

MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Muhammad Tariq Moti Securities (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies, 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, 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 and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the 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 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.

N2M

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

NZA

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

The engagement partner on the audit resulting in this independent auditor's report is **Ahsan Elahi Vohra - FCA**

NZ


Chartered Accountants

Karachi :

Dated : October 04, 2024

UDIN : AR2024105326G4B1niuT

MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
Non-current assets			
Property and equipment	5	2,926,052	3,247,503
Intangible asset	6	2,500,000	2,500,000
Long term deposits	7	600,000	600,000
		<u>6,026,052</u>	<u>6,347,503</u>
Current assets			
Trade debts	8	12,171,821	11,183,295
Other receivables	9	2,036,895	67,679
Advance tax-net of provision		6,860,603	8,920,201
Short term investments	10	88,522,185	48,448,974
Bank balances	11	32,428,365	4,085,011
		<u>142,019,869</u>	<u>72,705,160</u>
Total assets		<u><u>148,045,921</u></u>	<u><u>79,052,663</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
5,500,000 (2023: 5,500,000) ordinary shares of Rs. 10 each		<u>55,000,000</u>	<u>55,000,000</u>
Issued, subscribed and paid up capital	12	55,000,000	55,000,000
Advance against shares		10,000	10,000
Unappropriated profit		61,368,607	18,817,606
Total equity		<u>116,378,607</u>	<u>73,827,606</u>
Current liabilities			
Trade and other payables	13	31,667,314	5,225,057
Total equity and liabilities		<u><u>148,045,921</u></u>	<u><u>79,052,663</u></u>
Contingencies and commitments	14		

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

N2M

Mohd Tariq
CHIEF EXECUTIVE

Motab
DIRECTOR



Motab

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

	Note	2024 Rupees	2023 Rupees
Operating revenue	15	7,995,467	2,255,610
Capital gain/(loss) on sale of investments		1,714,396	(157,976)
Gain/(Loss) on re-measurement of investments carried at fair value through profit or loss		36,466,499	(2,365,679)
		<u>46,176,362</u>	<u>(268,045)</u>
Administrative expenses	16	<u>(13,346,897)</u>	<u>(10,860,386)</u>
Operating profit/ (loss)		32,829,465	(11,128,431)
Finance cost	17	(3,051)	(339)
Other income	18	11,328,216	7,626,473
		<u>44,154,630</u>	<u>(3,502,297)</u>
Profit / (loss) before income tax, final tax and minimum differential			
Final Tax	19.1	(1,603,629)	(1,102,385)
Minimum Tax	19.2	(107,868)	(31,661)
		<u>42,551,001</u>	<u>(4,636,343)</u>
Profit / (loss) before taxation			
Taxation	19.3	-	-
Profit / (loss) for the year		<u>42,551,001</u>	<u>(4,636,343)</u>
Earning / (loss)per share - basic and diluted	21	<u>0.77</u>	<u>(0.08)</u>

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

N2M

Muhammad Tariq

CHIEF EXECUTIVE

Muhammad

DIRECTOR



Muhammad

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

	2024 Rupees	2023 Rupees
Profit / (loss) for the year	* 42,551,001	(4,636,343)
Items that will not be subsequently recognised to profit and loss		
Unrealised loss on re-measurement of 'available for sale' investments		
Total comprehensive income / (loss) for the year	<u>42,551,001</u>	<u>(4,636,343)</u>

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

N2M

M. Tariq
CHIEF EXECUTIVE

M. Moti
DIRECTOR



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

	Issued, Subscribed and paid up capital	Advance against shares	Revenue Reserve	Total
			Unappropriated Profit	
----- Rupees -----				
Balance as at June 30, 2022	55,000,000	10,000	23,453,949	78,463,949
Other Comprehensive Income				
Loss for the year	-	-	(4,636,343)	(4,636,343)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year ended June 30, 2023	-	-	(4,636,343)	(4,636,343)
Balance as at June 30, 2023	55,000,000	10,000	18,817,606	73,827,606
Other Comprehensive Income				
Profit for the year	-	-	42,551,001	42,551,001
Other comprehensive income	-	-	-	-
Total comprehensive income for the year ended June 30, 2024	-	-	42,551,001	42,551,001
Balance as at June 30, 2024	55,000,000	10,000	61,368,607	116,378,607

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

Muhammad Tariq
CHIEF EXECUTIVE

Motab
DIRECTOR



N2M

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

	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before income tax, final tax and minimum differential	44,154,630	(3,502,297)
<i>Adjustments for:</i>		
Depreciation	343,951	385,145
Gain/(loss) on re-measurement of investments	(36,466,499)	2,365,679
Finance cost	3,051	339
	<u>(36,119,497)</u>	<u>2,751,163</u>
Operating profit before working capital changes	8,035,133	(751,134)
Working capital changes		
(Increase)/Decrease in current assets		
Trade debts - considered good	(988,526)	(149,959)
Other receivables	(1,969,216)	(334)
	<u>(2,957,742)</u>	<u>(150,293)</u>
(Decrease) in current liabilities		
Trade and other payables	26,442,257	(3,834,251)
Net cash generated / (used in) from operations	31,519,648	(4,735,678)
Financial charges paid	(3,051)	(339)
Taxes and levies paid	455,969	(2,376,171)
	<u>452,918</u>	<u>(2,376,510)</u>
Net cash generated from/(used in) operating activities	31,972,566	(7,112,188)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(22,500)	(581,499)
Short term investment - net	(3,606,712)	5,202,386
Net cash (used in) / generated from investing activities	(3,629,212)	4,620,887
Net increase/(decrease) in cash and cash equivalents during the year	28,343,354	(2,491,301)
Cash and cash equivalents at the beginning of the year	4,085,011	6,576,312
Cash and cash equivalents at the end of the year	32,428,365	4,085,011

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

N2.10.

M. Tariq

CHIEF EXECUTIVE

M. Tariq
DIRECTOR



MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 STATUS AND NATURE OF BUSINESS

Muhammad Tariq Moti Securities (Private) Limited ("the Company") was incorporated under the repealed Companies Ordinance, 1984 (which has now been replaced with Companies Act, 2017 on ('the Act')) on April 9, 2013 as a private limited company. The Company is a corporate TREC holder of Pakistan Stock Exchange Limited. The registered office of the Company is located at Room # 36, 1st Floor, Stock Exchange Building, Stock Exchange Road, Karachi. The principal activities of the Company include trading and brokerage for equities, underwriting of public issues etc.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for short term investment which have been stated at their fair values.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to nearest rupee.

2.4 Use Of Estimates And Judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the 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. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

- Property and equipment and depreciation (refer note 4.1)
- Intangible assets and amortization (refer note 4.3)
- Financial Assets (refer note 4.9)
- Taxation (refer note 4.8)

N2M

3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

3.1 Standards, amendments and interpretations to existing standards that are not yet effective

Following Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

	Effective date (annual reporting periods beginning on or after)
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7 Statement of Cash Flows (Amendments)	January 01, 2024
IFRS 16 Leases (Amendments)	January 01, 2024
IAS 21 The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 9 Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 01, 2026

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

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

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts
IFRIC 12	Service concession arrangements

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies and methods of computation have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to profit and loss by applying reducing balance method on the date of purchase and on disposals upto the month immediately preceding the disposal.

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

Gain and losses on disposal of fixed assets, if any, included in statement of profit or loss.

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

4.2 Intangible assets

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

N2M

Trading Right Entitlement Certificate

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

4.3 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the statement of profit or loss.

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchase and sales are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sale an asset.

The management determines the appropriate classification of the investment made by the Company in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and measurement at the time of purchase.

4.3.1 The Company classifies its Investments in the following categories.

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

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when either:

- (a) 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; or
- (b) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company to at initial recognition.

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.

Such financial assets are initially measured at fair value.

N2M

Subsequent measurement

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment. Dividends are recognised as income in statement of profit or loss. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss. On derecognition, gain and losses previously recognised in other comprehensive income are reclassified to unappropriated profit.

(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 statement of profit or loss account.

4.3.2 Impairment

The Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss. Trade receivables are written off when there is no reasonable expectation of recovery of such receivable amounts. The Company recognises 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.

4.3.3 De-recognition

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

4.3.4 Financial liabilities

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

Other financial liabilities are subsequently measured at amortized cost using effective interest method. Any gain or loss on derecognition is recognized in 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.

4.3.5 Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

4.3.6 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when the company has legally enforceable right to offset and the company intends to either settle on net basis, or to realise the asset and to settle the liability simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements only when permitted by accounting and reporting standards as applicable in Pakistan.

4.4 Trade debts

Trade Debts are stated at less any allowances for expected credit losses. Full provision is made against the debts considered doubtful. A receivable is recognised on the settlement date as this is the point of time that the payment for the consideration by the customer becomes due are carried on statement of financial position at amortised cost.

4.5 Trade and other payables

Trade and other payables are measured at amortised cost

4.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid investment that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

4.7 Provisions

A provision is recognised in the financial statement when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognised as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

4.8 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. Revenue is recognized on the following basis:

- Brokerage income is recognized as and when such services are provided.
- Interest income 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 statement of profit or loss account in the period in which they arise and marked to market gains accumulated in other comprehensive income are transferred to profit and loss account in the year in which investments are disposed off.

4.9 Expenses

Expenses are recognised in statement of profit or loss on accrual basis.

N2M

4.10 Taxation, final and minimum tax

4.10.1 Final and minimum tax

Computation of minimum tax chargeable under various sections of ITO 2001, provisions of such sections require its comparison with amount of tax attributable to income streams taxable at general rate of taxation, such minimum taxes are not fully outside the scope of IAS-12 and a certain portion of them falls in scope of IAS - 12. Based on this, the minimum taxes under ITO 2001 are hybrid taxes which comprise of a component within the scope of IAS - 12 and a component within the scope of IFRIC - 21 / IAS - 37.

As regards final taxes, its computation is based on revenue or other bases other than taxable income, therefore, final taxes fall under levy within the scope of IFRIC – 21 / IAS – 37, hence treated and classified accordingly, as per the requirements of / and guidelines issued by ICAP.

In identifying and classifying each component of minimum tax being hybrid in nature, company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS – 12 "Income taxes" and recognize it as current income tax expense. Any excess over the amount designed as income tax, is recognized as a and recognize it as current income tax expense. Any excess over the amount designed as income tax, is recognized as a levy falling under the scope of IFRIC – 21 / IAS – 37.

4.10.2 Taxation

The provision for current taxation is based on taxable income at the current rates of taxation. The company does not provide for deferred taxation as the timing differences are not likely to reverse in the foreseeable future.

4.11 Changes in accounting policy

During the year, the Company changed its accounting policy of recognizing the portion of income tax paid or payable for the year under the Ordinance, not based on the taxable profits of the Company, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the year under IAS-12. There is, however, no material impact on the financial statements of the prior year

N2/m

5 PROPERTY AND EQUIPMENT

	Note	2024 Rupees	2023 Rupees		
Property and equipment		<u>3,247,503</u>	<u>3,051,149</u>		
5.1		2024			
		Office Equipment	Computer Equipment	Office Room	Total
COST					
As on July 1, 2023		172,753	281,934	5,388,472	5,843,159
Additions		22,500	-	-	22,500
Disposals		-	-	-	-
As at June 30, 2024		195,253	281,934	5,388,472	5,865,659
ACCUMULATED DEPRECIATION					
As at July 1, 2023		115,143	217,212	2,263,301	2,595,656
For the year		12,017	19,417	312,517	343,951
On disposals		-	-	-	-
As at June 30, 2024		127,160	236,629	2,575,818	2,939,607
Written down value as at June 30, 2024		<u>68,093</u>	<u>45,305</u>	<u>2,812,654</u>	<u>2,926,052</u>
		2023			
		Office Equipment	Computer Equipment	Office Room	Total
		-----Rupees-----			
COST					
As on July 1, 2022		168,025	219,500	4,874,135	5,261,660
Additions		4,728	62,434	514,337	581,499
Disposals		-	-	-	-
As at June 30, 2023		172,753	281,934	5,388,472	5,843,159
ACCUMULATED DEPRECIATION					
As at July 1, 2022		104,977	189,474	1,916,060	2,210,511
For the year		10,166	27,738	347,241	385,145
On disposals		-	-	-	-
As at June 30, 2023		115,143	217,212	2,263,301	2,595,656
Written down value as at June 30, 2023		<u>57,610</u>	<u>64,722</u>	<u>3,125,171</u>	<u>3,247,503</u>
Depreciation rates per annum (%)		<u>15%</u>	<u>30%</u>	<u>10%</u>	

N2M



Motals

	Note	2024 Rupees	2023 Rupees
6 INTANGIBLE ASSET			
Opening carrying value-TREC	6.1	2,500,000	2,500,000
Impairment loss			
		<u>2,500,000</u>	<u>2,500,000</u>
6.1	This represents TREC received by the company in according with the Stock Exchange (Corporatization, Demutualization and Integration) Act 2012, as amended by Stock Exchange (Corporatization, Demutualization and Integration)(Amendment) Act, 2015. The TRE Certificate is stated cost less accumulated impairment loss (if any).		
	PSX Vide notice no. PSX/N-225 Dated February 16, 2021 the notional value of Trading Right Entitlement Certificate which amounting to Rs. 2.5 millions.		
7 LONG TERM DEPOSITS			
KSE ready trading deposit		200,000	200,000
Central Depository Company - Security Deposit		100,000	100,000
National Clearing Company Of Pakistan		300,000	300,000
		<u>600,000</u>	<u>600,000</u>
8 TRADE DEBTS			
Trade debts - considered good	8.1	<u>12,171,821</u>	<u>11,183,295</u>
8.1 Aging analysis			
Within 5 days		297,573	20,015
Above 5 days		<u>11,874,248</u>	<u>11,163,280</u>
		<u>12,171,821</u>	<u>11,183,295</u>
8.2	This include Rs. 5.256 million (2023 : Rs. 4.503 million) due to related party.		
8.3 Aging analysis of related parties			
Not yet due		103,930	1,238,184
Upto-3 months		<u>5,152,155</u>	<u>3,507,975</u>
		<u>5,256,085</u>	<u>4,746,159</u>
8.4	The maximum outstanding balances from related parties is amounting to Rs.4.709 million in the month of June 2024.		
9 OTHER RECEIVABLES			
Other receivables		67,332	67,332
Receivable from NCCPL and CDC		<u>1,969,563</u>	<u>347</u>
		<u>2,036,895</u>	<u>67,679</u>

N2M



	Note	2024 Rupees	2023 Rupees
10 SHORT TERM INVESTMENTS			
At fair value through profit or loss			
Quoted equity securities		<u>88,522,185</u>	<u>48,448,974</u>
10.2 The details of Securities pledged with PSX and NCCPL are			
		<u>Number of Securities</u>	<u>Fair Value Rupees</u>
Client and Directors		85,000	19,455,050
Brokerage House		288,000	54,477,620
		<u>373,000</u>	<u>73,932,670</u>
10.3 No securities of either house or clients have with financial institution.			
11 BANK BALANCES			
Cash at bank - current accounts			
- House account		1,776,409	287,366
- Client account		30,651,956	3,797,645
		<u>32,428,365</u>	<u>4,085,011</u>
12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
		<u>Number of shares</u>	
		2024	2023
		5,000,000	5,000,000
		500,000	500,000
		<u>5,500,000</u>	<u>5,500,000</u>
		Ordinary shares of Rs. 10 each fully paid (issued for consideration other than cash)	
		50,000,000	50,000,000
		5,000,000	5,000,000
		55,000,000	55,000,000
12.1 Pattern of shareholding			
		<u>No of shares</u>	<u>Percentage of Holding</u>
Muhammad Tariq Moti		5,499,500	99.99%
Muhammad Mustafa Tariq		500	0.01%
		<u>5,500,000</u>	<u>100%</u>
12.3 There is only one class of shares and all shares rank equally and there are no arrangements among shareholders in respect of voting right, board resolution, right of first refusal and block voting.			
13 TRADE AND OTHER PAYABLES			
Trade payables	13.1	30,651,957	3,797,645
Auditors' remuneration		60,000	60,000
Withholding tax payable		955,357	975,356
Other liabilities		-	392,056
		<u>31,667,314</u>	<u>5,225,057</u>

N2M



13.1 This include trade payable related to amount of Rs. Nil (2023 : Rs. Nil) payable to related party.

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on the balance sheet date (2023: Nil).

	Note	2024 Rupees	2023 Rupees
15 OPERATING REVENUE			
Brokerage Commission		9,034,876	2,548,840
Less : Sale tax on services		(1,039,409)	(293,230)
Net revenue		<u>7,995,467</u>	<u>2,255,610</u>

15.2 This include brokerage revenue earned from related parties amounting Rs.29,411

		2024 Rupees	2023 Rupees
16 ADMINISTRATIVE EXPENSES			
Directors' remuneration	21	3,545,000	3,430,000
Staff salaries and allowances		4,427,500	4,119,000
PSX monthly charges		1,410,885	493,642
Clearing house fee		301,438	172,154
Printing and stationery and office papers		5,520	7,740
Utilities expense		187,250	163,719
Professional tax		353,359	-
Conveyance and courier expenses		10,170	4,550
Nadra verification		-	2,782
Computers maintenance and paper		87,890	117,390
Medical allowance		105,265	35,920
Entertainment		210,225	154,955
Audit fee	16.1	432,160	271,080
Vehicle running expenses		1,059,353	796,979
Software maintenance		591,555	447,480
CDC charges		223,289	150,597
Brokers' association fees		-	50,000
SECP charges		52,087	57,252
Depreciation		343,951	385,146
		<u>13,346,897</u>	<u>10,860,386</u>

16.1 Auditors' Remuneration

Audit fee	136,000	60,000
System audit fee and other certification	296,160	211,080
	<u>432,160</u>	<u>271,080</u>

17 FINANCE COST

Bank charges	3,051	339
--------------	-------	-----

N2M



Handwritten signature

	2024 Rupees	2023 Rupees
18 OTHER INCOME		
Dividend	10,690,861	7,349,230
CDC and NCCPL	273,979	219,781
IPO - Share application	3,376	-
Rental income	360,000	57,462
	<u>11,328,216</u>	<u>7,626,473</u>

19 TAXATION

19.1 This represents final taxes paid under section 150 & 37A of Income Tax Ordinance (ITO, 2001) representing levy in terms of requirement of IFRIC -21 / IAS-37.

19.2 This represents portion of minimum tax paid under section 113, 233 & 153(1)(b) of Income Tax Ordinance (ITO, 2001), representing levy in the terms of requirements of IFRIC - 21 / IAS - 37.

	2024 Rupees	2023 Rupees
19.3 Current tax		
- for the year	-	-

20 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation	Rupees	<u>42,551,001</u>	<u>(4,636,343)</u>
Weighted average number of shares	Number of shares	<u>55,000,000</u>	<u>55,000,000</u>
Earning per share - basic and diluted	Rupees	<u>0.77</u>	<u>(0.08)</u>

21 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND DIRECTORS

	Chief Executive Officer		Directors	
	2024	2023	2024	2023
	----- Rupees -----			
Managerial remuneration	910,000	2,450,000	2,635,000	1,410,000
Bonus	-	-	-	-
	<u>910,000</u>	<u>2,450,000</u>	<u>2,635,000</u>	<u>1,410,000</u>
Number of persons	1	1	1	1

22 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk, liquidity risk and off balance sheet risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

22.1 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 prices of securities 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.

N2M



23.1 Liquid Capital Balance As At 30th June 2024

The below statement has been prepared in accordance with the regulation 6(3) and schedule 3 of the Securities Broker (Licensing and Operations) Regulation, 2016.

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	2,926,052	100.00%	-
1.2	Intangible Assets	2,500,000	100.00%	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt Securities	-	-	-
	<i>If listed then:</i>	-	-	-
	i. 5% of the balance sheet value in the case of tenure upto 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%	-
	<i>If unlisted then:</i>	-	-	-
1.5	Investment in Equity Securities	-	-	-
	i. If listed 15% or VaR of each security on the cutoff date as computed by the clearing house for respective security whichever is higher.	60,502,787	6,749,157	53,753,630
	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.	-	-	-
	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. 1.8. Nil or any amount any excess amount of cash deposited with securities exchange to comply with requirements of Base minimum capital	600,000	100.00%	-
1.9	Margin deposits with exchange and clearing house	1,969,563	-	1,969,563
1.10	Deposit with authorized intermediary against borrowed securities under SLB	-	-	-
1.11	Other deposits and prepayments	-	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 markup accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-
	Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the Investments.)	-	-	-
1.15	Advances and Receivables other than trade receivables	-	-	-
	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months PLUS	-	-	-
	ii. Advance tax to the extent it is netted with provision of taxation	-	-	-
	ii. Receivables other than trade receivables	6,927,935	100.00%	-
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 M/M gains	-	-	-
1.17	Receivables from customers	-	-	-
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VaR based-Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut	-	-	-
	i. Lower of net balance sheet value or value determined through adjustments.	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value	-	5.00%	-
	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.	193,643	-	193,643
	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.	6,722,511	1,189,908	1,189,908
v. Lower of net balance sheet value or value determined through adjustments	-	-	-	
vi. In the case of amount of receivable from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner:	-	-	-	
a. Up to 30 days, values determined after applying VaR based haircuts;	166,808	-	166,808	
b. Above 30 days but upto 90 days, values determined after applying 50% or VaR based haircuts whichever is higher;	481,070	240,535	240,535	
c. Above 90 days, 100% haircut shall be applicable	-	-	-	
Lower of net balance sheet values or values determined through adjustments	4,607,788	100.00%	-	

N2M



Handwritten signature

	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	1,776,409	-	1,776,409
	ii. Bank balance-customer accounts	30,651,957	-	30,651,957
	iii. Cash in hand			
1.19	Subscription money against investment in IPO/ offer for sale			
	i. Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker			
	ii. In case of investments in IPO where shares have been allotted but not yet credited in CDS account, 25% haircuts will be applicable on the value of such securities			
	iii. In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VaR based haircut whichever is higher, will be applied on Right shares 1.19. Balance sheet value or Net value after deducting haircuts.			
1.20	Total Assets	120,026,523		89,942,453
2. Liabilities				
	Trade Payables			
2.1	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products			
	iii. Payable to customers	30,651,957		30,651,957
	Current Liabilities			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	1,015,357		1,015,357
	iii. Short-term borrowings			
2.2	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities			
	vii. Provision for bad debts			
	viii. Provision for taxation			
	ix. Other liabilities as per accounting principles and included in the financial statements			
	Non-Current Liabilities			
	i. Long-Term financing			
2.3	a. Long-Term financing obtained from financial institution. Long term portion of financing obtained from a financial institution including amount due against finance lease		100%	
	b. Other long-term financing			
	ii. Staff retirement benefits			
	iii. Other liabilities as per accounting principles and included in the financial statements			
	Subordinated Loans			
2.4	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange. ii. Subordinated loans which do not fulfill the conditions specified by SECP			
	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. 2.5. Net amount after deducting haircuts			
2.6	Total Liabilities	31,667,314		31,667,314
3. Ranking Liabilities Relating to :				
	Concentration in Margin Financing			
3.1	The amount calculated on client-to-client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs. 5 million Note: Only amount exceeding by 10% of each finances from aggregate amount shall be included in the ranking liabilities.			
	Concentration in securities lending and borrowing			
3.2	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.			

N2M



Handwritten signature

	Net underwriting Commitments			
3.3	<p>(a) In the case of rights issue : if the market value of securities is less than or equal to the subscription price; the aggregate of</p> <p>(i) the 50% of Haircut multiplied by the underwriting commitments and</p> <p>(ii) the value by which the underwriting commitments exceeds the market price of the securities.</p> <p>In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting</p> <p>(b) In any other case : 12.5% of the net underwriting commitments</p>			
3.4	Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary			
3.5	Foreign exchange agreements and foreign currency positions 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets, denominated in foreign currency less total liabilities denominated in foreign currency			
3.6	Amount Payable under REPO			
3.7	Repo adjustment In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.			
3.8	Concentrated proprietary positions If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security			
3.9	Opening Positions in futures and options i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met			
3.10	Short sell positions i. 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			

Calculations Summary of Liquid Capital

- (i) Adjusted value of Assets (serial number 1.20)
- (ii) Less: Adjusted value of liabilities (serial number 2.6)
- (iii) Less: Total ranking liabilities (series number 3.11)

89,942,453
(31,667,314)
-
<u>58,275,139</u>

Note: Commission may issue guidelines and clarifications in respect of the treatment of any component of Liquid Capital including any modification, deletion and inclusion in the calculation of Adjusted value of assets and liabilities to address any practical difficulty.

N2M



Handwritten signature

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and regulations laid down by the Pakistan Stock Exchange.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

22.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as all the transactions of the Company are denominated in Pak Rupees.

22.3 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.

22.4 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company was exposed to listed and quoted securities price risk because of investments held by the Company and classified on the balance sheet as at fair value through profit or loss. To manage its price risk arising from investments the Company mainly invests in mutual funds and listed shares and maintains diversified portfolio.

22.5 Credit risk

The Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from trade debts, investments and deposits with banks. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating. To manage exposure to credit risk on its investments, the Company manages a portfolio of investments which consists of securities issued by the Government and reputable entities. To secure against the risk of default from debtors, the Company obtains collateral from its customers. The maximum exposure to credit risk is equal to the carrying amounts of financial assets less the amount of collaterals held.

Exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at June 30, 2024 is the carrying amount of the financial assets. The maximum exposure to credit risk at reporting date is:

	Note	2024 Rupees	2023 Rupees
Long term deposits	7	600,000	600,000
Trade debts	8	12,171,821	11,183,295
Other receivables	9	2,036,895	67,679
Short term investment	10	88,522,185	48,448,974
Bank balances	11	32,428,365	4,085,011
		<u>135,759,266</u>	<u>64,384,959</u>

N2M



22.6 Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company's liquidity management involves projecting cash flows and maintaining level of liquid assets necessary to meet these risks.

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

Note	June 30, 2024				June 30, 2023			
	Total	Upto Three Months	More Than Three months and upto One Year	More Than One Year	Total	Upto Three Months	More Than Three months and upto One Year	More Than One Year
	Rupees							

Trade and other payables	13	31,667,314	31,667,314		5,225,057	5,225,057
--------------------------	----	------------	------------	--	-----------	-----------

22.7 Capital management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

23 CAPITAL ADEQUACY LEVEL

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.

Net Capital and 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.

The Capital adequacy level as required by CDC is calculated as follows:

	2024	2023
	Rupees	Rupees
Total assets	148,045,921	79,052,663
Less :Total liabilities	(31,667,314)	(5,225,057)
Less: Revaluation Reserves (Created upon revaluation of fixed assets)		
Capital adequacy level	<u>116,378,607</u>	<u>73,827,606</u>

While determining the value of the total assets of the TREC holder, notional value of the TRE certificate as at year ended as determined by Pakistan Stock Limited has been considered.

N2M



24 BASE MINIMUM CAPITAL

In compliance with the Regulation 19.2 of the Rule Book of Pakistan Stock Exchange Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker under Broker and Agent Registration Rule, 2001, is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). As per the said regulation, as at 30 June, 2024, the company's BMC report as follows:

	2024 Rupees	2023 Rupees
Margin Eligible Securities Value	* 36,650,055	20,575,789
Total Pledged Assets Value	<u>36,650,055</u>	<u>20,575,789</u>
Minimum Requirement by PSX	<u>(22,161,771)</u>	<u>(19,932,307)</u>
Excess	<u>14,488,284</u>	<u>643,482</u>

25 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise subsidiaries, directors and their close family members, major shareholders of the Company, key management personnel and other companies under common management. Transactions with related parties are on arm's length. Remuneration of the chief executives and directors is disclosed in note 21 to the financial statements. Transactions with related parties during the year, other than those disclosed elsewhere in these financial statements, are as follows:

	2024 Rupees	2023 Rupees
Transactions with related parties		
Key Management Personnel		
Securities purchased by director- Mustafa Tariq	<u>29,411</u>	<u>470,700</u>
Balances with related parties		
Receivable from director - Mustafa Tariq	<u>4,709,405</u>	<u>4,503,467</u>

26 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISKS

The Company purchases and sells securities as either principal or agents on behalf of its customers. If either the customer or a counterparty fails to perform, the Company may be required to discharge the obligation on behalf of the non-performing party. In such circumstances, the Company may sustain a loss if the market value of the security is different from the contracted value of the transaction less any margin deposits that the Company has on hand. Where the customer operates through institutional delivery system, the Company is not exposed to this risk.

The majority of the Company's transactions, and consequently, the concentration of its credit exposure are with the customers and other financial institutions in case of money market brokerage. The Company seeks to control its credit risk through a variety of reporting and controls procedures, including establishing credit limits based upon a review of the counterparties' financial condition. The Company monitors collateral levels on a regular basis and requests changes in collateral level as appropriate or if considered necessary.

N2M



27 NUMBER OF EMPLOYEES

The total number of employees at the balance sheet date were 6 (2023:6) and average number of employees during the year were 6 (2023:6).

28 DATE OF AUTHORIZATION

These financial statements were authorized for issue on ⁰⁴ October, ²⁰²⁴ by the Board of Directors of the Company.

29 GENERAL

The figures have been rounded of to the nearest rupee.

N24

Mohd Tahir

CHIEF EXECUTIVE

M. Akbar

DIRECTOR



M. Akbar