

VALUE STOCK AND COMMODITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT

To the members of Value Stock and Commodities (Private) Limited
Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of Directors' Report, Company's Corporate information, Shareholder Information and Financial Highlights (but does not include the financial statements and our auditor's report thereon).

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

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



Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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:

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVI11 of 1980); and
- e) The Company was in compliance with the requirement of section 78 of the Securities Act 2015 and section 62 of Futures Market Act 2016, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 and Future Brokers (Licensing and operations) Regulations, 2018 as at the date on which the Financial Statements were prepared.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Muhammad Safder, FCA.



Tariq Abdul Ghani & Co.
Chartered Accountants

Place: Lahore

Date: October 03, 2024
UDIN: AR202410233PI4VdOvzZ

TAG

Value Stock and Commodities (Private) Limited
Statement of Financial Position
As at June 30, 2024

		2024	2023
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property and equipment	8	20,813,895	34,628,792
Intangible assets	9	3,750,000	3,750,000
Long-term investment	10	-	9,006,813
Long term deposits	11	39,119,403	4,497,863
Deferred tax-net	12	7,825,001	-
		71,508,299	51,883,468
Current assets			
Trade debts	13	2,522,077	6,402,680
Advances-considered good	14	2,347,488	2,947,591
Trade deposits and other receivables	15	34,558,668	8,006,966
Due From Related Parties	16	-	7,060,000
Advance income tax- Net	17	-	513,958
Short-term investments	18	73,628,384	53,753,908
Cash and bank balances	19	42,707,640	19,514,709
		155,764,257	98,199,812
		227,272,556	150,083,280
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	20	150,000,000	150,000,000
Issued, subscribed and paid up share capital	20	100,000,000	100,000,000
Revenue reserves			
Appreciation / (Deficit) on remeasurement of investments classified at FVOCI		-	-
Accumulated profit / (losses)		62,831,181	10,000,608
		162,831,181	110,000,608
Non-current liabilities			
Liability against assets subject to finance lease	21	-	1,157,492
Deferred tax-net	12	-	3,095,537
Loan from sponsor	22	13,300,000	-
Current liabilities			
Current portion of non-current liabilities	21	-	5,139,739
Due to related parties	23	-	11,228,000
Provision for taxation	17	1,535,317	-
Trade and other payables	24	49,606,058	19,461,904
		51,141,375	35,829,643
Contingencies and commitments			
	25	-	-
		64,441,375	40,082,672
		227,272,556	150,083,280

The annexed notes from 1 to 41 form an integral part of these financial statements

Chief Executive Officer

Director

TAG

Value Stock and Commodities (Private) Limited
Statement of Profit or Loss
For the year ended June 30, 2024

		2024	2023 (Restated)
	Note	Rupees	
Operating revenue	26	49,093,056	26,977,192
Operating and administrative expenses	27	(40,242,151)	(39,139,345)
Operating profit / (loss)		8,850,905	(12,162,153)
Other operating income	28	36,816,999	21,884,836
Finance cost	29	(340,379)	(1,726,778)
Profit before final taxes and income taxes		45,327,525	7,995,905
Taxation-final taxes			
- Minimum Tax/ ACT	30	(2,482,745)	(337,215)
- Final Tax	30	(288,009)	(1,028,394)
Profit before income tax		42,556,771	6,630,296
Taxation-Income tax			
- Current Tax			
- For the year	30	-	-
- Prior year	30	(646,736)	123,493
- Deferred Tax			
- Income/ (expense)	30	10,920,538	(15,454,776)
Profit/(loss) after income tax		52,830,572	(8,700,988)

The annexed notes from 1 to 41 form an integral part of these financial statements



Chief Executive Officer



Director

TAG


Value Stock and Commodities (Private) Limited
Statement of Comprehensive Income
For the year ended June 30, 2024

	Note	2024	2023
		----- (Rupees) -----	
Profit/(loss) for the year		52,830,572	(8,700,988)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to statement of profit and loss</i>			
Unrealized appreciation during the year on remeasurement of investments classified at FVOCI- net of deferred tax		-	-
Total comprehensive profit/(loss) for the year		<u>52,830,572</u>	<u>(8,700,988)</u>

The annexed notes from 1 to 41 form an integral part of these financial statements



Chief Executive Officer



Director

TAG

Value Stock and Commodities (Private) Limited
Statement of Changes in Equity
For the year ended June 30, 2024

Issued, subscribed and paid up share capital	Capital reserves	Revenue reserves	Total
	Unrealized appreciation on remeasurement of investments classified at FVOCI	Accumulated profit / (losses)	

-----Rupees-----

Balance as at 01 July, 2022	100,000,000	(4,347,754)	23,049,350	118,701,596
Transfer of Gain / (Loss) on disposal of equity investment at FV-OCI to Retain earnings	-	4,347,754	(4,347,754)	-
Loss for the year	-	-	(8,700,988)	(8,700,988)
Balance as at 30 June, 2023	<u>100,000,000</u>	<u>-</u>	<u>10,000,608</u>	<u>110,000,608</u>
Balance as at 01 July, 2023	100,000,000	-	10,000,608	110,000,608
Other comprehensive income for the year	-	-	-	-
Profit for the year	-	-	52,830,573	52,830,573
Balance as at 30 June, 2024	<u>100,000,000</u>	<u>-</u>	<u>62,831,181</u>	<u>162,831,181</u>

The annexed notes from 1 to 41 form an integral part of these financial statements


Chief Executive Officer


Director

TAG

Value Stock and Commodities (Private) Limited
Statement of Cash Flows
For the year ended June 30, 2024

		2024	2023
	Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		45,327,525	7,995,905
Adjustments for non-cash and other items:			
Depreciation of property and equipment	8	4,216,744	5,341,195
Allowance for expected credit loss	13	20,500	607,316
Realized gain on short term investments	28	(2,898,115)	(17,595,842)
Unrealized (gain) / loss on remeasurement of short term investments	28	(25,904,966)	11,459,581
Gain on sale of fixed assets	28	(7,328)	-
Loss on Sale of investment		9,006,813	
Finance cost	29	340,379	1,726,778
		(15,225,973)	1,539,028
Operating profit / (loss) before working capital changes		30,101,552	9,534,933
Changes in working capital:			
Trade debts		3,860,103	(5,579,205)
Advances-considered good		600,103	(910,773)
Trade deposits and other receivables		(26,551,702)	13,468,715
Trade and other payables		30,144,154	(11,409,657)
		8,052,658	(4,430,920)
Cash generated from operations		38,154,210	5,104,013
Interest paid		(340,379)	(1,726,778)
Income taxes paid	17	(1,368,215)	(1,040,130)
		(1,708,593)	(2,766,908)
Net cash generated from operating activities		36,445,617	2,337,105
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	8	(1,394,520)	(1,396,335)
Proceeds from sale of operating fixed assets	8	11,000,000	-
Room rights in intangible		-	-
Purchase of securities for short term investment-net		8,928,605	27,425,329
Long-term deposits		(34,621,540)	(1,043,329)
Net cash (used in)/from investing activities		(16,087,455)	24,985,665
CASH FLOWS FROM FINANCING ACTIVITIES			
Settlement of / (obtained) finance lease		(6,297,231)	(4,504,795)
Obtained / (repayments) of due to related parties		(11,228,000)	(8,492,000)
Long term loan		13,300,000	-
Provided / (receipt) of due from related parties		7,060,000	(7,060,000)
Net cash used in financing activities		2,834,769	(20,056,795)
Net increase/ (decrease) in cash and cash equivalents		23,192,931	7,265,975
Cash and cash equivalents at the beginning of the year		19,514,709	12,248,734
Cash and cash equivalents at the end of the year	19	42,707,640	19,514,709

The annexed notes from 1 to 41 form an integral part of these financial statements

Chief Executive Officer

Director

TAG

Value Stock and Commodities (Private) Limited
Notes to the Financial Statements
For the year ended June 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

Value Stock and Commodities (Private) Limited (the "Company") was incorporated in Pakistan on March 30, 2006 as a Private Company under the repealed Companies Ordinance, 1984. The Company's registered office is situated at Office No. 200, 2nd Floor, 13/B1-B2, Value Tower, Ghalib Market, Gulberg III, Lahore.

The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited and Universal Membership Rights at Pakistan Mercantile Exchange Limited. The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

1.1 The geographical locations and addresses of company branches are as under:

Head Office:	Office No. 200, 2nd Floor, 13/B1-B2, Value Tower, Ghalib Market, Gulberg III, Lahore.
Karachi Branch Office (PMEX):	Room No. 103, Badar Commercial Street No. 1, Main 26 Street, DHA, Ext, Karachi.
Islamabad branch Office (PMEX):	Office No. 3-A, Mezzanine Floor, Kashmir, Plaza, Jinnah Avenue, Blue Area, Islamabad

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

3 BASIS OF PREPARATION

3.1 Statement Of Compliance

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRS" or "IFRSs") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017, provisions of or directives issued under the Companies Act, 2017, and Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations"). In case requirements differ, the provisions or directives of the Companies Act, 2017 and/or the Regulations shall prevail.

During the year the Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance – "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires taxes paid under final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) – 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the Statement of Financial Position, Earnings per share and Statement of Changes in Equity as a result of this change.

Effect on profit or loss	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effect of change in accounting policy
		------(Rupees)-----	
For the year ended June 30, 2024	-	(2,770,754)	(2,770,754)
Taxation - Final taxes	45,327,525	(2,770,754)	42,556,771
Profit before income tax	(3,417,490)	2,770,754	(646,736)
Taxation - Income tax			
Effect on profit or loss	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effect of change in accounting policy
		------(Rupees)-----	
For the year ended June 30, 2023	-	(1,365,609)	(1,365,609)
Taxation - Final taxes	7,995,905	(1,365,609)	6,630,296
Profit before income tax	(1,242,116)	1,365,609	123,493
Taxation - Income tax			

3.2 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have material impact on the financial statements other than certain additional disclosures

Effective from annual period beginning on or after:

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

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

New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026

Effective from annual period beginning on or after:

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Noncurrent liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2025
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2026
IFRS 17 Insurance Contracts	

4 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except for the following material items:

- Investments in quoted equity securities (whether classified as financial assets measured at fair value through profit or loss, or through other comprehensive income or amortized cost), which are carried at fair value ;and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

5 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates and judgments are continually evaluated and are based on historical experience as well as expectations of future events that are believed to be reasonable under the circumstances. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

- Useful lives and residual values of items of property and equipment (note 7.1)
- Allowance for expected credit losses (note 7.5)
- Classification, recognition, measurement / valuation of financial instruments (note 7.3)
- Fair values of unquoted equity investments (note 7.3)
- Provision for taxation (note 7.7)

6.1 Depreciation method, rates and useful lives of property and equipment

The management of the Company reassesses useful lives, depreciation method, and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from those items.

6.2 Taxation

The Company takes into account income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by tax department at the assessment stage and where the Company considers that its view of items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

6.3 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

6.4 Expected credit losses

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

7 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

7.1 Property, plant and equipment

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair, maintenance and day-to-day servicing expenditures are charged to the profit and loss account during the year in which they are incurred.

Depreciation on all items of property and equipment is calculated using the reducing balance method, in accordance with the rates specified in Note 8 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from when the asset is available for use until the asset is disposed off.

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

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

7.2 Intangible assets

Intangible assets with indefinite useful lives, including Trading Right Entitlement Certificate ("TREC") and Universal Membership Rights at Pakistan Mercantile Exchange Limited, are stated at cost less accumulated impairment losses, if any. An intangible asset is considered as having an indefinite useful life when, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, it is tested for impairment at each balance sheet date or whenever there is an indication that the asset may be impaired. Gains or losses on disposal of intangible assets, if any, are recognized in the profit and loss account during the year in which the assets are disposed of.

7.3 Financial instruments

Recognition and initial measurement

The Company, on the date of initial recognition, recognizes loans, debt securities, equity securities and deposits at the fair value of consideration paid. Regular-way purchases and sales of financial assets are recognized on the trade date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.

Classification and Measurement of Financial Assets

IFRS 9 eliminates the IAS 39 categories for financial assets (held-to-maturity, loans and receivables, held-for-trading and available-for-sale). Instead, IFRS 9 classifies financial assets into the following categories:

- Fair value through profit or loss ("FVTPL");
- Fair value through other comprehensive income ("FVOCI");
- Amortized cost;
- Elected at fair value through other comprehensive income (equities only); or
- Designated at FVTPL

Financial assets include both debt and equity instruments.

(ii) Subsequent Measurement

- **Debt Investments at FVOCI:** These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

- **Equity Investments at FVOCI:** These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

- **Financial assets at FVTPL:** These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognized in profit or loss.

- **Financial assets measured at amortized cost:** These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

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.

De-recognition

(i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

(i) Financial liabilities

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

Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention on the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Derivatives

Derivative instruments held by the Company comprise of future and forward contracts in the capital and money markets. These are stated at fair value at the date of statement of financial position. The fair value of the derivatives is equivalent to the unrealized gain or loss from marking the derivatives using prevailing market rates at the date of statement of financial position. The unrealized gains are included in other assets while unrealized losses are included in other liabilities in the statement of financial position. The corresponding gains and losses are included in the statement of profit or loss.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

7.4 Leases

For contracts entered into, or modified, on or after January 1, 2019, the Company assesses whether a contract contains a lease or not at the inception of a contract. The Company reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain to not to exercise that option.

The Company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Company revises the lease term if there is a change in the non-cancellable period of a lease.

7.4.1 Company as a lessee

Recognition

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value as per the threshold set by the Company. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

Initial measurement

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Company under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Right-of-use

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

Subsequent measurement

Lease liability

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss account, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Right-of-use

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

7.5 Impairment

7.5.1 Financial assets

The Company's financial assets that are subject to the impairment requirements of IFRS 9 are trade receivables, advisory and consultancy fee receivable.

The Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance for all above mentioned financial assets. The Company measures expected credit losses 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 recognizes in profit and loss account, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

7.5.2 Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount - defined as the higher of the asset's fair value less costs of disposal and the asset's value-in-use (present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risk) - is estimated to determine the extent of the impairment loss. Impairment losses recognized in prior periods are assessed at each reporting date to determine whether there are any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent of the carrying amount of the asset (or CGU) that would have been determined (net of depreciation / amortization) had no impairment loss been recognized.

7.6 Trade debts and receivables

Financial assets

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

Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

Trade debts and other receivables

Trade debts and other receivables are stated initially at amortized cost using the effective interest rate method. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

7.7 Income tax

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using rates enacted or substantively enacted at the reporting date, and takes into account tax credits, exemptions and rebates available, if any. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessments framed / finalized during the year. The charge for current tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Deferred

Deferred tax is recognized using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated using rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized. Deferred tax is not recognized on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax is charged or credited to the income statement, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

The Company takes into account current income tax law and decisions taken by tax authorities. In instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the relevant amounts are disclosed as contingent liabilities.

7.8 Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, balances with banks in current and deposit accounts, stamps in hand, other short-term highly liquid investments with original maturities of less than three months and short-term running finances.

7.9 Share capital

Ordinary shares are classified as equity and recognized at their face value.

7.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. The amount recognized represents the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

7.11 Borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount unpaid at the reporting date.

7.12 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

7.13 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

- Brokerage and commission income is recognized when brokerage services are rendered.
- Dividend income is recognized when the right to receive the dividend is established.
- Underwriting commission (if any) is recognized when the agreement is executed. Take-up commission is recognized at the time the commitment is fulfilled.
- Return on deposits is recognized using the effective interest method.
- Income on fixed term investments is recognized using the effective interest method.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from marking to market financial assets classified as financial assets at fair value through profit or loss are included in profit and loss during the period in which they arise.
- Income / profit on exposure deposits is recognized using the effective interest rate.

7.14 Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income.

7.15 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted and recorded at mutually agreed prices duly approved by the Board.

8 PROPERTY AND EQUIPMENT

	2024	2023
	-----Rupees-----	
Operating fixed assets	20,813,895	26,948,292
Advance for the purchase of vehicles	-	7,680,500
	<u>20,813,895</u>	<u>34,628,792</u>

8.1 Operating fixed assets

Owned Assets						Right of use assets	Total
Office building	Furniture and fixtures	Office equipment	Computer accessories	Vehicles	Total	vehicles	
-----Rupees-----							
4,178,808 (327,618)	1,729,967 (1,447,919)	4,992,871 (1,841,021)	2,469,600 (2,084,709)	5,804,500 (1,762,341)	19,175,746 (7,463,608)	21,886,952 (6,650,798)	41,062,698 (14,114,406)
3,851,190	282,048	3,151,850	384,891	4,042,159	11,712,138	15,236,154	26,948,292
3,851,190	282,048	3,151,850	384,891	4,042,159	11,712,138	15,236,154	26,948,292
-	-	-	120,300	8,954,720	9,075,020	-	9,075,020
-	-	-	-	21,886,952 (7,443,859)	21,886,952 (7,443,859)	(21,886,952) 7,443,859	- -
-	-	-	-	14,443,093	14,443,093	(14,443,093)	-
-	(3,440)	-	-	(17,661,052) 6,668,378	(17,664,492) 6,671,818	-	(17,664,492) 6,671,818
-	3,440	-	-	(10,992,674)	(10,992,674)	-	(10,992,674)
(154,048)	(56,410)	(315,185)	(79,714)	(2,818,326)	(3,423,683)	(793,061)	(4,216,743)
3,697,143	225,639	2,836,665	425,476	13,628,972	20,813,895	-	20,813,895
4,178,808 (481,665)	1,726,527 (1,500,888)	4,992,871 (2,156,206)	2,589,900 (2,164,424)	18,985,120 (5,356,148)	32,473,226 (11,659,331)	-	32,473,226 (11,659,331)
3,697,143	225,639	2,836,665	425,476	13,628,972	20,813,895	-	20,813,895
4%	20%	10%	20%	20%	-	20%	-

9 INTANGIBLE ASSETS

	Note	2024 ---Rupees---	2023
PSX Trading Rights Entitlement Certificate ("TREC")	9.1	2,500,000	2,500,000
Impairment on TREC		-	-
		<u>2,500,000</u>	<u>2,500,000</u>
PMEX Trading Rights Certificate		1,250,000	1,250,000
		<u>3,750,000</u>	<u>3,750,000</u>

- 9.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. There is no active market for determination of value of TREC. TREC has been valued at notional value of Rupees 2.5 million notified in PSX Rule Book. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

		2024 ---Rupees---	2023
10 LONG TERM INVESTMENT			
Unquoted Shares of LSE Financial Services Limited:			
Opening value as		-	20,466,394
Adjustment for remeasurement to fair value		-	-
Adjustment for Restructuring of LSEFSL to LSEPL & LSEVL		-	(20,466,394)
Fair value at year-end		<u>-</u>	<u>-</u>
Quoted Shares of LSEPL & LSEVL			
Opening value as at 1st July 2023		9,006,813	-
Adjustment for Restructuring - LSEPL Share's fair value	10.2	-	1,421,523
Adjustment for Restructuring - LSEVL Share's fair value	10.2	-	7,585,290
Adjustment for transfer to short term investment		<u>(9,006,813)</u>	<u>-</u>
Fair value at year-end		<u>-</u>	<u>9,006,813</u>

- 10.2 During the year, the LSEFSL, through a court's petition, went through a major restructuring and was amalgamated with and into two of its newly incorporated subsidiary companies i.e., LSE Ventures Limited ("LSEVL") and LSE PropTech Limited ("LSEPL").
- As a result of the said amalgamation/restructuring, the company received 842,810 shares of LSEVL and 295,536 shares of LSEPL respectively in lieu of 843,975 shares of LSEFSL.

	Note	2024 ---Rupees---	2023
11 LONG TERM DEPOSITS			
CDC membership deposit		100,000	100,000
NCCPL membership deposit		200,000	200,000
Trading deposits with PMEX		33,356,603	1,434,063
Margin deposits with PSX		157,800	187,800
Security deposit with PMEX		750,000	750,000
DFC initiation deposit		1,000,000	1,000,000
Other security deposits		<u>3,555,000</u>	<u>826,000</u>
		<u>39,119,403</u>	<u>4,497,863</u>

TAG

12 DEFERRED TAX-NET

	2024			
	At July 01, 2023	Recognised in Profit or Loss Account	Recognised in OCI	At June 30, 2024
Taxable temporary differences				
Short-term investments	5,102,794	(4,262,340)		840,454
	5,102,794	(4,262,340)	-	840,454
Deductible temporary differences				
Accelerated tax depreciation allowance	-	204,962		204,962
Finance lease	(2,592,288)	2,592,288		-
Allowance for expected credit loss	124,587	5,945		130,532
Tax credits / tax losses	4,474,958	3,855,003		8,329,961
	2,007,257	6,658,198	-	8,665,455
Deferred Tax Asset-Net	(3,095,537)	10,920,538	-	7,825,001

DEFERRED TAX-NET

	2023			
	At July 01, 2022	Recognised in Profit or Loss Account	Recognised in OCI	At June 30, 2023
Taxable temporary differences				
Finance lease	2,069,802	522,486	-	2,592,288
Accelerated tax depreciation allowance	516,933	(516,933)	-	-
Short-term investments	(9,708,697)	14,811,491	-	5,102,794
	(7,121,962)	14,817,044	-	7,695,082
Deductible temporary differences				
Allowance for expected credit loss	60,880	63,707	-	124,587
Long-term investment	(249,648)	-	249,648	-
Tax credits / tax losses	5,426,044	(951,086)	-	4,474,958
	5,237,276	(887,379)	249,648	4,599,545
Deferred Tax Liability	12,359,238	(15,704,423)	249,648	(3,095,537)

13 TRADE DEBTS

Trade receivables from customers against trading activities

		2024	2023
		-----Rupees-----	
Considered good	13.1	2,522,077	6,402,680
Considered doubtful	13.2	450,109	429,609
		2,972,186	6,832,289
	13.2	450,109	429,609
		<u>2,522,077</u>	<u>6,402,680</u>

- 13.1 The Company recognized a provision for doubtful debts after consideration of a number of factors, including (but not limited to) an analysis of historical bad debt experience, aging of the receivables portfolio, expected future write-offs, the nature and quantum of collateral held, and an assessment of specifically identifiable customer accounts considered at risk or uncollectible.

As at June 30, 2024, the value of customer shares maintained with the company sub-Accounts held as collateral against trade debts in the Central Depository company of Pakistan Limited is Rs. 1,465,945 (2023: Rs. 6,562,460).

Shares with fair value Rs. 59,960,635 (2023: Rs. Nil) related to clients have been pledged with Financial institutions.

Trade receivables include PKR 212,390/- (2023: PKR 5,387,419/-) receivable from related parties and maximum aggregate amount outstanding at any time during the year from related parties was Rs. 50,301,427/- (2023: Rs. 16,149,174/-)

13.2 Movement in allowance for expected credit loss

Opening balance (as at July 1, 2023)
Charged during the year
Amounts written off during the year
Closing balance (as at June 30, 2024)

2024	2023
-----Rupees-----	
429,609	209,933
20,500	607,316
-	(387,640)
<u>450,109</u>	<u>429,609</u>

14 ADVANCES-CONSIDERED GOOD

Staff advances - unsecured
Advances & Prepayments

2024	2023
-----Rupees-----	
2,347,488	2,935,114
-	12,477
<u>2,347,488</u>	<u>2,947,591</u>

15 TRADE DEPOSITS AND OTHER RECEIVABLES

Clearing House Deposits (Reg. & Future)
Margin trading system (MTS) receivable
N.C.H Clearing House
NCSS
Other receivable

2024	2023
-----Rupees-----	
30,296,244	4,013,338
747,473	-
-	3,675,348
3,514,951	-
-	318,280
<u>34,558,668</u>	<u>8,006,966</u>

16 DUE FROM RELATED PARTIES

Mr. Khurram Gulzar

16.1

2024	2023
-----Rupees-----	
-	7,060,000
<u>-</u>	<u>7,060,000</u>

16.1 Due from related parties is short term, interest free and unsecured and maximum aggregate amount outstanding at any time during the year from related parties was Rs.32,500,000(2023: Rs. 7,060,000)

17 ADVANCE INCOME TAX

Opening balance
Collected / paid during the year
Adjusted against tax liabilities

2024	2023
-----Rupees-----	
513,958	715,944
1,368,215	1,040,130
1,882,173	1,756,074
(3,417,489)	(1,242,116)
<u>(1,535,317)</u>	<u>513,958</u>

17.1 Income tax assessments of the Company are deemed to be finalized as per tax returns filed 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.

18 SHORT TERM INVESTMENTS

At fair value through profit or loss
Quoted securities avg. cost as at June 30, 2024
Movement in fair value
Quoted securities as at June 30, 2024

2024	2023
-----Rupees-----	
70,730,269	36,158,066
2,898,115	17,595,842
<u>73,628,384</u>	<u>53,753,908</u>

18.1 Shares having fair value of PKR 42,977,800 (2023: PKR 19,182,500) have been pledged with financial institutions and PSX.
18.2 The company holds 1,445,433 (2023: 1,400,923) shares of different inactive companies having no fair value at year end.

19 CASH AND BANK BALANCES

2024 2023
-----Rupees-----
6,680 2,107

Cash in hand

19.1

Cash at banks

Proprietary accounts

Client accounts

12,147,189	7,511,977
30,553,771	12,000,625
42,700,960	19,512,602
42,707,640	19,514,709

19.1 Clients' funds are segregated from the Company's own funds and held in designated bank accounts. The detail and bifurcation of cash balance at banks in current and saving accounts is as follows:

Cash at banks

Current accounts

Savings accounts

19.2

12,153,880	7,518,668
30,547,079	11,993,933
42,700,959	19,512,601

19.2 The return on these balances is 20.50% (2023: 19%) per annum on daily product basis.

20 SHARE CAPITAL

20.1 Authorized capital

150,000 (2023: 150,000) ordinary shares of PKR 1,000/- each.

150,000,000 150,000,000

20.2 Issued, subscribed and paid up share capital

100,000 (2023: 100,000) ordinary shares of PKR 1,000/- each, issued for cash

100,000,000 100,000,000

20.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	2024	2023	2024	2023
Mr. Kamran Gulzar	33,300	33,300	33.30%	33%
Mr. Khurram Gulzar	66,600	66,600	66.60%	66%
Mr. Muhammad Aqeel Ahmed	100	100	0.10%	1%
	100,000	100,000	100%	100%

21 LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE

2024 2023
-----Rupees-----

Present value of minimum lease payments

Less: Current portion

-	6,297,231
-	(5,139,739)
-	1,157,492

Minimum lease rentals payable:

Within one year

After one year but within five years

After five years

-	6,869,667
-	1,547,480
-	-
-	8,417,147
-	(2,119,917)
-	6,297,230

Less: Future financial charges

Net lease obligation

21.1 The Company had access to lease finance facilities from Dubai Islamic Bank Limited under the Islamic financing mode. The rentals against the facility were payable on monthly basis. The facilities were secured against ownership of the leased vehicles in the name of Dubai Islamic Bank Limited. The lease was terminated earlier this year with an early settlement.

22 LOAN FROM SPONSOR

2024 2023
-----Rupees-----

Loan from sponsor - subordinated	22.1	13,300,000	-
		13,300,000	-
Less: current portion		-	-
		13,300,000	-

22.1 The loan has been obtained for working capital purpose and utilized for the same. This loan is interest free as per the requirements of the Section 71 (1) (a) of the Securities Act, 2015.

23 DUE TO RELATED PARTIES

2024 2023
-----Rupees-----

Mr. Kamran Gulzar	23.1	-	11,228,000
		-	11,228,000

23.1 Due to related parties is short term, interest free and un-secured to meet the working capital requirements.

24 TRADE AND OTHER PAYABLES

2024 2023
-----Rupees-----

Trade creditors	24.1	44,935,936	15,424,871
Withholding tax payable		9,699	24,403
Commission incentive payable		380,352	643,390
Accrued and other payables		4,280,071	3,369,240
		49,606,058	19,461,904

24.1 It includes an amount of Rs 9,612,795 (2023: 2,829,768) payable to the related parties in respect of their trading accounts.

25 CONTINGENCIES AND COMMITMENTS

Commitments

There were no commitments of the company as at June 30, 2024 (2023: Nil).

Contingencies

Claims subject to legal proceedings:

The details of cases by and against the company which are currently subject to the legal proceedings are detailed below:

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Unit-V, Zone-IV, Range-II, CTO (Corporate Tax Office).	The Federal Board of Revenue (FBR) issued a notice to the company under Section 161(1A) of the Income Tax Ordinance, 2001, for the tax year 2018. The notice stated that, as a prescribed person under sub-section (7) of Section 153 of the Ordinance, the company was required to deduct tax at source when making payments for purchases and services rendered. However, the Commissioner subsequently issued an order under Section 161(1) of the Income Tax Ordinance, raising a tax demand of Rs. 1,631,247/-. Furthermore, the FBR later issued the Recovery notice under Section 138(1) of the Income Tax Ordinance, 2001, for the recovery of the tax demand. In response, the company filed an appeal against the demand, and the matter is currently in appeal.	Value stock and commodities (pvt) Ltd. and Honorable commissioner Inland Revenue Appeals.	September 16, 2024.

TAG

26 OPERATING REVENUE

Brokerage income
Income from services

2024	2023
-----Rupees-----	
37,539,865	25,653,307
11,553,191	1,323,885
<u>49,093,056</u>	<u>26,977,192</u>

27 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, wages and benefits
Telephone, internet and other
Rent, rates and taxes
Printing and stationery
Postage and telephone
Travelling and conveyance
Legal and professional charges
Fee and subscription
Commission incentive expense
CDC / NCCPL / LSE charges
Provision for expected credit loss
Computer expenses
PMEX charges
Entertainment
Office expenses
Auditor's remuneration
Utilities
Charity & donation
Insurance
Miscellaneous expenses
Depreciation

8.1

2024	2023
-----Rupees-----	
15,175,312	16,638,884
500,795	421,138
3,598,200	2,362,964
103,147	143,681
134,457	96,869
589,400	762,090
71,680	203,586
205,400	229,425
3,566,354	4,807,830
2,971,569	2,292,579
20,500	607,316
259,585	125,540
404,878	51,925
254,058	356,531
1,439,271	1,527,246
492,890	428,570
582,301	598,193
2,535,000	225,000
365,450	666,229
2,755,160	1,252,555
4,216,744	5,341,195
<u>40,242,151</u>	<u>39,139,345</u>

28 OTHER OPERATING INCOME

Income from financial assets
Dividend income
Profit on deposits with banks
Mark up on exposure deposits
Unrealized gain on short term investment
Unrealized gain on remeasurement of securities
Realized gain/ (loss) on sale of securities
Balances written off
Income from non-financial asset
Profit on sale of fixed assets
Miscellaneous income

2024	2023
-----Rupees-----	
1,920,062	6,855,960
4,394,747	1,606,044
1,853,643	-
2,898,115	17,595,842
-	9,270,992
25,904,966	(11,459,581)
(515,127)	(1,984,421)
360,593	-
-	-
<u>36,816,999</u>	<u>21,884,836</u>

29 FINANCE COST

Mark-up on lease finance facility
Bank charges

2024	2023
-----Rupees-----	
293,746	1,694,367
46,633	32,411
<u>340,379</u>	<u>1,726,778</u>

TAG

30 TAXATION

	2024	2023 (Restated)
	-----Rupees-----	
Levy		
- Minimum Tax/ ACT	2,482,745	337,215
- Final Tax	288,009	1,028,394
Income tax		
- Current Tax		
- For the year	-	-
- Prior year	646,736	(123,493)
- Deferred Tax		
(Income) / expense	(10,920,538)	15,454,776
	<u>(7,503,047)</u>	<u>16,696,893</u>

30.1 This represents portion of ACT and minimum tax paid under section 113 of income Tax ordinance (ITO , 2001), representing levy in terms of requirements of IFRIC 21/ IAS 37.

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

	2024	2023
Current tax liability for the year as per applicable laws	3,417,490	1,242,116
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(646,736)	123,493
Portion of current tax computed as per tax laws , representing levy in terms of requirements of IFRIC 21/IAS 37.	(2,770,754)	(1,365,609)
Difference	<u>-</u>	<u>-</u>

30.1.2 The aggregate of minimum /ACT / final tax and income tax, amounting to Rs 3,417,490 represents tax liability of the company calculated under the relevant provisions of the Income Tax Ordinance .2001.

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including benefits, to the chief executive and directors of the company are as follows:

	2024			2023		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	-----Rupees-----			-----Rupees-----		
Managerial remuneration	-	640,032	1,040,052	1,600,080	560,028	1,040,052
House rent allowance	-	319,968	519,948	799,920	279,972	519,948
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

31.1 The Chief Executive of the company are provided with free use of the company's owned and maintained car.

31.2 Executives means an employee of the company other than the chief executive and directors whose basic salary exceeds Rs 1.2 million in a financial year.

32 FINANCIAL INSTRUMENTS BY CATEGORY

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

	At fair value 'through profit and loss'	Amortized Cost	At fair value 'through other comprehensive	Other financial liabilities
	Rupees			
30 June 2024				
Financial Assets				
Trade debts	-	2,522,077	-	-
Advances-considered good	-	2,347,488	-	-
Trade deposits and other receivables	-	34,558,668	-	-
Short-term investments	73,628,384	-	-	-
Cash and bank balances	-	42,707,640	-	-
Long term deposits	-	39,119,403	-	-
Long-term investment	-	-	-	-
	73,628,384	121,255,276	-	-
Financial Liabilities				
Trade and other payables	-	-	-	49,606,058
Accrued markup	-	-	-	-
Liability against assets subject to finance lease	-	-	-	-
Current portion of non-current liabilities	-	-	-	-
Due to related parties	-	-	-	-
	-	-	-	49,606,058
30 June 2023				
Financial Assets				
Trade debts	-	6,402,680	-	-
Advances-considered good	-	2,947,591	-	-
Trade deposits and other receivables	-	8,006,966	-	-
Short-term investments	53,753,908	-	-	-
Cash and bank balances	-	19,514,709	-	-
Long term deposits	-	4,497,863	-	-
Long-term investment	-	-	9,006,813	-
	53,753,908	41,369,809	9,006,813	-
Financial Liabilities				
Trade and other payables	-	-	-	19,461,904
Accrued markup	-	-	-	-
Liability against assets subject to finance lease	-	-	-	1,157,492
Current portion of non-current liabilities	-	-	-	5,139,739
Due to related parties	-	-	-	11,228,000
	-	-	-	36,987,135

None of the financial assets and financial liabilities have been netted off in the financial statements.

33 FINANCIAL RISK MANAGEMENT

33.1 Financial risk factors

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. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous 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.

a) 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 is not exposed to currency risk since there are no material 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. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 5%. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. 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 equity investment and collateral held before it led the Company to incur significant mark-to-market and credit losses. As of the reporting date the Company was exposed to equity risk since it had investments in quoted securities amounting to Rs. 73.6 million (2023: 53.7million) and also because the company held collaterals in the form of equity securities against their debtor balances.

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

Sensitivity analysis

For the purpose of price risk sensitivity analysis it is observed that the benchmark PSX 100 Index has increased by almost 4.63% (2023: decreased by 0.43%) during the financial year.

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

	Fair value	Hypothetical price change	Estimated fair value after hypothetical changes in price	Hypothetical increase/ (decrease) in shareholders equity	Hypothetical increase/ (decrease) in profit/(loss) after tax
June 30, 2024	73,628,384	10% increase	80,991,222	5,227,615	5,227,615
		10% decrease	66,265,546	(5,227,615)	(5,227,615)
June 30, 2023	53,753,908	10% increase	59,129,299	3,816,527	3,816,527
		10% decrease	48,378,517	(3,816,527)	(3,816,527)

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. The short term borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in respective notes.

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 (Rupees)	
Financial Assets				
Bank deposits - pls account	20.5%	19.0%	<u>30,547,079</u>	<u>11,993,933</u>
Financial liabilities				
Assets subject to finance lease			<u>-</u>	<u>6,297,231</u>

b) 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.

Exposure to credit risk

Credit risk of the Company mainly arises from deposits with banks and financial institutions, trade debts, short term loans, loan to related party, 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 carrying amount of financial assets represent the maximum credit exposure at the reporting date, which are detailed as follows:

	Note	2024	2023
		----- (Rupees) -----	
Long-term deposits		39,119,403	4,497,863
Trade debts	33.1.1 & 33.1.2	2,972,186	6,832,289
Advances-considered good		2,347,488	2,947,591
Bank balances		42,700,959	19,512,601
		<u>87,140,036</u>	<u>33,790,344</u>

33.1.1 The Company holds securities with a cumulative fair value of Rs. 1,465,945(2023: Rs. 6,562,460) owned by its clients as collateral against trade debts. Refer to note 3.7 for details around the Company's methodology for computing expected credit losses under the expected credit loss model under IFRS 9.

33.1.2 The aging analysis of the receivable from clients as at the reporting date is as follows:

	2024	2023
	----- (Rupees) -----	
Not past due	-	124,480
Past due 1 day - 30 days	1,144,802	2,238,135
Past due 31 days - 180 days	1,260,865	3,574,469
Past due 181 days - 365 days	-	383,006
More than one year	566,518	512,200
	<u>2,972,185</u>	<u>6,832,290</u>

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.

33.1.3 The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Rating Agency	June 30, 2024		June 30, 2023	
		Rating Short term	Rating Long term	Rating Short term	Rating Long term
National Bank of Pakistan	PACRA	A1+	AAA	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	A1+	AA+
Allied Bank Limited	PACRA	A1+	AAA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA	A1+	AAA
Summit Bank Limited	VIS	Suspended	Suspended	Suspended	Suspended
Bank Al-Habib Limited	PACRA	A1+	AAA	A1+	AAA
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	A-1+	AA
Askari Bank Limited	PACRA	A1+	AA+	A1+	AA+
Meezan Bank Limited	VIS	A-1+	AAA	A-1+	AAA

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations, settled by delivering cash or another financial asset, as they fall due. Prudent liquidity risk management requires the maintenance of sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to the dynamic nature of the business and the industry it operates in. The Company finances its operations through equity and, as and when necessary, borrowings, with a view to maintaining an appropriate mix between various sources of financing.

The table below classifies the Company's financial liabilities into relevant maturity groupings based on the time to contractual maturity date, as at the balance sheet date. The amounts in the table are contractual undiscounted cash flows.

As at June 30, 2024			
Financial liabilities	Carrying amount	Within one year	More than one year
Trade and other payables	49,606,058	49,606,058	-
Accrued mark-up	-	-	-
Due to related parties	-	-	-
Finance lease liability	-	-	-
	49,606,058	49,606,058	-

As at June 30, 2023			
Financial liabilities	Carrying amount	Within one year	More than one year
Trade and other payables	19,461,904	19,461,904	-
Accrued mark-up	-	-	-
Due to related parties	11,228,000	11,228,000	-
Finance lease liability	6,297,231	5,139,739	1,157,492
	36,987,135	35,829,643	1,157,492

The Company does not expect that the timing or quantum of cash flows outlined in the table above will change significantly, and as a result expects to be able to fulfil its obligations as they come due.

34 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount that would be received on the sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to materially curtail the scale of its operations or to undertake a transaction on various judgments and estimates are made in determining the fair value of financial instruments that are recognized and measured at fair value in the Company's financial statements. To provide an indication about the reliability of inputs used in determining fair value, financial instruments have been classified into three levels, as prescribed under accounting standards. An explanation of each level follows the table.

	Level I	Level II	Level III	Total
Recurring FV Measurement as at June 30, 2024				
Long-term investment - at FVOCI	-	-	-	-
Short-term investments- at FVTPL	73,628,384	-	-	73,628,384
				73,628,384
Recurring FV Measurement as at June 30, 2023				
Long-term investment - at FVOCI	9,006,813	-	-	9,006,813
Short-term investments- at FVTPL	53,753,908	-	-	53,753,908
				62,760,721

In the fair value hierarchy in the preceding table, inputs and valuation techniques are as follows:

- 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.
- There were no transfers into or out of Level 1 measurements.

35 CAPITAL RISK MANAGEMENT

The Company's objective in managing capital is to ensure that the Company is able to continue as a going concern so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. As well, the Company has to comply with capital requirements as specified under the Securities Brokers (Licensing and Operations) Regulations, 2016 (as well as other relevant directives from regulating bodies issued from time to time).

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets, keeping in view future investment requirements.

35.1 OTHER DISCLOUSER UNDER REGULATION 34(2) OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016

- 35.1.1 As at June 30, 2024, the value of shares pledged with financial institutions amounted Rs. 70,973,035 out of which the value of company's shares pledged with financial institutions amounted to Rs. 11,012,400 (2023: Rs. 19,182,500) and the value of customer shares maintained with the company pledged with financial institution is Rs. 59,960,635 (2023: Rs. Nil).
- 35.1.2 As at June 30, 2024, the value of customer shares maintained with the company sub-Accounts held in the Central Depository company of Pakistan Limited is Rs. 1,465,945 (2023: Rs. 6,562,460)

35.2 DISCLOSURES UNDER THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN REGULATIONS NOTIFIED THROUGH CIRCULAR NO. 13 OF 2018

Following additional disclosures not else where disclosed in the Financial Statements are being provided to comply with the requirements of Central Depository Company of Pakistan Limited Regulations (Regulation No. 6.8.3).

	2024	2023
	-----Rupees-----	
Total Assets	227,272,556	150,083,280
Less: Total Liabilities	64,441,375	36,987,135
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-	-
Capital Adequacy Level	162,831,181	113,096,145

While determining the value of the total assets of the Company, the notional value as at June 30, 2024 of the TREC held by the Company as determined by the stock exchange has been considered.

35.3 LIQUID CAPITAL BALANCE

Liquid capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements

are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities.

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets				
1.1	Property & Equipment	20,813,895	100.00%	-
1.2	Intangible Assets	3,750,000	100.00%	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
1.4	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	100.00%	-
	Investment in Equity Securities			
1.5	i. If listed 15% or VaR of each securities on the cut-off date as computed by the Securities Exchange for respective securities whichever is higher. [Provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.]	73,628,384	48,301,513	25,326,871
	ii. If unlisted, 100% of carrying value.	-	100.00%	-
1.6	Investment in subsidiaries	-	100.00%	-
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.	-	100.00%	-

1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. i. 100% of net value, 140[however, any excess amount of cash deposited with securities exchange to comply with requirements of Base minimum capital, may be taken in the calculation of LC.]	38,064,403	100.00%	-
1.9	Margin deposits with exchange and clearing house.	31,043,717	-	31,043,717
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	1,055,000	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil) 100% in respect of mark-up 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 1. No Haircut may be applied on the 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	10,172,489	7,957,083	2,215,406
1.16	Receivables from clearing house or securities exchange(s) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	3,514,951	-	3,514,951
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 finance (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. ii. Net amount after deducting haircut iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract. iii. Net amount after deducting haircut iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value 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 vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. vi. Lower of net balance sheet value or value determined through adjustments.	-	-	-
		-	5.00%	-
		-	-	-
		545,875	-	545,875
		1,763,812	307,532	1,456,279
		212,390	-	212,390

1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	12,147,189	-	12,147,189
	ii. Bank balance-customer accounts	30,553,771	-	30,553,771
	iii. Cash in hand	6,680	-	6,680
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 145[been] allotted or are not included in the investments of securities broker.			
	ii. 146[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.]			
1.2	Total Assets	227,272,556		107,023,129
2. Liabilities				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products	44,935,936	0%	44,935,936
	iii. Payable to customers			
2.2	Current Liabilities			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	4,670,122	0%	4,670,122
	iii. Short-term borrowings			
	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities			
	vii. Provision for taxation	1,535,317	0%	1,535,317
	viii. Other liabilities as per accounting principles and included in the financial statements			
2.3	Non-Current Liabilities			
	i. Long-Term financing			
	ii. Staff retirement benefits			
	iii. Other liabilities as per accounting principles and included in the financial statements	-	100%	-
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases			
2.4	Subordinated Loans			
	100% of Subordinated loans which fulfil the conditions specified by SECP are allowed to be deducted	13,300,000	100%	-
2.5	Advance against shares for increase in capital of securities broker			
	100% Haircut may be allowed in respect of advance against shares if :			
	(a) The existing authorized share capital allows the proposed enhanced share capital			
	(b) Board of Directors of the company has approved the increase in capital			
	(c) Relevant Regulatory approvals have been obtained			
	(d) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed			
	(e) Auditor is satisfied that such advance is against the increase of capital.			
2.6	Total Liabilities	64,441,375		51,141,374

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 financees. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be 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			
	(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting			-
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 finance/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		2,291,112	2,291,112

Opening Positions in futures and options			
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts		-
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met		-
Short sell positions			
3.10	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts		-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.		-
3.11	Total Ranking Liabilities		2,291,112
		162,831,181	Liquid Capital 53,590,643

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.2)	107,023,129
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(51,141,374)
(iii) Less: Total ranking liabilities (series number 3.11)	(2,291,112)
	<u>53,590,643</u>

36 RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of shareholders/ directors, key management personnel, entities with common shareholding, entities over which the directors are able to exercise influence and entities under common directorship. Transactions with related parties and the balances outstanding at year end are disclosed in the respective notes to the financial statements.

- 36.1 Following are the related parties with whom the company had entered into transactions or have arrangement or agreement in place.

Name of related party	Relationship with the company	Aggregate % of shareholding
Mr. Khurram Gulzar	Shareholder / CEO	66.6%
Mr. Kamran Gulzar	Shareholder	33.3%
Mr. Aqeel Ahmed	Shareholder	0.01%
Mrs. Javeria Khurram	Spouse of CEO	N/A
Mr. Aman Ullah Gulzar	Brother of CEO	N/A
Mrs. Ahmed Gulzar	Nephew of CEO	N/A
Mr. Hamza Gulzar	Son of CEO	N/A

- 36.2 The detail of related party transactions are as follows:

	30th June, 2024		30th June, 2023	
	Chief Executive Officer	Associates	Chief Executive Officer	Associates
	-----Rupees-----		-----Rupees-----	
Purchase of marketable securities for and on the behalf of	1,556,354,493	155,042,540	325,062,368	41,028,358
Sale of marketable securities for and on the behalf of	1,557,739,343	121,914,001	255,388,320	41,521,396
Brokerage Income	5,070,206	605,079	2,871,332	235,321
Remuneration Paid	-	-	2,400,000	837,742
Loan received from Related Parties	53,540,938	35,065,000	(7,060,000)	-
Loan repaid to Related Parties	46,680,938	46,278,000	-	(8,492,000)

37 EVENTS AFTER REPORTING PERIOD

No events occurred after the reporting period that would require adjustment or disclosure in the financial statements.

38 NUMBER OF EMPLOYEES

	2024	2023
	Number	Number
No. of employees as at June 30, 2024	30	17
Average number of employees during the year	22	25

39 RE-CLASSIFICATION AND RE-ARRANGEMENTS

Corresponding figures have been reclassified and re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison, and in order to ensure compliance with disclosure requirements in the 5th Schedule to the Companies Act, 2017 and IFRSs.


40 GENERAL

Amounts have been rounded off to the nearest rupee, unless otherwise stated.

41 AUTHORIZATION

These financial statements were authorized for issue on 03-10-2014 by the Board of Directors of the Company.



Chief Executive Officer

Director

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