REANDA

DAWOOD MOHAMMED SECURITIES (PRIVATE) LIMITED

Financial Statements
For the year Ended June 30, 2024

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DAWOOD MOHAMMED SECURITIES (PRIVATE) LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Dawood Mohammed Securities (Private) Limited** which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes 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, other comprehensive profit, 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.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

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

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 skepticism 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.

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980;

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e) the Company was in compliance with the requirement of section 78 of the Securities Act, 2015, 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 **Muhammad Farooq**.

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: 07 OCT 2024
UDIN: AR202410127up7FAIHeo

DAWOOD MOHAMMED SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	4	**26,451**	29,390
Intangible asset	5	**3,500,000**	3,500,000
Long term deposits	6	**3,010,000**	3,010,000
		6,536,451	6,539,390
Current Assets			
Short term investments	7	**20,582,338**	11,886,722
Interest receivable		**1,543,492**	1,320,547
Bank balances	8	**91,503,294**	82,355,994
		113,629,124	95,563,263
Total Assets		**120,165,575**	102,102,653
EQUITY AND LIABILITY			
Share Capital and Reserve			
Authorized capital			
5,500,000 (2023: 5,500,000) Ordinary shares of Rs.10 each		**55,000,000**	55,000,000
Issued, subscribed and paid-up capital			
5,400,000 Ordinary shares of Rs. 10 each	9	**54,000,000**	54,000,000
Unappropriated profit		**64,508,415**	47,335,433
		118,508,415	101,335,433
Non-Current Liabilities			
Deferred taxation	10	**541,424**	4,432
Current Liabilities			
Account payable		-	-
Accrued liabilities		**114,503**	106,326
Provision for taxation	11	**1,001,233**	656,462
		1,115,736	762,788
Total Equity and Liabilities		**120,165,575**	102,102,653

The annexed notes from 1 to 22 form an integral part of these financial statements

Chief Executive Officer

Director

DAWOOD MOHAMMED SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	*2024* *Rupees*	*2023* *Rupees*
Operating Revenue	12	**17,391,477**	11,986,259
Profit/ (Loss) on remeasurement of investments - at FVTPL		**8,695,616**	(4,548,486)
		26,087,093	7,437,773
Operating and administrative expenses	13	**(4,694,862)**	(3,898,331)
Profit before taxation		**21,392,231**	3,539,442
Taxation	14	**(4,219,249)**	(2,373,211)
Profit after taxation		**17,172,982**	1,166,231

The annexed notes from 1 to 22 form an integral part of these financial statements

Chief Executive Officer ***Director***

DAWOOD MOHAMMED SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
Profit for the year	**17,172,982**	1,166,231
Other comprehensive income for the year		
- Items that will be reclassified subsequently to statement of profit or loss	-	-
- Items that will not be reclassified subsequently to statement of profit or loss	-	-
Total comprehensive income for the year	**17,172,982**	1,166,231

The annexed notes from 1 to 22 form an integral part of these financial statements

Chief Executive Officer

Director

DAWOOD MOHAMMED SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

Description	*Issued, subscribed & paid up capital*	*Unappropriated profit*	*Total*
		Rupees	
Balance as at June 30, 2022	54,000,000	46,169,202	100,169,202
Total comprehensive Income for the year			
Profit for the year	-	1,166,231	1,166,231
Balance as at June 30, 2023	54,000,000	47,335,433	101,335,433
Total comprehensive Income for the year			
Profit for the year	-	**17,172,982**	**17,172,982**
Balance as at June 30, 2024	**54,000,000**	**64,508,415**	**118,508,415**

The annexed notes from 1 to 22 form an integral part of these financial statements

Chief Executive Officer *Director*

DAWOOD MOHAMMED SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**21,392,231**	3,539,442
Adjustment for non-cash items:		
Depreciation	**2,939**	3,266
Interest Income	**(17,391,477)**	**(11,982,259)**
(Gain) / Loss on remeasurement of investments	**(8,695,616)**	4,548,486
Loss before working capital changes	**(4,691,923)**	(3,891,065)
Increase / (Decrease) in current liabilities		
Accrued expenses	8,177	(42,174)
	8,177	(42,174)
Cash generated from operations	(4,683,746)	(3,933,239)
Taxes paid	(3,337,486)	(1,752,954)
Net cash used in operating activities	(8,021,232)	(5,686,193)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	**17,168,532**	11,464,783
Net cash generated from investing activities	17,168,532	11,464,783
Net increase in cash and cash equivalents	**9,147,300**	**5,778,590**
Cash and cash equivalents at the beginning of the year	**82,355,994**	76,577,404
Cash and cash equivalents at the end of the year	**91,503,294**	82,355,994

The annexed notes from 1 to 22 form an integral part of these financial statements

Chief Executive Officer ***Director***

1 STATUS AND NATURE OF BUSINESS

Dawood Mohammed Securities (Private) Limited (the Company) was incorporated as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on April 12, 2013.

The principal objects of the Company include share brokerage, money market transactions, consultancy services, underwriting etc.

The registered office and principal place of business is located at Pakistan Stock Exchange Building, Stock Exchange Road, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial reporting standards (IFRS standards) issued by International Accounting standards Board (IASB) as notified under Companies Act 2017; and

- Provisions of and directives issued under the companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, that certain investments are carried at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to the nearest rupee.

2.4 Use of estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are 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.

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows: -

Property and equipment

The Company reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding affect on the depreciation charge and impairment.

Intangible assets

The Company reviews the rate of amortisation and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of intangible assets with a corresponding affect on the amortisation charge and impairment.

Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax laws and establish provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes

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

2.5 Standards, interpretations and amendments to approved accounting standards

2.5.1 Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2024

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial

2.5.2 Standards, interpretations and amendments to the existing standards that are not yet effective and have not been early adopted by the company

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments regarding the classification of liabilities and debts with	January 1, 2024
IAS 07	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions)	January 1, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 07	Financial Instruments (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments (Amendments regarding the classification and measurement of financial instruments)	January 1, 2026

3 *MATERIAL ACCOUNTING POLICY INFORMATION*

3.1 *Property, equipment and depreciation thereon*

Owned

These are initially measured at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment loss if any.

Depreciation is charged to income applying reducing balance method at the rates specified in relevant note. In respect of additions and disposals during the year, depreciation is charged when the asset is put to use till the asset is disposed.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gain or loss on disposal of an asset is charged to profit and loss account.

The carrying values of tangible fixed assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

The Company reviews the useful lives and residual value of its assets on regular basis . Any change in the estimates in future years might affect the carrying amounts of the respective items of property, equipment with a corresponding effect on the depreciation charge.

3.2 *Intangible Assets*

An intangible asset is recognized as an assets if it is probable that economic benefits attributable to the assets will flow to the company and cost of the assets can be measured reliably.

Intangible assets having finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit and loss account when the asset is derecognized.

Trading Rights Entitlement 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. Where the carrying amount exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.3 *Financial instruments*

3.3.1 *Initial Recognition*

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or at amortized cost as the case may be.

All Purchases & sales of financial assets that require delivery within the time frame established by regulations or market convention are recognized using settlement date accounting i.e. on the date on which settlement of the transaction takes place.

3.3.2 *Classification of Financial assets*

The Company classifies its financial instruments in the following categories:

- at amortized cost.
- at fair value through other comprehensive income ("FVTOCI"), or
- at fair value through profit and loss ("FVTPL"),

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI
Financial assets that meet the following conditions are subsequently measured at FVTOCI:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Financial assets at fair value through P&L
A financial asset is measured at fair value through P&L unless it is measured at amortized or at fair value through OCI.

3.3.3 Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at

3.3.4 Subsequent measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in OCI.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, and subsequently carried at amortized cost, and in the case of financial assets, less any

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

3.3.5 Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets that are measured at amortized cost. Loss allowances are measured on the basis of life time (ECLs) that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL is only recognized if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the country of customers) on ECLs. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive).

Provision against financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3.3.6 Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

3.3.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.4 *Advances and Deposits*

All short and long term advances and deposits are carried at nominal amount. Provisions are made for doubtful amounts. Irrecoverable amounts are written off to profit and loss account.

3.5 *Trade debts*

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Trade receivables in respect of securities sold on behalf of client are recorded at settlement date of transaction.

3.6 *Cash and cash equivalents*

Cash and cash equivalent are carried in the statement of financial position at amortized cost.

3.7 *Trade and other payables*

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received up to the year end, whether or not billed to the Company.

Trade receivables in respect of securities sold on behalf of client are recorded at settlement date of

3.8 *Taxation*

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in statement of changes in equity or in which case it is recognised in equity.

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged or credited to the profit and loss account.

Levy

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

3.9 *Provisions*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.10 *Revenue*

Brokerage commission, consultancy and other income are recognised as and when such services are provided and performance obligation is satisfied.

Interest income is recognised on a time proportion basis using the effective interest rate of return.

Gain / (loss) on sale of securities are included in profit and loss account on settlement date basis.

3.11 *Impairment*

Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization. if no impairment loss had been recognised.

3.12 *Related party transactions*

All transactions with related parties are carried out by the Company at arms' length basis.

	Note	2024 Rupees	2023 Rupees

4 PROPERTY AND EQUIPMENT

		2024 Rupees	2023 Rupees
Office furniture			
Net book value		**29,390**	32,656
Depreciation for the year		**(2,939)**	(3,266)
Net book value as at 30th June		**26,451**	29,390
Cost		**84,293**	84,293
Accumulated depreciation		**(57,842)**	(54,903)
Net book value as at 30th June		**26,451**	29,390
Rate of depreciation		**10%**	10%

5 INTANGIBLE ASSET

	Note	2024 Rupees	2023 Rupees
Entitlement certificates	5.1	**3,500,000**	3,500,000

5.1 Membership card and trading right entitlement certificates

	2024 Rupees	2023 Rupees
Membership		
Pakistan Mercantile Exchange Limited (PMEX)	**1,000,000**	1,000,000
Trading Rights Entitlement Certificate (TREC)		
Pakistan Stock Exchange Limited (PSX)	**2,500,000**	2,500,000
	3,500,000	3,500,000

6 LONG TERM DEPOSIT

	2024 Rupees	2023 Rupees
Deposit with National Clearing Company of Pakistan Limited (NCCPL)	**400,000**	400,000
Deposit with Central Depository Company Limited (CDC)	**100,000**	100,000
Deposit with Pakistan Stock Exchange Limited (PSX)	**10,000**	10,000
Deposit with NCEL Building Management Limited	**2,500,000**	2,500,000
	3,010,000	3,010,000

7 SHORT TERM INVESTMENTS
- At fair value through profit or loss

2024	*2023*			*2024*	*2023*
Number of Shares		***Name of Securities***	***Note***	***Rupees***	*Rupees*
1,000	1,000	Arif Habib Corporation Limited		**48,510**	24,870
1,602,953	1,602,953	Pakistan Stock Exchange Limited	7.1	**20,533,828**	11,861,852
				20,582,338	11,886,722

7.1 These securities are pledged with Pakistan Stock Exchange Limited against Base Minimum Capital (BMC).

	Note	2024 Rupees	2023 Rupees

8 BANK BALANCES

	Note	2024 Rupees	2023 Rupees
Current account		**87,693**	64,547
Deposit account	8.1	**91,415,601**	82,291,447
	8.2	**91,503,294**	82,355,994

8.1 Deposit account carries interest rate of 20.5% per annum. (2023: 19.5%)

8.2 Balance pertaining to:

	2024 Rupees	2023 Rupees
- clients	**401**	401
- brokerage house	**91,502,893**	82,355,593
	91,503,294	82,355,994

8.3 Clients securities pledged

The total value of securities pertaining to clients are **Rs.4.952 million** (2023 : Rs. 3.941 million) held in sub-accounts of the company, out of which, securities of **Rs. 0.035 million** (2023 : Rs.0.022 million) are pledged with PSX / NCCPL. There are no security pledged with financial institution by house and client.

9 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024 Number of Shares	2023 Number of Shares		2024 Rupees	2023 Rupees
		Ordinary shares of Rs.10 each fully paid:		
392,617	392,617	In cash	**3,926,170**	3,926,170
1,000,000	1,000,000	Against trading right entitlement certificate	**10,000,000**	10,000,000
4,007,383	4,007,383	Against shares of Pakistan Stock Exchange Ltd	**40,073,830**	40,073,830
5,400,000	5,400,000		**54,000,000**	54,000,000

10 DEFERRED TAXATION

	2024 Rupees	2023 Rupees
Taxable temporary differences		
Accelerated tax depreciation	**4,194**	4,432
Taxable temporary differences		
Unrealized gain on investments	**537,230**	-
Deferred Tax Liability	**541,424**	4,432

	Note	**2024 Rupees**	2023 Rupees

11 PROVISION FOR TAXATION

Opening tax payable		**656,462**	17,141
Prior year		**-**	47,111
Provision for the year		**3,682,257**	2,345,164
		4,338,719	2,409,416
Taxes paid during the year		**(3,337,486)**	(1,752,954)
		1,001,233	656,462

12 OPERATING REVENUE

Dividend income		**-**	4,000
Bank profit		**17,391,477**	11,982,259
		17,391,477	11,986,259

13 OPERATING AND ADMINISTRATIVE EXPENSES

	Note	2024	2023
Salaries and other benefits	13.1	**2,388,200**	2,271,700
Utility expenses		**96,835**	79,551
Fees and subscription		**76,906**	67,189
Legal and professional charges		**244,311**	232,537
Entertainment expense		**155,000**	235,000
Office service charges		**261,555**	189,442
Donation and charity	13.2	**400,000**	250,000
Auditors' remuneration	13.3	**187,187**	569,646
Depreciation	4	**2,939**	3,266
Booth Rent		**36,951**	-
Professional tax		**500,000**	-
Miscellaneous		**344,978**	-
		4,694,862	3,898,331

13.1 Salaries and other benefits includes Chief Executive Officer salary amounting to **Rs.600,000** (2023 : Rs.600,000).

13.2 No donation was paid to any person or institution in which director or his spouse is interested.

13.3 Auditors' remuneration

	2024 Rupees	2023 Rupees
Statutory audit fee	**136,103**	126,846
Other certification and services fee	**51,084**	442,800
	187,187	569,646

	Note	2024 Rupees	2023 Rupees

14 TAXATION

	Note	2024 Rupees	2023 Rupees
Current	14.1	**3,682,257**	2,345,165
Prior Year		**-**	47,111
Deferred		**536,992**	(19,065)
		4,219,249	2,373,211

14.1 Numerical tax reconciliation for tax year 2024 between the tax amount at applicable tax rate and actual tax expense is prepared below.

	2024 Rupees	2023 Rupees
Profit before tax	**21,392,231**	3,539,442
Tax at the applicable rate of 29%	**6,203,747**	1,026,438
Add: Effect of FTR income	**-**	600
Add: Effect of disallowed expenses	**852**	947
Less: Effect of allowed expenses	**(614)**	(722)
Less: Tax on reduced rate	**-**	(1,160)
(Less) / add : Effect of unrealized (gain) / loss on remeasurment of investment	**(2,521,729)**	1,319,061
	3,682,257	2,345,164
	25,074,488	5,884,606

14.2 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2024	2023
	---- Rupees in ----	
- Current tax liability for the year as per applicable tax laws	**3,682,257**	2,345,165
- Portion of current tax liability as per tax laws, representing income tax under IAS 12	**(3,682,257)**	(2,345,165)
- Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	-	-
Difference	-	-

The current tax amounting to Rs. 3.7 million represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

15 PATTERN OF SHAREHOLDINGS

Following are the shareholders with their percentage of holding as at June 30, 2024:

Sr. No.	*Name of Shareholder*	*Percentage %*	*No. of Shares Held*
1	Mohammad Dawood	99.99%	5,399,999
2	Shah Nawaz	0.01%	1

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

FINANCIAL ASSETS AND LIABILITIES

	Note	***2024 Rupees***	*2023 Rupees*
Financial assets			
Long term deposits	6	**3,010,000**	3,010,000
Interest receivable		**1,543,492**	1,320,547
Short term investments	7	**20,582,338**	11,886,722
Bank balances	8	**91,503,294**	82,355,994
Financial Liabilities			
Accrued liabilities		**114,503**	106,326

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

16.1 Risk managed and measured by the Company are explained below: -

a) Credit risk
b) Liquidity risk
c) Market risk

The Board of Director 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.

a) ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

The carrying amount of following financial assets represents the maximum credit exposure: -

	Note	***2024 Rupees***	*2023 Rupees*
Long term deposits	6	**3,010,000**	3,010,000
Interest receivable		**1,543,492**	1,320,547
Short term investments	7	**20,582,338**	11,886,722
Bank balances	8	**91,503,294**	82,355,994

The credit quality of the receivables can be assessed with reference to the historical performance with no or some defaults in recent history, however, no loses. The credit quality of Company's bank balances can be assessed with reference to external credit rating as follows: -

Bank	***Rating agency***	***Rating***	
		Short term	***Long term***
Habib Metropolitan Bank Limited	PACRA	A1+	AA+

b) ***Liquidity risk***

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

c) ***Market Risk***

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

(i) *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. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Currently the Company is not exposed to any currency risk because the company is not dealing in any foreign currency transactions.

(ii) *Interest / mark up rate risk*

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

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

	Note	**2024 Carrying Amount**	2023 Carrying Amount	2022 Carrying Amount
Financial assets				
Bank balances	8	**91,415,601**	82,291,447	76,479,625

Sensitivity analysis

The Company does not account for any fixed rate financial asset and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not effect fair value of any financial instrument and company does not have any variable rate instrument which effect profit and loss account and equity.

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

	Profit and loss, if 100 bps	
	increase	***decrease***
As at June 30, 2024		
Cash flow sensitivity - Variable rate financial instruments	**914,156**	**(914,156)**
As at June 30, 2023		
Cash flow sensitivity - Variable rate financial instruments	822,914	(822,914)

(iii) Price Risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company is exposed to equity price risk since it has investments in quoted equity securities at the reporting date amounting to Rs.20.6 million. (2023 : 11.9 million)

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favourable which if not, impairment loss has been recognised and other opportunities may be considered. Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are, in almost all instances, based on quoted market prices as of the balance sheet date except for, unquoted associates which are carried at fair value determined through latest sales price. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

Sensitivity analysis

The table below summarizes Company's equity price risk as of June 30, 2024 and 2023 and shows the effects of hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worst because of the nature of the equity market and aforementioned concentrations existing in company's equity investment portfolio.

	Fair Value	*Hypothetical price change*	*Estimated fair value after hypothetical change in prices*	*Hypothetical increase (decrease) in Shareholders ' Equity*
	Rupees		*Rupees*	*Rupees*
June 30, 2024	**20,582,338**	**10% increase**	22,640,572	**2,058,234**
		10% decrease	18,524,104	**(2,058,234)**
June 30, 2023	11,886,722	10% increase	13,075,394	1,188,672
		10% decrease	10,698,050	(1,188,672)

Fair Value of Financial Instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in arm's length transaction.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows: -

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

- ***Level 2:*** Inputs other than quoted prices included within 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).

	Level 1	***Level 2***	***Level 3***
		Rupees	
June 30, 2024			
At fair value through profit or loss	**20,582,338**	-	-
At fair value through profit or loss	-	-	-
June 30, 2023			
Available for sale' investments	11,886,722		-
At fair value through profit or loss	-	-	-

17 CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders. No changes were made in the objectives, policies or processes during the year ended June 30, 2024.

The Company monitors capital by effective control over expenses and investment therefore no debt is taken by the company.

17.1 Capital adequacy level

The capital adequacy level of the company is as follows:

	2024 Rupees	*2023 Rupees*	*2022 Rupees*
Total assets	**120,165,575**	102,102,653	100,358,340
Less: Total liabilities	**(1,657,160)**	(767,220)	(189,138)
Less: Revaluation reserves (created upon revaluation of fixed assets)	-	-	-
Capital adequacy level	**118,508,415**	101,335,433	100,169,202

17.1.1 While determining the value of total assets of TREC holder, notional value of TRE certificate held by such participant as at year ended June 30, 2024 as determined by the Pakistan Stock Exchange Limited - PSX has been considered.

17.2 Liquid capital

S / No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	1. Assets			
1.1	Property & Equipment	26,451	26,451	-
1.2	Intangible Assets	3,500,000	3,500,000	-
1.3	Investment in Govt. Securities		-	-
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.		-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.		-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.		-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	-
	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 requirenment, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	20,582,338	20,542,568	39,770
	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 requirenments of base minimum capital may be taken in the calculation of LC	510,000	510,000	-
1.9	Margin deposits with exchange and clearing house.		-	-
1.10	Deposit with authorized intermediary against borrowed securities under SLB.		-	-

S / No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.11	Other deposits and prepayments 100% of carrying	2,500,000	2,500,000	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	1,543,492	-	1,543,492
	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.			
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation .			
	(iii) In all other cases 100% of net value		-	-
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.		-	-
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***		-	-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***		-	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haircut***		-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***		-	-

S/ No.	*Head of Account*	*Value in Pak Rupees*	*Hair Cut / Adjustments*	*Net Adjusted Value*
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. ***v. Lower of net balance sheet value or value determined through adjustments***		-	-
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. vi. Lower of net balance sheet value or value determined through adjustments			
1.18	**Cash and Bank balances**			
	i. Bank Balance-proprietary accounts	91,502,893	-	91,502,893
	ii. Bank balance-customer accounts	401	-	401
	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 alloted or are not included in the investments of securities broker.			
	(ii) In case of Investment in IPO where shares have been alloted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such			
	(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**	**120,165,575**	**27,079,019**	**93,086,556**

2. Liabilities

2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house		-	-
	ii. Payable against leveraged market products		-	-
	iii. Payable to customers		-	-

S/ No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues		-	-
	ii. Accruals and other payables	114,503	-	114,503
	iii. Short-term borrowings		-	-
	iv. Current portion of subordinated loans		-	-
	v. Current portion of long term liabilities		-	-
	vi. Deferred Liabilities		-	-
	viii. Provision for taxation	1,001,233	-	1,001,233
	ix. Other liabilities as per accounting principles and included in the financial statements		-	-
2.3	**Non-Current Liabilities**			
	i. Long-Term financing		-	-
	ii.Other liabilities as per accounting principles and included in the financial statements	541,424	-	541,424
	iii. Staff retirement benefits		-	-
2.4	**Subordinated Loans**			
	i. 100% of Subordinated loans which fulfil the conditions specified by SECP are allowed to be		-	-
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**	**1,657,160**	-	**1,657,160**

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 finances 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			-

S/ No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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)		-	-
3.3	**Net underwriting Commitments**			
	<u>(a) in the case of right issues :</u> 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.		-	-
	<u>(b) in any other case :</u> 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.		-	-

S/ No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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 value of a security exceeds 51% of the proprietary position, then 10% of the value of such security.		2,053,383	2,053,383
3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts.		-	-
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met.		-	-
3.10	**Short sell positions**			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts.		-	-
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.		-	-
3.11	**Total Ranking Liabilities**	-	2,053,383	**2,053,383**
		118,508,415	Liquid Capital	**89,376,013**

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.19)	**93,086,556**
(ii) Less: Adjusted value of liabilities (serial number 2.5)	**(1,657,160)**
(iii) Less: Total ranking liabilities (series number 3.11)	**(2,053,383)**
	89,376,013

18 *RELATED PARTY TRANSACTIONS*

The related parties comprise associated undertaking, directors of the company, key management employees and chief executive officer. The Company continues to have a policy whereby all transactions with related parties undertakings are entered into at commercial terms and conditions. Currently there were no related party transaction during the year.

19 *REMUNERATION AND BENEFITS TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES*

	2024 Rupees	2023 Rupees
To Chief Executive Officer		
Managerial remuneration	**600,000**	600,000
	600,000	600,000
Number of persons	**1**	1

20 *OPERATING SEGMENT*

These financial statements have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

The internal reporting provided to the chief operating decision-maker relating to the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan. There were no change in the reportable segments during the year.

The Company is domiciled in Pakistan. The Company's revenue is generated from investments in equity and bank deposits.

All non-current assets of the Company at June 30, 2024 are located in Pakistan.

21 *NUMBER OF EMPLOYEES*

	Number of employees as at June 30 2024	Number of employees as at June 30 2023
No. of employees	**6**	6
Average number of employees	**6**	5

22 *DATE OF AUTHORIZATION FOR ISSUE*

These financial statements have been authorized for issue by the Board of Directors of the Company on 07 OCT 2024.

Chief Executive Officer

Director