B & B SECURITIES
(PRIVATE) LIMITED

Financial Statement
For the year ended June 30, 2024

REANDA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B & B SECURITIES (PRIVATE) LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of 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 loss, 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.

Emphasis of Matter Paragraph

1. The Company has taken and repaid the director loan without making compliance with the SECP Circular No. 12 of 2019 however a notice of repayment of the subordinated loan was given to SECP after modification on original financial statements dated October 04, 2024, and thereby auditors' report is revised pursuant to ISA No 560 'Subsequent Events' and revised financial statements include note to this effect. SECP's response could not be determined at this stage.

   Anyone having receipt of previous financial statements will be notified by the Company for change. Our revised audit opinion is not modified to this effect.

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

Management is responsible for the other information. The Other Information comprises the information included in the Company's Annual Report 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 to design audit procedures that are appropriate in the circumstances, but not for 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

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, 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 Company's business; and

d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

The engagement partner on the audit resulting in this independent auditor's report is **Farhan Ahmed Memon**.

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: October 29, 2024

CHARTERED ACCOUNTANTS Karachi Office

UDIN: AR202410147rOVlEcdDY

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

	Note	2024 Rupees	2023 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	4	**492,091**	476,470
Intangible assets	5	**2,500,000**	2,500,000
Long term investment	6	**12,092,038**	7,910,252
Long term deposits	7	**500,000**	500,000
Deferred tax asset	8	-	2,696,115
		15,584,129	14,082,837
Current Assets			
Short term investments	9	**1,060,681**	2,691,438
Trade debts	10	**68,779,000**	58,455,916
Trade deposits, prepayments and other receivable	11	**123,755**	123,772
Short term loans and advances	12	**1,981,342**	1,981,342
Tax refund due from government	13	**1,005,939**	1,466,955
Cash and bank balances	14	**495,192**	955,887
		73,445,909	65,675,310
Total Assets		**89,030,038**	79,758,147
EQUITY AND LIABILITIES			
Capital and Reserves			
Authorized Share Capital			
17,000,000 (2023 : 17,000,000) Ordinary shares of Rs.10 each		**170,000,000**	170,000,000
Issued, subscribed and paid-up capital			
17,000,000 (2023 : 17,000,000) Ordinary shares of Rs.10 each	15	**170,000,000**	170,000,000
Capital reserve		**9,886,863**	5,705,077
Accumulated losses		**(104,903,946)**	(105,594,670)
Director Loan	16	**12,949,000**	-
		87,931,917	70,110,407
Long Term Liabilities			
Long term loan	17	-	-
Current Liabilities			
Short term borrowings	18	-	8,164,329
Trade and other payables	19	**1,098,121**	1,483,411
Accrued markup		-	-
		1,098,121	9,647,740
Contingencies and Commitments	20		
Total Equities and Liabilities		**89,030,038**	79,758,147

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

Chief Executive

Director

[redacted]

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	*2024 Rupees*	*2023 Rupees*
Revenue			
Brokerage income	21	**2,973,086**	2,488,114
Dividend income		**194,878**	14,076
Capital loss on sale of securities - Net		**(2,816,244)**	(2,163,469)
Unrealized gain / (loss) on re-measurement of investment		**258,129**	(768,756)
		609,849	(430,035)
Expenses			
Administrative and operating expenses	22	**(9,842,278)**	(15,200,091)
Financial charges	23	**(914,455)**	(3,712,303)
		(10,756,733)	(18,912,394)
Other operating income	24	**13,286,528**	43,871,000
Profit before final tax differential		**3,139,644**	24,528,571
Final taxes	25	**(36,845)**	(2,114)
Profit before taxation		**3,102,799**	24,526,457
Taxation	26	**(3,157,131)**	(12,759,713)
(Loss) / profit after taxation		**(54,332)**	11,766,744

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

Chief Executive

Director

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

	2024 Rupees	2023 Rupees
(Loss) / profit after taxation	**(54,332)**	11,766,744
Other comprehensive income		
Unrealized loss on investment through OCI	**4,181,786**	(3,141,613)
Realized loss on investment throgh OCI	-	(8,750)
Total comprehensive income for the year	**4,127,454**	8,616,381

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

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Chief Executive

Director

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

	Note	Issued subscribed and paid up capital	Reserve – Capital – Surplus on revaluation of investments	Reserve – Capital – Director Loan	Reserve – Revenue – Accumulated losses	Total
		------------------- Rupees -------------------				
Balance as at July 01, 2022		170,000,000	8,855,440	-	(117,361,415)	61,494,025
Total comprehensive income for the year		-	-	-	-	-
Profit for the year		-	-	-	11,766,744	11,766,744
Amortization on Directors' loan		-	-	-	-	-
Other comprehensive loss		-	(3,150,363)	-	-	(3,150,363)
		-	(3,150,363)	-	11,766,744	8,616,381
Balance as at June 30, 2023		**170,000,000**	**5,705,077**	-	**(105,594,670)**	**70,110,407**
Total comprehensive income for the year						
Profit for the year		-	-	-	**(54,332)**	**(54,332)**
Subordinated loan from director	16	-	-	**12,949,000**	-	**12,949,000**
Gain on disposal of investment at FV-OCI		-	**745,056**	-	-	**745,056**
Gain on disposal transfer to retained earning		-	**(745,056)**	-	**745,056**	-
Gain on remeasurment of investment at FV-OCI		-	**4,181,786**	-	-	**4,181,786**
		-	**4,181,786**	**12,949,000**	**690,724**	**17,821,510**
Balance as at June 30, 2024		**170,000,000**	**9,886,863**	**12,949,000**	**(104,903,946)**	**87,931,917**

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

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Chief Executive

Director

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

	2024 Rupees	2023 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before final tax differential	**3,139,644**	24,528,571
Adjustments for non cash items:		
Depreciation	**95,129**	88,126
Financial charges	**(914,455)**	3,712,303
Unrealized gain / (loss) on re-measurement of investment	**(258,129)**	768,756
Capital loss on sale of securities - Net	**2,816,244**	2,163,469
Director's loan waived	**(10,955,000)**	(13,946,028)
	(9,216,211)	(7,213,374)
Operating cash (used in)/ generated from working capital changes	**(6,076,567)**	17,315,197
(Increase) / Decrease in Current Assets		
Trade debts	**(10,323,084)**	(12,860,428)
Trade deposits, prepayments and other receivables	**17**	-
(Decrease) / Increase in current liabilities		
Trade and other payables	**(385,290)**	(493,074)
	(10,708,357)	(13,353,502)
Taxes paid	**(36,845)**	(2,114)
Finance charges paid	**914,455**	(1,886,201)
	877,610	(1,888,315)
Net cash (used in) / generated from operating activities	**(15,907,314)**	2,073,380
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	**(110,750)**	(73,900)
Investments - net	**(182,302)**	4,193,772
Net cash (used in) / generated from investing activities	**(293,052)**	4,119,872
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan from directors-net	-	5,785,000
Subordinated loan- net	**23,904,000**	-
Short term borrowing	**(8,164,329)**	(12,264,408)
Net cash generated from / (used in) financing activities	**15,739,671**	(6,479,408)
Net decrease in cash and cash equivalents (A+B+C)	**(460,695)**	(286,156)
Cash and cash equivalents at the beginning of the year	**955,887**	1,242,043
Cash and cash equivalents at the end of the year	**495,192**	955,887

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

Chief Executive

Director

1 NATURE AND STATUS OF BUSINESS

B & B Securities (Private) Limited was incorporated in Pakistan as a private company under the Companies Act, 2017, on July 18, 2003, the company is a corporate member of Pakistan Stock Exchange. The company has commenced commercial activities from March 8, 2004 and is primarily engaged in trading and brokerage of listed equities. The registered office of the company is situated at 434, 4th Floor, Stock Exchange Building, Stock Exchange Road, Karachi, Pakistan.

2 BASIS OF PRESENTATION

2.1 Statement of Compliance

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

- International Financial Reporting Standards for Small and Medium - Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 ; and

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

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

Preparation of financial statements also include disclosure required by Securities Brokers (Licensing and Operations) Regulations, 2016.

During the year the Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance – "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires taxes paid under final tax regime and minimum 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 and Statement of Changes in Equity as a result of this change.

Effect on profit and loss amd other comprehensive income	*Had there been no change in policy*	*Impact of change in policy*	*After incorporating effects of policy*
For the year ended June 30, 2024			
Final tax differential	-	**36,845**	**36,845**
Profit before tax	**3,139,644**	**(36,845)**	**3,102,799**
Taxation -income tax	**3,193,976**	**(36,845)**	**3,157,131**
For the year ended June 30, 2023			
Minimum tax differential	-	2,114	2,114
Profit before tax	24,528,571	(2,114)	24,526,457
Taxation -income tax	12,761,827	(2,114)	12,759,713

2.2 *Basis of Measurements*

These financial statements have been prepared under Historical cost convention without any adjustments for the effects of inflation or current values except investments, which are stated as per the policy.

These financial statements have been prepared following accrual basis of accountings except for cash flows information.

2.3 *Functional and presentation currency*

These financial statements are presented in Pak Rupees, which is the company's functional and presentation currency.

2.4 *Use of estimates and judgments*

The preparation of financial statements is in conformity with the approved financial reporting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affects 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 on which form the basis of making judgments about 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 estimates is revised if the revision effects only the 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*

Except as described below, the material accounting policy information applied in the preparation of these financial statements are the same as those applied in earlier periods presented.

3.1 *Property plant and equipment*

These are stated at cost less accumulated depreciation except assets not in operation, which are stated at cost.

Depreciation is charged using reducing balance method by applying rates specified in the relevant note.

Full year depreciation is charged on the addition during the year whereas on assets deleted, no depreciation is charged in the year of disposal.

The assets' residual value and useful lives are reviewed, and adjusted if significant, at each balance sheet date.

Maintained and normal repairs are charged to Profit & Loss Account as and when incurred while cost of major replacements and improvements, if any, are capitalized.

3.2 *Impairments*

The carrying amount of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairments. If such indication exist, the assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account. the recoverable amount is higher of the assets fair value less cost to sell and value in use.

3.3 *Intangible assets*

Intangible assets are stated at cost less accumulated amortization except assets that are not available for its indefinite use, which are stated at cost. Amortization is charged using straight line method at the rates given in relevant notes to write-off the historical cost of assets over their estimated useful life. In the year of addition full year's amortization is charged.

3.3.1 *Trading right entitlement certificate and Room*

Initially it is stated at notional value by apportioning the value of previous Membership Card among TREC and PSX shares on the basis of proportion of designated values for margin purpose. Subsequent to initial recognition, TREC is valued at value taken for base minimum capital.

3.4 *Financial assets*

Initial Measurement

The Company classifies its financial assets in to following three categories:

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

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition

Subsequent Measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in statement profit or loss.
Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

3.5 *Investments*

- Investment in Shares of Pakistan Stock Exchange (PSX) are classified as "**At Fair Value - through Other Comprehensive Income**" and is initially measured at cost and is subsequently measured at fair value determined using the market value at each reporting date. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss

- Investment in Listed Shares other than shares of PSX are classified as **"At Fair Value - Through Profit or Loss"** and is initially measured at cost and is subsequently measured at fair value determined using the market value at each reporting date. Net gains and losses, including any interest / markup or dividend income, are recognized in statement profit or loss.

3.6 Settlement date accounting

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

3.7 Trade debts and other receivables

Trade debts and other receivable are recognized at fair value and subsequently measured at amortized cost. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the company will not be able to collect all amount due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off. The receivable in respect of securities sold on behalf of clients are recorded at settlement date of transaction.

3.8 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the company are not treated as assets of the company and accordingly are not included in these financial statements.

3.9 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalent consists of cash in hand and balances with banks.

3.10 Cash and bank balances

Cash and bank balances are carried at nominal amount.

3.11 Impairment of financial assets

The Company recognizes loss allowances for ECLs in respect of financial assets measured at amortized 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 mount 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 qualitative 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 asset 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 amortized 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 entirety 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.

3.12 De-recognition

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

3.13 Financial liabilities

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

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

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

3.14 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously

3.15 Borrowing / debt

Borrowings / debt is recognized initially at fair value, net of transaction costs incurred. These are subsequently measured at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of borrowings / debt under the effective interest method. Markup / profit on borrowings / debt is calculated using the effective interest method and is recognized in the statement of profit or loss.

3.16 Share Capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

3.17 Trade and Other payables

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

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

3.18 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it related to items recognized in other comprehensive income or directly in equity. In this case tax is also recognized in other comprehensive income or directly in equity, respectively.

3.19 Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous year.

Taxes paid under final tax regime and minimum tax regime to be shown separately as a levy instead of showing it in current tax. Company has opted for approach 2 in which company shows tax computed on taxable profit in current taxation and shows any excess amount in final / minimum tax differential.

3.19.1 Deferred

Deferred tax is recognized using balance sheet method, providing for all temporary differences between carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

3.20 Provisions

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

3.21 *Revenue recognition*

- Brokerage income is recognized as and when services are provided.

- Dividend income is recognized at the time of closure of share transfer books of the company declaring dividend. Commission income is recognized on receipt basis.

- Gains / (losses) arising on sale of investment are included in the statement of profit or loss for the period 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 - held for trading" are included in the statement of profit or loss for the period in which they arise.

- Other income is recognized on receipt basis.

3.22 *Transactions with related parties*

Transactions with related parties are carried out at arm's length prices.

3.23 *Significant accounting judgments and critical accounting estimates / assumptions*

The preparation of financial statements in conformity with approved accounting standards require the management to:-

- Exercise its judgment in process of applying the Company's accounting policies, and

- Use of certain critical accounting estimates and assumptions concerning the future.

The areas involving critical accounting estimates and significant assumptions concerning the future are discussed below:-

a) Income taxes

The Company takes into account relevant provisions of the prevailing income tax laws while providing for current and deferred taxes.

b) Property, plant and equipment

Management has made estimate of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any changes in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment loss.

c) Provision for doubtful debts

An estimated provision is made against those trade debts having no activity during the current financial year and is considered doubtful by the management where as debts considered bad and irrecoverable are written off when identified.

4 PROPERTY AND EQUIPMENT

Particulars	COST As at July 01, 2023	COST Additions/ Deletions	COST As at June 30, 2024	Rate	Depreciation As at July 01, 2023	Depreciation For the year	Depreciation As at June 30, 2024	Written down value as at June 30, 2024
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees
Furniture and fixtures	268,015	-	268,015	10%	232,834	3,518	236,352	31,663
Office equipment	674,458	-	674,458	10%	486,497	18,796	505,293	169,165
Computer equipment	1,186,695	110,750	1,297,445	20%	968,835	65,722	1,034,557	262,888
Vehicles	1,575,072	-	1,575,072	20%	1,539,605	7,093	1,546,698	28,374
Rupees - 2024	**3,704,240**	**110,750**	**3,814,990**		**3,227,770**	**95,129**	**3,322,899**	**492,091**
Rupees - 2023	3,630,340	73,900	3,704,240		3,139,645	88,126	3,227,770	476,470

	Note	2024 Rupees	2023 Rupees

5 INTANGIBLE ASSETS

Trading Rights Entitlement Certificate		2,500,000	2,500,000

6 LONG TERM INVESTMENT

- at fair value through other comprehensive income

2024	2023				
Number of Shares					
943,953	1,068,953	Investment in shares of PSX Ltd	6.1	**7,910,252**	11,060,615
-	-	Unrealized gain/(loss) on remeasurement		**4,181,786**	(3,150,363)
943,953	1,068,953			**12,092,038**	7,910,252

6.1 Shares in hand

	Note	2024	2023
Long term investment -at fair value through other comprehensive income	6.2	**943,953**	1,068,953

6.2 These shares have been kept with PSX to meet BMC requirement.

7 LONG TERM DEPOSITS

	2024	2023
National Clearing Company of Pakistan Limited	**200,000**	200,000
Pakistan Stock Exchange Limited	**200,000**	200,000
Central Depository Company of Pakistan	**100,000**	100,000
	500,000	500,000

8 DEFERRED TAX ASSET / (LIABILITY)

Relating to deductable / (taxable) temporary differences	2024	2023
Accelerated tax depreciation	**(29,582)**	(28,847)
Alternate corporate tax	-	-
Provision for doubtful debt	**277,219**	913,463
Investments	**(554,989)**	393,795
Minimum tax	-	-
Tax losses	**9,615,854**	1,417,704
	9,308,502	2,696,115
Deferred tax not recognized	**(9,615,854)**	-
	-	2,696,115

8.1 On prudent basis, deferred tax asset on tax losses are not recognised and uncertainty is attached with the realization of recognized deferred tax asset.

9 SHORT TERM INVESTMENTS

	Note	2024 Rupees	2023 Rupees
Investment at fair value through profit or loss			
Listed equity securities		1,060,681	2,691,438
	9.1	1,060,681	2,691,438

9.1 Investments in companies - quoted

2024	2023		2024	2023
Number of shares			Rupees	Rupees
100	100	Akzo Nobel Pak.XD	**-**	-
1,520	-	Adamjee Life Assurance Company Limited	**53,580**	
-	1,113	Aisha Steel Mills Ltd - Preference Shares	**-**	18,275
10	-	Bank Al Habib Limited	**1,122**	
-	76,000	Cnergyico PK	**-**	215,840
1,700	-	Dewan Farooque Motors Limited	**68,833**	-
10	-	D. G. Khan Cement Co. Limit	**903**	-
500	500	D.M. Textile Mills Limited	**23,355**	23,355
520,000	520,000	Dewan Salman Fibre Limited - Freeze	**-**	-
10	-	Engro Corporation Limited	**3,327**	-
1,510	-	Engro Polymer & Chemicals Limited	**67,829**	-
10	-	Faysal Bank Limited	**524**	-
-	3,500	Ghani Global Glass	**-**	20,440
6	-	Habib Sugar Mills Limited	**375**	-
7,500	-	Hascol Petroleum Limited	**46,425**	-
10	-	Habib Bank Limited	**1,240**	-
40,000	40,000	Haji Mohammad Ismail Mills Ltd - Freeze	**-**	-
-	1,500	Honda Atlas Cars	**-**	138,540
10	-	The Hub Power Company Limited	**1,631**	-
-	5,750	Image Pakistan Limited	**-**	55,545
3	3	Innovative Investment Bank Ltd - Freeze	**-**	-
10	-	Kot Addu Power Company Limited	**331**	-
-	1,100	KSBP	**-**	99,099
10	-	Mcb Bank Limited	**2,270**	-
249	249	Mcb Pakistan Stock Market Fund	**-**	20,889
50	50	Metropolitan Steel Corporation Limited	**620**	1,485
-	500	Octopus Digital	**-**	18,695
2	-	Pakistan Hotels Developers Limited	**1,192**	-
4,000	-	Pakistan International Container Terminal Lt	**156,760**	-
5,000	-	Pakistan Petroleum Limited	**585,550**	-
1,000	-	Pakistan Stock Exchange	**12,810**	-
-	119,500	Safe Mix Con. Lt	**-**	2,069,545
4	-	Sindh Abadgars Sugar Mills Limited	**147**	-
3	-	Shield Corporation Limited	**844**	-
10	-	Sui Northern Gas Pipelines Limited	**635**	-
300	1,000	Tri-Star Power Limited	**2,616**	9,730
10	-	United Bank Limited	**2,562**	-
20,000	-	Worldcall Telecom Limited	**25,200**	-
603,547	770,865		**1,060,681**	2,691,438

9.2 *At fair value through OCI - shares of Pakistan Stock Exchange Limited*

2024	2023	2024	2023
Number of Shares		Rupees	Rupees
943,953	1,068,953	**12,092,038**	7,910,252

9.3 The securities are valued at market value using the closing rates issued by PSX as at June 30.

		2024 Rupees	2023 Rupees
9.4	***Detail of pledged securities with the financial institutions is as follows:***		
	Securities pledged on own account	-	2,973,445
	Securities pledged on account of related parties/ directors	**3,724,533**	4,727,295
	Securities pledged on account of clients	**1,032,900**	2,276,935
9.5	***Detail of pledged securities with CDC/ NCCPL is as follows:***		
	Securities pledged on own account	**12,677,588**	7,426,727
	Securities pledged on account of related parties/ directors	**947,775**	1,418,100
	Securities pledged on account of clients	**865,494**	239,000

9.5.1 This represents securities that are pledged with NCCPL/ PSX for meeting ready margin requirements.

		Note	2024 Rupees	2023 Rupees
10	***TRADE DEBTS***			
	Unsecured-Considered good			
	Due from clients	10.1	**68,779,000**	28,582,096
	Unsecured - Considered doubtful		**955,928**	33,023,692
	Less : Provision for doubtful debts	10.2	**(955,928)**	(3,149,872)
			-	29,873,820
			68,779,000	58,455,916

10.1 ***Following amount pertaining to related party of the Company.***

	2024	2023
Adnan Mehboob	**18,488,005**	5,467,151
Ahrar Ahmed	**300**	3,150
Fasiha Zareen Shaikh	**700**	2,013
Lal Chand	**5,061,481**	7,013
Sonia Waqar	**600**	1,726
Waqar Ahmed	**700**	33,251
Vishangir	-	9,302,239
Zahida Abrar	**129,202**	26,185
	23,680,988	5,540,489

11.1.1 The maximum outstanding balance due from related party at the end of any month amounts to Rs. 23.68 (2023 : Rs. 5.46) million.

11.1.2 Total value of securities pertaining to clients' are in their respective CDC sub - accounts amounts to Rs. 27.29 (2023 : Rs. 24.75) million.

		2024 Rupees	2023 Rupees
10.2	***The Movements of the provision for the doubtful debts is as follows:***		
	Opening balance	**3,149,872**	33,023,692
	Reversal during the year	(2,193,944)	(29,873,820)
	Closing balance	**955,928**	3,149,872

10.3 *Aging analysis of trade debts*

	2024 Rupees	2023 Rupees
Balance outstanding		
Past due 1 - 14 days	**3,274,004**	6,641,505
Past due 15 - 30 days	**8,145,426**	11,170,369
Past due 31 - 60 days	**34,000,581**	3,422,749
Past due 61 - 90 days	**2,506,860**	499,671
Past 90 - 365 days	**9,976,361**	15,269,319
365 days or more	**11,831,696**	24,602,175
Less : Provision for doubtful debts	**(955,928)**	(3,149,872)
	68,779,000	58,455,916

10.4 The amount of provision of Rs. 0.96 (2023: 3.15) is estimated as expected credit loss (ECL).

11 *TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES*

	Note	2024 Rupees	2023 Rupees
Trade deposits			
National Clearing Company Limited		**123,755**	123,772

12 *SHORT TERM LOANS AND ADVANCES*

		2024 Rupees	2023 Rupees
To employees - considered good		**1,981,342**	1,981,342

13 *TAXATION - NET*

		2024 Rupees	2023 Rupees
Opening balance		**1,466,955**	1,307,960
Add : Tax paid or deducted at source during the year		**36,845**	2,114
Less : Final & minimum tax		**(36,845)**	(2,114)
Less : Provision for taxation		**(553,675)**	(196,558)
Less : Prior year adjustment		**92,659**	355,553
Closing balance		**1,005,939**	1,466,955

14 *CASH AND BANK BALANCES*

	Note	2024 Rupees	2023 Rupees
Cash in hand		**183**	8,230
Cash at bank in current accounts		**493,007**	805,690
Cash at bank in deposits accounts	14.1	**2,002**	141,967
		495,009	947,657
		495,192	955,887

14.1 The balances in deposits accounts carry markup at the ranging from 7% to 10% (2023: 6.5% to 10%).

14.2 Bank balance pertains to:

	2024 Rupees	2023 Rupees
- Clients	**159,531**	633,235
- Brokerage house	**335,478**	314,422
	495,009	947,657

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024	2023		Note	2024	2023
Number of Shares				Rupees	Rupees
1,700,000	1,700,000	Issued against cash consideration	15.1	**17,000,000**	17,000,000

15.1 Pattern of shareholding

Shareholders holding 5% or more	No. of share holders	2024 Shares held	2024 Percentage	2023 Shares held	2023 Percentage
Waqar Ahmed	1	**4,900,000**	**28.82%**	4,900,000	28.82%
Lalchand Lakhwani	1	**1,200,000**	**7.06%**	1,200,000	7.06%
Vasdave Lakhwani	1	**1,200,000**	**7.06%**	1,200,000	7.06%
Savantri Bai	1	**900,000**	**5.29%**	900,000	5.29%
Adnan Mehboob	1	**4,300,000**	**25.29%**	4,300,000	25.29%
Ahrar Ahmed	1	**4,500,000**	**26.47%**	4,500,000	26.47%
		17,000,000	**100%**	17,000,000	100%

15.1.1 The pattern of shareholding is same as previous year.

16 SUBORDINATED DIRECTOR LOAN

	2024 Rupees	2023 Rupees
Interest free / unsecured		
Opening	-	-
Add: Received during the year	**24,194,000**	-
Less: Repaid during the year	**(290,000)**	-
Less: Waived during the year	**(10,955,000)**	
Closing	**12,949,000**	-

16.1 The loan is taken from Adnan Mehboob and repayable at the discretion of the company.

17 LONG TERM LOAN

	Note	2024 Rupees	2023 Rupees
Unsecured			
Directors and sponsors		-	5,212,610
Add: Received during the year		-	5,785,000
Add: Unwinding on loan waived		-	2,948,418
		-	13,946,028
Loan waived during the year		-	(13,946,028)
		-	-
Less: Amortization of Loan		-	-
Unwinding of director loan		-	-
Present value of loan		-	-

17.1 ***During the year Directors have waived their loan. Following are the details of amounts waived:***

	2024 Rupees	2023 Rupees
Adnan Mehboob	-	13,946,028
Ahrar Ahmed	-	-
Waqar Ahmed	-	-
	-	13,946,028

18 SHORT TERM BORROWINGS

	Note	2024 Rupees	2023 Rupees
Secured-from banking companies			
Murabaha finances facility-Dubai Islamic Bank Limited	18.1	-	3,578,519
Murabaha finances facility- Bank Islami Limited	18.2	-	4,585,810
		-	8,164,329

18.1 The facility is secured against pledge of listed securities held by the member and personal guarantee of all the Directors along with their personal net worth statements covering facility amount plus markup. The facility carries markup at the rate of 6 months KIBOR + 2.5% (2023 : 6 months KIBOR + 2.5%). Total aggregate sanctioned limit is Rs. nil (2023 : 30 million) and unavailed facility is Rs. nil (2023 : Rs. 26.42 million).

18.2 The facility is secured against pledge of listed securities held by the member and personal guarantee of all the Directors along with their personal net worth statements covering facility amount plus markup. The facility carries markup at the rate of 6 months KIBOR + 2.5% (2023 : 3 months KIBOR + 2.5%). Total aggregate sanctioned limit is Rs. nil (2023 : Rs. 30 million) and unavailed facility is Rs. nil (2023 : Rs. 25.41 million).

19 TRADE AND OTHER PAYABLES

	2024 Rupees	2023 Rupees
Due to clients	**154,238**	630,581
Accrued expenses	**832,965**	722,713
With holding tax payable	**110,918**	130,117
	1,098,121	1,483,411

20 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments binding on the Company as on the reporting date. (2023: none)

	Note	2024 Rupees	2023 Rupees

21 BROKERAGE INCOME

	Note	2024 Rupees	2023 Rupees
Gross commission		**3,244,012**	2,732,229
Services tax		**(270,926)**	(244,116)
		2,973,086	2,488,114
Commission to dealers & agents		**-**	-
	21.1	**2,973,086**	2,488,114

21.1 Brokerage commission pertains to

	2024 Rupees	2023 Rupees
Retail customers	**2,973,086**	2,488,114

22 ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2024 Rupees	2023 Rupees
Salaries, allowances and other benefits		**2,700,000**	5,371,000
Director remuneration	27	**-**	5,000,000
Service and transaction charges		**1,036,654**	852,383
Travelling and Conveyance		**100,550**	64,850
Postage, telephone and telegraph		**224,890**	188,250
Internet Bill		**198,980**	169,400
Repair and maintenance		**599,397**	601,573
Utilities		**411,627**	227,740
Printing and stationery		**173,840**	91,100
Fee and subscription		**135,746**	110,000
Legal and professional charges	22.1	**344,738**	137,000
Audit fees	22.2	**720,020**	499,800
Entertainment		**644,263**	668,772
Charity and donations		**160,000**	626,626
Depreciation		**95,129**	88,126
Miscellaneous		**2,260,782**	490,971
Billing Invoice		**35,662**	12,500
		9,842,278	15,200,091

22.1 It includes amounting to Rs 105,000/- paid to PKF FRANTS Chartered Accountants for PSX & NCCPL system audit.

22.2 Audit fees

	2024 Rupees	2023 Rupees
Statutory audit	**396,000**	360,000
Certifications & sales tax	**324,020**	139,800
	720,020	499,800

23 FINANCIAL CHARGES

	2024 Rupees	2023 Rupees
Short term borrowing - Murabaha Facility	**832,590**	634,507
Unwinding of Directors loan	**-**	2,948,418
Bank charges	**60,302**	110,378
Non delivery charges	**21,563**	19,000
	914,455	3,712,303

24 OTHER OPERATING INCOME

	2024 Rupees	2023 Rupees
Income from financial assets		
Interest income	**343**	1,034
Other income	**137,241**	50,118
Reversal of provision	**2,193,944**	29,873,820
Director's loan waived	**10,955,000**	13,946,028
	13,286,528	43,871,000

25 FINAL / MINIMUM TAX DIFFERENTIAL

This represents final / minimum tax paid under section – of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37. Company has selected approach 2 of ICAP circular of (IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes) for the accounting treatment of final & minimum tax differential.

	2024 Rupees	2023 Rupees
25.1 FTR on dividend income	**36,845**	2,114

26 TAXATION

	2024 Rupees	2023 Rupees
Current	**553,675**	196,558
Prior year tax adjustment	**(92,659)**	(355,553)
Deferred tax	**2,696,115**	12,918,708
	3,157,131	12,759,713

26.1 Reconciliation between current tax expense as per tax authorities and tax expense recognized.

	2024 Rupees	2023 Rupees
Current tax liability for the year as per applicable tax laws	**3,193,976**	12,761,827
Portion of current tax liability as per tax laws, representing income tax under IAS 12	**(3,157,131)**	(12,759,713)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	**(36,845)**	(2,114)
Difference	**-**	-

27 REMUNERATION OF CHIEF EXECUTIVE

	2024		2023	
	Directors	**Chief Executive**	Directors	Chief Executive
	Rupees			
Remuneration	-	-	-	5,000,000
Others	-	-	-	-
Number of person(s)		1		1

27.1 In addition to the above the Chief Executive is also provided with free use of company maintained vehicle and reimbursement of few expenses.

	2024 Rupees	2023 Rupees
28 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial Assets		
Investment - At fair value through other comprehensive income		
Long term investment	**12,092,038**	7,910,252
Investment - at fair value through other profit and loss		
Short term investments	**1,060,681**	2,691,438
Loans and receivables		
Long term deposits	**500,000**	500,000
Trade debts	**68,779,000**	58,455,916
Trade deposits	**123,755**	123,772
Short term loans and advances	**1,981,342**	1,981,342
Cash and bank balances	**495,192**	955,887
	71,879,289	62,016,917
	85,032,008	72,618,607
Financial Liabilities		
Financial liabilities - at amortized cost		
Long-term loans	-	5,212,610
Short term borrowings	-	20,428,737
Accrued markup	-	1,122,316
Trade and other payables	**1,098,121**	2,008,884
	1,098,121	28,772,547

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

29.1 Risk Management Policies

The Company's objective in managing risks is the creation and protection of share holders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

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

29.2 Credit risk

Credit risk arises when changes in economic or industry factors similarly affects Company's of counter parties whose aggregate credit exposure is significant in relation the Company's total credit exposure. Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, other receivables and cash and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows: -

	2024 *Rupees*	*2023* *Rupees*
Long term investment	**12,092,038**	7,910,252
Short term investments	**1,060,681**	2,691,438
Long term deposits	**500,000**	500,000
Trade debts	**68,779,000**	58,455,916
Trade deposits	**123,755**	666,952
Short term loans and advances	**1,981,342**	1,981,342
Bank balances	**495,192**	955,887
	85,032,008	73,161,787

All the trade debtors at balances sheet date are domestic parties and management expects that overdue receivables will be recovered soon and provision recorded is sufficient in respect of doubtful debt.

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis.

Concentration of credit risk

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

29.3 *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any.

	2024			
	Carrying Amount	Contractual Cash Flows	Contractual Cash Flows	Less than one year
	Rupees			
Financial Liabilities				
Long term loans	-	-	-	-
Short term borrowings	-	-	-	-
Accrued markup	-	-	-	-
Trade and other payables	1,098,121	-	(1,098,121)	(1,098,121)
	1,098,121	-	(1,098,121)	(1,098,121)

	2023			
	Carrying Amount	Contractual Cash Flows	Contractual Cash Flows	Less than one year
	Rupees			
Financial Liabilities				
Long term loans	-	8,161,028	8,161,028	-
Short term borrowings	20,428,737	-	(20,428,737)	(20,428,737)
Accrued markup	1,122,316	-	(1,122,316)	(1,122,316)
Trade and other payables	2,008,884	-	(2,008,884)	(2,008,884)
	23,559,937	8,161,028	(15,398,909)	(23,559,937)

29.4 *Market risk*

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

a) ***Currency risk***

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company believes that it is not exposed to any significant level of currency risk.

b) ***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. Majority of the interest rate exposure arises from long term loans and short term borrowings. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments is:

	2024	*2023*	*2024*	*2023*
	Effective Rate		***Carrying amount***	
	(In percent)		***Rupees***	
Financial liabilities				
Variable rate instrument				
Short term borrowings	-	3M KIBOR 2.5%	-	8,164,329

Cash flow sensitivity analysis for variable rate instruments

A Change of 100 basis points in interest rates at the reporting date would have increased / (decreased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed as under:

	Profit and loss	
	100 bp Decrease	***100 bp Decrease***
As at June 30, 2024		
Cash flow sensitivity - variable rate financial liabilities	-	-
As at June 30, 2023		
Cash flow sensitivity - variable rate financial liabilities	(81,643)	81,643

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss)/profit for the year and assets/liabilities of the Company.

c) ***Price Risk***

Price risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

- Sensitivity analysis

At reporting date, if the market prices of each security held by the Company as short term investment had increased / decreased by Rupee 1 with all other variables remain constant, pre tax profit would have been higher / lower by the amount shown below.

	2024	*2023*
	Rupees	*Rupees*
Effect on profit		
Increase / Decrease	603,547	770,865

30 TRANSACTIONS WITH RELATED PARTIES

Related parties comprises associated companies, directors, key management personnel of member companies and various other related parties that has an interest in the Company that gives it significant influence over the Company. Details of transactions and balances with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2024 Rupees	2023 Rupees
Relation with the Company		
Directors / Sponsors		
- Brokerage commission on transactions		
Adnan Mehboob	**943,916**	5,467,151
Ahrar Ahmed	**-**	3,150
Fasiha Zareen Shaikh	**40**	2,013
Lal Chand	**26,327**	7,013
Sonia Waqar	**-**	1,726
Waqar Ahmed	**-**	33,251
Vishangir	**-**	9,302,239
Zahida Abrar	**12,075**	26,185
	982,358	14,842,728
- Long term loan from directors and sponsors as at June 30,		
Adnan Mehboob		
Long term loan waived waived during the year	**-**	13,946,028

- ***Subordinated loan form Adnan Mehboob***
  Disclosed the details of transactions in the relevant note

- ***Trade debtor / creditor***
  Year end balances are mentioned in relevant notes.

The above transactions are at arm's length basis on commercial terms and conditions.

31 RECLASSIFICATION

Previously reported as	*Note*	*2023 Rupees*	*Reclassified in Financial as*	*Note*
Long term advances	8	1,438,162	Short term loans and advances	12
Advance against salary	11	543,180	Short term loans and advances	12

32 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

Capital risk management

The Company monitors capital using a gearing ratio, which is net debt divided by total capital which is the sum of equity and net debt. Equity comprises of share capital, capital and revenue reserves. Net debt is arrived at by deducting cash and bank balances from borrowings. During the year, the Company's strategy was to maintain leveraged gearing. The gearing ratios worked out as follows: -

	2024 Rupees	2023 Rupees
Total borrowings	-	8,164,329
Cash and bank balances	**(495,192)**	(955,887)
Net debt	**(495,192)**	7,208,442
Total equity	**87,931,917**	70,110,407
Total capital	**87,436,725**	77,318,849
Gearing ratio	**-0.57%**	9.32%

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1	**ASSETS**			
1.1	Property & Equipment	492,091	492,091	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	**Investment in Debt. Securities**			
	If listed than:	-	-	-
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:	-	-	-
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	**Investment in Equity Securities**			
	i. If listed 15% or VaR of each security on the cutoff date as computed by the clearing house for respective security whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirenment, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital)	13,152,719	12,285,407	867,312
	ii. If unlisted, 100% of carrying value.	-	-	-
1.6	**Investment in subsidiaries**			
	100% of net value.	-	-	-
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	**Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.**			
	100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirenments of base minimum capital may be taken in the calculation of LC	500,000	500,000	-
1.9	Margin deposits with exchange and clearing house.	-	-	-
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	123,755	123,755	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. ***(Securities purchased under repo arrangement shall not be included in the investments.)***	-	-	-
1.15	**Advances and receivables other than trade Receiveables;**			
	(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	-	-	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	-	-	-
	(iii) In all other cases 100% of net value	2,987,281	2,987,281	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
1.17	**Receivables from customers**			
	i.) In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. i. Lower of net balance sheet value or value determined through adjustments.	-	-	-
	ii.) Incase receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut	-	-	-
	iii.) Incase receivalbes are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haricut	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	275,301	-	275,301
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. v. Lower of net balance sheet value or value determined through adjustments	45,778,639	17,404,829	13,167,408

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. vi. Lower of net balance sheet value or value determined through adjustments	23,680,988	19,443,567	4,237,421
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietory accounts	335,478	-	335,478
	ii. Bank balance-customer accounts	159,531	-	159,531
	iii. Cash in hand	183	-	183
1.19	**Subscription money against investment in IPO / offer for sale (asset)**			
	(i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker.	-	-	-
	(ii) In case of Investment in IPO where shares have been alloted 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	-	-	-
1.20	**Total Assets**	**89,985,966**	**55,736,930**	**19,042,634**
2	**LIABILITIES**			
2.1	**Trade Payables**	-	-	-
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	154,238	-	154,238
2.2	**Current Liabilities**	-	-	-
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	943,883	-	943,883
	iii. Short-term borrowings	-	-	-
	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	-	-	-
2.3	**Non-Current Liabilities**	-	-	-
	i. Long-Term financing	-	-	-
	ii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	iii. Staff retirement benefits	-	-	-
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nill in all other cases	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2.4	**Subordinated Loans**	-	-	-
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	12,949,000	12,949,000	-
2.5	**Advance against shares for Increase in Capital of Securities broker:**	-	-	-
	100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	**Total Liabilites**	**14,047,121**	**12,949,000**	**1,098,121**

3	**RANKING LIABILITIES RELATING TO:**			
3.1	**Concentration in Margin Financing**			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
3.2	**Concentration in securites lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed.	-	-	-
3.3	**Net underwriting Commitments**			
	(a) in the case of right issue: if the market value of securites is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting.	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
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	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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 cuurency 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 securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securites 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.	-	58,555	58,555
3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR	-	-	-
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	**Short selll positions**			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based	-	-	-
	ii. Incase of proprietory 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 Liabilites**	-	58,555	58,555
		75,938,845	**42,729,375**	**17,885,958**

Calculations Summary of Liquid Capital

(i)	Adjusted value of Assets (serial number 1.20)	**19,042,634**
(ii)	Less: Adjusted value of liabilities (serial number 2.6)	**(1,098,121)**
(iii)	Less: Total ranking liabilities (series number 3.11)	**(58,555)**
		17,885,958

34 CAPITAL ADEQUACY LEVEL

The capital adequacy level of the company is as follows:

	Note	2024 Rupees	2023 Rupees
Total assets		**89,030,038**	79,758,147
Less: Total liabilities		**1,098,121**	(9,647,740)
Less: Revaluation reserves (created upon revaluation of fixed assets)		-	-
Capital adequacy level		**87,931,917**	70,110,407

34.1 While determining the value of total assets of TREC holder, notional value of TRE certificate held by B & B Securities (Private) Limited as at year ended June 30, 2024 as determined by the Pakistan Stock Exchange Limited has been considered.

35 NUMBER OF EMPLOYEES

The number of employees as at the year end were 9 (2023: 9) and the average number of employees were 9 (2023:9).

36 EVENTS AFTER THE FINANCIAL STATEMENTS WERE AUTHORIZED FOR ISSUE

The Company after receiving knowledge of compliance to be made with Circular No. 12 of 2019 has notified SECP for the subordinated loan on October 28, 2024, and earlier issued financial statements dated October 04, 2024 with modification to this effect by Auditors are revised to add this note.

37 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 28, 2024 by the Board of Directors of the Company.

38 GENERAL

Figures have been rearranged and reclassified wherever necessary, for the purpose of comparison and have been rounded off to the nearest Rupee.

Chief Executive

Director