NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

Khanani Securities (Private) Limited
Financial Statements
For the year ended June 30, 2024

A member of the
mgi association

KHANANI SECURITIES (PVT.) LIMITED

TREC HOLDER: PAKISTAN STOCK EXCHANGE LIMITED

K-023

638, Stock Exchange Building,
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Karachi-Pakistan.
Email: khanani.securities@yahoo.com
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DIRECTORS' REPORT

On behalf of the Board of Directors of the Company, I am pleased to present our report together with the audited financial statement of the Company for the year June 30, 2024.

Performance Overview

The following depicts the Company's performance in the current year.

	Rupees
Operating revenue	3,806,339
Operating expenses	(7,211,403)
Operating loss	**(3,405,064)**
Other income	5,413,898
Profit before levies and income tax	**2,008,834**
Levies	-
Profit before income tax	**2,008,834**
Income tax	(899,475)
Profit after income tax	**1,109,359**

Capital Market Review & Outlook

In Financial Year 2024, the Pakistan Equity Market performed exceptionally well, experiencing improvement in both trading value and volume compared to FY23. Despite anticipated economic difficulties and political instability, the market's performance exceeded expectations. This positive momentum, reflected in the KSE-100 Index trading at a reasonable Price to Earnings ratio, gradually drew investors back into the market. Those who had previously exited found renewed confidence in the market's performance, leading to a partial resurgence in trading activity. Moreover, higher inflation and interest rates are likely to keep the equities market under pressure during next year.

Dividend:

The Directors do not recommended any dividend during the year due to cash flow requirement during next financial year.

External Auditors

The retiring auditors, M/s. Nasir Javaid Maqsood Imran., Chartered Accountants, being eligible, have offered themselves for reappointment

Dated:. 21 OCT 2024

Director

Chief Executive

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NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Khanani Securities (Private) Limited

Report on the Audit of the Financial Statements

Opinion

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

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

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Tel: +92 42-35754821-22 Email: nasirgulzar@njmi.net
Islamabad Address: Office No. 17, 2nd Floor, Hill View Plaza, Above Fresco Sweets,

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

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our 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 the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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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;

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

The engagement partner on the audit resulting in this independent auditor's report is **Mohammad Javaid Qasim**.

NASIR JAVAID MAQSOOD IMRAN KARACHI CHARTERED ACCOUNTANTS

Nasir Javaid Maqsood Imran

Nasir Javaid Maqsood Imran
Chartered Accountants

Place: Karachi

Date: 21 OCT 2024

UDIN: AR202410270GdbhxPIBO

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

	Note	Rupees 2024	Rupees 2023
ASSETS			
NON-CURRENT ASSETS			
Property & equipment	4	414,334	473,643
Intangible assets	5	2,750,000	2,750,000
Long term deposits	6	850,000	850,000
		4,014,334	**4,073,643**
CURRENT ASSETS			
Trade receivables	7	14,332,761	13,762,140
Short term investment	8	25,940,628	14,595,702
Advances, deposits & other receivables	9	10,861,578	6,296,301
Cash & bank balances	10	14,912,876	17,737,576
		66,047,843	**52,391,719**
TOTAL ASSETS		**70,062,177**	**56,465,362**
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
10,000,000 (2023: 10,000,000) ordinary shares of Rs. 10/- each		**100,000,000**	**100,000,000**
Issued, subscribed and paid-up capital	11	50,010,000	50,010,000
Revenue reserves		19,695,439	6,053,088
		69,705,439	**56,063,088**
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		291,374	338,657
Accrued expenses & other liabilities	12	65,364	63,617
		356,738	**402,274**
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		**70,062,177**	**56,465,362**

The annexed notes from 1 to 24 form an integral part of these financial statements.

Chief Executive

Director

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

	Note	Rupees 2024	Rupees 2023
REVENUE			
Operating revenue	14	4,994,405	2,281,790
Capital loss on sale of securities		-	(11,389)
Unrealised loss on remeasurement of investment at fair value - through profit or loss		(1,188,066)	(2,986,428)
		3,806,339	**(716,027)**
Administrative expenses	15	(7,204,799)	(8,884,987)
Finance cost	16	(6,604)	(8,249)
		(7,211,403)	**(8,893,236)**
Loss from operations		**(3,405,064)**	**(9,609,263)**
Other income	17	5,413,898	2,210,085
Profit / (loss) before levies and income tax		**2,008,834**	**(7,399,177)**
Levies	18	**-**	**(66,461)**
Profit / (loss) before income tax		**2,008,834**	**(7,465,638)**
Income tax	19	**(899,475)**	**4,106**
Profit / (loss) after income tax		**1,109,359**	**(7,461,532)**

The annexed notes from 1 to 24 form an integral part of these financial statements.

Chief Executive **Director**

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

	Note	Rupees 2024	Rupees 2023
Profit / (loss) after income tax		**1,109,359**	**(7,461,532)**
Other comprehensive income / (loss)			
Items that will not be reclassified to statement of profit or loss subsequently			
Unrealised gain / (loss) on remeasurement of investment - At fair value - through other comprehensive income		**12,532,992**	**(3,059,779)**
Total comprehensive income / (loss) for the year		**1,109,359**	**(7,461,532)**

The annexed notes from 1 to 24 form an integral part of these financial statements.

Chief Executive

Director

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

	Note	Rupees 2024	Rupees 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before levies and income tax		**2,008,834**	**(7,399,177)**
Add / (less): Items not involved in movement of fund:			
Depreciation		87,809	101,167
Capital loss on sale of securities		-	11,389
Unrealised loss on remeasurement of investments		1,188,066	2,986,429
Finance cost		6,604	8,249
		1,282,479	3,107,234
Cash generated from / (used in) operating activities before working capital changes		**3,291,313**	**(4,291,943)**
Net change in working capital	(a)	(5,268,897)	(19,191,066)
		(1,977,584)	**(23,483,009)**
Finance cost paid		(6,604)	(8,249)
Income tax and levies paid		(812,012)	(342,762)
Net cash used in operating activities		**(2,796,200)**	**(23,834,020)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment		(28,500)	(88,900)
Payment for purchase of securities of listed companies		-	(247,716)
Long term deposits		-	3,400,000
Net cash (used in) / generated from investing activities		**(28,500)**	**3,063,384**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from issuance of shares		-	10,000,000
Net cash generated from financing activities		**-**	**10,000,000**
Net increase / (decrease) in cash and cash equivalents		**(2,824,700)**	**(10,770,636)**
Cash and cash equivalent at beginning of the year		17,737,576	28,508,212
Cash and cash equivalent at end of the year	**10**	**14,912,876**	**17,737,576**

(a) Statement of change in working capital

	Rupees 2024	Rupees 2023
(Increase) / decrease in current assets		
Trade receivables	(570,621)	2,708,406
Advances, deposits, pre-payments & other receivables	(4,652,740)	(10,635,553)
	(5,223,361)	**(7,927,147)**
Increase / (decrease) in current liabilities		
Trade payables	(47,283)	(11,382,082)
Accrued expenses & other liabilities	1,747	118,163
	(45,536)	**(11,263,919)**
Net change in working capital	**(5,268,897)**	**(19,191,066)**

The annexed notes from 1 to 24 form an integral part of these financial statements.

Chief Executive **Director**

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

		Revenue Reserves			
	Issued, subscribed & paid up capital	Unappropriated profit	Unrealised gain on remeasurement of investment at fair value-through other comprehensive income	Sub Total	Total
	Rupees	*Rupees*	*Rupees*	*Rupees*	*Rupees*
Balance as at June 30, 2022	**40,010,000**	**16,325,725**	**248,674**	**16,574,399**	**56,584,399**
Issuance of shares	**10,000,000**			-	**10,000,000**
Loss for the year	-	(7,461,532)	-	**(7,461,532)**	**(7,461,532)**
Loss on remeasurement of investment at fair value - through other comprehensive income	-	-	(3,059,779)	**(3,059,779)**	**(3,059,779)**
Balance as at June 30, 2023	**50,010,000**	**8,864,193**	**(2,811,105)**	**6,053,088**	**56,063,088**
Profit for the year	-	1,109,359	-	1,109,359	**1,109,359**
Gain on remeasurement of investment at fair value - through other comprehensive income	-	-	12,532,992	12,532,992	**12,532,992**
Balance as at June 30, 2024	**50,010,000**	**9,973,552**	**9,721,887**	**19,695,439**	**69,705,439**

The annexed notes from 1 to 24 form an integral part of these financial statements.

Chief Executive

Director

KHANANI SECURITIES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Khanani Securities (Private) Limited ('the Company') was incorporated in Pakistan as a private company on February 28, 2006 under the Companies Ordinance, 1984 (which has now been repealed by the enactment of the Companies Act, 2017 in May 2017). The Company is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Office No. 638, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi, Pakistan. The principal activities of the Company are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. Approved accounting and reporting standards comprise of Intermational Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by International Accounting Standards Board and provisions of and directives issued under the Companies Act 2017. In case requirements differ, the provision or directives of the Companies Act, 2017 shall prevail. These financial statements also include disclosures required to be reported in accordance with the provisions of Securities Brokers (Licensing and Operations) Regulations, 2016.

2.2 Basis of measurement

Items in these financial statements have been measured at their historical cost except for short term investments in quoted equity securities which are carried at fair value.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The summary of material accounting policies and methods of computations adopted in the preparation of these financial statements are same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2023.

3.1 Property and equipment

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

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

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

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

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

3.2 Intangible assets

Intangible assets having definite useful life are stated at cost less accumulated amortization and impairment losses, if any however, Intangible assets having indefinite life are stated at cost less impairment losses, if any.

Subsequent cost is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization is charged to the statement of profit or loss using reducing balance method over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged in the month in which the asset is disposed off.

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist than the assets recoverable amount is estimated. The recoverable amount is the greater of its value and fair value less cost to sell.

3.2.1 Trading Right Entitlement Certificate

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

3.2.2 Pakistan Mercantile Exchange - Membership card

Membership card represents corporate membership of Pakistan Mercantile Exchange with indefinite useful life. This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether this is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, this is written down to its estimated recoverable amount.

3.2.3 Computer software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method.

3.3 Investment property

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises expenditure that is directly attributable to the acquisition of the asset including transaction costs.

Depreciation on investment property is charged using reducing balance method in accordance with the rates specified in note 6 to these financial statements. The useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

3.4 Financial instruments

3.4.1 Financial assets - Initial recognition, classification and measurement

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

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

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

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

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

(c) Financial assets at FVTPL

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

Such financial assets are initially measured at fair value.

3.4.2 Financial assets - Subsequent measurement

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

A gain or loss on a financial asset measured at fair value through other comprehensive income is recorded in other comprehensive income, except in the case of impairment gains or losses and foreign exchange gains and losses. This recognition continues until the financial asset is either derecognised or reclassified. Upon derecognition, the cumulative gain or loss previously included in other comprehensive income is transferred from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

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

3.4.3 Financial liabilities - Classification, subsequent measurement and gain and losses

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.

3.5 Impairment

3.5.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and quantitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial assets has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirely or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.5.2 Impairment of non-financial assets

The carrying amout of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an assets or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized to the statement of profit or loss.

3.6 Derecognition

3.6.1 Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable recognised in statement of 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 reclassified to statement of 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 statement of profit or loss, but is transferred to statement of changes in equity.

3.6.2 Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit or loss.

3.7 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.8 Trade and other receivables

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

3.9 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash in hand, balance with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts / short term borrowings. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. Trade payables in respect of securities purchased are recorded at settlement date of transaction.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.11 Taxation

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

i) Current tax

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

ii) Deferred tax

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

iii) Levies

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

3.12 Provisions

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

3.13 Contingent liabilities

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

3.14 Revenue recognition

Revenue is recognized to the extent that it is probable that the 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, consultancy, advisory fee and commission etc. are recognized as and when such services are provided.

- Income from bank deposits, reverse repo and margin deposits is recognized at effective yield on time proportion basis.

- Dividend income is recorded when the right to receive the dividend is established.

- 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 mark to market of investments classified as 'financial assets at fair value through profit or loss' are included in profit and loss account for the period in which they arise.

- Rental income from investment properties is recognized on accrual basis.

- Income on financial assets (including margin financing) is recognised on time proportionate basis taking into account effective / agreed rate of the instrument.

- Unrealised gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through other comprehensive income' are taken directly to other comprehensive income.

3.15 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Borrowing costs are recognised as an expense in the period in which these are incurred, except to the extent that they are directly attributable to the acquisition or construction of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) in which case these are capitalised as part of cost of that asset.

3.16 Restatement

During the year the Institute of Chartered Accountant 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 certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and 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, the statement of changes in equity and the statement of cash flows as a result of this change.

	2024			2023		
	Had there been no change in accounting policy	**Impact of change in accounting policy**	**After incorporating effects of change in accounting policy**	**Had there been no change in accounting policy**	**Impact of change in accounting policy**	**After incorporating effects of change in accounting policy**
	Rupees					
Effect on statement of profit or loss						
Profit / (loss) before income tax	75,095,375	(10,052,593)	65,042,783	17,789,068	(4,339,233)	13,449,835
Levies	-	(10,052,593)	(10,052,593)	-	(4,339,233)	(4,339,233)
Income tax expense	(17,216,632)	10,052,593	(7,164,039)	(5,493,542)	4,339,233	(1,154,309)

4 PROPERTY AND EQUIPMENT

	Office premises	Furniture & fixtures	Computer & allied	Office equipment	Motor vehicles	Total
	(Rupees)	*(Rupees)*	*(Rupees)*	*(Rupees)*	*(Rupees)*	*(Rupees)*
Net carrying value basis						
Year ended June 30, 2024						
Opening net book value	202,427	27,149	122,224	34,683	87,160	**473,643**
Additions during the year (at cost)	-		28,500		-	**28,500**
Disposals at net book value	-	-	-	-	-	**-**
Depreciation charge for the year	(20,243)	(4,072)	(45,217)	(5,202)	(13,074)	**(87,809)**
Closing net book value	**182,184**	**23,077**	**105,507**	**29,481**	**74,086**	**414,334**
Gross carrying value basis						
As at June 30, 2024						
Cost	577,500	230,678	955,948	116,000	1,435,500	**3,315,626**
Accumulated depreciation	(395,316)	(207,601)	(850,440)	(86,520)	(1,361,414)	**(2,901,292)**
Net book value	**182,184**	**23,077**	**105,508**	**29,480**	**74,086**	**414,334**
Net carrying value basis						
Year ended June 30, 2023						
Opening net book value	224,919	31,940	85,707	40,803	102,541	**485,910**
Additions during the year (at cost)	-		88,900	-	-	**88,900**
Disposals at net book value	-	-	-	-	-	**-**
Depreciation charge for the year	(22,492)	(4,791)	(52,383)	(6,120)	(15,381)	**(101,167)**
Closing net book value	**202,427**	**27,149**	**122,224**	**34,683**	**87,160**	**473,643**
Gross carrying value basis						
As at June 30, 2023						
Cost	577,500	230,678	927,448	116,000	1,435,500	**3,287,126**
Accumulated depreciation	(375,073)	(203,529)	(805,223)	(81,318)	(1,348,340)	**(2,813,483)**
Net book value	**202,427**	**27,149**	**122,225**	**34,682**	**87,160**	**473,643**
Rate of Depreciation (%)	**10**	**15**	**30**	**15**	**15**	

	Note	Rupees 2024	Rupees 2023

5 INTANGIBLE ASSETS

Trading Right Entitlement Certificate - Pakistan Stock Exchange Ltd	5.1	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited		250,000	250,000
		2,750,000	**2,750,000**

5.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. TREC has been recognized at cost less accumulated impairment losses.

6 LONG TERM ADVANCES & DEPOSITS

Central Depository Company of Pakistan Limited	100,000	100,000
Pakistan Mercantile Exchange Limited	750,000	750,000
	850,000	**850,000**

7 TRADE RECEIVABLES

Receivable from EClear Services Limited	14,332,761	13,762,140
	14,332,761	**13,762,140**

8 SHORT TERM INVESTMENT

Investments at fair values through profit & loss

Equity securities of listed companies	6,594,866	9,581,294
Unrealised loss on remeasurement of investment at fair value	(1,188,066)	(2,986,428)
Market value	**5,406,800**	**6,594,866**

Investments at fair values through other comprehensive income

Equity securities of Pakistan Stock Exchange Limited	8,000,836	11,060,615
Unrealised gain / (loss) on remeasurement of investment at fair value	12,532,992	(3,059,779)
Market value	**20,533,828**	**8,000,836**
GRAND TOTAL	**25,940,628**	**14,595,702**

	Note	Rupees 2024	Rupees 2023

9 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	Note	Rupees 2024	Rupees 2023
Deposit against exposure margin requirement	9.1	9,524,000	6,000,000
Income tax refundable		188,838	276,301
Deposit for expenses		574,740	-
Other advances		574,000	-
Staff loan		-	20,000
		10,861,578	**6,296,301**

9.1 This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market.

10 CASH AND BANK BALANCES

	Rupees 2024	Rupees 2023
Cash in hand	-	15,078
Cash at bank		
-) Current accounts	4,912,876	7,722,498
-) Term Deposit Receipts	10,000,000	10,000,000
	14,912,876	**17,737,576**

10.1 ***Bank balance pertains to:***

	Rupees 2024	Rupees 2023
Clients	291,374	338,657
Brokerage House	14,621,502	17,383,841
	14,912,876	**17,722,498**

	Note	Rupees 2024	Rupees 2023

11 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary Shares of Rs. 10 /- each

2024	2023			
4,001,000	4,001,000	Ordinary shares of Rs. 10 each issued for consideration other than cash.	40,010,000	40,010,000
1,000,000	1,000,000	Ordinary shares of Rs. 10 each issued for cash consideration	10,000,000	10,000,000
5,001,000	**5,001,000**		**50,010,000**	**50,010,000**

11.1 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.

11.2 PATTERN OF SHAREHOLDING

Name of shareholders	2024	2023	2024	2023
	Number of Shares		Percentage of Holding	
Abdul Aziz Moosa	2,550,510	2,550,510	51.00%	51.00%
Jawed Abdul Aziz Khanani	350,087	350,087	7.00%	7.00%
Mrs. Farhana	280,070	280,070	5.60%	5.60%
Mrs. Anila Jawed Khanani	350,088	350,088	7.00%	7.00%
Mrs. Zainab Tabassum	448,112	448,112	8.96%	8.96%
Asif Abdul Aziz	742,063	742,063	14.84%	14.84%
Mrs. Tabassum	280,070	280,070	5.60%	5.60%
	5,001,000	**5,001,000**	**100%**	**100%**

12 ACCRUED EXPENSES & OTHER LIABILITIES

	Note	2024	2023
Accrued expenses		26,216	43,304
Other liabilities		39,148	20,313
		65,364	**63,617**

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as on June 30, 2024 (2023: Nil)

14 OPERATING REVENUE

	Note	2024	2023
Brokerage commission including sales tax on services		5,643,677	2,493,673
Less: sales tax on services		(649,272)	(286,883)
Net brokerage commission excluding sales tax on services	14.1	**4,994,405**	**2,206,790**
Dividend income		-	75,000
		4,994,405	**2,281,790**

	Note	Rupees 2024	Rupees 2023

15 ADMINISTRATIVE EXPENSES

	Note	Rupees 2024	Rupees 2023
Directors' remuneration	15.1	1,920,000	2,844,582
Salaries, wages and other benefits		2,205,000	2,822,217
Utility and communication charges		250,017	233,356
Rent, rates and taxes		261,668	154,640
Fees and subscriptions		274,988	324,238
Service and transaction charges		872,488	407,222
Auditors' remuneration	15.2	291,200	272,000
Legal and professional charges		91,800	160,920
Printing and stationery		270,105	7,850
Repair and maintenance		24,400	18,500
Computer software		286,901	204,000
Entertainment		12,900	492,860
Postage and courier		23,800	5,860
Vehicle running expenses		147,250	653,990
Depreciation		87,809	101,167
Other expenses		184,473	181,585
		7,204,799	**8,884,987**

15.1 Remuneration of Chief Executive and Director

	2024			2023		
	Chief Executive	**Directors**	**Executives**	**Chief Executive**	**Directors**	**Executives**
Managerial remuneration	960,000	960,000	-	1,218,000	1,626,582	-
Company's contribution to the Provident Fund	-	-	-	-	-	-
Fees	-	-	-	-	-	-
Bonus			-			-
Housing and utilities	-	-	-	-	-	-
	960,000	**960,000**	**-**	**1,218,000**	**1,626,582**	**-**
Number of persons (including those who worked part of the year)	**1**	**1**	**-**	**1**	**2**	**-**

15.2 Auditors' remuneration

	Rupees 2024	Rupees 2023
Audit services		
Annual audit fee	200,000	150,000
Certifications	-	30,000
	200,000	**180,000**
Non-audit services		
Other services	91,200	92,000
	91,200	**92,000**
	291,200	**272,000**

	Note	Rupees 2024	Rupees 2023
16 FINANCE COST			
Bank charges		6,604	8,249
		6,604	**8,249**
17 OTHER INCOME			
IPO commission		432	-
Profit on Term Deposit Receipts		2,322,672	1,130,701
Profit on deposit against Base Minimum Capital requirement		-	252,391
Profit on deposit with EClear Services Limited		1,711,015	-
Profit on deposit against exposure margin requirements		1,379,779	826,993
		5,413,898	**2,210,085**
18 LEVIES			
Minimum tax differential	18.1	-	55,211
Final tax	18.2	-	11,250
		-	**66,461**

18.1 This represents portion of minimum tax paid under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

18.2 This represents final tax paid under section 5 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

	2024	2023
19 INCOME TAX		
Current	927,101	-
Prior	(27,626)	(4,106)
	899,475	**(4,106)**
19.1 Relationship between income tax expense and accounting profit		
Profit / (loss) before levies and income tax	**2,008,834**	**-**
Tax at the applicable tax rate of 29% (2023: 29%)	582,562	-
Tax effect of non deductible expenses	344,539	-
Tax effect of prior year	(27,626)	-
	899,475	**-**

19.2 The income tax returns of the Company have been filed up to tax year 2023 under the Universal Self Assessment Scheme. This scheme provides that the return filed is deemed to be an assessment order. The returns may be selected for audit within five years. The Income Tax Commissioner may amend assessment if any objection is raised during audit.

20 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

20.1 FINANCIAL RISK MANAGEMENT

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

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

20.1.1 Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of interest rate risk, foreign currency risk and price risks.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure arises from short borrowings from banking companies. At the reporting date, the profile of the Company's interest-bearing financial instruments was as follows:

	2024	2023
	— Carrying amounts (Rs.) —	
Financial assets		
Deposit against exposure margin requirement	9,524,000	6,000,000
Deposit with banks	10,000,000	10,000,000
	19,524,000	**16,000,000**

Sensitivity analysis

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

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

	Effect on profit before tax	
	1% increase	1% decrease
As at June 30, 2024		
Cash flow sensitivity - Variable rate financial instruments	**195,240**	**(195,240)**
As at June 30, 2023		
Cash flow sensitivity - Variable rate financial instruments	**160,000**	**(160,000)**

(ii) 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. Currency risk arises mainly from receivables and payable that exist due to transaction in foreign currencies. The Company is not exposed to currency risk as all the operations of the Company are being carried out in local currency.

(iii) Price Risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company manages price risk by monitoring the exposure in quoted equity 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 price risk since it had investments in quoted equity securities and also because the Company held collaterals in the form of equity securities against their debtor balances.

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

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of equity securities in particular sectors of the market.

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 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 (Rupees)	Hypothetical price change	Estimated fair value after hypothetical change in prices (Rupees)	Hypothetical increase / (decrease) in profit before tax (Rupees)
June 30, 2024	**25,940,628**	**10% increase**	**28,534,691**	**2,594,063**
		10% decrease	**23,346,565**	**(2,594,063)**
June 30, 2023	**14,595,702**	10% increase	16,055,272	1,459,570
		10% decrease	13,136,132	(1,459,570)

20.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet comments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market options due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities.

	2024			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	---------- (Rupees) ----------			
Financial liabilities				
Trade payables	291,374	291,374	291,374	-
Accrued expenses & other liabilities	65,364	65,364	65,364	-
	356,738	**356,738**	**356,738**	-

	2023			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	---------- (Rupees) ----------			
Financial liabilities				
Trade payables	338,657	338,657	338,657	-
Accrued expenses & other liabilities	63,617	63,617	63,617	-
	402,274	**402,274**	**402,274**	-

20.1.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 360 days or more.

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.

Exposure to credit risk

Credit risk of the Company arises principally from the trade debts, short term investments, loans and advances, 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 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 policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimised due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions are settled / paid for upon delivery. The Company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is follows:

	Rupees 2024	Rupees 2023
Long term deposits	850,000	850,000
Trade receivables	14,332,761	13,762,140
Short term investment	25,940,628	14,595,702
Advances, deposits & other receivables	10,861,578	6,296,301
Cash & bank balances	14,912,876	17,737,576
	66,897,843	**53,241,719**

a) **Credit risk exposure on bank balances**

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

Bank	Short term rating	2024	2023
		Rupees	
MCB Bank Limited	A-1+	3,256,427	6,324,912
Bank Al Habib Limited	A-1+	15,041	16,041
Habib Metropolitan Bank Limited	A-1+	10,836,077	10,667,668
Bank Al Falah Limited	A-1+	613,310	619,175
Habib Bank Limited	A-1+	34,686	34,686
JS Bank Limited	A-1	35,941	36,941
Summit Bank Limited	A-1	13,415	13,983
National Bank Limited	A-1	107,980	9,092
		14,912,876	**17,722,498**

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.

20.2 Financial Instruments by category

20.2.1 Financial Assets

	2024			
	At fair value through profit or loss	At fair value through other comprehensive income	At amortised cost	Total
Long term deposits	-	-	850,000	850,000
Trade receivables	-	-	14,332,761	14,332,761
Short term investment	5,406,800	20,533,828	-	25,940,628
Advances, deposits & other receivables	-	-	10,861,578	10,861,578
Cash & bank balances	-	-	14,912,876	14,912,876
	5,406,800	**20,533,828**	**40,957,215**	**66,897,843**

	2023			
	At fair value through profit or loss	At fair value through other comprehensive income	At amortised cost	Total
Long term deposits	-	-	850,000	850,000
Trade receivables	-	-	13,762,140	13,762,140
Short term investment	6,594,866	8,000,836	-	14,595,702
Advances, deposits & other receivables	-	-	6,296,301	6,296,301
Cash & bank balances	-	-	17,737,576	17,737,576
	6,594,866	**8,000,836**	**38,646,017**	**53,241,719**

20.2.2 Financial Liabilities

	2024		
	Amortised cost	At fair value through profit or loss	Total
Trade payables	291,374	-	**291,374**
Accrued expenses & other liabilities	65,364	-	**65,364**
	356,738	-	**356,738**

	2023		
	Amortised cost	At fair value through profit or loss	Total
Trade payables	338,657	-	**338,657**
Accrued expenses & other liabilities	63,617	-	**63,617**
	402,274	-	**402,274**

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

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

Financial assets

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
At fair value through profit and loss				
Equity securities of listed companies	5,406,800	-	-	5,406,800
	5,406,800	**-**	**-**	**5,406,800**
	Level 1	**Level 2**	**Level 3**	**Total**
At fair value through other comprehensive income				
Equity securities of Pakistan Stock Exchange Limited	20,533,828	-	-	20,533,828
	20,533,828	**-**	**-**	**20,533,828**

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
At fair value through profit and loss				
Equity securities of listed companies	6,594,866	-	-	6,594,866
	6,594,866	**-**	**-**	**6,594,866**
	Level 1	**Level 2**	**Level 3**	**Total**
At fair value through other comprehensive income				
Equity securities of Pakistan Stock Exchange Limited	8,000,836	-	-	8,000,836
	8,000,836	**-**	**-**	**8,000,836**

22 CAPITAL

22.1 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The management closely monitors the return on capital employed along with the level of distributions to ordinary shareholders. Further, in order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital, or issue new shares.

On a regular basis, the Company manages to meet the financial resource requirements applicable to the Company (i.e., minimum levels of Liquid Capital or net worth) as specified in the Securities Brokers (Licensing and Operations) Regulations, 2016.

22.2 Capital Adequacy Level

		June 30. 2024
Total Assets		70,062,177
Less: Total Liabilities		(356,738)
Less: Revaluation Reserves (Created upon revaluation of Fixed Assets)		-
Capital Adequacy Level	23.2.1	**69,705,439**

22.2.1 While determining the value of the total assets of the TREC Holder, notional value of the TREC certificate held by the company as at June 30, 2024, as determined by Pakistan Stock Exchange has been considered.

23 RELATED PARTY TRANSACTIONS

Related parties comprise of key management personnel (including directors) and their close family members and major shareholders of the Company. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Remuneration of the Chief Executive and Directors is disclosed in note 15.1 to the financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

24 GENERAL

24.1 Number of Employees

	2024	2023
Total employees of the Company at the year end	4	5
Average employees of the Company during the year	4	4

24.2 Figures have been re-arranged and re-classified wherever necessary, for the purpose of better presentation. No major reclassifications were made in these financial statements.

Figures have been rounded off to the nearest rupee.

24.3 Authorization for Issue

These financial statements were approved by the Company's board of directors and authorised for issue on 21 OCT 2024

Chief Executive **Director**