AUDITED FINANCIAL STATEMENTS
OF
FRIENDLY SECURITIES (PRIVATE) LIMITED
FOR THE YEAR ENDED
JUNE 30, 2024

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

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INDEPENDENT AUDITORS' REPORT

To the members of Friendly Securities (Private) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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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 (XVIII of 1980);

e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared; and

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

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

Rahman

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: October 07, 2024
UDIN: AR202410213F9UGNJ6eX

Friendly Securities (Private) Limited

Statement of Financial Position
As at June 30, 2024

	Note	2024	2023
		Rupees	
ASSETS			
Non-current assets			
Property and equipment	4	12,778,689	11,505,931
Intangible assets	5	2,750,000	2,750,000
Long term deposits and advances	6	4,754,300	4,754,300
		20,282,989	19,010,231
Current assets			
Short term investment	7	30,290,715	102,315,631
Trade debts	8	8,601,663	90,260
Loan, deposits and other receivables	9	30,227,148	7,186,496
Taxation-net		2,038,605	1,883,159
Cash and bank balances	10	34,783,215	46,969,283
		105,941,346	158,444,829
Total assets		126,224,335	177,455,060
EQUITIES AND LIABILITIES			
Capital and reserve			
Authorized capital			
7,500,000 (2023: 7,500,000) ordinary shares of Rs. 10/ each		75,000,000	75,000,000
Issued, subscribed and paid up capital	11	75,000,000	75,000,000
Accumulated Losses		(8,031,446)	(8,514,775)
		66,968,554	66,485,225
Current liabilities			
Short term borrowing	12	20,452,961	62,182,935
Trade and other payables	13	36,710,226	48,462,186
Accrued markup	14	2,092,594	324,714
		59,255,781	110,969,835
Contingencies and Commitment	15	-	-
Total equities and liabilities		126,224,335	177,455,060

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive

Director

Friendly Securities (Private) Limited

Statement of Profit or Loss

For the year ended June 30, 2024

	Note	2024	(Restated) 2023
		Rupees	
Operating revenue	16	28,403,872	8,354,696
Capital loss on disposal of investments		(24,538,700)	(10,585,713)
Unrealized gain on remeasurement of investments at fair value through profit or loss		10,190,903	934,558
		(14,347,797)	(9,651,155)
		14,056,075	(1,296,459)
Administrative expenses	17	(29,186,598)	(11,100,587)
Finance cost	18	(4,493,199)	(2,577,538)
		(33,679,797)	(13,678,125)
Other income	19	25,793,974	4,481,769
Profit / (loss) before levies and taxation		6,170,252	(10,492,815)
Levies	20	(440,909)	(749,710)
Profit / (loss) before taxation		5,729,343	(11,242,525)
Taxation	21	(5,246,014)	(2,668)
Profit/(Loss) after taxation		483,329	(11,245,193)

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive

Director

Friendly Securities (Private) Limited

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

	2024	2023
	Rupees	
Profit/(Loss) after taxation	**483,329**	(11,245,193)
Other comprehensive income		
Items that will not be subsequently be reclassified to profit or loss	-	-
Total comprehensive loss for the year	483,329	(11,245,193)

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive

Director

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Friendly Securities (Private) Limited

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

	Issued, subscribed & paid up capital	Accumulated losses	Total
	Rupees		
Balance as at June 30, 2022	75,000,000	2,730,418	77,730,418
Total comprehensive loss for the year ended June 30, 2023			
Profit/(Loss) after taxation	-	(11,245,193)	(11,245,193)
Other comprehensive income for the year	-	-	-
	-	(11,245,193)	(11,245,193)
Balance as at June 30, 2023	75,000,000	(8,514,775)	66,485,225
Total comprehensive loss for the year *ended June 30, 2024*			
Profit/(Loss) after taxation	-	483,329	483,329
Other comprehensive income for the year	-	-	-
	-	483,329	483,329
Balance as at June 30, 2024	**75,000,000**	**(8,031,446)**	**66,968,554**

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive

Director

Friendly Securities (Private) Limited

Statement of Cash Flows
For the year ended June 30, 2024

	Note	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES		Rupees	
Profit / (loss) before levies and taxation		6,170,252	(10,492,815)
Adjustment for non-cash items			
- Depreciation	4	2,434,192	2,876,814
- Capital loss on sale of investment		24,538,700	10,585,713
- Unrealized (gain) on remeasurement of investment at fair value through profit or loss		(10,190,903)	(934,558)
- Finance cost	18	4,493,199	2,577,538
		21,275,188	15,105,507
		27,445,440	4,612,692
Changes in working capital			
(Increase) / decrease in current assets			
- Trade debts		(8,511,403)	9,518,927
-Purchase / sale of investments - net		57,677,119	(30,119,012)
- Loans, deposits and other receivables		(23,040,652)	(6,379,317)
Increase /(decrease) in current liabilities			
- Trade and other payables		(11,751,960)	35,194,472
		14,373,104	8,215,070
Cash flow from operating activities		41,818,544	12,827,762
Finance cost paid		(2,725,319)	(3,820,496)
Income tax paid		(5,842,369)	(642,821)
Net cash generated from operating activities		33,250,856	8,364,445
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property & equipment	4	(3,706,950)	(42,900)
Net cash used in investing activities		(3,706,950)	(42,900)
Net increase in cash and cash equivalents		29,543,906	8,321,545
Cash and cash equivalents at beginning of the year		(15,213,652)	(23,535,197)
Cash and cash equivalents at end of the year	22	14,330,254	(15,213,652)

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive

Director

Friendly Securities (Private) Limited

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

1. STATUS AND ACTIVITIES

1.1 Friendly Securities (Private) Limited (the Company) is a private limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced by Companies Act, 2017 ('the Act') on November 20, 2000. The registered office of the Company is situated at office no 128-129, Third Floor, Pakistan Stock Exchange Building, Karachi. The Company is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited and is engaged in the business of stock brokerage and investment. The Company has also acquired the membership of Pakistan Mercantile Exchange Limited.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for short term investments which are measured at fair value.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policy are as follows:

	Note
- Useful lives, residual values and depreciation methods of property and equipment	3.1
- Provision for taxation	3.9

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2.5 Changes in Accounting Standards, Interpretations and Amendments to Published Approved Accounting Standards

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

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

- Classification of liabilities as current or non-current (Amendments to IAS 1)

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

- Definition of Accounting Estimates (Amendments to IAS 8)

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to

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

The Company adopted the 'Disclosure of Accounting Policies' (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from July 01, 2023. Although the amendment did not result in any changes to the accounting policies themselves, it has affected the accounting policy information disclosed in the financial statements.The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

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

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2024:

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

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

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

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

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

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

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

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

- Clarify how to assess the contractual cash now characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.

- Clarify the treatment of non-recourse assets and contractually linked instruments (CLI)

- Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).

- Annual Improvements - Volume Eleven:

  - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

  - Gain or Loss on Derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement

  - Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.

  - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

  - Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

  - Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.

  - Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term "transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.

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

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

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

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

3.1 Property and equipment

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

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

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

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

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

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3.2 Intangible assets

Trading Rights Entitlement (TRE) Certificate

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

3.3 Financial instruments

3.3.1 *Initial recognition, classification and measurement*

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

Regular way purchase of investments are recognized using settlement date accounting.

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

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

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

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

(c) Financial assets at FVTPL

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

Such financial assets are initially measured at fair value.

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3.3.2 *Subsequent measurement*

(a) *Financial assets measured at amortized cost*

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

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

(b) *Financial assets at FVOCI*

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

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

(c) *Financial assets at FVTPL*

These assets are subsequently measured at fair value.

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

3.3.3 *Impairment*

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

For trade debt, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

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

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

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

3.3.4 *De-recognition*

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

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

3.4 Financial liabilities

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

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

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

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Trade debts

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

3.7 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances and short term borrowings from banks which are repayable on demand and form an integral part of the Company's cash management.

3.8 Levies

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

In these financial statements, levy includes minimum tax under section 113 of the Income Tax Ordinance,2001 over the normal tax liability computed there under and final tax liability under various sections of Income Tax Ordinance, 2001.

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3.9 Taxation

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

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

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

Judgment and estimates

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

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

Offsetting

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

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3.10 Provisions and contingent liabilities

Provisions

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

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

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

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

Contingent liabilities

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

3.11 Operating revenue

Revenue from trading activities - brokerage commission

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

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

Dividend income

Dividends received from investments measured at fair value through profit or loss are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Mark up / interest income

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

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4. PROPERTY AND EQUIPMENT

	Office and Booths	Furniture & fixture	Motor & Vehicle	Office Equipments	Computer	Total
	------	------	------ Rupees	------	------	------
As at June 30, 2022						
Cost	2,620,468	4,590,519	15,433,500	492,571	3,877,528	27,014,586
Accumulated depreciation	(2,620,468)	(3,404,019)	(2,990,024)	(387,992)	(3,272,238)	(12,674,741)
Net book value	-	1,186,500	12,443,476	104,579	605,290	14,339,845
Movement during the year ended 30 June, 2023						
Opening net book value	-	1,186,500	12,443,476	104,579	605,290	14,339,845
Additions during the year	-	-	-	-	42,900	42,900
Depreciation for the year	-	(177,975)	(2,488,695)	(15,687)	(194,457)	(2,876,814)
Closing net book value	-	1,008,525	9,954,781	88,892	453,733	11,505,931
As at June 30, 2023						
Cost	2,620,468	4,590,519	15,433,500	492,571	3,920,428	27,057,486
Accumulated depreciation	(2,620,468)	(3,581,994)	(5,478,719)	(403,679)	(3,466,695)	(15,551,555)
Net book value	-	1,008,525	9,954,781	88,892	453,733	11,505,931
Movement during the year ended 30 June, 2024						
Opening net book value	-	1,008,525	9,954,781	88,892	453,733	11,505,931
Additions during the year	-	1,874,000	656,100	104,000	1,072,850	3,706,950
Depreciation for the year	-	(166,190)	(2,053,151)	(19,137)	(195,714)	(2,434,192)
Closing net book value	-	2,716,335	8,557,730	173,755	1,330,869	12,778,689
As at June 30, 2024						
Cost	2,620,468	6,464,519	16,089,600	596,571	4,993,278	30,764,436
Accumulated depreciation	(2,620,468)	(3,748,184)	(7,531,870)	(422,816)	(3,662,409)	(17,985,747)
Net book value	-	2,716,335	8,557,730	173,755	1,330,869	12,778,689
	5%	15%	20%	15%	30%	

5. INTANGIBLE ASSET

	Note	2024	2023
		Rupees	
Trading Right Entitlement Certificate - PSX	*5.1*	**2,500,000**	2,500,000
Pakistan Mercantile Exchange Limited	*5.2*	**250,000**	250,000
		2,750,000	2,750,000

5.1 This represents TREC received by the Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 as amended by the Stock Exchanges (Corporatization, Demutualization and Integration) (Amendment) Act, 2015. These have been carried at cost less accumulated impairment losses.

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

5.2 This represent cost of membership card of Pakistan Mercantile Exchange Limited with indefinite useful life.

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	2024	2023
	Rupees	

6. LONG TERM DEPOSITS AND ADVANCES

	2024	2023
Deposits		
National Clearing Company of Pakistan Limited		
-Basic deposit	400,000	400,000
-Future market	1,000,000	1,000,000
	1,400,000	1,400,000
Central Depository Company of Pakistan Limited		
-Basic deposit	100,000	100,000
Pakistan Mercantile Exchange Limited		
-Basic deposit	750,000	750,000
-Others	4,300	4,300
	2,254,300	2,254,300
Advances		
Pakistan Mercantile Exchange Limited		
-Office space at NCEL Building Project	2,500,000	2,500,000
	4,754,300	4,754,300

7. SHORT TERM INVESTMENT

	2024	2023
Fair value through profit or loss		
Investment in quoted equity securities	30,290,715	102,315,631

7.1 Investment in listed equity securities

No of Scrips			Market Value	
2024	2023	Scrip name	2024	2023
-	50,000	Air Link Communication Limited	-	991,500
12,000	-	Agriautos Industries Limited.	1,231,200	-
-	38,100	Berger Paints Pakistan Limited	-	1,866,519
-	70,500	Biafo Industries Limited	-	4,653,000
-	195,500	Century Paper & Board Mills Limited	-	5,520,920
-	52,500	Citi Pharma Limited	-	1,120,350
-	915,500	Fauji Foods Limited	-	5,254,970
-	20,000	Ferozsons Laboratories Limited	-	2,737,000
-	50,000	Frieslandcampina Engro Pakistan Limited	-	2,951,500
13,050	5,000	Gadoon Textile Mills Limited	2,269,395	1,217,250
-	100,000	Gharibwal Cement Limited	-	1,550,000
-	8,500	Habib Bank Limited	-	622,455
-	25,000	Hi-Tech Lubricants Limited	-	530,750
-	75,000	Interloop Limited	-	2,644,500
-	1,000,000	K-Electric Limited	-	1,720,000
-	49,000	Maple Leaf Cement Factory Limited	-	1,388,170
-	6,000	Millat Tractors Limited	-	2,341,860
50,000	6,700	Murree Brewery Company Limited	24,202,500	1,943,000
-	10,500	Netsol Technologies Limited	-	785,715
-	52,500	Oil & Gas Development Company Limited	-	4,095,000
-	12,500	Pakistan Aluminium Beverage Cans Limited	-	565,250
-	10,605	Pakistan Cables Limited	-	879,367
-	25,000	Pakistan Oilfields Limited	-	10,044,250
-	332,500	Pakistan Refinery Limited	-	4,508,700
-	70,500	Pakistan State Oil Company Limited	-	7,826,205
202,000	422,000	Pakistan Stock Exchange Limited	2,587,620	3,122,800
-	4,000	Pioneer Cement Limited	-	346,520
-	100,000	Shabbir Tiles & Ceramics Limited	-	832,000
-	403,500	Sui Northern Gas Pipelines Limited	-	15,885,795
-	143,000	Trg Pakistan Limited - Class 'A'	-	13,174,590
-	76,500	Unity Foods Limited	-	1,195,695
277,050	4,330,405		30,290,715	102,315,631

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		2024	2023
7.2	**Details of securities pledged**	**Rupees**	
	Pledged with banks		
	Brokerage House	**6,088,215**	81,910
	Clients including employees and directors / shareholders	**71,404,617**	-
		77,492,832	81,910
	Pledged with PSX / NCCPL		
	Brokerage House	**24,202,500**	21,217,165
	Clients including employees and directors / shareholders	**194,794,715**	56,714,319
		218,997,215	77,931,484

8. TRADE DEBTS

	2024	2023
Considered good	**8,601,663**	90,260

8.1 This includes receivable from related parties amounting to Rs. 1.74 million (2023: Rs. 11). The maximum aggregate amount outstanding at any time during the year with reference to month-end balances is Rs. 38.22 million (2023: Rs.59.3 million).

8.2 The Company held equity securities having fair value of Rs. 10.6 million owned by its client, as collaterals against trade debts. The aging analysis of the total receivables from the client as at reporting date has been disclosed in note 25.1.2.

8.2.1 Total customers assets held in central depository system including collaterals against trade receivables amounting to Rs. 519.32 million.

9. LOAN, DEPOSITS AND OTHER RECEIVABLES

	Note	2024	2023
		Rupees	
Loan to staff		**280,000**	45,000
Deposits with NCCPL against:			
Margin Trading System		**6,996,398**	-
Futures market		**11,412,856**	4,292,222
		18,409,254	4,292,222
Other receivables			
Receivable from NCCPL against futures market deals		**9,830,815**	2,849,274
MTS Profit Receivable		**1,707,079**	-
		30,227,148	7,186,496

10. CASH AND BANK BALANCES

	Note	2024	2023
Cash in hand		**4,909**	5,000
Cash at bank			
Current account		**61,959**	61,959
Deposit account	*10.1*	**34,716,347**	46,902,324
		34,778,306	46,964,283
		34,783,215	46,969,283

10.1 The return on these balances is 12.25% to 19.5% (2023: 5.5% - 12.25%) per annum on daily product basis.

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11. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024	2023		2024	2023
---- Number of shares ----			------------- Rupees -------------	
7,500,000	7,500,000	Ordinary shares of Rs. 10/- each fully paid in cash	**75,000,000**	75,000,000

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

11.2 Shareholders holding more than 5% of the shares are as follows:

Categories of shareholder	2024		2023	
	Number of shares held	**% of Shares held**	Number of shares held	% of Shares held
Individual				
Shehla Tariq	**2,571,100**	**34.28%**	2,571,100	34.28%
Tariq Ilyas Jano	**4,927,900**	**65.71%**	4,927,900	65.71%

12. SHORT TERM BORROWING

	2024	2023
	Rupees	
JS Bank Limited	**20,452,961**	62,182,935

12.1 This represents the short term running finance facility obtained from M/s. JS Bank Limited with limit of Rs.190 million (2023: Rs. 140 million) for the purpose to finance daily clearing obligation of KSE and settlement of clients' trades. Mark up payable is charge at 3-Month KIBOR + 2% (2023: 3-Month KIBOR + 2%). The financing is secured against pledge of shares with a minimum margin of 35% on shares as per bank's approved list and lien over T-Bills kept in IPS account with the bank. The facility will expire on April 30, 2025.

As of reporting date the unavailed credit facility amounted to Rs. 169.55 million (2023: Rs. 77.82 million).

13. TRADE AND OTHER PAYABLES

	2024	2023
	Rupees	
Creditors	**34,672,112**	46,849,924
Dealer commission	**475,543**	435,508
Accrued expenses	**1,562,571**	1,176,754
	36,710,226	48,462,186

14. ACCRUED MARKUP

	2024	2023
Accrued Markup	**2,092,594**	324,714

15. CONTINGENCIES AND COMMITMENTS

15.1 Their were no material contingencies known to be exist at reporting date (2023: None).

15.2 Bank guarantee issued by JS Bank Limited in favour of NCCPL amounted to Rs. 10 million (2023: Rs. 10 million).

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		Note	2024	2023
16.	**OPERATING REVENUE**		**Rupees**	
	Commission income		**42,117,920**	7,446,663
	Less: Commission expense		**(11,808,015)**	(1,343,175)
	Less: Sales tax on services		**(4,845,424)**	(863,013)
			25,464,481	5,240,475
	Dividend income		**2,939,391**	3,114,221
			28,403,872	8,354,696
17.	**ADMINISTRATIVE EXPENSES**			
	Salaries, benefits and allowances		**4,052,000**	1,838,500
	Director remuneration	*23*	**4,300,000**	1,200,000
	Depreciation	*4*	**2,434,192**	2,876,814
	PSX rent, Utility and Service charges		**11,426,557**	3,300,314
	Fees and subscription		**2,653,575**	677,991
	Software and internet charges		**1,116,233**	548,904
	Audit fees		**495,000**	400,000
	Entertainment expense		**686,426**	84,755
	Printing and stationery		**72,791**	53,131
	Traveling and conveyance expenses		**7,250**	5,550
	Miscellaneous expense		**1,942,574**	114,628
			29,186,598	11,100,587
18.	**FINANCE COST**			
	Markup on short term borrowing		**4,144,108**	2,441,338
	Bank charges and commission		**349,091**	136,200
			4,493,199	2,577,538
19.	**OTHER INCOME**			
	CDC transaction and custodian fee		**10,393,208**	3,172,482
	Profit on PLS account		**12,578,811**	1,171,264
	Profit on margin deposit		**2,821,955**	138,023
			25,793,974	4,481,769

		2024	(Restated) 2023
20.	**LEVIES**		
	Final / minimum tax under Income Tax Ordinance, 2001	**440,909**	749,710

		2024	(Restated) 2023
21.	**TAXATION**	**Rupees**	
	Current	**5,463,185**	-
	Prior	**(217,171)**	2,668
		5,246,014	2,668

21.1 Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2023. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

22. CASH AND CASH EQUIVALENTS	**2024**	2023
	Rupees	
Cash and bank balances	34,783,215	46,969,283
Short term borrowings	(20,452,961)	(62,182,935)
	14,330,254	(15,213,652)

23. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration to Chief executive and Director of the Company, are as follows:

	Chief executive		**Directors**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023
	Rupees					
Managerial remuneration	**2,400,000**	-	**1,900,000**	1,200,000	**4,300,000**	1,200,000
Bonus	-	-	-		-	-
	2,400,000	-	**1,900,000**	1,200,000	**4,300,000**	1,200,000
Number of persons	**1**	1	**1**	1	**2**	2

23.1 During the year, no remuneration was paid to chief executive of the Company.

24. RELATED PARTY TRANSACTIONS

Related parties comprise of directors, key management personnel and their close family members. Remuneration of the Chief Executive, Directors and executives as disclosed in note 23 to these financial statements.

Details of transactions entered into and balances held with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

KEY MANAGEMENT PERSONNEL	**2024**	2023
	Rupees	
Jawad Janoo - director		
Payable as at year end	**1,081,946**	-
Ms.Shehla Tariq - director		
Payable as at year end	**11,909,693**	42,008,457
Tariq Jano - director		
Receivable as at year end	**1,740,448**	109,069

25. FINANCIAL INSTRUMENTS

25.1 Financial risk analysis

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

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

25.1.1 *Market risk*

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

i) Foreign currency risk

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

ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ 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 manages price risk by monitoring the exposure in quoted securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own quoted investment and collateral held before it led the Company to incur significant mark-to-market and credit losses. As of the reporting date, the Company was exposed to price risk since it had investments in quoted securities amounting to Rs. 30.29 million (2023: 102.32 million) and also because the Company held collaterals in the form of equity securities against their debtor balances.

The carrying value of investments subject to price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and consequently the amount realized 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, the 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 price risk as of June 30, 2024 and 2023 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of markets and the aforementioned concentrations existing in Company's investment portfolio.

		Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase / (decrease) in profit / (loss) after tax
June 30, 2024	***Rupees***	**30,290,715**	**10% increase**	**33,319,787**	**2,574,711**	**2,574,711**
			10% decrease	**27,261,644**	**(2,574,711)**	**(2,574,711)**
June 30, 2023	*Rupees*	102,315,631	10% increase	112,547,194	8,696,829	8,696,829
			10% decrease	92,084,068	(8,696,829)	(8,696,829)

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iii) Interest rate risk

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

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

	2024	2023	2024	2023
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - *pls account*	**23.99% - 24.91%**	12.25% - 19.5%	**34,716,347**	46,902,324
Financial assets				
Short term borrowing - secured	**23.99% - 24.91%**	17.16% - 24.91%	**20,452,961**	62,182,935

Sensitivity analysis

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

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

	Effect on profit after tax	
	100 bp increase	100 bp decrease
As at June 30, 2024		
Cash flow sensitivity-Variable rate financial instruments	**142,634**	**(142,634)**
As at June 30, 2023		
Cash flow sensitivity-Variable rate financial instruments	**(152,806)**	**152,806**

25.1.2 *Credit risk*

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

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Exposure to credit risk

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

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

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

The carrying amount of financial assets represent the maximum credit exposure at the reporting date, which are detailed as follows:

	2024	2023
	Rupees	
Long term deposits and advances	**4,754,300**	4,754,300
Trade debts	**8,601,663**	90,260
Short term loan, deposits and other receivables	**30,227,148**	7,186,496
Bank balances	**34,778,306**	46,964,283
	78,361,417	58,995,339

No impairment has been recognized as the security against the same is adequate or counter parties have sound financial standing.

	2024		2023	
	Gross	**Life time expected credit losses**	Gross	Life time expected credit losses
Upto 90 days	**8,541,590**	-	75,541	-
More than 90 days but upto 180 days	**60,073**	-	688	-
More than 180 days but upto 1 year	-	-	9,342	-
Above 1 year	-	-	4,689	-
	8,601,663	-	90,260	-

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

Banks	Short term rating	Credit rating agency	2024	2023
			Rupees	
JS Bank Limited	A-1+	PACRA	**35,372,636**	46,902,324
Bank Alfalah Limited	A-1+	PACRA	**34,460**	34,460
MCB Bank Limited	A-1+	PACRA	**20,049**	20,049
Summit Bank Limited	-	JCR-VIS	**7,450**	7,450
			35,434,595	46,964,283

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

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

25.1.3 *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business.

On the reporting date, the Company had bank balance amounting to Rs. 35.43 million (2023: Rs. 46.96 million) and liquid assets in the form of short term securities amounting to Rs. 30.29 million (2023: Rs.102.32 million).

The following are the contractual maturities of financial liabilities excluding estimated interest payments::

	30-Jun-24					
	Carrying amount	**Contractual cashflows**	**Six months or less**	**Six to twelve months**	**One to five years**	**More than five years**
	(Rupees)					
Financial liabilities						
Trade and other payables	**36,710,226**	**36,710,226**	**36,710,226**	-	-	-
Short term borrowing including accured markup	**22,545,555**	**22,545,555**	**22,545,555**	-	-	-
	59,255,781	**59,255,781**	**59,255,781**	-	-	-

	30-Jun-23					
	Carrying amount amount	Contractual cashflows cash flows	Six months or less	Six to twelve months	One to five years year	More than five years
	(Rupees)					
Financial liabilities						
Trade and other payables	48,462,186	48,462,186	48,462,186	-	-	-
Short term borrowing including accured markup	62,507,649	62,507,649	62,507,649	-	-	-
	110,969,835	110,969,835	110,969,835	-	-	-

25.2 Financial instruments by categories

Financial assets	30-Jun-24 At fair value through profit or loss	At Amortized cost	Total
	Rupees		
Long term deposits and advances	-	4,754,300	4,754,300
Short term investments	30,290,715	-	30,290,715
Trade debts	-	8,601,663	8,601,663
Loans, deposit and other receivables	-	30,227,148	30,227,148
Cash and bank balances	-	34,783,215	34,783,215
	30,290,715	78,366,326	108,657,041

Financial liabilities	Financial liabilities at amortized cost
	Rupees
Trade and other payables	36,710,226
Short term borrowing including accured markup	22,545,555
	59,255,781

Financial assets	30-Jun-23 At fair value through profit or loss	At Amortized cost	Total
	Rupees		
Long term deposits and advances	-	4,754,300	4,754,300
Short term investments	102,315,631	-	102,315,631
Trade debts	-	90,260	90,260
Loans, deposit and other receivables	-	7,186,496	7,186,496
Cash and bank balances	-	46,969,283	46,969,283
	102,315,631	59,000,339	161,315,970

Financial liabilities	Financial liabilities at amortized cost
	Rupees
Trade and other payables	48,462,186
Short term borrowing including accured markup	62,507,649
	110,969,835

26. FAIR VALUE OF ASSETS AND LIABILITIES

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

The Company measures fair value of its assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

Level 2 : Valuation techniques based on observable inputs.

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

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

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in the valuation technique mainly include risk-free rate, equity risk premium, long term growth rate and projected rates of increase in revenues, other income and expenses. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

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Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of judgment and estimation in the determination of fair value. Judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates, etc.

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

June 30, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	Amount in Rupees			
Financial assets mesured at fair value				
Short term investments	**30,290,715**	**-**	**-**	**30,290,715**

June 30, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
	Amount in Rupees			
Financial assets mesured at fair value				
Short term investments	102,315,631	-	-	102,315,631

27. CAPITAL

27.1 Management of capital

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

Following is the capital analysis of what company manages as capital:

	2024	2023
Borrowings:	**Rupees**	
Short term borrowing	**20,452,961**	62,182,935
Shareholder's equity:		
Issued, subscribed and paid up capital	**75,000,000**	75,000,000
Unappropriated profit	**(8,031,446)**	(8,514,775)
	66,968,554	66,485,225
Total capital managed by the Company	**87,421,515**	128,668,160

The Company is not subject to any externally imposed capital requirements other than specified above.

27.2 The **Capital Adequacy Level** as defined by Central Depository Company (CDC) is calculated as follows;

		2024	2023
		Rupees	
Total assets	*27.2.1*	**126,224,335**	177,455,060
Less: Total liabilities		**(59,255,781)**	(110,969,835)
Less: Revaluation Reserves (created upon revaluation of fixed assets)		**-**	-
Capital Adequacy Level		**66,968,554**	66,485,225

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

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

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	12,778,689	12,778,689	-
1.2	Intangible Assets	2,750,000	2,750,000	-
1.3	Investment in Govt. Securities (Difference between BV and SV on the date on the basis of PKRV published by NIFT)	-	-	-
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.	13,511,606	2,666,072	10,845,534
	Provided, that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.	16,779,109	16,779,109	-
	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, however, any excess amount of cash deposited with securities exchange to comply with the requirements of Base minimum capital, may be taken in the calculation of LC.	2,250,000	2,250,000	-
1.9	Margin deposits with exchange and clearing house.	11,412,856	-	11,412,856
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	2,504,300	2,504,300	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
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. ***(Securities purchased under repo arrangement shall not be included in the investments.)***	-	-	-
1.15	Advances and receivables other than trade receivables 1) No haircut may be applied on short term loan to employees provided these loans are secured and due for repayment within 12 months. 2) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation. 3) In all other cases, 100% of net value	2,318,605	2,318,605	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	18,534,292	-	18,534,292
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 haricut***	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	3,114,351	-	3,114,351
	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. ***v. Lower of net balance sheet value or value determined through adjustments***	3,746,864	21,966	3,724,898
	vi. In the case of amount of receivable from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner: a. Upto 30 days, values determined after applying VaR based haircuts; b. Above 30 days, but upto 90 days, values determined after applying 50% or VaR based haircuts whichever is higher; c. Above 90 days, 100% haircut shall be applicable. ***Lower of net balance sheet values or values determined through adjustments***	1,740,448	76,012	1,664,436
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietary accounts	46,058	-	46,058
	ii. Bank balance-customer accounts	34,732,248	-	34,732,248
	iii. Cash in hand	4,909	-	4,909
1.19	Subscription money against Investment in IPO / offer for sale (asset) i. No Haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker. ii. In case of investments in IPO where shares have been allotted but not yet credited in CDS account, 25% haircuts will be applicable on the value of such securities. iii. In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VaR based haircut whichever is higher, will be applied on Right Shares. Balance sheet values or net values after deducting haircuts.			
1.20	**Total Assets**	**126,224,335**		**84,079,582**

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	34,672,112	-	34,672,112
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	4,130,708	-	4,130,708
	iii. Short-term borrowings	20,452,961	-	20,452,961
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	**Non-Current Liabilities**			
	i. Long-Term financing	-	-	-
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease.	-	-	-
	b. Other Long Term Financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.4	**Subordinated Loans**	-	-	-
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	-	-	-
2.5	**Advance against shares for increase in capital of securities broker.**			
	100% haircut may be allowed in respect of advance against shares if: a) The existing authorized share capital allows the proposed enhanced share capital b) BOD 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**	59,255,781		59,255,781
3. Ranking Liabilities Relating to :				
3.1	**Concentration in Margin Financing**			
	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total finances.(Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities	-	-	-
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	-	-	-
	<u>**(b) in any other case :**</u> 12.5% of the net underwriting commitments	-	-	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
3.4	**Negative equity of subsidiary**			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary.	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions**			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency.	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	**Repo adjustment**			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	**Concentrated proprietary positions**			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	742,339	742,339
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**	-	**742,339**	**742,339**
		66,968,554	**Liquid Capital**	**24,081,462**

28. CHANGE IN ACCOUNTING POLICY

In May 2024, the Institute of Chartered Accountants of Pakistan issued Circular 07/2024 titled as *'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes'*. The circular clarifies that any taxes whose calculation is *not* based on **'taxable profit'** (as defined in the International Accounting Standard (IAS) 12 *'Income Taxes'*) do not meet the definition of **'current tax'** as per that standard. Instead, such taxes should be treated as **'levies'** falling within the scope of IFRIC 21 *'Levies'* and the IAS 37 *'Provisions, Contingent Liabilities and Contingent Assets'*.

In light of the guidance provided in, and as required by, the said circular, the Company has changed its accounting policy for current tax whereby *only* the portion of the income tax charge that is based on the *'taxable income'* for a reporting period *(as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder)* is now classified as a **'current tax'**. Any excess charge over the said amount (for example, excess of Minimum Tax under section 113 of the Income Tax Ordinance, 2001 over the normal tax charge) is now classified as a **'levy'** in the statement of profit or loss. However, the said change in accounting policy has no effect on the accounting for deferred income taxes i.e., the deferred tax liailities / assets continue to be accounted for based on the taxable / deductible temporary differences and the tax rate(s) enacted or substantively enacted by the end of the reporting period.

In these financial statements, the said change in accounting policy has been accounted for *retrospectively* (see note 46.3 below for further information). If the said change in accounting policy had, however, not been made, the following items in the statement of profit or loss would have been reported as follows:

	2024	2023
	Rupees	
Profit / (loss) before levies and taxation	**6,170,252**	**(10,492,815)**
Levies	-	-
Profit / (loss) before taxation	**6,170,252**	**(10,492,815)**
Taxation	**(5,686,923)**	**(752,378)**
Profit/(Loss) after taxation	**483,329**	**(11,245,193)**

29. NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2024	2023
	Number	
Total number of employees as at	5	4
Average number of employees during the year	4	5

30. GENERAL

30.1 Figures have been rounded off to the nearest rupee.

30.2 These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on OCT 07, 2024.

Chief Executive **Director**

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