**17,516,706**	29,867,117
		30,172,230	29,867,117

10. SHORT TERM INVESTMENT IN SECURITIES

	Note	2024	2023
Investment in quoted securities	*10.1*	**3,549,983,243**	900,735,358
Investment in units of mutual funds		**-**	-
		3,549,983,243	900,735,358

10.1 Investment in quoted securities

	2024	2023
Cost	**3,634,353,400**	1,160,456,545
Deficit on revaluation		
Opening balance	**(259,721,187)**	(540,986,159)
Gain for the year	**175,351,030**	281,264,972
	(84,370,157)	(259,721,187)
	3,549,983,243	900,735,358

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10.2 As of the reporting date, the total value of pledged securities was as follows;

	Note	2024	2023
Pledged with Financial Institutions		Rupees	
Clients		**1,137,383,368**	912,669,688
Brokerage House		**3,145,836,855**	789,325,739
		4,283,220,223	1,701,995,427
Pledged with PSX / NCCPL			
Clients		**615,022,927**	-
Employees		**618,945**	
Brokerage house including marginal financing		**935,388,234**	421,446,296
		1,551,030,106	421,446,296

11. TRADE DEBTS

	Note	2024	2023
Trade receivables - gross		**568,388,788**	1,109,839,497
Less: Provision for expected credit losses	*11.1*	**(60,402,435)**	(102,990,059)
		507,986,353	1,006,849,438
Receivable against margin financing		**2,125,869,804**	563,334,750
		2,633,856,157	1,570,184,188

11.1 Movement in provision for expected credit losses on trade debts

	Note	2024	2023
Balance at the beginning of the year		**102,990,059**	32,321,918
Charge during the year	*21*	**-**	70,668,140
Reversal during the year		**(42,587,624)**	-
Balance at the end of the year		**60,402,435**	102,990,059

11.2 The Company held equity securities having fair value of Rs. 2,276 million owned by its clients, as collaterals against trade debts and margin financing receivables. The aging analysis of the total receivable from clients (i.e. inclusive of trade debts and receivable against margin financing) as at the reporting date has been disclosed in note 27.1.1 to the financial statements.

12. LOANS, DEPOSIT, ADVANCES AND OTHER RECEIVABLES

	Note	2024	2023
		Rupees	
Loans			
- Loan to employees - unsecured	*12.1*	**4,480,105**	4,945,750
Advances			
- Advance to PMEX against offices		**10,000,000**	10,000,000
- Others		**-**	987,842
		10,000,000	10,987,842
Deposits placed with NCCPL in respect of:			
- Loss on DFCs (net of demand)		**-**	2,026,648
- Exposure in Deliverable Futures Contracts (DFCs)		**147,240**	-
- MTS concentration margin		**6,795,789**	-
		6,943,029	2,026,648
Other receivables			
- Receivable from NCCPL against:			
▪ profit held on Deliverable Futures Contracts (DFCs)		**54,970,460**	13,948,170
▪ accrued markup on deposits against exposure margins		**-**	419,334
▪ Future retained profit			-
▪ others		**105,375**	114,463
- Profit receivable on saving account		**-**	4,985,727
		55,075,835	19,467,694
		76,498,969	37,427,934

12.1 This represents interest-free loan provided to the employees as per the terms of their employment and repayable in agreed equal monthly installments.

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		Note	2024	2023
			Rupees	
13.	**BANK BALANCES**			
	Current accounts		**1,695,195,650**	593,319,912
	Saving accounts	*13.1*	**97,888,151**	279,328,377
		13.2	**1,793,083,800**	872,648,289

13.1 The return on these balances is 16% to 20% (2023: 15% to 20%) per annum on daily product basis.

13.2 Bank balances include customers' bank balances held in designated bank accounts amounting Rs. 1,775,298,571 (2023: Rs. 639,273,482).

14. ISSUED, SUBSCRIBED & PAID-UP CAPITAL

2024	2023		2024	2023
(Number of shares)			Rupees	
39,514,054	39,514,054	Ordinary shares of Rs.10/- each fully paid in cash	**395,140,540**	395,140,540

14.1 Pattern of Shareholding

Categories of shareholders	2024 Number of shares held	2024 % of Shares held	2023 Number of shares held	2023 % of Shares held
Individuals				
Muhammad Munir Khanani	**39,513,654**	**99.9990%**	39,513,654	99.9990%
Manzoor Ahmed	**100**	**0.0003%**	100	0.0003%
Mohammad Arif	**100**	**0.0003%**	100	0.0003%
Muhammad Nadeem	**100**	**0.0003%**	100	0.0003%
Muhammad Nawaz Alam Malik	**100**	**0.0003%**	100	0.0003%
	39,514,054	**100.00%**	39,514,054	100.00%

14.2 There is no agreement among shareholders with respect to voting rights, board selection, rights of first refusal and block voting.

		Note	2024	2023
			Rupees	
15.	**LONG TERM DEPOSITS**			
	Security deposits placed against:			
	- Rawalpindi property		**266,667**	266,667
	- Lahore property		**366,666**	366,666
			633,333	633,333
16.	**SHORT TERM BORROWINGS**			
	Conventional financing - Running finance			
	Soneri Bank Limited	*16.1*	**945,575,914**	402,420,184
	Bank Al Habib Limited	*16.2*	**1,181,023,073**	174,352,285
	Bank of Khyber Limited	*16.3*	**144,300,000**	10,400,000
	JS Bank Limited	*16.4*	**231,027,242**	119,625
	Allied Bank Limited	*16.5*	**422,548,398**	101,398
			2,924,474,628	587,393,492

16.1 This represents the amount availed under a short term running finance facility amounting to Rs. 1000 million (2023: Rs. 600 million) obtained from Soneri Bank Limited for working capital requirement (margin finances requirements). This carries markup at the rate of 3 Month Kibor plus 1% per annum (2023: 3 Month Kibor plus 1.5% per annum) and is secured by:

- Pledge of all approved shares with 30% margin as per approved list or 30%-50% margin for unapproved to be capped at Rs. 500 million (50% of overall limit of Rs. 1000 million).

The facility is due to expire on November 30, 2024.

16.2 This represents the amount availed under a short term running finance facility amounting to Rs. 1,500 million (2023: Rs. 1,000 million) obtained from Bank Al Habib Limited for working capital requirement (margin financing requirements). This carries markup at the rate of 3 Month KIBOR plus 0.75% per annum (2023: 3 Month KIBOR plus 0.75% per annum) and is secured by:

- Pledge of shares of listed companies quoted at Stock Exchange as per Banks approved list (in company's &/or director's name) with 30% margin.
- Pledge of Additional Unapproved shares (in company's &/or director's name)(duly registered with SECP) with 30% margin. Aggregate Exposure against these unapproved shares shall not be exceed Rs. 500 million at all time and per scrip exposure of 20% of Rs. 500 million.
- Personal Guarantee of All Director.

The facility is due to expire on November 13, 2024.

16.3 This represents the amount availed under a short term running finance facility amounting to Rs. 250 million (2023: Rs. 250 million) obtained from The Bank of Khyber Limited for working capital requirement (margin finances requirements). This carries markup at the rate of 3 Month KIBOR plus 1.5%-3.8% per annum (2023: 3 Month KIBOR plus 1.5%-3.8%) and is secured by:

- Pledge of shares / third party shares as per Bank's approved list.
- Personal guarantee of all directors.

The facility is due to expire on May 31, 2025.

16.4 This represents the amount availed under a short term running finance facility amounting to Rs. 600 million (2023: Rs. 600 million) obtained from JS Bank Limited for working capital requirement (margin finances requirements). This carries markup at the rate of 3 Month KIBOR plus 2% per annum (2023: 1 Month KIBOR + 1.5%-3.8% per annum) and is secured by:

- First exclusive charge over pledge of shares;
- Pledge of shares with a flat margin of 35% on shares as per JS Bank approved list;
- Personal guarantee of directors holding more than 10% shares;
- Equitable mortgage of Commercial Plot D-18, Block-8, KDA Scheme No.5, Clifton, Karachi

The facility is expired on September 25, 2024.

16.5 This represents the amount availed under running finance facility amounting to Rs. 1000 million (2023: Rs. 500 million) obtained from Allied Bank Limited to finance investment in equity market. This carries markup at the rate of 3 Month KIBOR plus 0.75% per annum (2023: 3 Month KIBOR plus 0.75% per annum) and is secured by:

- Pledge of shares / Third party shares as per Bank's approved list.
- Personal guarantee of CEO (Mr. Muhammad Munir Khanani).

The facility is expired on September 30, 2024.

17. TRADE AND OTHER PAYABLES

	2024	2023
	Rupees	
Trade payables	**1,851,291,844**	648,267,991
Accrued expenses	**13,685,922**	5,606,625
Sindh Sales Tax payable	**6,755,252**	724,168
Withholding Income Tax payable	**6,181,921**	1,961,718
Commission payable to agents	**280,766,849**	42,412,175
Future profit withheld	**9,325,141**	9,015,573
Retained profit DFC	**-**	6,512,017
	2,168,006,928	714,500,267

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18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 The Additional Commissioner Inland Revenue amended the deemed assessment u/s 122 (5A) of income tax ordinance for the tax year 2017 vide order dated 26 Feb 2021 by levying super tax and capital gain tax on disposal of PSX shares and created a demand of Rs. 41,143,811/-. The order u/s 122(5A) was challenged before CIR(Appeals) who maintained the order of the assessing officer. The Company challenged the CIR (Appeals) before the Appellate Tribunal Inland Revenue (ATIR), Karachi and as of the reporting date, appeal is still pending with the ATIR. The management of the company in consultation with its legal and tax advisor is confident that the decision will be in favor of the Company.

18.1.2 The company was selected for audit u/s 177 of the Income Tax Ordinance for the tax year 2018. The Assistant Commissioner of Inland Revenue passed order u/s 122(1) of Income Tax Ordinance for the tax year 2018 vide order dated 28 May 2021 and amended the deemed assessment mainly on account of apportionment of expenses to the stream of incomes and created a demand of Rs. 2,668,396/-. The order u/s 122(5A) was challenged before CIR(Appeals) who annul certain additions and confirmed other amendments made in the order of the assessing officer which have been challenged before the Appellate Tribunal Inland Revenue, Karachi. The management of the company in consultation with its legal and tax advisor is confident that the decision will be in favor of the Company.

18.1.3 The Additional Commissioner Inland Revenue amended the deemed assessment u/s 122 (5A) of income tax ordinance for the tax year 2022 vide order dated 28 March 2023 by levying capital gain tax on exempt capital gain and disallowance of tax credit on donation to certain institutions and created a demand of Rs. 17,505,338/-. The order u/s 122(5A) was challenged before CIR(Appeals) who Annulled the order of the assessing officer and decided the appeal in favor of the Company.

		Note	2024	2023
18.2	**Commitments**		**Rupees**	
	- Bank guarantee provided in favour of NCCPL in respect of exposure demand on deliverable future contracts (DFCs)		**192,000,000**	109,000,000
	- Bank guarantee provided to PSX in respect of Base Minimum Capital (BMC) requirement		**5,000,000**	36,000,000
19.	**OPERATING REVENUE**			
	Brokerage income			
	Net commission earned		**296,804,973**	108,043,026
	Markup / interest on:			
	Markup on cash margin against DFCs		**6,043,784**	3,148,085
	Income under Margin Trading system		**4,913,798**	312,476
	Markup on Margin Financing		**227,427,179**	54,269,263
	Markup overdue on Margin financing		**102,916,336**	13,981,538
			341,301,097	71,711,361
	Dividend income		**103,956,463**	43,423,428
	Commission on share application		**8,627,705**	6,821
			750,690,238	223,184,636
20.	**CAPITAL GAIN / (LOSS) ON SALE OF INVESTMENTS**			
	Gain / (loss) for the year	*20.1*	**452,529,315**	(145,806,178)

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20.1 The computation of taxable capital loss during the year is regulated by NCCPL in accordance with section 37A read with Rule 13N as laid down in Income Tax Rules, 2002 and accordingly NCCPL collect tax on capital gains after adjustment of carryforward capital loss (if any) as provided in Eighth Schedule to the Income Tax Ordinance, 2001. The reconciliation of Capital gain / (loss) as per accounting principles with that of NCCPL is reproduced hereunder;

	Note	**2024**	2023
		Rupees	
Capital gain / (loss) as per accounting principles		**452,529,315**	(145,806,178)
Allowance @ 0.25% as per rule 13N(8) of the Income Tax Rules		**(213,442,309)**	(27,895,429)
Adjustment of carryforward capital loss of previous tax periods		**(340,956,149)**	-
Taxable Capital loss as per NCCPL in accordance with Section 37A		**(101,869,143)**	(173,701,606)

21. ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2024	2023
Staff salaries and allowances		**41,263,730**	34,331,510
Directors' remuneration	*21.1*	**1,788,600**	1,788,600
CDC and clearing house charges		**5,133,140**	1,184,309
IKATS and gateway charges		**3,301,820**	2,024,798
Traveling and conveyance		**2,250,250**	40,000
Telephone and fax bills		**870,768**	737,322
Insurance		**1,925,427**	1,524,942
Communication		**9,748,823**	12,142,655
Legal and professional charges		**2,242,161**	1,754,239
Printing and stationery		**36,375**	1,624
Electricity bills		**5,792,018**	3,856,604
Office service charges - Rent		**5,478,101**	5,749,704
General expense		**217,135**	188,958
Advertisement for Roshan Digital Account & others		**548,315**	1,315,000
Auditors' remuneration		**1,280,000**	1,000,000
Water charges		**253,897**	196,641
Postage and courier		**85,392**	142,883
Software charges		**7,371,575**	8,843,128
Fees and subscription		**4,085,646**	4,322,041
Rates and taxes		**1,840,398**	3,333,044
Repair and maintenance		**519,000**	996,393
Donation	*21.2*	**62,414,136**	21,339,793
Provision for expected credit loss	*11.1*	**-**	70,668,140
Amortization of software	*6.1*	**392,327**	560,467
Depreciation on investment property	*8*	**5,013,944**	5,277,835
Depreciation on property and equipment	*5*	**14,163,163**	13,697,500
		178,016,139	197,018,130

21.1 Remuneration of the Chief Executive, Director and Executives

	Chief Executive		Directors		Executives		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees							
Basic salary	-	-	**1,192,664**	1,192,664	**16,960,000**	1,200,000	**18,152,664**	2,392,664
House allowance	-	-	**477,066**	477,066	**8,480,000**	600,000	**8,957,066**	1,077,066
Utility allowance	-	-	**118,870**	119,266	**848,000**	60,000	**966,870**	179,266
	-	-	**1,788,600**	1,788,996	**26,288,000**	1,860,000	**28,076,600**	3,648,996
Number of persons	**1**	1	**1**	1	**14**	4		

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21.2 None of the directors or their spouses have any interest in donees.

Company has made donations to the following parties during the period;

- Shaukat Khanum Memorial Trust
- Usman Memorial Hospital Foundation
- The Indus Hospital
- Bantva Hospital
- Professional Educational Foundation
- Bantva Town Memon Welfare Committee
- Child life Foundation
- Khaadim-e-Insaniyat Welfare International Trust
- Hashmanis Medical & Welfare Foundation
- Al Maisarahdialysis & Diabetes Trust
- Fiqh Academy
- Al khuwait Foundation

21.3 The details of income tax that was required to be deducted by the Company as a withholding agent u/s 153, u/s 149 and other applicable provisions of Income tax ordinance, 2001 is as follows;

Particulars	Expense / Payments made during the year	Exempt / below limit	Payments subject to tax deduction	Rate	WHT deducted
- *STAFF SALARIES & ALLOWANCES*					
FAHAD	1,560,000	-	1,560,000	As per slab	53,750
TOUSEEF	1,235,000	-	1,235,000	As per slab	19,376
ADNAN	2,340,000	-	2,340,000	As per slab	157,500
JUNAID	1,300,000	-	1,300,000	As per slab	27,500
SAYYAR	1,690,000	-	1,690,000	As per slab	76,250
DANISH	1,300,000	-	1,300,000	As per slab	27,500
JAWED YOUNUS	2,028,000	-	2,028,000	As per slab	118,500
KAMRAN	1,300,000	-	1,300,000	As per slab	27,500
ABDUL QADIR	975,000	-	975,000	As per slab	9,375
M.FAISAL MALIK	2,080,000	-	2,080,000	As per slab	125,000
YASIR	1,495,000	-	1,495,000	As per slab	51,875
FARHANA SABA	1,800,000	-	1,800,000	As per slab	90,000
ZAID FAROOQ LODHIA	2,145,000	-	2,145,000	As per slab	133,125
AFTAB	1,071,000	-	1,071,000	As per slab	12,900
UZAIR YOUNUS	845,000	-	845,000	As per slab	6,125
MUHAMMAD BILAL	845,000	-	845,000	As per slab	6,125
BABER	715,000	-	715,000	As per slab	2,875
KHURRAM JAWAID	845,000	-	845,000	As per slab	6,125
WAQAR ASHRAF	1,105,000	-	1,105,000	As per slab	11,875
FAIZAN ALI SHAIKH	910,000	-	910,000	As per slab	7,750
ANWER KHAN	910,000	-	910,000	As per slab	7,750
ASFAND KHAN	715,000	-	715,000	As per slab	2,875
KAZIM	780,000	-	780,000	As per slab	4,500
SHAHID	715,000	-	715,000	As per slab	2,875
MUHAMMAD ALI ASAD	1,560,000	-	1,560,000	As per slab	60,000
DILIP	1,170,000	-	1,170,000	As per slab	13,250
KHURRAM FOJDAR	1,200,000	-	1,200,000	As per slab	15,000
SAQLAIN	770,000	-	770,000	As per slab	5,500
ABDUL RAZZAK	3,575,000	-	3,575,000	As per slab	429,376
IQRA	1,625,000	-	1,625,000	As per slab	68,126
DIRECTORS' REMUNERATION (MUHAMMAD AR	1,788,600	-	1,788,600	As per slab	88,575
- *PSX CHARGES PAID*	29,815,005		27,471,791	4%	1,098,871.64
NCCPL Charges recovered from Clients	(29,233,054)				
Expense for the year	581,951				
- *NCCPL CHARGES PAID*	28,449,936		38,931,808	4%	1,557,272.32
NCCPL Charges recovered from Clients	(24,634,133)				
Expense for the year	3,815,803				
- *CDC CHARGES PAID*	18,559,676	-	16,482,296	9%	1,630,117.00
CDC Charges recovered from Clients	(17,824,290)				
Expense for the year	735,385				
- KATS ANNUAL FEE	3,301,820	-	3,301,820	4%	132,073
- *TELEPHONE & FAX BILLS - PTCL*	*870,768*	*870,768*	-	*N/A*	-
- *INSURANCE*	*1,925,427*	*1,925,427*	-	*N/A*	-

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Particulars	Expense / Payments made during the year	Exempt / below limit	Payments subject to tax deduction	Rate	WHT deducted
- *COMMUNICATION*					
E-OCEAN PVT LIMITED (SMS SOLUTION)	*12,103,945*	-	*12,104,280*	*4%*	*504,345*
SMS Charges recovered from clients	*(12,471,938)*				
Expense for the year	*(367,993)*				
PTCL	*2,739,783*	*2,739,783*	-		
CYBERNET	*2,106,939*	-	*2,638,176*	*4%*	*109,924*
SEPIA SOLUTIONS	*2,116,420*	-	*2,295,893*	*4%*	*95,662*
OTHERS	*3,153,675*	*1,690,424*	*1,463,251*	*4%*	*60,968*
- *LEGAL AND PROFESSIONAL CHARGES*					
Najmi	*399,301*	-	*399,301*	*11%*	*43,923*
Minto & Mirza	*600,000*	-	*595,455*	*11%*	*65,500*
Vis Credit Rating Company Ltd	*720,700*	-	*814,391*	*9%*	*73,295*
Frants & Company	*154,980*	-	*154,982*	*11%*	*17,048*
Kabani Associates	*173,580*	*130,500*	*43,080*	*11%*	*4,739*
Syed Ali Faraz Stamp Vendor	*193,600*	*126,000*	*67,600*	*11%*	*7,436*
- *PRINTING & STATIONARY PAID*	*36,375*	-	*36,375*	*5.50%*	*2,001*
- *ELECTRICITY BILLS - PSX*	*5,792,018*	*5,099,162*	*692,856*	*Slab*	*28,869*
- *OFFICE SERVICE CHARGES*					
Rent	*5,478,101*	-	*5,192,396*	*Slab*	*423,075*
- *GENERAL EXPENSE*					
Parking Charges Paid to PSX	*214,775*	-	*628,100*	*Various*	*18,730*
Miscellaneous expenses	*2,357*	*2,357*	-	*0.0%*	-
- *ADVERTISEMENT EXPENSE*	*548,315*	*49,648*	*498,667*	*0%*	-
- *AUDIT FEE- RSRIR CA'S*	*1,280,000*	-	*1,080,000*	*10%*	*108,000*
- *WATER CHARGES- PAKISTAN BEVERAGES*					
Pakistan Beverage Ltd (Aquafina)	*158,400*	-	*158,400*	*5.5%*	*8,712*
Nordica Health Products (Pvt) Ltd	*95,497*	*1,917*	*93,580*	*5.0%*	*4,679*

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Particulars	Expense / Payments made during the year	Exempt / below limit	Payments subject to tax deduction	Rate	WHT deducted
POSTAGE AND COURIER					
TCS (Pvt) Ltd.	*196,892*	-	*220,900*	*4%*	*8,836*
Less: Recovered from clients	(111,500)				
Expense for the year	*85,392*				
SOFTWARE CHARGES					
Microlinks (Pvt) Limited	*4,078,948*	-	*3,760,450*	*4%*	*150,418*
Catalyst It Solutions (Pvt) Ltd.	*3,292,627*	-	*3,670,850*	*4%*	*146,834*
FEES AND SUBSCRIPTION					
CS Solutions (Pvt) Limited	*2,568,557*	-	*3,151,425*	*4%*	*126,057*
SECP (Form A, 29)	*18,890*	*18,890*	-	*N/A*	-
SECP Broker Renewal	*50,025*	*50,025*	-	*N/A*	-
Branch Renewal fee / Room NOC -PSX	*5,000*	*5,000*	-	*N/A*	-
PSX Stock Brokers Association	*70,000*	*70,000*	-	*N/A*	-
MovenPick	*1,159,674*	*1,159,674*	-	*N/A*	-
INSTITUTE OF CAPITAL MARKETS	*213,500*	*213,500*	-	*N/A*	-
RATES AND TAXES					
Professional Tax - NBP	*100,000*	*100,000*	-	*N/A*	-
Property Tax - Cantonment board Clifton	*1,683,874*	*1,683,874*	-	*N/A*	-
Property Tax Pt-10	*56,524*	*56,524*	-	*N/A*	-
REPAIR & MAINTENANCE	*519,000*	*519,000*	-	*N/A*	-
DONATION	*62,414,136*	*62,414,136*	-	*N/A*	-
OPERATIG FIXED ASSETS	*30,135,681*	*26,381,177*	*3,754,504*	*5.5%*	*206,498*

		Note	2024	2023
			Rupees	
22.	**FINANCE COSTS**			
	Markup on short term borrowings		**135,678,028**	51,608,955
	Bank charges		**3,108,005**	2,977,568
			138,786,033	54,586,523
23.	**OTHER INCOME**			
	Profit on saving account		**19,224,750**	4,986,133
	Rental income		**22,110,144**	19,889,493
	Capital gain on disposal of fixed assets		**1,850,000**	-
	Reversal of provision for expected credit loss		**42,587,624**	-
			85,772,519	24,875,625
24.	**LEVIES**			
	Income tax - Final tax regime		**15,472,532**	-
25.	**TAXATION - NET**			
	Current		**97,109,183**	12,920,790
	Prior		-	-
	Deferred		**(305,113)**	(20,493,761)
			96,804,070	(7,572,971)

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

	2024	2023
	Rupees	
25.2 Reconciliation of tax expense with accounting profit / (loss)		
Accounting Profit / (loss) before tax	**1,147,540,929**	-
Tax on above @ 29%	**332,786,869**	-
Tax effect of income taxed under presumptive tax regime	**(14,674,842)**	
Tax effect of realized and unrealized capital gain on short term investments	**(182,085,300)**	
Effect of disallowances / tax adjustments	**(24,485,984)**	-
Effect of tax credits / rebates	**(12,557,013)**	-
Effect of super tax	**13,292,872**	
	112,276,602	-

26. EARNINGS PER SHARE

26.1 *Basic earning per share*

	2024	2023
Profit after taxation	**1,035,264,327**	139,487,374
Weighted average number of shares outstanding during the year	**39,513,654**	39,513,654
Earning per share - basic and diluted	**26.20**	3.53

26.2 *Diluted Earning per share*

There is no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at June 30, 2024 and June 30, 2023.

	Note	**2024**	2023
		Rupees	
27. CASH AND CASH EQUIVALENTS			
Bank balances	*13*	**1,793,083,800**	872,648,289
Short term borrowings - running finance	*16*	**(2,924,474,628)**	(587,393,492)
		(1,131,390,827)	285,254,797

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28. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel of the Company (including directors) and their close family members. Remuneration of the Chief Executive and directors is disclosed in note 20.1 to the financial statements. Transactions entered into with related parties and balances held with them, other than those disclosed elsewhere in these financial statements, are as follows:

	2024	2023
	Rupees	
Name of the related party, relationship with company and Nature of transaction		
KEY MANAGEMENT PERSONNEL		
Muhammad Munir (CEO / Director)		
Transaction during the year		
Commission earned on sale and purchase of securities	**95,243,208**	3,221,250
Balances at the year end		
Trade Payable at year end	**(523,601,195)**	-
Trade Receivable at year end	**-**	2,172,159
Manzoor Ahmed (Director)		
Transaction during the year		
Commission earned on sale and purchase of securities	**2,704,317**	2,540,144
Balances at the year end		
Trade Receivable at year end	**2,982,264**	3,627,935
Mohammad Arif (Director)		
Balances at the year end		
Trade Payable at year end	**13,437**	14,089
CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL		
Abdul Hadi		
Transaction during the year		
Commission earned on sale and purchase of securities	**23,201,709**	2,529,822
Balances at the year end		
Trade Payable at year end	**73,075**	561,793
Rozmeen Arif		
Balances at the year end		
Trade Payable at year end	**13,059**	13,988

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29. FINANCIAL INSTRUMENTS

29.1 Financial risk analysis

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

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

29.1.1 Credit risk

Credit risk represents the financial loss that would be recognised at the reporting date if counterparties fail completely to perform as contracted / discharge on obligation / commitment that it has entered into with the Company. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2024	2023
	Rupees	
Long term deposits	**2,748,000**	2,663,000
Short term investments	**3,549,983,243**	900,735,358
Trade debts (including receivable against margin financing)	**2,633,856,157**	1,570,184,188
Loans and other receivables	**66,498,969**	26,440,092
Bank balances	**1,793,083,800**	872,648,289
	8,046,170,169	3,372,670,927

Impairment losses:

As of the reporting date, the risk profile of the trade receivables as of the reporting date is as follows:

	2024		2023	
	Gross Carrying amount	**Life time expected credit losses**	Gross Carrying amount	Life time expected credit losses
	Rupees			
Past due 1-30 days	**367,928,566**	**6,505,569**	494,477,959	5,674,156
Past due 31-180 days	**90,956,994**	**984,913**	121,940,417	9,687,294
Past due 181-365 days	**39,877,542**	**10,099,088**	113,825,462	32,933,016
More than 365 days	**98,251,251**	**42,812,721**	327,864,659	54,695,593
	597,014,353	**60,402,291**	1,058,108,497	102,990,059

At each reporting date, Company assessed its trade debts for impairment, however, based on past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors considered good do not require any impairment other than above. None of the other financial assets are either past due or impaired.

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The credit quality of Company's bank balances as at the balance sheet date can be assessed with reference to external credit ratings as follows:

Banks / other institutions	Short term rating	Credit rating agency	2024	2023
			Rupees	
Allied Bank	A-1+	PACRA	**2,593,827**	1,734,283
Askari Bank	A-1+	PACRA	**11,633,633**	654,191
Bank Al Habib	A-1+	PACRA	**767,888,896**	175,671,883
Bank Alfalah	A-1+	PACRA	**25,730,035**	7,062,021
Bank Islami	A-1	PACRA	**15,195,302**	10,055,089
Bank Of Khyber	A-1	PACRA	**144,198,205**	10,488,670
Dubai Islamic Bank	A-1+	JCR-VIS	**222,032**	195,423
Faysal Bank	A-1+	PACRA	**10,227,838**	4,993,521
Habib Bank	A-1+	JCR-VIS	**8,532,056**	11,055,854
Habib Metro	A-1+	PACRA	**3,551,302**	80,373
JS Bank	A-1+	PACRA	**223,684**	218,816
MCB Bank	A-1+	PACRA	**1,309,529**	666,180
Meezan Bank	A-1+	JCR-VIS	**15,079,865**	4,006,762
National Bank	A-1+	PACRA	**1,077,734**	187,599
Sindh Bank	A-1+	JCR-VIS	**13,661**	9,776,014
Soneri Bank	A-1+	PACRA	**764,978,856**	634,366,206
Summit Bank	-	-	**356,989**	510,235
United Bank	A-1+	JCR-VIS	**20,270,358**	925,168
			1,793,083,800	872,648,288

29.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has facilities of running finance to meet any deficit, if required to meet the short term liquidity commitment.

	June 30, 2024			
	Carrying amount	**Contractual cash flows**	**Up to one year**	**More than one year**
Financial liabilities				
Long term deposits	**633,333**	**633,333**	**-**	**633,333**
Short term borrowings	**2,924,474,628**	**2,924,474,628**	**2,924,474,628**	**-**
Trade and other payables	**2,168,006,928**	**2,168,006,928**	**2,168,006,928**	**-**
Accrued markup	**33,216,921**	**33,216,921**	**33,216,921**	**-**
	5,126,331,810	**5,126,331,810**	**5,125,698,477**	**633,333**

	June 30, 2023			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
Financial liabilities				
Long term deposits	633,333	633,333	-	633,333
Short term borrowings	587,393,492	587,393,492	587,393,492	-
Trade and other payables	714,500,267	714,500,267	714,500,267	-
Accrued markup	13,274,909	13,274,909	13,274,909	-
	1,315,802,001	1,315,802,001	1,315,168,668	633,333

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29.1.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk, and other price risk.

(a) currency risk

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 any foreign currency risk as all its transactions were carried out in Pak Rupees.

(b) 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 short term borrowings from banks and deposits held with banks in PLS accounts.

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

	2024	2023	**2024**	2023
	Effective interest rate (%)		**Carrying amounts (Rs.)**	
Financial assets				
Bank deposits - PLS account	**16% - 20%**	15% - 20%	**97,888,151**	279,328,377
Financial liabilities				
Short term borrowings	1-3 Months KIBOR + 1.5% - 2.5%	1-3 Months KIBOR + 1.5% - 2.5%	**2,924,474,628**	587,393,492

Sensitivity analysis

Fair value sensitivity

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

Cash flow sensitivity

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Effect on profit or loss	
	100 bps decrease	100 bps increase
	-------------- Rupees --------------	
As at June 30, 2024	**(28,265,865)**	**28,265,865**
As at June 30, 2023	(3,080,651)	3,080,651

(c) price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest / markup 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 instrument traded in the market. The Company exposed to equity price risk since it has investments in quoted equity securities as at the reporting date. 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.

Sensitivity analysis

The table below summarises the Company's equity price risk as at June 30, 2024 and shows the effect of a hypothetical 5% increase or decrease in market prices as at the reporting date. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenario. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Company's equity investment portfolio.

	Fair value	Hypothetical price change	Hypothetical increase / (decrease) in other comprehensive income
June 30, 2024	**3,549,983,243**	**5% change**	**177,499,162**
June 30, 2023	900,735,358	5% change	45,036,768

29.2 Financial instruments by category

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

	2024		
June 30, 2024	**Financial assets at amortised cost**	**At fair value through profit or loss**	**Financial liabilities at amortised cost**
Financial assets			
Long term deposits	**2,748,000**	-	-
Short term investment	-	**3,549,983,243**	-
Trade debts	**2,633,856,157**	-	-
Loans, advances & other receivables	**76,498,969**	-	
Cash and bank balances	**1,793,083,800**	-	-
	4,506,186,927	**3,549,983,243**	-
Financial liabilities			
Long term deposits	-	-	**633,333**
Short term borrowings - secured	-	-	**2,924,474,628**
Trade and other payables	-	-	**2,168,006,928**
Accrued markup on short term borrowings	-	-	**33,216,921**
	-	-	**5,126,331,810**

	2023		
June 30, 2023	Financial assets at amortised cost	At fair value through profit or loss	Financial liabilities at amortised cost
Financial assets			
Long term deposits	2,663,000	-	-
Short term investment	-	900,735,358	-
Trade debts	1,570,184,188	-	-
Loans, advances & other receivables	37,427,934	-	
Cash and bank balances	872,648,289	-	-
	2,482,923,411	900,735,358	-
Financial liabilities			
Long term deposits	-	-	633,333
Short term borrowings - secured	-	-	587,393,492
Trade and other payables	-	-	714,500,267
Accrued markup on short term borrowings	-	-	13,274,909
	-	-	1,315,802,001

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29.3 Fair value hierarchy

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Following is the fair value hierarchy of financial assets carried at fair value in the statement of financial position:

	Level 1	**Level 2**	**Level 3**	**Total**
June 30, 2024		**Rupees**		
Short term investments	**3,549,983,243**	**-**	**-**	**3,549,983,243**
	3,549,983,243	**-**	**-**	**3,549,983,243**

	Level 1	Level 2	Level 3	Total
June 30, 2023		Rupees		
Short term investments	900,735,358	-	-	900,735,358
	900,735,358	-	-	900,735,358

30. CAPITAL

30.1 Capital management

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

30.2 Capital Adequacy level

The Capital Adequacy Level of the Company as of the reporting date was as follows:

	Note	**2024**	2023
		Rupees	
Total assets	*30.2.1*	**8,304,501,422**	3,660,228,966
Less: Total liabilities		**(5,126,331,810)**	(1,315,802,001)
Less: revaluation reserves (created upon revaluation of fixed assets)		**-**	-
		3,178,169,613	2,344,426,965

30.2.1 Capital Adequacy Level as at June 30

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

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

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	180,004,501	180,004,501	-
1.2	Intangible Assets	3,415,428	3,415,428	-
1.3	Investment in Govt. Securities	-	-	-
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	**Investment in Equity Securities**			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (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	3,549,983,243	549,378,002	3,000,605,241
	ii. If unlisted, 100% of carrying value.	-	-	-
1.6	Investment in subsidiaries	-	-	-
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	**Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.**			
	(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	2,100,000	2,100,000	-
1.9	Margin deposits with exchange and clearing house.	6,943,029	-	6,943,029
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	40,820,230	40,820,230	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (***Securities purchased under repo arrangement shall not be included in the investments.)***	-	-	-
1.15	**Advances and receivables other than trade Receivables;**			
	(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	4,480,105	4,480,105	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation .	34,739,094	34,739,094	-
	(iii) In all other cases 100% of net value	105,375	105,375	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	54,970,460	-	54,970,460

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***	2,125,869,804	-	2,125,869,804
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***	-	-	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haricut***	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	293,372,543	-	293,372,543
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. ***v. Lower of net balance sheet value or value determined through adjustments***	214,613,810	-	214,613,810
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. ***vi. Lower of net balance sheet value or value determined through adjustments***	-	-	-
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietary accounts	17,785,229	-	17,785,229
	ii. Bank balance-customer accounts	1,775,298,571		1,775,298,571
	iii. Cash in hand	-	-	-
1.19	**Subscription money against investment in IPO/ offer for sale (asset)**			
	(i)No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	(ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities.	-	-	-
	(iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.	-	-	-
1.20	**Total Assets**	8,304,501,422		7,489,458,687
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	1,851,291,844	-	1,851,291,844

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	12,937,172	-	12,937,172
	ii. Accruals and other payables	336,994,833	-	336,994,833
	iii. Short-term borrowings	2,924,474,628	-	2,924,474,628
	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	633,333	-	633,333
2.3	**Non-Current Liabilities**			
	i. Long-Term financing			
	ii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	iii. Staff retirement benefits			
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases	-	-	-
2.4	**Subordinated Loans**			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	-	-	-
2.5	**Advance against shares for Increase in Capital of Securities broker:**			
	100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	**Total Liabilities**	5,126,331,810		5,126,331,810
3. Ranking Liabilities Relating to :				
3.1	**Concentration in Margin Financing**			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total finances. (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 include in the ranking liabilities	-	239,644,980	239,644,980
3.2	**Concentration in securities lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)	-	-	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
3.3	**Net underwriting Commitments**			
	(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments			
3.4	**Negative equity of subsidiary**			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions**			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO			
3.7	**Repo adjustment**			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	**Concentrated proprietary positions**			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met			
3.10	**Short sell positions**			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilities**	-	-	**239,644,980**

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	7,489,458,687
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(5,126,331,810)
(iii) Less: Total ranking liabilities (series number 3.11)	(239,644,980)
	2,123,481,897

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		2024	2023
31.	**NUMBER OF EMPLOYEES**	**Number**	
	Total number of employees as at June 30, 2024	**25**	25
	Average number of employees during the year	**28**	28

		2024	2023
32.	**GENERAL**	**Rupees**	
32.1	**Customers assets held in the Central Depository System**		
	No. of shares as at June 30, 2024	**1,020,448,601**	1,023,363,600
	Amount of shares as at June 30, 2024	**16,543,170,278**	10,311,987,512

32.2 Corresponding figures

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

32.3 Date of authorization

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

32.4 Level of rounding

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

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Chief Executive

Director