

SHAJARPAK SECURITIES  
(PRIVATE) LIMITED  
Financial Statements For The  
Year Ended 30 June 2024



## INDEPENDENT AUDITORS' REPORT

To the members of Shajarpak Securities (Private) Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of Shajarpak Securities (Private) Limited (the Company), which comprise the statement of financial position as at 30 June 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 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 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 30 June 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 Auditors' 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 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. *2*



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 the 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.

#### **Auditors' 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 auditors' 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 auditors' 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 auditors' 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 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; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- e) The Company was in compliance with the requirements 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.
- 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 auditors' report is Mr. Adnan Rasheed.

**Rahman Sarfaraz Rahim Iqbal Rafiq,**

**CHARTERED ACCOUNTANTS**

Lahore: 11 2 SEP 2024

Date:

UDIN: AR202410701TPHnJIGw5

**SHAJARPAK SECURITIES (PRIVATE) LIMITED**

**STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2024

EQUITY AND LIABILITIES	NOTES	2024 Rupees	2023 Rupees	PROPERTY AND ASSETS	NOTES	2024 Rupees	2023 Rupees
<b>SHARE CAPITAL AND RESERVES</b>				<b>NON-CURRENT ASSETS</b>			
Share capital	5	66,000,000	60,000,000	Property and equipment	9	10,517,972	4,946,052
Capital reserve				Inangible assets	10	3,860,245	3,923,823
Fair value reserve - measurement of equity securities at fair value through other comprehensive income		11,630,524	(7,823,959)	Long term deposits		1,223,000	1,223,000
Revenue reserve		23,150,160	18,010,580			15,601,217	10,092,875
Unappropriated profit		100,780,684	70,186,621				
<b>NON-CURRENT LIABILITIES</b>							
Deferred taxation	6	-	-				
<b>CURRENT LIABILITIES</b>				<b>CURRENT ASSETS</b>			
Trade and other payables	7	125,626,995	17,033,411	Trade debts	11	7,092,695	14,101,433
Provision for taxation		1,599,733	894,301	Short term investments	12	53,961,631	30,296,922
		127,226,728	17,927,712	Taxes refundable/ adjustable		2,642,479	1,807,037
				Advances, prepayments and other receivables		2,662,678	2,022,331
				Cash and bank balances	13	146,046,712	29,793,735
<b>CONTINGENCIES AND COMMITMENTS</b>	8	-	-			212,406,195	78,021,458
		<b>228,007,412</b>	<b>88,114,333</b>			<b>228,007,412</b>	<b>88,114,333</b>

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

*[Signature]*  
DIRECTOR



*[Signature]*  
CHIEF EXECUTIVE OFFICER

**SHAJARPAK SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	NOTES	2024 Rupees	2023 Rupees
Operating income	14	14,917,433	7,906,453
Gain on sale of securities- net	15	230,710	-
Other income	16	4,860,154	6,629,184
		<b>20,008,297</b>	<b>14,535,637</b>
Operating expenses	17	(13,226,397)	(9,619,035)
Finance cost	18	(2,993)	(3,827)
		<b>(13,229,390)</b>	<b>(9,622,862)</b>
Profit before taxation		<b>6,778,907</b>	<b>4,912,775</b>
Taxation	19	(1,639,327)	(894,301)
Profit for the year		<b>5,139,580</b>	<b>4,018,474</b>
<b>OTHER COMPREHENSIVE INCOME - NET OF INCOME TAX:</b>			
<b>Items that will never be reclassified subsequently to the statement of profit or loss:</b>			
Unrealized gain/ (loss) on investment in equity instruments designated as fair value through other comprehensive income		19,454,483	(10,235,581)
Related impact on deferred tax		-	-
<b>Items that may be reclassified subsequently to the statement of profit or loss</b>			
		-	-
Other comprehensive income/ (loss) for the year		<b>19,454,483</b>	<b>(10,235,581)</b>
Total comprehensive income/ (loss) for the year		<b>24,594,063</b>	<b>(6,217,107)</b>
Earnings per share - basic and diluted	20	<b>0.80</b>	<b>0.67</b>

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

  
**DIRECTOR**

  
**CHIEF EXECUTIVE OFFICER**



**SHAJARPAK SECURITIES (PRIVATE) LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 JUNE 2024**

	Capital reserve	Revenue reserve	Total	
	Fair value reserve - measurement of equity securities at fair value through other comprehensive income	Unappropriated profit		
-----Rupees-----				
Balance as at 01 July 2022	60,000,000	2,411,622	13,992,106	76,403,728
Profit for the year	-	-	4,018,474	4,018,474
Other comprehensive loss for the year	-	(10,235,581)	-	(10,235,581)
	-	(10,235,581)	4,018,474	(6,217,107)
Balance as at 30 June 2023	60,000,000	(7,823,959)	18,010,580	70,186,621
Right issue 1 for 10 shares (Rs. 10 each)	6,000,000	-	-	6,000,000
Profit for the year	-	-	5,139,580	5,139,580
Other comprehensive income for the year- net of deferred tax	-	19,454,483	-	19,454,483
	-	19,454,483	5,139,580	24,594,063
Balance as at 30 June 2024	66,000,000	11,630,524	23,150,160	100,780,684

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

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER



**SHAJRPAK SECURITIES (PRIVATE) LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2024**

	NOTES	2024 Rupees	2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		6,778,907	4,912,775
Adjustments for:			
Depreciation	9	745,128	239,563
Amortization of intangible assets	10	145,100	158,202
Dividend income	16	(4,535,379)	(6,563,921)
Capital gain on sale of securities		(230,710)	-
Finance cost	18	2,993	3,827
		<u>(3,872,868)</u>	<u>(6,162,329)</u>
Operating cash flows before working capital changes		2,906,039	(1,249,554)
<b>Changes in working capital</b>			
(Increase)/ decrease in current assets:			
Trade debts		7,008,738	(2,931,827)
Advances, prepayments and other receivables		(640,347)	(572,595)
Taxes refundable/ adjustable		(835,442)	(920,461)
Increase/ (decrease) in current liabilities:			
Trade and other payables		108,593,584	(1,589,585)
		<u>114,126,533</u>	<u>(6,014,468)</u>
Cash generated from/ (used in) operations		117,032,572	(7,264,022)
Finance cost paid		(2,993)	(3,827)
Income tax paid		(933,895)	(201,426)
Net cash generated from/ (used in) operating activities		<u>116,095,684</u>	<u>(7,469,275)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments made in property and equipment		(6,317,048)	(37,000)
Investments made in intangible assets		(81,522)	-
Increase in short term investments		(3,979,516)	(4,512,088)
Dividend received		4,535,379	2,734,516
Net cash used in investing activities		<u>(5,842,707)</u>	<u>(1,814,572)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Right shares issued		6,000,000	-
Net cash generated from financing activities		<u>6,000,000</u>	<u>-</u>
Net increase/ (decrease) in cash and cash equivalents during the year		116,252,977	(9,283,847)
Cash and cash equivalents at the beginning of the year		29,793,735	39,077,582
Cash and cash equivalents at the end of the year	13	<u>146,046,712</u>	<u>29,793,735</u>

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

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER





**SHAJARPAK SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**1 STATUS AND NATURE OF BUSINESS**

Shajarpak Securities (Private) Limited (the Company) was incorporated in Pakistan on 23 December 2013 and its registered office is situated at 415-424 Alfalah Building, The Mall, Lahore, Pakistan while its principal place of business is situated at 101, Lahore Stock Exchange Building, Lahore, Pakistan. The Company is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited and principal activities of the Company include shares brokerage, investment in securities, portfolio management and other dealings related to shares and securities.

**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 applicable in Pakistan comprise of:

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

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

The management has voluntarily adopted IFRS instead of International Financial Reporting Standard for Small and Medium-Sized Entities (SMEs) issued by International Accounting Standard Board (IASB) and accordingly excessive disclosures has been given to achieve fair presentation of the financial statements.

**2.2 Accounting convention**

These financial statements have been prepared under the "Historical Cost Convention" except for financial instruments which are stated at fair value. The financial statements, except for cash flow information, have been prepared under the accrual basis of accounting.

**2.3 Presentation and functional currency**

Figures in these financial statements are rounded off to the nearest Pak Rupee, which is the Company's presentation and functional currency. Comparative figures have been reclassified and rearranged, wherever necessary to facilitate comparison. Significant reclassifications and rearrangements are disclosed in relevant notes.

**2.4 Judgments, estimates and assumptions**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Taxation	(note 4.2)
Useful lives of depreciable assets and residual value	(note 4.4)
Intangible assets	(note 4.5)

**3 INITIAL APPLICATION OF A STANDARD, AMENDMENT OR AN INTERPRETATION TO AN EXISTING STANDARD AND FORTHCOMING REQUIREMENTS**

**a) Standards and interpretations that became effective but not relevant to the Company**

The following standards (revised or amended) and interpretations became effective for the current financial year but are either not relevant or do not have any material effect on the financial statements of the Company other than increased disclosure in certain cases:



- IAS 1 - Presentation of financial statements - Amendments regarding the classification of debt with covenants.
  - IAS 1 - Presentation of financial statements - Amendments regarding the classification of liabilities.
  - IAS 7 - Statement of cash flows - Amendments regarding supplier finance arrangements.
  - IFRS 7 - Financial Instruments - Amendments regarding supplier finance arrangements.
  - IFRS 16 - Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions
- b) **Forthcoming requirements not effective in current year and not considered relevant:**
- IFRS 7 - Amendments regarding the classification and measurement of financial instruments - (applicable on Annual periods beginning on or after 1 January 2026).
  - IFRS 9 - Amendments regarding the classification and measurement of financial instruments - (applicable on Annual periods beginning on or after 1 January 2026).
  - IFRS 17 - Insurance Contracts - (initial application on Annual periods beginning on or after 1 January 2026).

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- 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
- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 – Climate-related Disclosures

#### 4 MATERIAL ACCOUNTING POLICY INFORMATION

##### 4.1 Provisions

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, and it is probable that outflow of economic benefits will be required to settle the obligation. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

##### 4.2 Taxation

###### Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credit and rebates, if any available under the Income Tax Ordinance, 2001.

###### Deferred

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the current rate of taxation. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax is charged and credited to statement of profit or loss except in the case of items credited or charged to equity in which case it is included in equity.

##### 4.3 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of consideration to be paid in future for goods and services.



#### **4.4 Property, equipment and depreciation**

##### **Owned assets**

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged on additions during the year from the month in which property and equipment become available for use while no depreciation is charged from the month of deletions/ disposals.

Depreciation is charged to profit on reducing balance method so as to write off the value of assets over their estimated useful lives at rates disclosed in note 9. Depreciation methods, residual values and useful lives of assets are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

Minor renewals or replacements, maintenance, repairs, gains or losses on disposal of property and equipment are included in the statement of profit or loss. Major renewals and improvements are capitalized.

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

#### **4.5 Intangible assets**

Intangible assets acquired by the Company are stated at cost less accumulated amortization and impairment losses, if any. Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are expensed as incurred.

Amortization is charged to the statement of profit or loss on a reducing balance method basis so as to write off the value of assets over their estimated useful lives at rates disclosed in note 10. Amortization is charged on additions during the year from the month in which intangible assets become available for use while no amortization is charged from the month of deletions/ disposals. Amortization methods, residual values and useful lives of assets are reviewed at each financial year end and adjusted if impact on amortisation is significant.

Intangible assets having 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. However, the carrying amount is reviewed at each statement of financial position date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

#### **4.6 Trade debts and other receivables**

These are initially recorded at fair value and subsequently measured at amortized cost. Debts considered irrecoverable are written off/ provided for in the year in which these are so determined by the management. Any allowance for doubtful debts is not created in these financial statements.

#### **4.7 Cash and cash equivalents**

These consist of cash in hand, balances with banks and other short term highly liquid investments that are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

#### **4.8 Revenue recognition**

Brokerage and service charges are recognized as and when services are provided on accrual basis. Capital gains or losses on sale of investments are taken to income as and when these actually arise. Dividend is recognized when the shareholders' right to receive dividend is established.

#### **4.9 Indirect tax on commission**

This is shown as a deduction from commission income in the statement of profit or loss.

#### **4.10 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.



#### **4.11 Foreign currency transactions**

Assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date, except those covered under forward exchange contracts which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rates of exchange prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. All exchange differences are included in the statement profit or loss for the year.

#### **4.12 Financial instruments**

##### **Initial recognition**

Financial assets and financial liabilities are recognized when entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on trade date basis, except for sale and purchase of securities in future market, which are accounted for at the settlement date.

##### **Initial measurement**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs on initial recognition that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit or loss.

##### **Financial assets**

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

All the financial assets of the Company as at the statement of financial position date are carried under following categories:

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

##### **Financial liabilities**

Financial liabilities and equity instruments issued by Company are classified according to the substance of the contractual arrangements entered into. Financial liabilities are subsequently measured at amortized cost, using the effective interest method.

##### **Derecognition**

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.

##### **Effective interest method**

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Income is recognized on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL, of which interest income is included in net gains or losses.

The effective interest method applied to financial liability is of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.



Interest expense is recognized on an effective interest basis other than those financial liabilities designated as at FVTPL, of which the interest expense is included in net gains or losses.

#### **Impairment of financial assets**

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

#### **Offsetting**

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when the Company has a legally enforceable right to set off the recognized asset and liability or intend either to settle on net basis or to realize the assets and settle the liabilities simultaneously. Corresponding income on the asset and charge on the liability is also offset.

#### **4.13 Impairment of other assets**

The carrying amounts of the Company's assets are reviewed at the statement of financial position date to determine whether there is any indication of impairment, if any such indication exists, the assets' recoverable amount is estimated and impairment losses are recognized.

#### **4.14 Related parties transactions**

Transactions with related parties are carried out at arm's length and priced at comparable uncontrolled market price.

Parties are said to be related if they are generally considered to be able to influence the operating and financial decisions of the Company and vice versa.

5	SHARE CAPITAL	2024		2023		Note	2024		2023	
		Number of shares		Rupees			Rupees			
<b><u>Authorized capital</u></b>										
Ordinary shares of Rs. 10/- each		10,000,000	10,000,000	100,000,000	100,000,000					
<b><u>Issued, subscribed and paid up capital</u></b>										
Ordinary shares of Rs. 10/- each										
- Fully paid in cash		6,500,000	5,900,000	65,000,000	59,000,000					
- Fully paid bonus shares		100,000	100,000	1,000,000	1,000,000					
		<u>6,600,000</u>	<u>6,000,000</u>	<u>66,000,000</u>	<u>60,000,000</u>					
<b><u>Reconciliation of opening and closing issued, subscribed and paid up capital</u></b>										
Opening balance		6,000,000	6,000,000	60,000,000	60,000,000					
Right shares issued during the year		600,000	-	6,000,000	-					
Closing balance		<u>6,600,000</u>	<u>6,000,000</u>	<u>66,000,000</u>	<u>60,000,000</u>					

All the shares are similar with respect to their rights on voting, board selection, first refusal and block voting.



6 DEFERRED TAXATION

NOTES	2024 Rupees	2023 Rupees
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Deferred tax liability

-                      -

Deferred tax is recognized in past years in respect of all temporary differences arising from carrying values of assets and liabilities in the financial statements and their tax base. The Company in accordance with its policies and as matter of prudence has not recognized deferred tax asset of Rs. 36,637/- (2023: Rs. 5,033,798/-). The deferred tax asset not recognized is mainly on account of unused tax losses and minimum tax adjustable.

7 TRADE AND OTHER PAYABLES

Trade payables	7.1	124,685,444	16,535,986
Accrued and other liabilities		787,242	453,527
Taxes payables		154,309	43,898
		<u>125,626,995</u>	<u>17,033,411</u>

7.1 This includes balances amounting to Rs. 34,098,058/- (2023: Rs. 376,913/-) due to directors, chief executive and other related parties.

8 CONTINGENCIES AND COMMITMENTS

The Company is not exposed to any contingent liability and has not made any capital commitment at the year end (2023: Nil).

9 PROPERTY AND EQUIPMENT

Description	Leasehold	Owned					Total
	Stock exchange room on leasehold	Furniture and fittings	Office equipment	Computers	Air conditioning equipment	Vehicles	
	Rupees						
<b>Cost</b>							
Balance as at 01 July 2022	5,495,700	262,378	988,171	1,188,856	77,720	-	8,012,825
Additions during the year	-	-	37,000	-	-	-	37,000
Disposals during the year	-	-	-	-	-	-	-
Balance as at 30 June 2023	5,495,700	262,378	1,025,171	1,188,856	77,720	-	8,049,825
Additions during the year	-	24,900	78,000	40,000	-	6,174,148	6,317,048
Disposals during the year	-	-	-	-	-	-	-
Balance as at 30 June 2024	5,495,700	287,278	1,103,171	1,228,856	77,720	6,174,148	14,366,873
<b>Depreciation</b>							
Balance as at 01 July 2022	1,050,855	157,136	538,626	1,059,727	57,866	-	2,864,210
Charge for the year	111,121	15,786	70,939	38,739	2,978	-	239,563
On disposals	-	-	-	-	-	-	-
Balance as at 30 June 2023	1,161,976	172,922	609,565	1,098,466	60,844	-	3,103,773
Charge for the year	108,343	15,908	68,716	35,117	2,532	514,512	745,128
On disposals	-	-	-	-	-	-	-
Balance as at 30 June 2024	1,270,319	188,830	678,281	1,133,583	63,376	514,512	3,848,901
Carrying amount- 30 June 2024	<u>4,225,381</u>	<u>98,448</u>	<u>424,890</u>	<u>95,273</u>	<u>14,344</u>	<u>5,659,636</u>	<u>10,517,972</u>
Carrying amount- 30 June 2023	<u>4,333,724</u>	<u>89,456</u>	<u>415,606</u>	<u>90,390</u>	<u>16,876</u>	<u>-</u>	<u>4,946,052</u>
Rates of depreciation %	2.50	15	15	30	15	20	

10 INTANGIBLE ASSETS

Trading Right Entitlement Certificate (TREC)	10.1	2,500,000	2,500,000
Computer software	10.2	1,360,245	1,423,823
		<u>3,860,245</u>	<u>3,923,823</u>

10.1 PSX vide notice no. PSX/N - 225 dated 16 February 2021 has notified the notional fees of Trading Right Entitlement Certificate which amount to Rs. 2.5 million.



	Note	2024 Rupees	2023 Rupees
<b>10.2 Computer software</b>			
<b>Cost</b>			
Opening balance		3,523,000	3,523,000
Additions during the year		81,522	-
Disposals during the year		-	-
Closing balance		<u>3,604,522</u>	<u>3,523,000</u>
<b>Amortization</b>			
Opening balance		2,099,177	1,940,975
Charged for the year		145,100	158,202
On disposals		-	-
Closing balance		<u>2,244,277</u>	<u>2,099,177</u>
		<u>1,360,245</u>	<u>1,423,823</u>
Amortization rate		<u>10%</u>	<u>10%</u>
<b>11 TRADE DEBTS</b>			
Unsecured but considered good by the management.		<u>7,092,695</u>	<u>14,101,433</u>
<b>12 SHORT TERM INVESTMENTS</b>			
<u>At fair value through OCI</u>			
<u>Quoted shares:</u>			

Name of investee	2024			2023		
	Number of shares	Cost	Carrying Value	Number of shares	Cost	Carrying Value
		Rupees	Rupees		Rupees	Rupees
Bunny's Limited	-	-	-	13,000	516,550	215,800
Cherat Cement Company Ltd.	11,000	1,412,239	1,794,430	11,000	1,412,239	1,323,080
Engro Corporation Ltd	12,500	3,808,082	4,158,875	12,500	3,808,082	3,248,625
Engro Fertilizers Ltd	100,000	7,612,658	16,622,000	100,000	7,612,658	8,253,000
Hascal Petroleum Ltd	50,000	1,675,893	309,500	50,000	1,675,893	277,500
Jahangir Siddique and Company Ltd	-	-	-	10,000	308,300	95,000
Lucky Cement Ltd	3,000	1,505,042	2,720,190	3,000	1,505,042	1,566,270
Maple Leaf Cement Factory Ltd	10,000	437,000	380,000	10,000	437,000	283,300
Millat Tractors Ltd	20,000	12,560,086	12,721,600	16,500	10,367,773	6,440,115
Octopus Digital Ltd	11,988	758,369	1,041,398	11,988	758,369	448,231
Oil and Gas Development Corp Ltd	70,000	7,029,278	9,475,900	35,000	3,477,999	2,730,000
Pakistan State Oil	15,000	2,072,162	2,493,150	10,000	1,345,161	1,110,100
Panther Tyres Limited	-	-	-	7,221	455,316	145,576
Service Global Footware Ltd	-	-	-	20,000	980,200	557,600
LSE Capital Ltd	98,117	898,356	306,125	118,214	898,356	568,609
LSE Venture Ltd	337,124	2,561,942	1,938,463	337,124	2,561,942	3,034,116
<b>Total</b>	<b>738,729</b>	<b>42,331,107</b>	<b>53,961,631</b>	<b>765,547</b>	<b>38,120,881</b>	<b>30,296,922</b>

12.1 Shares having carrying value of Rs. 10,370,033/- (2023: Rs. 8,699,960/-) have been pledged against Base Minimum Capital (BMC) and shares having carrying value of Rs. 21,717,880/- (2023: Rs. 3,602,725/-) have been pledged against market exposure for trade of shares with Pakistan Stock Exchange.

### 13 CASH AND BANK BALANCES

Cash in hand		-	-
Cash at bank:			
Current accounts	13.1	<u>146,046,712</u>	<u>29,793,735</u>
		<u>146,046,712</u>	<u>29,793,735</u>

13.1 It includes Rs. 124,685,443/- (2023: Rs. 7,658,233/-) pertaining to clients kept in separate bank accounts.



	Note	2024 Rupees	2023 Rupees
<b>14 OPERATING INCOME</b>			
Commission income		17,304,222	9,171,486
Less: Sales tax		(2,386,789)	(1,265,033)
		<u>14,917,433</u>	<u>7,906,453</u>
<b>15 GAIN ON SALE OF SECURITIES-NET</b>			
Sale proceeds		4,467,886	-
Carrying value of investment at the time of sale		(4,237,176)	-
		<u>230,710</u>	<u>-</u>
<b>16 OTHER INCOME</b>			
<b>Income from financial assets:</b>			
Dividend income in the form of:			
Cash		4,535,379	2,734,516
Bonus shares		-	3,829,405
Markup income	16.1	4,535,379	6,563,921
		<u>95,075</u>	<u>61,563</u>
		<u>4,630,454</u>	<u>6,625,484</u>
<b>Income from non-financial assets:</b>			
Income from physical shares processing		229,700	3,700
		<u>4,860,154</u>	<u>6,629,184</u>
16.1 It includes dividends amounting to Rs. 164,442/- (2023: Rs. Nil) related to investments disposed off during the year.			
<b>17 OPERATING EXPENSES</b>			
Staff salaries and allowances		5,891,568	5,150,130
Printing and stationery		163,904	101,225
Entertainment		228,873	175,792
Travelling and conveyance		240,846	79,339
Repairs and maintenance		299,500	42,970
Postage and courier		72,343	57,528
Newspaper and periodicals		7,470	7,248
Rent, rates and taxes		51,052	20,261
Telephone and internet expenses		780,532	602,274
Electricity expenses		703,857	508,954
PSX related charges		323,476	152,715
NCCPL charges		352,246	119,753
Central depository expenses		15,307	16,754
Fees and subscriptions		1,468,546	1,287,346
Depreciation	9	745,128	239,563
Insurance charges		43,098	3,388
Amortization of software	10	145,100	158,202
Office maintenance		214,480	176,180
Auditors' remuneration	17.1	648,075	334,000
Other auditors' fees		244,743	-
Regulatory fee		71,325	22,324
Assets replacement fund		36,768	36,768
Medical expenses		323,387	247,701
Legal expenses		73,301	-
Other expenses		81,472	78,620
		<u>13,226,397</u>	<u>9,619,035</u>
17.1 Auditors' remuneration consist of:			
Audit fee		242,000	220,000
Taxation services		317,200	74,000
Other certifications		88,875	40,000
		<u>648,075</u>	<u>334,000</u>
<b>18 FINANCE COST</b>			
Bank charges		2,993	3,827
<b>19 TAXATION</b>			
Current	19.1	1,599,733	868,564
Prior year		39,594	25,737
		<u>1,639,327</u>	<u>894,301</u>
19.1 Provision for the current year has been made at the current tax rate after taking into account tax rebates and tax credits available. The income tax assessments of the Company have been finalized up to tax year 2023.			





Note	2024 Rupees	2023 Rupees
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**20 EARNINGS PER SHARE - BASIC AND DILUTED**

Earnings per share is calculated by dividing the profit after tax for the year by the weighted average number of shares outstanding during the year as follows:

Profit for the year	<u>5,139,580</u>	<u>4,018,474</u>
Weighted average number of ordinary shares in issue during the year	<u>6,453,699</u>	<u>6,000,000</u>
Earnings per share	<u>0.80</u>	<u>0.67</u>

The Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised, therefore no figure for diluted earnings per share has been presented.

**21 REMUNERATION OF DIRECTORS, EXECUTIVES AND CHIEF EXECUTIVE**

No remuneration or benefits of any kind, to any of the directors, chief executive and executives of the Company, were charged in these financial statements (2023: Nil).

**22 TRANSACTIONS WITH RELATED PARTIES**

The Company, in the normal course of business, carries out transactions with various related parties which comprise of associated Company and key management personnel. Balances due to/ due from related parties are disclosed in note 7. Remuneration of directors and chief executive is disclosed in note 21. Total amount of transactions with directors, chief executives and other related parties are as follows:

**Relationship**

Directors, chief executives and other related parties

**Nature of transaction**

Commission earned on trading of securities	<u>195,540</u>	<u>22,553</u>
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Following are the related parties of the Company;

Name	Relationship	Basis of relationship	Shareholding
Mr. Omer Bin Aamir	Chief executive	Key management person	-
Khawaja Ahmed Arsalan	Director	Shareholding	25%
Khawaja Ahmed Imran	Director	Shareholding	25%
Khawaja Ahmed Usman	Director	Shareholding	25%
Khawaja Ahmed Hassan	Director	Shareholding	25%
Miss. Momina Omer	Family member	Spouse of chief executive	-
Miss. Rubina Arsalan	Family member	Spouse of director	-
Miss. Sarah Khalid Usman	Family member	Spouse of director	-
Miss. Ayesha Hassan	Family member	Spouse of director	-
Shajarpak Fabrics Private Limited	Associated company	Common directorship	-



## 23 FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

### 23.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted and arises principally from trade debts. Out of the total financial assets of Rs. 210,850,653 /- (2023: Rs. 77,303,984/-) the financial assets which are subject to credit risk are amounted to Rs. 210,850,653/- (2023: Rs. 77,303,984/-).

To manage exposure to credit risk in respect of trade debts management performs credit reviews taking into account the customer's financial position, past experience and obtain advance payments from certain parties.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

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

	2024 Rupees	2023 Rupees
Long term deposits	1,223,000	1,223,000
Trade debts	7,092,695	14,101,433
Short term investments	53,961,631	30,296,922
Advances and receivables	2,526,614	1,888,894
Bank balances	146,046,712	29,793,735
	<u>210,850,652</u>	<u>77,303,984</u>

All the trade debts at the statement of financial position date represent domestic parties. The aging of trade debts at the reporting date

Due for 1-14 days	2,495,657	9,766,530
Due for more than 14 days	4,597,038	4,334,903
	<u>7,092,695</u>	<u>14,101,433</u>

In the opinion of the management, no provision is necessary for balances due for more than 14 days as these are considered good based on payment history.

#### Credit risk related to bank balances

The bank balances represent low credit risk as this is placed with bank having good credit rating assigned by independent credit rating agency. The credit quality of bank balance can be assessed with reference to external credit rating as follows:

Bank name	Rating agency	Rating		2024 Rupees	2023 Rupees
		Short term	Long term		
Bank Al-Habib Limited	PACRA	A1+	AAA	130,189,767	27,193,320
Summit Bank Limited	VIS	A3	BBB-	130,520	807,520
MCB Bank Limited	PACRA	A1+	AAA	15,625,425	1,691,895
Meezan Bank Limited	VIS	A-1+	AAA	101,000	101,000
				<u>146,046,712</u>	<u>29,793,735</u>

### 23.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage 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 substantially all obligations/ commitments of the Company are short term in nature.



The following are the contractual maturities of the financial liabilities:

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years
<b>Rupees</b>					
<b>30 June 2024</b>					
Trade and other payables	125,472,686	125,472,686	125,472,686	-	-
	<u>125,472,686</u>	<u>125,472,686</u>	<u>125,472,686</u>	<u>-</u>	<u>-</u>
<b>30 June 2023</b>					
Trade and other payables	16,989,513	16,989,513	16,989,513	-	-
	<u>16,989,513</u>	<u>16,989,513</u>	<u>16,989,513</u>	<u>-</u>	<u>-</u>

### 23.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

#### 23.3.1 Currency risk

The Company is not exposed to any currency risk as it does not hold any foreign currency receivables and payables.

#### 23.3.2 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 rate. Sensitivity to interest/ markup rate risk arises from mismatches of financial assets and liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies.

#### 23.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market. Company is exposed to equity price risk since it has investment in quoted equity securities amounting to Rs. 53,961,631/- (2023: Rs. 30,296,922/-) at the statement of financial position date.

The carrying value of investment subject to equity price risk are based on quoted market prices and unquoted shares breakup value as per latest available audited financial statements. Market and breakup prices are subject to fluctuation and consequently the amount recognized in the subsequent sale of an investment may significantly differ from the reported values.

The Company's strategy is to hold its equity investments for long period of time. Thus, the Company's management is not concerned with short term price fluctuations provided that the underlying business, economic and management characteristics of the investee remain favorable. The Company strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. The Company manages price risk by monitoring exposure in quoted equity securities and implementing strict discipline in internal risk management and investment policies.

#### Sensitivity analysis

The table below summarizes the Company's equity price risk as on 30 June 2024 shows the effects of a hypothetical 10% increase and a 10% decrease in market and break-up 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, results could be worse because of the nature of equity markets.

Had all equity investments been measured at fair values as required by IFRS 9 "Financial Instruments", the impact of hypothetical change would be as follows:

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase/ (decrease) in other comprehensive income
<b>30 June 2024</b>	53,961,631	10% increase	59,357,794	5,396,163	5,396,163
		10% decrease	48,565,468	(5,396,163)	(5,396,163)
<b>30 June 2023</b>	30,296,922	10% increase	33,326,614	3,029,692	3,029,692
		10% decrease	27,267,230	(3,029,692)	(3,029,692)

### 23.4 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 an arm's length transaction. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs.



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

		Level 1	Level 2	Level 3
30 June 2024	Equity securities	53,961,631	-	-
30 June 2023	Equity securities	30,296,922	-	-

As at 30 June 2024, the fair value of all financial instruments has been based on the valuation methodology outlined below:

#### Long term deposits

Long term deposits do not carry any rate of return. The fair value of these has been taken at book value as it is not considered materially different and readily exchangeable.

#### Other financial instruments

The fair values of all other financial instruments are considered to approximate their book values as they are short term in nature.

#### Categories of financial instruments

Financial instrument	Categories of financial instrument	2024 Rupees	2023 Rupees
<b>Financial assets</b>			
Long term deposits	At amortized cost	1,223,000	1,223,000
Trade debts	At amortized cost	7,092,695	14,101,433
Advances and receivables	At amortized cost	2,526,614	1,888,894
Cash and bank balances	At amortized cost	146,046,712	29,793,735
		156,889,021	47,007,062
Short term investments	At fair value through OCI	53,961,631	30,296,922
		210,850,652	77,303,984
<b>Financial liabilities</b>			
Trade and other payables	At amortized cost	125,472,686	16,989,513
		125,472,686	16,989,513

## 24 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain creditors and market confidence, sustain future development of business, 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 to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. The capital adequacy level of the Company is as follows:

	2024 Rupees	2023 Rupees
Total assets	228,007,412	88,114,333
Less : Total liabilities	(127,226,728)	(17,927,712)
	100,780,684	70,186,621

While determining the value of the total assets of the TREC holder, Notional value of the TRE certificate held by the Company as at year ended 30 June 2024 as determined by Pakistan Stock Exchange has been considered.

Consistently with others in the industry, the Company monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as net debt ÷ equity. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Equity comprises of share capital, reserves and unappropriated profit. The Company has no outstanding borrowings/ net debts at the year end, therefore gearing ratios of the Company is not applicable.

## 25 DISCLOSURES UNDER SECURITIES BROKERS (LICENSING AND OPERATIONS) REGULATIONS, 2016

Following additional disclosures not elsewhere disclosed in these financial statements are being provided to comply with the requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016:



**25.1 Net capital balance**

The Net Capital Balance as required under Second Schedule of Securities Brokers (Licensing and Operations) Regulations 2016 read with Rule 2(d) of the Securities and Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities and Exchange Commission of Pakistan (SECP) is calculated as follows;

DESCRIPTION	VALUATION	Note	RUPEES
<b>CURRENT ASSETS</b>			
Cash and bank balances	As per book value	25.2 (i)	146,046,713
Trade debts	Book value less overdue for more than 14 days	25.2 (ii)	2,495,657
Investment in listed securities in the name of broker	Securities on the exposure list marked to market less 15% discount	25.2 (iii)	45,867,386
Securities purchased for customers	Securities purchased for the customer and held by the broker where the payment has not been received within fourteen days		-
Listed TFCs/ corporate bonds of not less than BBB grade assigned by a credit rating Company in Pakistan	Marked to market less 10% discount		-
FIBs	Marked to market less 5% discount		-
Any other current asset specified by the commission	At market value		-
			<u>194,409,756</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	Book value less overdue for more than 30 days	25.2 (iv)	81,964,908
Other payables	As classified under the generally accepted accounting principles	25.2 (v)	43,662,087
			<u>125,626,995</u>
			<u>68,782,761</u>
			Rupees

Net capital balance as at 30 June 2024

**25.2 Notes to the net capital balance of the Company****(i) Cash and bank balances**

Cash in hand  
Cash at bank

Bank balances pertaining to brokerage house	21,361,269
Bank balances pertaining to clients	124,685,444
	<u>146,046,713</u>

**(ii) Trade debts**

Total receivables	7,092,695
Less: Outstanding for more than 14 days	(4,597,038)
Outstanding for 14 days or less	<u>2,495,657</u>

**(iii) Investment in listed securities**

In the name of Broker - market value	53,961,631
Less: 15% discount	(8,094,245)
	<u>45,867,386</u>

**(iv) Trade payables**

Total payables	124,685,444
Less: Due for more than 30 days	(42,720,536)
Due for 30 days or less	<u>81,964,908</u>

**(v) Other payables**

Trade payables - Due for more than 30 days	42,720,536
Accrued liabilities and other payables	941,551
	<u>43,662,087</u>



### 25.3 Liquid capital

The Liquid Capital Balance as required under third Schedule of Securities Brokers (Licensing and Operations) Regulations 2016 issued by the SECP is calculated as follows;

S. No.	Head of account	Value in Pak Rupees	Hair Cut / adjustments	Net adjusted value
<b>I. Assets</b>				
1.1	Property and equipment	10,517,972	10,517,972	-
1.2	Intangible assets	3,860,245	3,860,245	-
1.3	Investment in Govt. securities	-	-	-
1.4	Investment in debt securities			
	<b>If listed then:</b>			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	<b>If unlisted than:</b>			
	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.	53,961,631	16,941,981	37,019,650
	ii. If unlisted, 100% of carrying value.	-	-	-
	iii. In case any securities are pledged, except those pledged in favour of securities exchange or clearing house against margin requirements or pledged in favour of banks against short-term financing arrangements, 100% haircut shall be applied for the purposes of computation of adjusted value of assets.	-	-	-
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.	800,000	800,000	-
1.9	Margin deposits with exchange and clearing house.	200,000	-	200,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	359,064	359,064	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	-	-
	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. <i>Securities purchased under REPO arrangement shall not be included in the investments.</i>	-	-	-
1.15	Advances and receivables other than trade receivables			
	(i) Short term loans to employees.: Loans are secured and due for repayment within 12 months.	-	-	-
	(ii) Advance tax to the extent it is netted with provision of taxation	-	-	-
	(iii) In all other cases	5,169,093	5,169,093	-



<b>1.16</b>	<b>Receivables from clearing house or securities exchange(s)</b>			
	(i) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MTM gains.	-	-	-
	(ii) Receivables on entitlements against trading of securities in all markets including MTM gains.	-	-	-
<b>1.17</b>	<b>Receivables from customers</b>			
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VAR based haircut.			
	i. Lower of net balance sheet value or value determined through adjustments.	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value.			
	<i>ii. Net amount after deducting haircut</i>	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,			
	<i>iii. Net amount after deducting haircut</i>	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.			
	<i>iv. Balance sheet value</i>	2,215,643	-	2,215,643
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VAR based haircuts.	4,877,052	1,631,526	3,245,526
	v. Lower of net balance sheet value or value determined through adjustments			
	vi. 100% haircut in the case of amount receivable from related parties.	-	-	-
<b>1.18</b>	<b>Cash and bank balances</b>			
	i. Bank balance proprietary accounts	21,361,268	-	21,361,268
	ii. Bank balance customer accounts	124,685,444	-	124,685,444
	iii. Cash in hand	-	-	-
<b>1.19</b>	<b>Subscription money against investment in IPO/ offer for sale (asset)</b>			
	Amount paid as subscription money if shares have not been allotted or are not included in the investments of securities broker.	-	-	-
<b>1.20</b>	<b>Total assets</b>	<b>228,007,412</b>	<b>39,279,881</b>	<b>188,727,531</b>
<b>2. Liabilities</b>				
<b>2.1</b>	<b>Trade payables</b>			
	i. Payable to exchanges and clearing house	4,705,813	-	4,705,813
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	119,979,631	-	119,979,631
<b>2.2</b>	<b>Current liabilities</b>			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	941,551	-	941,551
	iii. Short term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred liabilities	-	-	-
	vii. Provision for taxation	1,599,733	-	1,599,733
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
<b>2.3</b>	<b>Non-current liabilities</b>			
	i. Long term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements	-	-	-



2.4	<b>Subordinated loans</b> 100% of subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	-	-
2.5	<b>Advance against shares for increase in capital of securities broker</b> 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	<b>Total liabilities</b>	127,226,728	-	127,226,728
<b>3. Ranking liabilities relating to:</b>				
3.1	<b>Concentration in margin financing</b> 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.	-	-	-
3.2	<b>Concentration in securities lending and borrowing</b> The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and	-	-	-
3.3	<b>Net underwriting commitments</b> <b>(a) in the case of right issues :</b> 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 commitments <b>(b) in any other case :</b> 12.5% of the net underwriting commitments	-	-	-
3.4	<b>Negative equity of subsidiary</b> The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	<b>Foreign exchange agreements and foreign currency positions</b> 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	<b>REPO adjustment</b> <b>In the case of financier/ purchaser</b> the total amount receivable under REPO less the 110% of the market value of underlying securities. <b>In the case of financee/ seller</b> 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	<b>Concentrated proprietary positions</b> 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	831,100	-	831,100
3.9	<b>Opening positions in futures and options</b> 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	<b>Short sell positions</b>			
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VAR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	<b>Total ranking liabilities</b>	831,100	-	831,100
		<u>99,949,584</u>	<u>39,279,881</u>	<u>60,669,703</u>

Liquid capital as at 30 June 2024 60,669,703

**26 NUMBER OF EMPLOYEES**

Number of employees as at 30 June 2024 were 7 (2023: 7).

Average number of employees during the year were 7 (2023: 7).

**27 EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE**

There are no significant activities since 30 June 2024 causing any adjustment/ disclosure in these financial statements.

**28 DATE OF AUTHORIZATION**

12 SEP 2024

These financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors.

  
 DIRECTOR

  
 CHIEF EXECUTIVE OFFICER

