ASDA Securities (Private) Limited

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2024

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Independent Auditors' Report
To the members of ASDA Securities (Private) Limited
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **ASDA Securities (Private) Limited**, ("the Company") which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a 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 except for the matter described in basis for qualified opinion paragraph and to the best of our information and according to the explanations given to us, in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

As stated in note 17, the Company has recorded liability for defined benefit obligation (gratuity) amounting to Rs. 1,680,000 based on the management estimate instead of determining the defined benefit obligation in accordance with requirements of IAS -19 "Employees Benefits" (IAs-19) which requires that the Company shall use the projected unit credit method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. Accordingly, the Company has not complied with the requirements of IAs -19 and in the absence of actuarial valuation of defined benefit obligations in accordance with guidelines of IAS-19, we were unable to determine as to whether adjustments might be needed in the financial statements.

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 qualified opinion.

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 for Director's Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 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 is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

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

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

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of 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, and the relevant requirements of Securities Brokers (Licensing 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 Shaikh Mohammad Tanvir.

Kreston Hyder Bhimji & Co
Chartered Accountants
Karachi:
Dated: October 07, 2024
UDIN: AR202410225rgIXnq0ZF

ASDA Securities (Private) Limited
Statement of Financial Position
As at June 30, 2024

	Note	June 2024 ---Rupees---	June 2023 ---Rupees---
ASSETS			
Non-Current assets			
Property and Equipment	5	11,105,134	7,124,939
Intangible Assets	6	2,500,000	2,500,000
Long Term Investments	7	5,133,454	2,965,461
Long Term Loan to Staff	8	425,500	312,000
Long Term Deposits	9	1,500,000	11,200,000
		20,664,088	24,102,400
Current Assets			
Trade Receivables	10	90,331,882	68,367,722
Loand and advances	11	2,746,000	506,500
Trade Deposits	12	63,522,280	16,387,923
Short term investments	13	426,778,186	232,225,471
Income tax refundable - net of provision		-	3,902,656
Cash at Banks	14	17,042,641	4,966,011
		600,420,989	326,356,283
TOTAL ASSETS		621,085,077	350,458,683
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
15,000,000 ordinary shares of Rs. 10 each		200,000,000	200,000,000
Issued, Subscribed and Paid-up capital	15	174,000,000	174,000,000
Unappropriated profit / Accumulated (loss)		34,544,764	(87,033,395)
Fair value gain /(loss) on remeasurement of investment at fair value through other comprehensive income		1,341,406	(2,689,044)
		209,886,170	84,277,561
Loan from director and sponsor - Equity contribution	16	9,000,000	17,500,000
		218,886,170	101,777,561
NON - CURRENT LIABILITIES			
Deferred Liabilities	17	1,680,000	-
CURRENT LIABILITIES			
Trade and other payables	18	130,496,278	39,518,696
Accrued markup	19	16,562,004	12,467,714
Short term borrowings -secured	20	245,627,066	196,694,712
Provision for taxation		7,833,559	-
		400,518,907	248,681,122
Contingencies and commitments	21	-	-
		621,085,077	350,458,683

The annexed notes 1 to 39 form an integral part of these financial statements

Chief Executive

Director

ASDA Securities (Private) Limited
Statement of Profit or Loss
and other comprehensive income
For The Year Ended June 30, 2024

	Note	June 2024	June 2023
		---------------Rupees---------------	
			Restated
Operating Revenues - net	22	75,146,257	42,999,372
Unrealized loss on remeasurement of investment in listed shares	13.1	(16,162,341)	(23,709,798)
Realized gain on sale of short term investments		207,286,183	25,019,489
		266,270,099	44,309,063
Administrative and Operating Expenses	23	(58,595,468)	(30,249,735)
Other Expenses - Workers welfare fund		(2,831,282)	-
Finance Cost	24	(66,110,548)	(42,896,057)
		(127,537,298)	(73,145,792)
		138,732,801	(28,836,729)
Other Income	25	-	18,824,669
Profit / (Loss) before levies and taxation		138,732,801	(10,012,060)
Levies	26	(4,218,569)	(5,997,455)
Profit / (Loss) before taxation		134,514,231	(16,009,515)
Provision for taxation	27	(12,936,073)	6,407,890
Profit / (Loss) after taxation		121,578,159	(9,601,625)
Other Comprehensive Income			
Items not re-classifiable to statement of profit or loss			
Gain / (Loss) on remeasurement of investment classified as Investment at fair value through other comprehensive income		4,030,450	(2,108,350)
Total Comprehensive income for the year		125,608,609	(11,709,975)

The annexed notes 1 to 39 form an integral part of these financial statements

Chief Executive

Director

ASDA Securities (Private) Limited
Statement of Changes in Equity
For The Year Ended June 30, 2024

	Issued, Subscribed and Paid up Capital	Un-appropriated Profit / (Accumulated Loss)	Fair value gain / (loss) on investment at fair value through comprehensive income	Sub Total	Loan from director & sponsor - Equity Contribution	Total
			--------Rupees--------			
Balance as at July 01, 2022	140,000,000	(77,431,770)	(580,694)	(78,012,464)	49,300,000	111,287,536
Right shares issued during the year	34,000,000	-	-	-	-	34,000,000
Loan repaid during the year	-			-	(31,800,000)	(31,800,000)
Loss after tax for the year	-	(9,601,625)	-	(9,601,625)	-	(9,601,625)
Other Comprehensive loss	-	-	(2,108,350)	(2,108,350)	-	(2,108,350)
Total Comprehensive income for the year	-	(9,601,625)	(2,108,350)	(11,709,975)	-	(11,709,975)
Balance as at June 30, 2023	174,000,000	(87,033,395)	(2,689,044)	(89,722,439)	17,500,000	101,777,561
Balance as at July 01, 2023	174,000,000	(87,033,395)	(2,689,044)	(89,722,439)	17,500,000	101,777,561
Loan repaid during the year	-			-	(8,500,000)	(8,500,000)
Profit after tax for the year	-	121,578,159	-	121,578,159	-	121,578,159
Other Comprehensive income	-	-	4,030,450	4,030,450	-	4,030,450
Total Comprehensive income for the year	-	121,578,159	4,030,450	125,608,609	-	125,608,609
Balance as at June 30, 2024	**174,000,000**	**34,544,764**	**1,341,406**	**35,886,170**	**9,000,000**	**218,886,170**

The annexed notes 1 to 39 form an integral part of these financial statements

Chief Executive

Director

ASDA Securities (Private) Limited
Statement of Cash Flows
For The Year Ended June 30, 2024

	Note	2024	2023
		---------------Rupees--------------	
Cash flows From Operating activities			
Cash flow from operations	28	**243,155,060**	(15,805,257)
Finance cost paid		**(62,016,258)**	(38,648,624)
Net changes in long term loan to employees		**(113,500)**	93,500
Decrease in long term deposits		**9,700,000**	-
Levies and income tax Paid		**(5,418,427)**	(3,579,084)
Net Cash (used in)/generated from operating activities		185,306,875	(57,939,465)
Cash flows From Investing Activities			
Additions to property , plant and equipment		**(4,810,000)**	-
Short term Investments - net		**(208,852,599)**	67,094,865
Net Cash (used in)/generated from investing activities		**(213,662,599)**	67,094,865
Cash flows From Financing Activities			
Shares issued during the year		-	34,000,000
Repayment of loan from director & sponsor - Equity contribution		**(8,500,000)**	(31,800,000)
Net Cash generated from financing activities		**(8,500,000)**	2,200,000
Net (decrease) / increase in cash and cash equivalents		**(36,855,724)**	11,355,400
Cash and cash equivalent at beginning		**(191,728,701)**	(203,084,101)
Cash and cash equivalent at end	29	**(228,584,425)**	(191,728,701)

The annexed notes 1 to 39 form an integral part of these financial statements

6.1.8.4

Chief Executive

Director

ASDA Securities (Private) Limited
Notes to the Financial Statements
For The Year Ended June 30, 2024

1 The Company and its operation

The company was incorporated under the then Companies Ordinance, 1984 (now Companies Act, 2017) on 24th November, 2006 as a Private Limited Company. The company is principally engaged in the business of securities brokerage. The registered office of the company is situated at Office No # 406 - 408, 4th Floor, Stock Exchange New Building, Pakistan Stock Exchange, Road Tower, Karachi.

2 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 (IFRSs) 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 of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 BASIS OF PREPARATION

3.1 Basis of measurement

These financial statements comprise of statement of financial position, Statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows together with explanatory notes forming part thereof and have been prepared under the 'historical cost convention' except as has been specifically stated below in respective notes.

3.2 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 the nearest rupee.

3.3 Critical Accounting estimates and judgments:

The preparation of financial statements requires management to make judgments, estimates and assumption that have an effect on the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on the historical experience and various factors that are believe to be reasonable under the circumstances. the result of which the basis of making judgment about the carrying amount of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimates are 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.

(a) Determining the residual values and useful lives of property and equipment (note 4.1);
(b) Intangible assets (note 4.2).
(c) Fair value determination and classification of Investments. (note 4.3)
(d) Recognition of taxation and deferred taxation (note 4.12) and
(e) Impairment of financial assets (note 4.7);

3.4 STANDARDS, AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

a) New amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2024

There were certain new amendments to the approved accounting standards and a new interpretation issued by the International Financial Reporting Interpretations Committee (IFRIC) which became effective during the year but are considered not to be relevant or have any significant effect on the Company's operations, therefore, not disclosed in these financial statements.

CAPACO

IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes

During the year, the Institute of Chartered Accountants of Pakistan ('ICAP') has withdrawn Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" vide its circular No. 07/2024 dated May 15, 2024 ('the Guidance'). According to the Guidance, the minimum taxes and the final taxes that are not calculated on the 'taxable profit' as defined in IAS 12 but calculated on turnover or other basis in excess of normal tax liability, and the tax deducted at source other than from dividends from subsidiaries, joint ventures and associates under final tax regime, are out of scope of IAS 12 "Income Taxes" and fall in the ambit of IFRIC 21 "Levies" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Accordingly, the Company has changed its accounting policy to recognize such taxes as 'Levies' which were previously being recognized as 'Income Tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". However, there has been no effect of restatement on the statement of financial position and the statement of changes in equity as a result of this change.

	Before change in accounting policy	Impact of adjustment	After Change in accounting policy
Effect on statement of profit or loss			
For the year ended June 30, 2024			
Levies	**-**	**(4,218,569)**	**(4,218,569)**
Profit before income tax	**138,732,801**	**(4,218,569)**	**134,514,231**
Income tax	**(17,154,642)**	**4,218,569**	**(12,936,073)**
For the year ended June 30, 2023			
Levies	-	(5,997,455)	(5,997,455)
Profit before income tax	(10,012,060)	(5,997,455)	(16,009,515)
Income tax	410,435	5,997,455	6,407,890

b) New accounting standards and IFRS interpretations that are not yet effective

The following Standards, interpretations and amendments to published approved accounting standards that are effective for accounting periods, beginning on or after the date mentioned against each of them.

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Property, plant and equipment

Initial recognition

These are stated at cost less accumulated depreciation and capital work-in-progress which are stated at cost.

Depreciation

Depreciation is charged on reducing balance method at rates specified in the respective note. Depreciation on addition is charged from the month of the asset is available for use upto the month prior to disposal.

Subsequent cost

Subsequent costs (including those on account of major repairs) are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future additional economic benefits associated with such additional cost will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance incurred are taken to statement of profit or loss.

Impairment

The carrying amounts of the Company's assets are reviewed at each financial period end whether there is any indication of impairment. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their respective estimated recoverable amounts. Where estimated carrying amounts exceed the respective recoverable amounts, the estimated carrying amounts are appropriately adjusted with impairment loss recognized in statement of profit or loss for the year. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Fair value means the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount of the relevant assets. These are included in profit or loss.

4.2 Intangible assets

a) Trading Right Entitlement Certificate (TREC)

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

b) Computer Software

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

Costs directly associated with identifiable software that will have probable economic benefits exceeding, beyond one year, are recognized as an intangible asset.

These are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized on straight line basis over its estimated useful life (s). Amortization on additions during the financial year is charged from month in which the asset is intended to use, whereas no amortization is charged from the month the asset is disposed off.

4.3 Financial instruments

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

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place. However, the Company follows trade date accounting for its own (the house) investments. Trade date is the date on which the Company commits to purchase or sell its asset.

The Company classifies its financial assets into following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- At amortized cost.

Initial measurement of financial asset

Investment at FVOCI

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

KPACO

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms.

Investment at FVTPL

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

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

Financial assets measured at amortized cost: These assets are subsequently measured at amortized cost using the effective interest rate 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.

Non-derivative financial assets

All non-derivative financial assets are initially recognized on the date of transaction i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognizes the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

4.4 **Financial liabilities**

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

4.5 Employees' post employment benefits

Defined benefit plan

The Company operates an unfunded defined gratuity scheme under the law, for its employees who attain the minimum qualification period. The obligation is determined through liability method. The Company could not get the actuarial valuation due paucity to time as the Company has been classified "Public Interest Entity" w.e.f June 24, 2024. Actuarial valuation will be carried out from next year. Due to time constraints the management has used reasonable estimates based on available data to approximate the obligation.

4.6 Impairment of assets

Financial assets

The Company recognizes loss allowances for Expected Credit Losses (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.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and 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 expect 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.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are Companied together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Companies of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or

4.7 Trade receivables

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

4.8 Trade and other payables

Liabilities for trade and other amount payables are carried at cost which is the fair value of the consideration to be paid in future for good and services.

4.10 Revenue Recognition

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

Consultancy fees and other income are recognized as and when services are provided and invoiced. Dividend income is recognized when the right to receive is established

Gain/(Loss) arising on sale of investment through profit or loss is included in the statement of profit and loss in the period in which it arises.

Income from cash exposure margin , web access fees, IPOs/SPOs and profit on debt is accrued.

4.11 Provisions

A provision is recognized in the financial statements when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.12 Income tax

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, or minimum tax and alternate corporate tax under section 113 & 113 (C) of the Income Tax Ordinance, 2001, respectively, whichever is higher. The charge for current tax also super tax and includes adjustments, where considered necessary, to provision for taxation made in previous periods arising from assessments framed during the period for such years.

Deferred tax

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

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

Levies

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

4.13 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents consist of cash in hand and balances with banks and short term running finance from banks.

4.14 Offsetting of financial assets and liabilities

All financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

4.15 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors view the Company's operations as one reportable segment.

4.16 Contingent liabilities

Contingent liability is disclosed when

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company;

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.17 Dividend and appropriation to reserve

Liability for dividend and appropriation to reserve are recognized in the financial statements in the period in which these are approved.

5 Property and Equipment

	2024				
	Furniture and fittings	Computers	Vehicles	Office at KSE Building	Total
			----------Rupees----------		
Net Carrying value basis - June 30, 2024					
Opening net book value	137,393	8,458	2,842,000	4,137,088	**7,124,939**
Additions (at Cost)	-	-	4,810,000	-	**4,810,000**
Depreciation charge	(13,739)	(2,537)	(606,675)	(206,854)	**(829,805)**
Closing net book value	123,654	5,921	7,045,325	3,930,234	**11,105,134**
Gross Carrying value basis - June 30, 2024					
Cost	437,824	427,740	8,526,675	5,700,000	**15,092,239**
Accumulated depreciation	(314,170)	(421,819)	(1,481,350)	(1,769,766)	**(3,987,105)**
Net book value	**123,654**	**5,921**	**7,045,325**	**3,930,234**	**11,105,134**

	2023				
	Furniture and fittings	Computers	Vehicles	Office at KSE Building	Total
			----------Rupees----------		
Net Carrying value basis - June 30, 2023					
Opening net book value	152,659.00	12,083	3,343,529	4,354,829	7,863,100
Depreciation charge	(15,266)	(3,625)	(501,529)	(217,741)	(738,161)
Closing net book value	137,393	8,458	2,842,000	4,137,088	7,124,939
Gross Carrying value basis - June 30, 2023					
Cost	437,824	427,740	3,716,675	5,700,000	10,282,239
Accumulated depreciation	(300,431)	(419,282)	(874,675)	(1,562,912)	(3,157,300)
Net book value	137,393	8,458	2,842,000	4,137,088	7,124,939
Depreciation rates	**10%**	**30%**	**15%**	**5%**	

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

6 INTANGIBLE ASSETS

	Note	2024	2023
Pakistan Stock Exchange Limited TREC		**10,426,000**	10,426,000
Impairment loss		**(7,926,000)**	(7,926,000)
Trading Right Entitlement Certificate (TREC)		**2,500,000**	2,500,000

6.1 The Company has recorded the value of membership in the PSX at Rs.10.426 Million as Intangibles. Fair value of the TREC has been re-evaluated and impairment loss has been provided for.

7 LONG TERM INVESTMENTS

Fair Value through other comprehensive income

	Note	2024	2023
400,738 (2023: 400,738) Ordinary shares of Rs. 10 each of Pakistan Stock Exchange Limited - Listed at PSX		**2,965,461**	4,099,550
Less: Remeasurement gain / (loss) for the year		**2,167,993**	(1,134,089)
		5,133,454	2,965,461

8 LONG TERM LOAN TO STAFF - Interest free, unsecured

	Note	2024	2023
To employees other then CEO, Directors and Exectives		1,271,500	818,500
Amount due in twelve months shown under current assets		(846,000)	(506,500)
	8.1	425,500	312,000

8.1 The above loans are given under the terms of employment.

8.2 Interest free long term loans have been carried out at cost as the effect of carrying these balances at amortised cost is insignificant.

9 LONG TERM DEPOSITS

	Note	2024	2023
Deposit with CDC Pakistan Ltd		**100,000**	100,000
Deposit with National Clearing Company of Pak Ltd		**1,400,000**	1,400,000
Base Minimum Capital Requirement PSX		**-**	9,700,000
		1,500,000	11,200,000

10 TRADE RECEIVABLES

Unsecured, Considered Good

	Note	2024	2023
Brokerage		**90,331,882**	68,367,722
Considered Doubtful	10.4	**-**	99,001
Less: Expected credit loss		**-**	(99,001)
		-	-
	10.3	**90,331,882**	68,367,722

10.1 The maximum aggregate month end balance due from related parties during the year was Rs.87.510 million (2023: Rs.23.327 million).

10.2 Aging analysis of the amounts due from related parties is as follows

2024				
Party Name	**0 to 30 Days**	31 to 180 days	**More than 181 days**	**Total as at June 2024**
Najma Aftab - Sponsor	9,578,684	-	-	9,578,684
Aftab Sattar - Chief Executive	32,064,026			32,064,026
Shumail Ahmed - Director	21,149,495	-	-	21,149,495

2023				
Party Name	**0 to 30 Days**	31 to 180 days	**More than 181 days**	**Total as at June 2023**
Shumail Ahmed - Director	331,817	-	-	331,817

		Note	2024	2023
			-----------Rupees-----------	
10.3	Aging analysis of amount due from customers			
	Not exceeding 5 days from trade date		**10,227,541**	49,272,114
	Exceeding 5 days but not exceeding 14 days		**3,883,485**	1,381,423
			14,111,026	50,653,537
10.4	**Expected credit loss**			
	Opening Balance		**99,001**	99,001
	Write off during the year		**(99,001)**	-
			-	99,001
	Exceeding 14 days against which listed securities held		**13,428,651**	17,714,185
	Value after Hair cut applied on the basis of VAR		**13,142,397**	17,541,510
11	**LOANS AND ADVANCES-Considered good, Unsecured**			
	Current Portion of Long term loan to staff		**846,000**	506,500
	Advance against for purchase of vehicle		**1,900,000**	-
			2,746,000	506,500
12	**TRADE DEPOSITS**			
	With NCCPL			
	Ready Exposure Margin		**28,080,000**	11,180,000
	MTS Losses / Exposure Margin		**21,702,589**	1,437,235
	Future Losses / Exposure Margin		**11,373,673**	3,369,698
	Future (Balance retained against future contract)		**2,342,158**	400,990
	GEM Losses / Exposure Margin		**23,860**	-
			63,522,280	16,387,923
13	**SHORT TERM INVESTMENTS**			
	At fair value through profit or loss			
	In Listed Companies	13.1	**422,368,190**	229,677,932
	Fair value through other comprehensive income			
	344,262 (2023: 344,262) Ordinary Shares			
	Pakistan Stock Exchange Limited - Listed at PSX		**2,547,539**	3,521,800
	Remeasurement gain / (loss) for the year		**1,862,457**	(974,261)
	Pakistan Stock Exchange Limited - Listed at PSX		**4,409,996**	2,547,539
			426,778,186	232,225,471
13.1	**In Listed Shares**			
	Cost of Investments including held under MTS		**438,530,531**	253,387,730
	Unrealized loss on remeasurement of investment for the year		**(16,162,341)**	(23,709,798)
	Net Carrying Values being market values		**422,368,190**	229,677,932
	Value of shares held in CDC - house		**303,677,492**	196,019,759
	Value of shares held in CDC - Clients		**463,183,424**	276,326,967
	Value of shares under pledge - House		**242,419,774**	162,467,927
	Value of shares under pledge - Sponsors / Family members		**11,125,750**	2,018,000

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

14 CASH AT BANKS

		2024	2023
Client's current accounts balances			
Js Bank Ltd (Client A/c)		**16,250,853**	4,172,707
Meezan Bank Ltd (Client A/c)		**767,385**	768,063
		17,018,238	4,940,770
House current accounts balances			
MCB Bank Ltd		**17,431**	17,431
Summit Bank Ltd		**-**	500
Meezan Bank Ltd		**6,972**	7,311
		24,403	25,242
		17,042,641	4,966,011

15 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024	2023		2024	2023
7,900,000	4,500,000	Allotted for consideration paid in cash	**79,000,000**	45,000,000
9,500,000	9,500,000	Allotted for consideration other than cash, (Conversion of KSE membership at the time of conversion into Company)	**95,000,000**	95,000,000
17,400,000	14,000,000		**174,000,000**	**140,000,000**

15.1 Pattern of shareholding

Name of share holders	**2024**	**2023**	**2024**	**2023**
	% of Holding		**No of shares**	
1. Mr. Aftab Sattar	61%	61%	10,629,000	10,629,000
2. Mrs. Najma Aftab	30%	30%	5,170,000	5,170,000
3. Mr. Abdul Jabbar	4%	4%	700,000	700,000
4. Mrs. Mumtaz	5%	5%	900,500	900,500
5. Others less than 5 %	0.00%	0.00%	500	500
	100%	100%	17,400,000	17,400,000

15.2 All ordinary shares rank equally with regards to the Company's residual assets. Holders of these shares are entitled to equal rights with respect to voting and distributions declared from time to time.

15.3 Previous year, the Company has issued 3,400,000 right shares at face value of Rs. 10 per share.

16 LOAN FROM DIRECTOR & SPONSOR - EQUITY CONTRIBUTION

	2024	2023
Loan From Director & Sponsor - Unsecured, interest free	**9,000,000**	17,500,000

This loan is repayable at the discretion of the company, hence in accordance with TR-32 issued by Institute of Chartered Accountants of Pakistan (ICAP), the loan has been classified as equity contribution as per Selected Opinion of ICAP. The movement is as follows:

	2024	2023
Opening balance	17,500,000	49,300,000
(Repaid) / received during the year	(8,500,000)	(31,800,000)
Closing balance	9,000,000	17,500,000

17 DEFERRED LIABILITIES

	Note	2024	2023
Deferred taxation	17.1	-	-
Defined benefit plan	17.2	**1,680,000**	-
		1,680,000	-

bapto

		Note	2024	2023
			-----------Rupees-----------	
17.1	**Deferred taxation**			
	Taxable temporary difference arising due to:			
	tax depreciation allowances		**538,013**	355,392
	Deductible temporary difference arising due to:			
	Retirement benefits		**(487,200)**	
	Remeasurement loss on investments - net		**(16,449,054)**	(44,136,787)
			(16,398,241)	(43,781,395)
	Deferred tax assets not recognized		**16,398,241**	43,781,395
			-	-
17.1	**Defined benefit plan**			
	Charge for the year		**1,680,000**	-
	Closing balance		**1,680,000**	-
18	**TRADE AND OTHER PAYABLES**			
	Creditors for sale of shares on behalf of clients	18.1	**17,018,238**	4,940,770
	MTS unreleased payable		**107,293,899**	32,171,017
			124,312,137	37,111,787
	Traders share in commission payable		**1,199,933**	141,477
	Accrued Expenses		**1,752,881**	1,950,273
	Provision for workers welfare fund		**2,831,282**	-
	Other Liabilities	18.2	**400,046**	315,159
			130,496,278	39,518,696

18.1 This includes an amount of Rs. 181,630/- (2023: Rs.12,167) payable to chief executive / director, director and a related party.

18.2	**Other Liabilities**			
	Withholding tax		**10,439**	2,222
	Sindh sales tax on commission		**389,607**	312,936
			400,046	315,158
19	**ACCRUED MARKUP**			
	Accrued mark-up on running finance - secured		**16,562,004**	12,467,714
20	**SHORT TERM BORROWINGS -Secured**			
	Secured, Markup Bearing			
	Running finances from bank	20.1	**245,627,066**	196,694,712
			245,627,066	196,694,712

20.1 The facilities for running finance available from a commercial bank aggregated to Rs. 500 Million (2023: Rs. 500 Million) and carry mark-up at the rate 3 M Kibor + 200 points spread per annum calculated on a daily product basis chargeable and payable quarterly. These arrangements are secured against pledge/hypothecation of marketable securities, movable assets, and collaterally secured by equitable mortgage of property owned by sponsors and personal guarantee of all the directors. The unutilized facility at year end was Rs. 254.4 million (2023: Rs. 303.306 million).

Value under pledge with lending banks - House Account	**158,240,654**	129,062,658
Value under pledge with lending banks - Sponsors	**2,106,555**	-
Value under pledge with lending banks - Clients	**134,275,761**	128,765,883

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

The Company has furnished as exposure to National Clearing Company of Pakistan Limited bank guarantee issued by JS Bank Limited for Rs. 25 million which is secured by equitable mortgage of Company's Offices and Chief Executive's property and personal guarantee of two director/sponsors.

21.2 Commitments

There were commitments at the year end.

		Note	2024	2023
			-----------Rupees-----------	
22	**OPERATING REVENUES - NET**			
	Brokerage Revenue - Securities		**53,898,825**	25,848,216
	Income From Exposure Deposits NCCPL - MTS		**2,002,621**	159,782
	Income From Exposure Deposits NCCPL - RMS		**2,366,491**	612,011
	Commission income		**1,312,896**	253,293
	Income From New script Commission (IPO)		**181,611**	-
	Profit in Cash Margin - BMC		**455,860**	1,320,995
			60,218,305	28,194,296
	Less: Tradee's shares in brokerage		**(9,118,993)**	(3,148,392)
			51,099,312	25,045,904
	Dividend Income		**24,046,945**	17,953,468
			75,146,257	42,999,372
22.1	**Brokerage revenue:**			
	From Proprietary trades		**29,067,531**	14,238,803
	From Retail customers		**24,311,604**	11,276,743
	From Institutional customers		**519,691**	332,670
			53,898,825	25,848,216
23	**ADMINISTRATIVE AND OPERATING EXPENSES**			
	Salaries and benefits		**25,462,000**	19,142,000
	Fees, subscription and charges		**9,529,549**	4,293,641
	Communication and Conveyance		**1,115,578**	329,351
	KSE IT and KATS		**857,578**	559,278
	Utilities		**1,193,690**	828,636
	Office repairs and maintenance		**3,748,428**	17,800
	Software Maintenance		**932,363**	910,016
	General Expenses		**5,503,679**	1,820,363
	Printing and stationery / Courier Service		**561,418**	33,650
	Computer Expenses		**534,698**	-
	Insurance		**135,960**	132,179
	Entertainment		**1,616,259**	686,860
	Donation / Zakat	23.1	**2,425,000**	350,000
	Depreciation		**829,805**	738,161
	Traveling Expenses		**3,566,000**	-
	Auditors' Remuneration	23.2	**583,463**	407,800
			58,595,468	30,249,735

23.1 None of the directors or their spouses had any interest in donee's fund and none of the other beneficiary received amount exceeding Rs 500,000.

	Note	2024	2023
		-----------Rupees-----------	
			Restated
23.2 Auditors' Remuneration			
Audit fees and sindh service tax thereon		**386,863**	307,800
Other Certifications fees and sales tax thereon		**196,600**	100,000
		583,463	407,800
24 FINANCE COST			
Mark-up on short term running finances		**65,188,317**	42,896,057
Mark-up on short term Investments under MTS		**922,231**	-
		66,110,548	42,896,057
25 OTHER INCOME			
Reversal of expected credit loss		**-**	18,824,669
		-	18,824,669
26 LEVIES			
Final tax and minimum tax		**4,218,569**	5,997,455

This represent final tax and minimum tax under Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.

	Note	2024	2023
27 TAXATION			
Current - for the year		**12,936,073**	-
Prior year reversal		**-**	(6,407,890)
Deferred	27.2	**-**	-
	27.1	**12,936,073**	(6,407,890)
27.1 Relationship between levies and taxation and profit before income tax :			
Levies		**4,218,569**	5,997,455
Taxation		**12,936,073**	(6,407,890)
Total		**17,154,642**	(410,435)
Profit /(loss) before Levies and income tax		**138,732,801**	(10,012,060)
Income tax rate		**29%**	29%
Income tax on profit before income tax		**40,232,512**	(2,903,497)
Tax effect of:			
income assessed under final tax regime		**(32,386,638)**	(2,420,705)
Super tax		**6,939,994**	-
Prior year		**-**	6,407,890
others		**3,497,196**	(1,494,123)
Levies and income tax		**18,283,064**	(410,435)

27.2 In view of deductible temporary differences, net deferred tax asset amounting to Rs.16.398 million has not been recognized in view of remote possibility of realization. See note 17.1.

	Note	2024	2023
		-----------Rupees-----------	
28 CASH FLOW FROM OPERATION ACTIVITIES			
Profit / (Loss) before taxation		**138,732,801**	(10,012,060)
Adjustments for non -cash charges and other items			
Depreciation	5	**829,805**	738,161
Unrealized loss on remeasurement of shares	13.1	**16,162,341**	23,709,798
Provision for retirement benefit	17.2	**1,680,000**	-
Finance cost	24	**66,110,548**	42,896,057
		84,782,694	67,344,016
Operating profit before working capital changes		**223,515,495**	57,331,956
Changes in working capital			
Trade debts		**(21,964,160)**	(59,729,619)
Loans and advances		**(2,239,500)**	(70,000)
Trade Deposits		**(47,134,357)**	(1,587,903)
		(71,338,017)	(61,387,522)
Increase /(Decrease) in Current liabilities			
Trade and other payables		**90,977,582**	(11,749,690)
		243,155,060	(15,805,257)
29 CASH AND CASH EQUIVALENTS			
Cash and bank balances	14	**17,042,641**	4,966,011
Short term running finances	20	**(245,627,066)**	(196,694,712)
		(228,584,425)	(191,728,701)

30 FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets and Liabilities of the company, interest and non interest bearing, along with their maturities are as follows:

	2024						
	Markup / Interest Bearing			Non Markup / Interest Bearing			Total
	Maturity Upto One Year	Maturity after One Year	Sub Total	Maturity Upto One Year	Maturity after One Year	Sub Total	
FINANCIAL ASSETS							
Long Term deposits	-	-	-	-	1,500,000	**1,500,000**	**1,500,000**
Trade Receivables	-	-	-	90,331,882	-	**90,331,882**	**90,331,882**
Investments	-	-	-	426,778,186	5,133,454	**431,911,640**	**431,911,640**
Loans and advances	-	-	-	846,000	425,500	**1,271,500**	**1,271,500**
Trade deposits	61,156,262	-	**61,156,262**	2,366,018	-	**2,366,018**	**63,522,280**
Cash at banks	-	-	-	17,042,641	-	**17,042,641**	**17,042,641**
	61,156,262	-	**61,156,262**	537,364,727	7,058,954	**544,423,681**	**605,579,943**
FINANCIAL LIABILITIES							
Trade and other payables	-	-	-	130,496,278	-	**130,496,278**	**130,496,278**
Short-term borrowing	245,627,066	-	**245,627,066**	-	-	-	**245,627,066**
Accrued Markup	-	-	-	16,562,004	-	**16,562,004**	**16,562,004**
	245,627,066	-	**245,627,066**	147,058,282	-	**147,058,282**	**392,685,348**

	2023						
	Markup / Interest Bearing			Non Markup / Interest Bearing			Total
	Maturity Upto One Year	Maturity after One Year	Sub Total	Maturity Upto One Year	Maturity after One Year	Sub Total	
FINANCIAL ASSETS							
Long Term deposits	-	-	-	-	11,200,000	11,200,000	11,200,000
Trade Receivables	-	-	-	68,367,722	-	68,367,722	68,367,722
Investments				232,225,471	2,965,461	235,190,932	235,190,932
Loans and advances	-	-	-	506,500	312,000	818,500	818,500
Trade deposits	15,986,933	-	15,986,933	400,990	-	400,990	16,387,923
Cash at banks	-	-	-	4,966,011	-	4,966,011	4,966,011
	15,986,933	-	15,986,933	306,466,694	14,477,461	320,944,155	336,931,088
FINANCIAL LIABILITIES							
Trade and other payables		-	-	39,518,696	-	39,518,696	39,518,696
Short-term borrowing	196,694,712	-	196,694,712	-	-	-	196,694,712
Accrued Markup	-	-	-	12,467,714	-	12,467,714	12,467,714
	196,694,712	-	196,694,712	51,986,410	-	51,986,410	248,681,122

The effective interest/markup rates for the financial assets and liabilities are mentioned in respective notes to the financial statements.

bl-12a

31 FINANCIAL INSTRUMENTS

31.1 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company's activities expose it to a certain financial risks:

- Credit risk
- Liquidity risk
- Market risk (including currency risk, interest rate risk and other price risk)

The Company's overall risk management programs focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board) under policies approved by the board. The Board provides formal principles for overall risk management, as well as significant policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

The information about the company's exposure to each of the above risk, the company's objectives, policies and procedures for measuring and managing risk, and the company's management of capital, is as follows;

a) **Credit risk and concentration of credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk interalia by limiting advances and credit to individual customers based on their credit worthiness, obtaining advance against exposure, obtaining collaterals where considered necessary and making appropriate provision for doubtful receivables.

Exposure to credit Risk

Company's credit risk is mainly attributable to loans and advances, balances with banks and financial institutions, and credit exposure to customers, including trade receivables and committed transactions. The maximum exposure of the company to credit risk is as follows:

	2024	2023
	Rupees	
Investments	**431,911,640**	235,190,932
Long Term deposits	**1,500,000**	11,200,000
Long term loan	**1,271,500**	818,500
Trade Debts	**90,331,882**	68,367,722
Trade deposits	**63,522,280**	16,387,923
Cash at banks	**17,042,641**	4,966,011
	605,579,943	336,931,088

Investments

Investments mainly represents shareholding in listed securities which are actively traded in the market and realizable amounts are worked out, while for the differential re-measurement differences are instantly recorded.

KHBD

Loans and advances

These loans and advances are essentially due from employees and are usually adjustable against their salaries. The Company regularly pursues for the recovery of the these and the Company does not expect these employees will fail to meet their obligations. Hence the company believes that no impairment allowance is necessary in respect of loans.

Trade Debts

Trade receivables are against client shareholding in listed securities which are actively traded in the market and realizable amounts are worked out, while for the differential margin are made and recovered.

Trade Deposits

These are given to PSX/NCCPL which are prime regulator and enjoys sound creditability.

Bank balances

The company maintains balances with banks that have good and stable credit rating. Given these credit ratings, management does not expect that any counter party will fail to meet their obligations.

b) Liquidity risk

Liquidity risk represent the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities when they fall due. Contractual maturities of financial liabilities, including interest payments excluding the impact of netting arrangements, are shown in the Note 30.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The management forecasts liquidity risks on the basis of expected cash flow considering the level of liquid assets necessary to meet such risk. This involves monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company's approach to manage 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 stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. Market risk comprises of three types of risks: Foreign Exchange / Currency risk, interest rate risk and other price risk.

Foreign exchange / Currency risk

Foreign exchange risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arise mainly from future economic transactions or receivables and payables that exist due to transaction in foreign exchange. The Company is not exposed to the risk.

Interest / Markup rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to change in the mark-up rates. The exposure to interest rate risk is mainly arises in respect of variable markup bearing long term and short borrowings from banks. The Company's net exposure to markup risk is as follows;

	2024	2023
	Rupees	
Short term borrowings	245,627,066	196,694,712
	245,627,066	196,694,712

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 profit for the year by Rs. 2,456,271 (2023: Rs. 1,9666,947). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

d) **Other price risk**

Price risk represents 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 interest or currency rate risk), whether those changes are caused by factors specified to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to equity price risk which is managed and mitigated by keeping sufficient exposure from the client's of the brokerage house.

At reporting date if the share price of investment at fair value through profit or loss had strengthened/weakened by 10% with all other variables held constant, pre tax profit for the year would have been higher/lower by the amount shown below.

	2024	2023
	Rupees	
Effect on profit and investment	42,236,819	22,967,793
Effect on other comprehensive income and investment	768,099	648,726

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

31.2 **Fair value of Financial Assets and liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's certain accounting policies and disclosure requires use of fair value measurement and the Company while assessing fair value maximize the use of relevant of observable inputs and minimize the use of unobservable inputs establishing a fair value hierarchy, i.e., input used in fair value measurement is categorized into following three levels;

Level 1: Level 1 inputs are the quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.

Level 2: Level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Level 3 inputs are unobservable inputs for the asset or liability.

As at date of statement of financial position the fair value of all the financial assets and liabilities approximates to their carrying values. The Company investment in listed shares amounting to Rs. 431.916 million in level 1 and does not expect that unobservable inputs may have significant effect on fair values.

32 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's strategy was to maintain gearing. The gearing ratio as at balance sheet date is as follows:

	2024	2023
	Rupees	
Total markup bearing borrowings	**245,627,066**	196,694,712
Cash at bank	**(17,042,641)**	(4,966,011)
Net debt	**228,584,425**	191,728,701
Total equity	**209,886,170**	84,277,561
Total capital	**438,470,595**	276,006,262
Gearing ratio	**52.13%**	69.47%

33 CAPITAL ADEQUACY LEVEL

Total Assets	**621,085,077**	350,458,683
Less: Total Liabilities	**(411,198,907)**	(266,181,122)
Less: Revaluation Reserves - Fixed assets	**-**	-
Capital	**209,886,170**	84,277,561

While determining the value of the total assets of the TREC Holder, Notional value of the TREC certificate held by the ASDAl Securities (Pvt.) Ltd as at June 30, 2024 as determined by Pakistan Stock Exchange has been considered.

Liquid Capital Statement

The Liquid Capital Statement as required under sub rule 6(4) of the Securities Brokers (Licensing & Operation) Regulations, 2016 and schedule III whereof is calculated as follows;

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	11,105,134	11,105,134	-
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 securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	431,911,640	91,315,746	340,595,894
	ii. If unlisted, 100% of carrying value.			
1.6	Investment in subsidiaries			
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.			
	ii. If unlisted, 100% of net value.			
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital October be taken in the calculation of LC	1,500,000	1,500,000	-
1.9	Margin deposits with exchange and clearing house.	61,156,262	-	61,156,262
1.10	Deposit with authorized intermediary against borrowed securities under SLB.			
1.11	Other deposits and prepayments	-	-	-
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			
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;	3,171,500	3,171,500	-
	(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		-	-
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.	2,366,018	2,366,018	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the finance (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***			
	ii. 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 haircut*			
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. *iv. Balance sheet value*	10,227,541		10,227,541
	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***	17,312,136	286,253	17,025,883
	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***	62,792,205	23,986,148	38,806,057
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietary accounts	24,403		24,403
	ii. Bank balance-customer accounts	17,018,238		17,018,238
	iii. Cash in hand			
1.19	**Subscription money against investment in IPO/ offer for sale (asset)**			
	(i)No haircut October be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker. (ii) In case of Investment 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.	-	-	-
1.20	**Total Assets**	**621,085,077**	**136,230,799**	**484,854,278**

2. Liabilities

2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products	107,293,899		107,293,899
	iii. Payable to customers	17,018,238		17,018,238
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	6,184,142	-	6,184,142
	iii. Short-term borrowings	245,627,066	-	245,627,066
	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	7,833,559	-	7,833,559
	viii. Other liabilities as per accounting principles and included in the financial statements	16,562,004	-	16,562,004

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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	1,680,000	-	1,680,000
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases			
2.4	**Subordinated Loans**			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	9,000,000	(9,000,000)	-
2.5	Advance against shares for Increase in Capital of Securities broker: 100% haircut October be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	**Total Liabilities**	**411,198,907**	**(9,000,000)**	**402,198,907**

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 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 finance from			
3.2	**Concentration in securities lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed (Note only amount exceeding by 110% of each borrower from market value of			
3.3	**Net underwriting Commitments**			
	(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the			
	(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			
3.5	**Foreign exchange agreements and foreign currency positions**			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency			
3.6	Amount Payable under REPO			
3.7	**Repo adjustment**			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. **In the case of finance/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.			

btPbt

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts			
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilities**	209,886,170	145,230,799	82,655,371

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	484,854,278
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(402,198,907)
(iii) Less: Total ranking liabilities (series number 3.11)	-
	82,655,371

35 **RELATED PARTY TRANSACTION**

The related parties comprised associate undertakings and sponsors. The Company continues to have a policy whereby all transactions with related parties undertakings are entered into at commercial terms and conditions. Details of transaction with related parties are as follows:

Relationship	Purpose	Note	2024 Amount	2023 Amount
Chief Executive & Sponsor	Loan repaid / received	5	(8,500,000)	(31,800,000)
Sponsors	Shares issued		-	34,000,000
Sponsors	Tradee's shares in brokerage		1,775,146	1,136,364
Chief Executive, Director & Executives	Commission Income		14,282,921	1,580,841

36 **REMUNERATION TO CHIEF EXECUTIVE AND DIRECTORS**

	Chief Executive		Director		Executive	
	2024	2023	2024	2023	2024	2023
Remuneration	3,000,000	3,000,000	3,600,000	3,600,000	2,400,000	5,500,000
Bonus	-	-	-	-	-	-
Tradee's shares in brokerage	636,464	-	-	-	1,138,682	2,717,205
	3,636,464	3,000,000	3,600,000	3,600,000	3,538,682	8,217,205
Number of persons	1	1	2	2	2	4

In addition to above the Chief Executive and Director is allowed company maintained car for business and personnel use.

37 **NO OF EMPLOYEES**

	2024	2023
As on reporting date	9	9
Average during the year	9	9

The Company is in the process of making employees retirement benefit policy. Also refer note 4.5.

38 **DATE OF AUTHORIZATION FOR ISSUE**

The financial statements were authorized for issue by the Board of Directors on October 07, 2024.

39 **GENERAL**

Figures have been rounded off to the nearest rupee.

Chief Executive **Director**