

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

**Opinion**

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

**Basis for Opinion**

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

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

Management is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the financial statements and our auditor's report thereon.

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

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**Reanda Haroon Zakaria Aamir Salman Rizwan & Company**

Chartered Accountants

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

#### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat is deductible at source under the Zakat and Ushr Ordinance, 1980; and

- 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 **Muhammad Farooq**.

*PHASR*

**Reanda Haroon Zakaria Aamir Salman Rizwan & Company**  
**Chartered Accountants**

**Place:** Karachi

**Dated:**

**UDIN:** AR202410127MVhJ8Ima5

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

|  |      | 2024         | 2023         |
|--|------|--------------|--------------|
|  | Note | Rupees       | Rupees       |
| <b><u>ASSETS</u></b>   |      |              |              |
| <b>Non-Current Assets</b>                                    |      |              |              |
| Property and equipment                                       | 4    | 1,684,926    | 1,917,848    |
| Intangible asset   | 5    | 2,500,000    | 2,500,000    |
| Long term deposits   | 6    | 1,500,000    | 1,500,000    |
| Deferred taxation  | 7    | 3,793,952    | 3,120,446    |
|  |      | 9,478,878    | 9,038,294    |
| <b>Current Assets</b>  |      |              |              |
| Trade debts  | 8    | 47,725,718   | 27,799,241   |
| Tax refunds due from Government                              | 10   | 8,516,372    | 9,544,694    |
| Deposits and other receivables                               | 11   | 89,946,224   | 9,346,536    |
| Loan to director   |      | 12,255,388   | -            |
| Short term investment  | 11   | 163,847,162  | 92,914,371   |
| Cash and bank balances                                       | 12   | 12,635,977   | 2,228,545    |
|  |      | 334,926,841  | 141,833,387  |
| <b>Total Assets</b>  |      | 344,405,719  | 150,871,681  |
| <b><u>EQUITY AND LIABILITIES</u></b>                         |      |              |              |
| <b>Share Capital and Reserves</b>                            |      |              |              |
| <b>Authorized Capital</b>                                    |      |              |              |
| 20,000,000 (2023 : 20,000,000) Ordinary shares of Rs.10 each |      | 200,000,000  | 200,000,000  |
| Issued subscribed and paid up capital                        | 13   | 192,104,372  | 192,104,372  |
| Reserves   |      | (32,669,166) | (63,399,123) |
|  |      | 159,435,206  | 128,705,249  |
| <b>Current Liabilities</b>                                   |      |              |              |
| Short term loans   | 14   | 58,035,617   | 1,931,320    |
| Trade and other payables                                     | 15   | 126,934,896  | 20,235,112   |
|  |      | 184,970,513  | 22,166,432   |
| <b>Contingency and Commitment</b>                            | 16   |              |              |
| <b>Total Equities and Liabilities</b>                        |      | 344,405,719  | 150,871,681  |

The annexed notes from 1 to 32 form an integral part of these financial statements.

Chief Executive Officer



Director



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

|  | <i>Note</i> | <i>2024<br/>Rupees</i> | <i>2023<br/>Rupees</i> |
|--|-------------|------------------------|------------------------|
| Operating revenue  | 17          | 13,534,216             | 2,250,571              |
| Gain / (loss) on sale of investments - net               |             | 27,711,737             | (2,249,795)            |
| Loss on remeasurement of investment - net                | 18          | (552,218)              | (18,777,620)           |
|  |             | <u>40,693,735</u>      | <u>(18,776,844)</u>    |
| Operating and administrative expenses                    | 19          | (19,118,226)           | (9,991,609)            |
| <b>Profit / (loss) from operations</b>                   |             | <u>21,575,509</u>      | <u>(28,768,453)</u>    |
| Bank charges   | 20          | (271,989)              | (218,899)              |
| Other income   | 21          | 11,623,787             | 4,646,988              |
|  |             | <u>11,351,798</u>      | <u>4,428,089</u>       |
| <b>Profit / (loss) before income tax and minimum tax</b> |             | <u>32,927,307</u>      | <u>(24,340,364)</u>    |
| Minimum tax  |             | -                      | (28,132)               |
| <b>Profit / (loss) before income tax</b>                 |             | <u>32,927,307</u>      | <u>(24,368,496)</u>    |
| Income tax   | 22          | (2,197,350)            | 308,341                |
| <b>Profit / (loss) after income tax</b>                  |             | <u>30,729,957</u>      | <u>(24,060,155)</u>    |

The annexed notes from 1 to 32 form an integral part of these financial statements.

\_\_\_\_\_  
*Chief Executive Officer*



\_\_\_\_\_  
*Director*



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

|   | <i>2024</i><br><i>Rupees</i> | <i>2023</i><br><i>Rupees</i> |
|---|------------------------------|------------------------------|
| <b>Profit / (loss) for the year</b>   | <b>30,729,957</b>            | <b>(24,060,155)</b>          |
| <b>Other comprehensive income</b>   |                              |                              |
| - Items that will be reclassified subsequently to statement of profit or loss     | -                            | -                            |
| - Items that will not be reclassified subsequently to statement of profit or loss | -                            | -                            |
| <b>Total comprehensive income / (loss) for the year</b>                           | <b><u>30,729,957</u></b>     | <b><u>(24,060,155)</u></b>   |

The annexed notes from 1 to 32 form an integral part of these financial statements.

\_\_\_\_\_  
*Chief Executive Officer*



\_\_\_\_\_  
*Director*



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

| <i>Description</i>                 | <i>Issued,<br/>subscribed &amp;<br/>paid up capital</i> | <i>Reserves<br/>Accumulated<br/>loss</i> | <i>Total</i>       |
|------------------------------------|---|--|--------------------|
|                                    | ----- <i>Rupees</i> -----                               |  |                    |
| <b>Balance as at June 30, 2022</b> | 192,104,372   | (39,338,968)                             | 152,765,404        |
| Loss for the year                  | -   | (24,060,155)                             | (24,060,155)       |
| <b>Balance as at June 30, 2023</b> | 192,104,372   | (63,399,123)                             | 128,705,249        |
| Profit for the year                | -   | <b>30,729,957</b>                        | <b>30,729,957</b>  |
| <b>Balance as at June 30, 2024</b> | <b>192,104,372</b>                                      | <b>(32,669,166)</b>                      | <b>159,435,206</b> |

The annexed notes from 1 to 32 form an integral part of these financial statements.

\_\_\_\_\_  
*Chief Executive Officer*



\_\_\_\_\_  
*Director*



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

|  | <i>2024</i>         | <i>2023</i>         |
|--|---------------------|---------------------|
|  | <i>Rupees</i>       | <i>Rupees</i>       |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                        |                     |                     |
| Profit / (loss) before income tax and minimum tax                    | 32,927,307          | (24,340,364)        |
| <b>Adjustment for non-cash and other items</b>                       |                     |                     |
| Depreciation   | 232,922             | 270,614             |
| Return on exposure deposit   | (9,641,582)         | (4,644,967)         |
| Finance cost   | 271,989             | 218,899             |
| Dividend income  | (1,800,000)         | -                   |
|  | <u>(10,936,671)</u> | <u>(4,155,454)</u>  |
| <b>Operating profit / (loss) before working capital changes</b>      | <b>21,990,636</b>   | <b>(28,495,818)</b> |
| <b>Effect of changes in working capital</b>                          |                     |                     |
| <b>(Increase) / decrease in current assets</b>                       |                     |                     |
| Trade debts  | (19,926,477)        | (19,687,965)        |
| Deposits and other receivables                                       | (80,599,688)        | 23,524,947          |
| <b>Increase / (decrease) in current liabilities</b>                  |                     |                     |
| Trade and other payables   | 106,699,784         | (2,945,218)         |
|  | <u>6,173,619</u>    | <u>891,764</u>      |
| <b>Cash generated from / (used in) operations</b>                    | <b>28,164,255</b>   | <b>(27,604,054)</b> |
| Finance cost paid  | (271,989)           | (218,899)           |
| Taxes paid   | (1,842,534)         | (642,863)           |
| <b>Net cash generated from / (used in) operating activities</b>      | <b>26,049,732</b>   | <b>(28,465,816)</b> |
| <br><b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                    |                     |                     |
| Investment - net   | (70,932,791)        | 26,259,485          |
| Return on exposure deposit   | 9,641,582           | 4,644,967           |
| Dividend received  | 1,800,000           | -                   |
| <b>Net cash (used in) / generated from investing activities</b>      | <b>(59,491,209)</b> | <b>30,904,452</b>   |
| <br><b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                    |                     |                     |
| Short term loan - net  | 56,104,297          | (6,500,000)         |
| Loan to director - net   | (12,255,388)        | -                   |
| <b>Net cash generated from / (used in) financing activities</b>      | <b>43,848,909</b>   | <b>(6,500,000)</b>  |
| <b>Net increase / (decrease) in cash and cash equivalent (A+B+C)</b> | <b>10,407,432</b>   | <b>(4,061,364)</b>  |
| <b>Cash and cash equivalents at beginning of the year</b>            | <b>2,228,545</b>    | <b>6,289,909</b>    |
| <b>Cash and cash equivalents at end of the year</b>                  | <b>12,635,977</b>   | <b>2,228,545</b>    |

The annexed notes from 1 to 32 form an integral part of these financial statements.

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Director

**TANNU SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

Tannu Securities (Private) Limited (the Company) was incorporated in Pakistan on April 16, 2012 as a Private Limited Company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017). The main object of the Company is to carry on the business as brokers in stock shares, securities, commercial papers, debentures etc. The Company is a Trading Right Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited. The registered office and principal place of business is located at 610, Continental Trade Center, Block-8, Clifton, Karachi, Sindh.

**2 BASIS OF PREPARATION**

**2.1 Statement of Compliance**

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

- International Financial reporting standards (IFRS standards), issued by international Accounting standards Board (IASB) as notified under Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

**2.2 Basis of Measurement**

These financial statements have been prepared under the historical cost convention except for investment which are carried at fair value, without any adjustments for the effects of inflation or current values.

**2.3 Functional and presentation currency**

The financial statements are presented in Pak Rupees, which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to the nearest rupee.

**2.4 Use of estimates and judgments**

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

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

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows: -

***Property and equipment***

The Company reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding affect on the depreciation charge and impairment.

***Intangible assets***

The Company reviews the rate of amortisation and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of intangible assets with a corresponding affect on the amortisation charge and impairment.

***Trade debts***

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less loss allowance, if any. The Company measures the loss allowance for trade debts at an amount equal to lifetime expected credit losses (ECL). The expected credit losses on trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

***Income taxes***

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax laws and establish provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

***Deferred taxes***

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

***2.5 Standards, interpretations and amendments to approved accounting standards***

***2.5.1 Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2024***

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

**2.5.2 Standards, interpretations and amendments to the existing standards that are not yet effective and have not been early adopted by the company**

|         |  | <i>Effective date (annual reporting periods beginning on or after)</i> |
|---------|--|--|
| IAS 1   | Presentation of Financial Statements (Amendments regarding the classification of liabilities and debts with covenants) | January 1, 2024  |
| IAS 7   | Statement of Cash Flows (Amendments regarding supplier finance arrangements)   | January 1, 2024  |
| IFRS 16 | Leases (Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions)               | January 1, 2024  |
| IAS 21  | The Effects of changes in Foreign Exchange Rates (Amendments)  | January 1, 2025  |
| IFRS 7  | Financial Instruments (Amendments regarding disclosures)   | January 1, 2026  |
| IFRS 17 | Insurance Contracts  | January 1, 2026  |
| IFRS 9  | Financial Instruments (Amendments regarding the classification and measurement of financial instruments)               | January 1, 2026  |

**3 MATERIAL ACCOUNTING POLICY INFORMATION**

**3.1 Property and equipment**

These are initially measured at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment loss if any.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The depreciation is charged to income applying reducing balance method at the rates specified in relevant note. Depreciation is charged when the asset is put to use till the asset is disposed.

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

Maintenance and normal repairs are charged to income as and when incurred.

Gain or loss on disposal of an asset is charged to profit or loss account.

**3.2 Intangible Assets**

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

Intangible assets having finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company.

An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss account when the asset is derecognised.

### **3.3 Financial instruments**

#### **3.3.1 Initial Recognition**

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or at amortized cost as the case may be.

All Purchases & sales of financial assets that require delivery within the time frame established by regulations or market convention are recognized using settlement date accounting i.e. on the date on which settlement of the transaction takes place.

#### **3.3.2 Classification of financial assets**

The Company classifies its financial instruments in the following categories:

- at amortized cost.
- at fair value through other comprehensive income ("FVTOCI"), or
- at fair value through profit or loss ("FVTPL").

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

##### **Financial assets at amortized cost**

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Financial assets at fair value through OCI**

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

***Financial assets at fair value through profit or loss***

A financial asset is measured at fair value through profit or loss unless it is measured at amortized or at fair value through OCI.

**3.3.3 *Financial liabilities***

The Company classifies its financial liabilities in the following

- at fair value through profit or loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

**3.3.4 *Subsequent measurement***

***Financial assets at FVTOCI***

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in OCI.

***Financial assets and liabilities at amortized cost***

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

***Financial assets and liabilities at FVTPL***

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and comprehensive income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

**3.3.5 *Impairment of financial assets at amortized cost***

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets that are measured at amortized cost. Loss allowances are measured on the basis of life time (ECLs) that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL is only recognized if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the country of customers) on ECLs. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive).

Provision against financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

### **3.3.6 Derecognition**

#### ***Financial assets***

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

#### ***Financial liabilities***

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

### **3.3.7 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

### **3.4 Cash and bank balances**

These include cash in hand and bank balances and are carried at cost.

### **3.5 Trade and other payables**

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for client trade and services received up to the year end, whether or not billed to the Company. Trade payables in respect of securities purchased are recorded at settlement date of transaction.

### **3.6 Taxation**

#### ***Levy***

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.

### ***Current***

Provision for current taxation is based on taxable income at the current rates for taxation after taking into account tax credit and rebates available, if any in accordance with the Provision of Income Ordinance, 2001. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed/ finalized during the year.

### ***Deferred***

Deferred tax is provided in full using the liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred tax liabilities are recognized for taxable temporary differences, while deferred tax assets are recognized for all deductible temporary differences, carry forward of un used tax losses and unused tax credit, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences carry forward of unused tax losses and unused tax credits can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduce to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax relation to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss account.

### **3.7 *Advances and Deposits***

These are stated at amortized cost less estimates made for any doubtful receivables based on a review of all outstanding amounts at the reporting date. Balances considered doubtful and irrecoverable are written off when identified.

### **3.8 *Trade debts***

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

Trade receivables in respect of securities sold on behalf of client are recorded at settlement date of transaction.

### **3.9 *Provisions***

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### **3.10 Revenue**

Brokerage commission, consultancy and other income are recognised as and when such services are provided and performance obligation is satisfied.

Interest income is recognised on a time proportion basis using the effective interest rate of return.

Gain / (loss) on sale of securities are included in profit or loss account on settlement date basis.

### **3.11 Impairment**

#### ***Non-Financial assets***

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit or loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

### **3.12 Related party transactions**

All transactions with related parties are carried out by the Company at arms' length price using the admissible pricing method.

### **3.13 Change in Policy**

During the year, the Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and has issued a Guidance – "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said Guidance requires taxes paid under 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 cash flows as a result of this change

Had there been no change in accounting policy, taxation would have been higher by Rs. 0.028 million and loss before taxation would be lower by Rs. 0.028 million for the previous year June 30, 2023.

#### 4. PROPERTY AND EQUIPMENT

| Particulars                               | Owned            |                |                  |                          | Total            |
|---|------------------|----------------|------------------|--------------------------|------------------|
|   | Office Premises  | Vehicles       | Office Equipment | Computer and Accessories |                  |
| ----- Rupees -----                        |                  |                |                  |                          |                  |
| Opening Book value as at July 1, 2022     | 1,653,520        | 427,573        | 83,087           | 24,282                   | 2,188,462        |
| Depreciation charged                      | (165,352)        | (85,514)       | (12,463)         | (7,285)                  | (270,614)        |
| <b>Net book value as at June 30, 2023</b> | <b>1,488,168</b> | <b>342,059</b> | <b>70,624</b>    | <b>16,997</b>            | <b>1,917,848</b> |
| Opening Book value as at July 1, 2023     | 1,488,168        | 342,059        | 70,624           | 16,997                   | 1,917,848        |
| Depreciation charged                      | (148,817)        | (68,412)       | (10,594)         | (5,099)                  | (232,922)        |
| <b>Net book value as at June 30, 2024</b> | <b>1,339,351</b> | <b>273,647</b> | <b>60,030</b>    | <b>11,898</b>            | <b>1,684,926</b> |
| <b><u>At June 30, 2023</u></b>            |                  |                |                  |                          |                  |
| Cost                                      | 2,922,000        | 1,881,990      | 194,910          | 179,000                  | 5,177,900        |
| Accumulated depreciation                  | (1,433,832)      | (1,539,931)    | (124,286)        | (162,003)                | (3,260,052)      |
| <b>Net Book Value</b>                     | <b>1,488,168</b> | <b>342,059</b> | <b>70,624</b>    | <b>16,997</b>            | <b>1,917,848</b> |
| <b><u>At June 30, 2024</u></b>            |                  |                |                  |                          |                  |
| Cost                                      | 2,922,000        | 1,881,990      | 194,910          | 179,000                  | 5,177,900        |
| Accumulated depreciation                  | (1,582,649)      | (1,608,343)    | (134,879)        | (167,102)                | (3,492,974)      |
| <b>Net Book Value</b>                     | <b>1,339,351</b> | <b>273,647</b> | <b>60,031</b>    | <b>11,898</b>            | <b>1,684,926</b> |
| <b>Rate of depreciation %</b>             | <b>10%</b>       | <b>20%</b>     | <b>15%</b>       | <b>30%</b>               |                  |

2024  
Rupees

2023  
Rupees

#### 5. INTANGIBLE ASSET

Trading Rights Entitlement Certificate (TREC)

**2,500,000**      2,500,000

5.1 This certificate is subject to Hypothecation charge in favor of Pakistan Stock Exchange Limited.

|   | Note | 2024<br>Rupees   | 2023<br>Rupees   |
|---|------|------------------|------------------|
| <b>6 LONG TERM DEPOSITS</b>                           |      |                  |                  |
| National Clearing Company of Pakistan Limited (NCCPL) |      | 1,400,000        | 1,400,000        |
| Central Depository Company Limited (CDC)              |      | 100,000          | 100,000          |
|   |      | <u>1,500,000</u> | <u>1,500,000</u> |

#### 7 DEFERRED TAXATION

This comprises differences relating to:

**Deductible temporary differences on:**

|                                  |  |                    |                    |
|----------------------------------|--|--------------------|--------------------|
| Tax losses                       |  | 4,572,851          | 4,767,388          |
| Alternate Corporate tax impact   |  | 505,263            | 235,761            |
| Unrealized loss on investment    |  | 3,227,912          | 5,671,560          |
| Net capital loss                 |  | -                  | 29,021             |
| Provision for doubtful debt      |  | 2,155,718          | 259,131            |
| Higher depreciation rate         |  | 24,277             | 25,535             |
|                                  |  | <u>10,486,021</u>  | <u>10,988,396</u>  |
|                                  |  | 10,486,021         | 10,988,396         |
| Unrecognized deferred tax assets |  | <u>(6,692,069)</u> | <u>(7,867,950)</u> |
| <b>Deferred tax asset</b>        |  | <u>3,793,952</u>   | <u>3,120,446</u>   |

#### 8 TRADE DEBTS

|                                    |     |                    |                   |
|------------------------------------|-----|--------------------|-------------------|
| Receivable from clients            | 8.1 | 55,159,230         | 28,692,797        |
| Less: Provision for doubtful debts | 8.2 | <u>(7,433,512)</u> | <u>(893,556)</u>  |
|                                    |     | <u>47,725,718</u>  | <u>27,799,241</u> |

8.1 The company holds capital securities having fair value of **Rs. 252.689 million** (2023 : Rs. 134.969 million) owned by its clients, as collaterals against trade debts.

|   | 2024<br>Rupees   | 2023<br>Rupees |
|---|------------------|----------------|
| <b>8.2 Provision for doubtful debts</b> |                  |                |
| Balance as at July 01                   | 893,556          | 425,472        |
| Provision made during the year          | 6,722,161        | 470,104        |
| Provision reversed                      | <u>(182,205)</u> | <u>(2,020)</u> |
|   | <u>7,433,512</u> | <u>893,556</u> |

#### 8.3 Aging analysis

The aging analysis of trade debts is as follows:

|                         |                   |                   |
|-------------------------|-------------------|-------------------|
| Upto fourteen days      | 43,493,633        | 15,888,620        |
| More than fourteen days | <u>11,665,597</u> | <u>12,804,176</u> |
|                         | <u>55,159,230</u> | <u>28,692,796</u> |

|  | <i>Note</i> | <b>2024</b><br><b>Rupees</b> | <b>2023</b><br><b>Rupees</b> |
|--|-------------|------------------------------|------------------------------|
| <b>9 TAX REFUNDS DUE FROM GOVERNMENT</b> |             |                              |                              |
| Opening tax refund                       |             | 9,544,694                    | 8,929,963                    |
| Provision for the year                   |             | <u>(2,870,856)</u>           | <u>(28,132)</u>              |
|  |             | <b>6,673,838</b>             | <b>8,901,831</b>             |
| Tax paid during the year                 |             | <u>1,842,534</u>             | <u>642,863</u>               |
|  |             | <u><b>8,516,372</b></u>      | <u><b>9,544,694</b></u>      |

**10 DEPOSITS AND OTHER RECEIVABLES**

*- Considered good*

**Deposits**

Margin deposits with NCCPL

69,686,571      7,620,461

**Other receivables**

Future profits held with NCCPL

17,835,536      1,334,386

Others receivables

68,706      32,476

Markup receivable on exposure deposit

2,355,411      359,213

**89,946,224**      **9,346,536**

**11 SHORT TERM INVESTMENT**

*- At fair value through profit or loss*

In shares of quoted company

11.1, 11.2, 11.3 & 11.4

**163,847,162**

**92,914,371**

**11.1** Fair value of shares pledged with Pakistan Stock Exchange Limited against base minimum capital, amount to **Rs. 27.411 million** (2023: Rs. 16.776 million).

**11.2** Fair value of shares pledged with National Clearing Company of Pakistan Limited (NCCPL) against exposure, amount to **Rs. 67.098 million** (2023: Rs.5.715 million).

**11.3** Fair value of shares pledged with Habib Metropolitan Bank Limited against letter of guarantee, amount to **Rs. 48.31 million** (2023: Rs. 40.37 million) and against overdraft facility, amount to Nil (2023: Nil).

**11.4** There is no security pledged with financial institutions by clients.

**12 CASH AND BANK BALANCE**

Cash in hand

4,445

5,204

Cash at bank - current account

12.1

**12,631,532**

2,223,341

**12,635,977**

**2,228,545**

**12.1 Balance pertaining to:**

- clients

12,398,820

2,202,492

- brokerage house

232,712

20,849

**12,631,532**

**2,223,341**

**13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

| 2024                            | 2023              |  | 2024               | 2023               |
|---------------------------------|-------------------|--|--------------------|--------------------|
| Number of shares                |                   | Note                                   | Rupees             | Rupees             |
| <b>Fully paid in / against:</b> |                   |  |                    |                    |
| 14,660,437                      | 14,660,437        | Cash                                   | 146,604,372        | 146,604,372        |
| 1,239,246                       | 1,239,246         | Trade Right Entitlement Certificate    | 12,392,456         | 12,392,456         |
| 3,310,754                       | 3,310,754         | Shares of Pakistan Stock Exchange Ltd. | 33,107,544         | 33,107,544         |
| <u>19,210,437</u>               | <u>19,210,437</u> |  | <u>192,104,372</u> | <u>192,104,372</u> |

**14 SHORT TERM LOANS**

*From associated company*

**Unsecured interest free**  
Loan from associates

20,219,000

-

*From shareholders*

**Unsecured interest free**  
Loan from shareholders

14.1

37,816,617

1,931,320

58,035,617

1,931,320

14.1 This represents unsecured and interest free loan from shareholders. The loan is repayable within a period of twelve months from the reporting date.

**15 TRADE AND OTHER PAYABLES**

Trade creditors  
Accrued liabilities  
Sales tax payable  
Future retained profit  
Other payables

2024  
Rupees

2023  
Rupees

96,390,375

17,552,492

1,257,326

1,264,958

1,217,189

24,324

28,042,655

1,363,530

27,351

29,808

126,934,896

20,235,112

**16 CONTINGENCY AND COMMITMENT**

16.1 There is no contingency as at the year end.

**16.2 Commitment**

*Commitment against unrecorded transactions executed before the year end having settlement date subsequent to year end, are as follows.*

For purchase of shares

2024  
Rupees

2023  
Rupees

888,893,517

196,464,315

For sale of shares

888,222,239

196,579,093

**17 OPERATING REVENUE**

Brokerage commission

13,534,216

2,250,571

|   | Note | 2024<br>Rupees    | 2023<br>Rupees      |
|---|------|-------------------|---------------------|
| <b>18 LOSS ON REMEASUREMENT OF INVESTMENT - NET</b>                       |      |                   |                     |
| Loss on remeasurement of investment- at fair value through profit or loss |      | <u>(552,218)</u>  | <u>(18,777,620)</u> |
| <b>19 OPERATING AND ADMINISTRATIVE EXPENSES</b>                           |      |                   |                     |
| Salaries, wages and benefits  |      | 6,443,000         | 5,666,000           |
| Utilities   |      | 1,177,689         | 702,866             |
| Computer expenses   |      | -                 | 13,500              |
| Communication charges   |      | 283,934           | 282,509             |
| Fees and subscription   |      | 348,178           | 320,766             |
| Service and transaction charges   |      | 917,038           | 562,412             |
| Commission expense  |      | 1,464,356         | 396,290             |
| Repair and maintenance  |      | 228,826           | 183,060             |
| Depreciation  | 4    | 232,922           | 270,614             |
| Software maintenance charges  |      | 662,182           | 501,720             |
| Fuel expense  |      | 128,844           | 193,381             |
| Auditor's remuneration  | 19.1 | 278,335           | 273,891             |
| Miscellaneous   |      | 230,761           | 154,496             |
| Bad debt expense  |      | 6,722,161         | 470,104             |
|   |      | <u>19,118,226</u> | <u>9,991,609</u>    |
| <b>19.1 Auditor's remuneration</b>  |      |                   |                     |
| Statutory audit   |      | 198,000           | 196,391             |
| Other certification charges   |      | 78,335            | 77,500              |
| Out of pocket   |      | 2,000             | -                   |
|   |      | <u>278,335</u>    | <u>273,891</u>      |
| <b>20 BANK CHARGES</b>  |      |                   |                     |
| Bank charges  |      | <u>271,989</u>    | <u>218,899</u>      |
| <b>21 OTHER INCOME</b>  |      |                   |                     |
| Dividend income   |      | 1,800,000         | -                   |
| Return on exposure deposits   |      | 9,641,582         | 4,644,967           |
| Reversal of provision for doubtful debt                                   |      | 182,205           | 2,020               |
|   |      | <u>11,623,787</u> | <u>4,646,987</u>    |
| <b>22 INCOME TAX</b>  |      |                   |                     |
| Current   |      | 2,870,856         | -                   |
| Deferred tax  |      | (673,506)         | (308,341)           |
|   |      | <u>2,197,350</u>  | <u>(308,341)</u>    |

22.1 Numerical tax reconciliation for tax year 2024 between the tax amount at applicable tax rate and actual tax expense is prepared below.

Due to tax losses arises in tax year 2023, provision for current income tax is based on section 113 of the Income Tax Ordinance, 2001. Accordingly tax expense reconciliation with the accounting profit is not reported.

|   | <i>2024</i><br><i>Rupees</i> | <i>2023</i><br><i>Rupees</i> |
|---|------------------------------|------------------------------|
| Profit before tax                       | <u>32,927,307</u>            | <u>-</u>                     |
| Tax at the applicable rate of 29%       | 9,548,919                    | -                            |
| Add: Effect of FTR income               | 270,000                      | -                            |
| Add: Separate block                     | 126,297                      | -                            |
| Add: Effect of disallowed expenses      | 2,177,118                    | -                            |
| Less: Brought forward losses adjustment | (571,429)                    | -                            |
| Less: Effect of allowed expenses        | <u>(8,680,048)</u>           | <u>-</u>                     |
|   | <u>2,870,857</u>             | <u>-</u>                     |

## 22.2 Minimum Tax

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

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

|  | <i>2024</i><br><i>Rupees</i> | <i>2023</i><br><i>Rupees</i> |
|--|------------------------------|------------------------------|
| - Current tax liability for the year as per applicable tax laws  | 2,870,856                    | 28,132                       |
| - Portion of current tax liability as per tax laws, representing income tax under IAS 12                         | (2,870,856)                  | -                            |
| - Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37 | -                            | (28,132)                     |
| Difference   | <u>-</u>                     | <u>-</u>                     |

22.3 The current tax amounting to **Rs. 2.870 million** represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

## 23 RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings, directors of the Company and key management employees. The Company continues to have a policy whereby all transactions with related parties undertakings are entered into at commercial terms and conditions. Year end balances with related parties, if any, are shown in the relevant notes to the financial statements.

|  | 2024<br>Rupees | 2023<br>Rupees |
|--|----------------|----------------|
| <b><u>Balances</u></b>   |                |                |
| Director and chief executive officer-Imran Haroon - Trade debts<br>[The maximum aggregate amount outstanding during the year was Rs. 22,250,724] | 22,250,724     | 3,340          |
| Shareholder - Jabran - Trade debts<br>[The maximum aggregate amount outstanding during the year was Rs. 21,728]                                  | 21,728         | -              |
| Shareholder - Jawed - Trade debts<br>[The maximum aggregate amount outstanding during the year was Rs. 2,397]                                    | 2,397          | -              |
| Shareholder - Muhammad Faisal - Trade payable<br>[The maximum aggregate amount outstanding during the year was Rs. 128]                          | 128            | -              |
| Shareholder - Muhammad Hanif - Trade debts   | 6,489          | 13,300,356     |
| Shareholder - Muhammad Hanif - Trade payable<br>[The maximum aggregate amount outstanding during the year was Rs. 182,446,027]                   | 47,756,614     |                |
| Directors and Chief Executive Officer - Imran Haroon   | 12,255,388     |                |
| Shareholder - Muhammad Faisal - Short term loans   | 1,912,192      | 1,912,320      |
| Shareholder - Muhammad Wasim - Short term loans  | 35,904,297     |                |
| Other related party  | 20,219,000     | 19,000         |
| <b><u>Repayment of loan to</u></b>   |                |                |
| Directors and Chief Executive Officer - Imran Haroon   | 17,445,388     | 16,148,325     |
| Shareholders - Muhammad Wasim  | 160,035,703    |                |
| Other related party  | -              | 72,600,000     |
| <b><u>Receipt of loan from</u></b>   |                |                |
| Directors and Chief Executive Officer - Imran Haroon   | 5,190,000      | 16,148,325     |
| Shareholders - Muhammad Wasim  | 195,940,000    |                |
| Other related party  | 20,200,000     | 66,100,000     |

## 24 PATTERN OF SHAREHOLDING

| Sr. No. | Name of Shareholders    | 2024               |              |
|---------|-------------------------|--------------------|--------------|
|         |                         | No. of Shares Held | Percentage % |
| 1       | Jawed Khandwala         | 5,162,729          | 26.8746%     |
| 2       | Muhammad Faisal         | 712,680            | 3.7099%      |
| 3       | Muhammad Imran Haroon   | 40,000             | 0.2082%      |
| 4       | Muhammad Tanveer Haroon | 350,000            | 1.8219%      |
| 5       | Jabran                  | 500                | 0.0026%      |
| 6       | Muhammad Hanif          | 12,944,528         | 67.3828%     |
|         |                         | <b>19,210,437</b>  | <b>100%</b>  |

## 25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Followings are the financial assets and liabilities at year end :

|   | 2024<br>Rupees     | 2023<br>Rupees     |
|---|--------------------|--------------------|
| <b>FINANCIAL ASSETS AND LIABILITIES</b> |                    |                    |
| <b>Financial assets</b>                 |                    |                    |
| Trade debts                             | 47,725,718         | 27,799,241         |
| Loan to director                        | 12,255,388         | -                  |
| Deposits and other receivables          | 89,946,224         | 9,346,536          |
| Short term investment                   | 163,847,162        | 92,914,371         |
| Cash and bank balances                  | 12,635,977         | 2,228,545          |
|   | <u>326,410,469</u> | <u>132,288,693</u> |
| <b>Financial Liabilities</b>            |                    |                    |
| Short term loans                        | 58,035,617         | 1,931,320          |
| Trade and other payables                | 124,460,381        | 18,945,831         |
|   | <u>182,495,998</u> | <u>20,877,151</u>  |

The Company's activities expose it to a variety of financial risks: capital risk, credit risk, liquidity risk and market risk (interest / mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

Risk managed and measured by the Company are explained below: -

- a) Credit risk
- b) Liquidity risk
- c) Market risk

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

### 25.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk, Company applies credit limits and deal with credit worthy parties. It makes full provision against those balances considered doubtful and by dealing with variety of major banks and financial institutions.

| <b>The carrying amounts of financial assets represent the maximum credit exposure, as specified below: -</b> |             | 2024<br>Rupees     | 2023<br>Rupees    |
|--|-------------|--------------------|-------------------|
|  | <i>Note</i> |                    |                   |
| Trade debts  | 8           | 47,725,718         | 27,799,241        |
| Deposit and other receivables  | 10          | 89,946,224         | 9,346,536         |
| Bank balances  | 12          | 12,631,532         | 2,223,341         |
|  |             | <u>150,303,474</u> | <u>39,369,118</u> |

## 25.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of financial liabilities, including estimated interest payments:-

|                              | 2024               |                        |                    |                    |
|------------------------------|--------------------|------------------------|--------------------|--------------------|
|                              | Carrying Amount    | Contractual cash flows | Upto one year      | More than one year |
|                              | ----- Rupees ----- |                        |                    |                    |
| <b>Financial liabilities</b> |                    |                        |                    |                    |
| Short term loans             | 58,035,617         | 58,035,617             | 58,035,617         | -                  |
| Trade and other payables     | 126,934,896        | 126,934,896            | 126,934,896        | -                  |
|                              | <b>184,970,513</b> | <b>184,970,513</b>     | <b>184,970,513</b> | <b>-</b>           |
|                              |                    |                        |                    |                    |
|                              | 2023               |                        |                    |                    |
|                              | Carrying Amount    | Contractual cash flows | Upto one year      | More than one year |
|                              | ----- Rupees ----- |                        |                    |                    |
| <b>Financial liabilities</b> |                    |                        |                    |                    |
| Loan from shareholders       | 1,931,320          | 1,931,320              | 1,931,320          | -                  |
| Trade and other payables     | 20,235,112         | 20,235,112             | 20,235,112         | -                  |
|                              | <b>22,166,432</b>  | <b>22,166,432</b>      | <b>22,166,432</b>  | <b>-</b>           |

## 25.3 Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest / mark up rate risk and price risk. The market risks associated with the Company's business activities are discussed as under:-

### 25.3.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Currently the Company is not exposed to any currency risk because the company is not dealing in any foreign currency transactions.

### 25.3.2 Interest / mark up rate risk

Financial assets include balance of **Rs. 69.686 million** (2023 : Rs. 7.620 million) are subject to interest rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows: -

|                                | <i>Carrying amount</i> |                  |
|--------------------------------|------------------------|------------------|
|                                | <i>2024</i>            | <i>2023</i>      |
| <b><i>Financial assets</i></b> |                        |                  |
| Exposure deposit               | <u>69,686,571</u>      | <u>7,620,461</u> |

#### ***Sensitivity analysis***

The Company does not account for any fixed rate financial asset and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not effect fair value of any financial instrument and company does not have any variable rate instrument which effect profit and loss account and equity.

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

|  | <i>Profit and loss 100 bp</i> |                  |
|--|-------------------------------|------------------|
|  | <i>increase</i>               | <i>decrease</i>  |
| <b><i>As at June 30, 2024</i></b>                          |                               |                  |
| Cash flow sensitivity -Variable rate financial instruments | <u>696,866</u>                | <u>(696,866)</u> |
| <b><i>As at June 30, 2023</i></b>                          |                               |                  |
| Cash flow sensitivity -Variable rate financial instruments | <u>76,205</u>                 | <u>(76,205)</u>  |

#### **25.3.3 Price risk**

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

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favorable which if not, impairment loss has been recognised and other opportunities may be considered. Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are, in almost all instances, based on quoted market prices as of the balance sheet date except for, unquoted associates which are carried at fair value determined through latest sales price. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

#### **Sensitivity analysis**

The table below summarizes Company's equity price risk as of June 30, 2024 and 2023 and shows the effects of hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worst because of the nature of the equity market and aforementioned concentrations existing in company's equity investment portfolio.

|                      | <i>Fair Value</i> | <i>Hypothetical price change</i> | <i>Estimated fair value after hypothetical change in prices</i> | <i>Hypothetical increase (decrease) in Shareholders' Equity</i> |
|----------------------|-------------------|----------------------------------|---|---|
|                      | <i>Rupees</i>     |                                  | <i>Rupees</i>   | <i>Rupees</i>   |
| <b>June 30, 2024</b> | 163,847,162       | <b>10% increase</b>              | <b>180,231,878</b>  | <b>16,384,716</b>   |
|                      |                   | <b>10% decrease</b>              | <b>147,462,445</b>  | <b>(16,384,717)</b>   |
| June 30, 2023        | 92,914,371        | 10% increase                     | 102,205,808   | 9,291,437   |
|                      |                   | 10% decrease                     | 83,622,934  | (9,291,437)   |

#### **25.3.4 Fair value of financial instruments**

The carrying values of the financial assets and financial liabilities 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 arm's length transaction.

#### **25.3.5 Fair value hierarchy**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows: -

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

|   | <i>Level 1</i>            | <i>Level 2</i> | <i>Level 3</i> |
|---|---------------------------|----------------|----------------|
|   | <i>----- Rupees -----</i> |                |                |
| <b>June 30, 2024</b>                                      |                           |                |                |
| <b>Investments available for sale</b>                     |                           |                |                |
| Investments at fair value through profit and loss account | <u>163,847,162</u>        | -              | -              |
| <b>June 30, 2023</b>                                      |                           |                |                |
| <b>Investments available for sale</b>                     |                           |                |                |
| Investments at fair value through profit and loss account | <u>92,914,371</u>         | -              | -              |

## 26 CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholders. Debt is calculated as total borrowings ('short term borrowings' as shown in the statement of financial position). Total capital comprises shareholders' equity.

|                      | <i>2024</i><br><i>Rupees</i> | <i>2023</i><br><i>Rupees</i> |
|----------------------|------------------------------|------------------------------|
| Total borrowings     | 58,035,617                   | 1,931,320                    |
| Total equity         | 159,435,206                  | 128,705,249                  |
| <b>Total capital</b> | <b>217,470,823</b>           | <b>130,636,569</b>           |
| <b>Gearing ratio</b> | <b>26.69%</b>                | <b>1.48%</b>                 |

## 27 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

The internal reporting provided to the chief operating decision-maker relating to the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan. There were no change in the reportable segments during the year.

The Company is domiciled in Pakistan. The Company's revenue is generated from shares brokerage and portfolio management.

All non-current assets of the Company at June 30, 2024 are located in Pakistan.

## 28 CAPITAL ADEQUACY LEVEL

The capital adequacy level of the company is as follows:

|   |                    |                    |
|---|--------------------|--------------------|
| Total assets  | 344,405,719        | 150,871,681        |
| Less: Total liabilities   | (184,970,513)      | (22,166,432)       |
| Less: Revaluation reserves (created upon revaluation of fixed assets) | -                  | -                  |
| <b>Capital adequacy level</b>   | <b>159,435,206</b> | <b>128,705,249</b> |

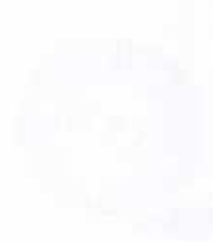
28.1 While determining the value of the total assets of TREC Holder, notional value of the TRE certificate held by Tannu Securities (Private) Limited as at year ended June 30, 2024, as determined by Pakistan Stock Exchange Limited has been considered.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

In the second section, the author outlines the various methods used to collect and analyze the data. These include direct observation, interviews with key personnel, and the use of specialized software tools. Each method has its own strengths and limitations, and they are often used in combination to provide a comprehensive view of the situation.

The third part of the document presents the findings of the study. It shows that there are significant discrepancies between the reported data and the actual data collected. These discrepancies are most pronounced in the areas of inventory management and financial reporting. The reasons for these errors are discussed, and suggestions are provided for how to improve the accuracy of the data in the future.

Finally, the document concludes with a summary of the key points and a list of recommendations. It stresses the need for ongoing monitoring and evaluation of the data collection process to ensure that it remains effective and reliable over time.













| <i>S. No.</i> | <i>Head of Account</i>  | <i>Value in Pak Rupees</i> | <i>Hair Cut / Adjustments</i> | <i>Net Adjusted Value</i> |
|---------------|---|----------------------------|-------------------------------|---------------------------|
|               | 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.<br>Amount paid as purchaser under the REPO agreement.<br><i>(Securities purchased under repo arrangement shall not be included in the investments.)</i>  | -                          | -                             | -                         |
| 1.15          | <b>Advances and receivables other than trade Receivables;</b>   |                            |                               |                           |
|               | (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.  | 8,516,372                  | -                             | 8,516,372                 |
|               | (iii) In all other cases 100% of net value  | 14,679,505                 | 14,679,505                    | -                         |
| 1.16          | <b>Receivables from clearing house or securities exchange(s)</b>  |                            |                               |                           |
|               | 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.  | 17,835,536                 | -                             | 17,835,536                |
| 1.17          | <b>Receivables from customers</b>   |                            |                               |                           |
|               | 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.<br><b>i. Lower of net balance sheet value or value determined through adjustments.</b>  | -                          | -                             | -                         |
|               | ii. In case receivables are against margin trading, 5% of the net balance sheet value.<br><b>ii. Net amount after deducting haircut</b>   | -                          | -                             | -                         |
|               | iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,<br><b>iii. Net amount after deducting haircut</b>   | -                          | -                             | -                         |
|               | iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.<br><b>iv. Balance sheet value</b>   | 13,284,490                 | -                             | 13,284,490                |
|               | v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts.<br><b>v. Lower of net balance sheet value or value determined through adjustments</b> | 19,593,399                 | 16,188,961                    | 16,188,961                |

| <i>S. No.</i> | <i>Head of Account</i>   | <i>Value in Pak Rupees</i> | <i>Hair Cut / Adjustments</i> | <i>Net Adjusted Value</i> |
|---------------|--|----------------------------|-------------------------------|---------------------------|
|               | 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;<br>(a) Up to 30 days, values determined after applying var based haircuts.<br>(b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher.<br>(c) above 90 days 100% haircut shall be applicable.<br><b>vi. Lower of net balance sheet value or value determined through adjustments</b> | 22,281,341                 | -                             | -                         |
| 1.18          | <b>Cash and Bank balances</b>  |                            |                               |                           |
|               | i. Bank Balance-proprietary accounts   | 232,712                    | -                             | 232,712                   |
|               | ii. Bank balance-customer accounts   | 12,398,820                 | -                             | 12,398,820                |
|               | iii. Cash in hand  | 4,445                      | -                             | 4,445                     |
| 1.19          | <b>Subscription money against investment in IPO/ offer for sale (asset)</b>  |                            |                               |                           |
|               | (i) No haircut may 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          | <b>Total Assets</b>  | <b>351,839,231</b>         | <b>90,224,810</b>             | <b>252,117,603</b>        |

## 2 Liabilities

|     |   |            |   |            |
|-----|---|------------|---|------------|
| 2.1 | <b>Trade Payables</b>   |            |   |            |
|     | i. Payable to exchanges and clearing house  | -          | - | -          |
|     | ii. Payable against leveraged market products   | -          | - | -          |
|     | iii. Payable to customers   | 81,040,375 | - | 81,040,375 |
| 2.2 | <b>Current Liabilities</b>  |            |   |            |
|     | i. Statutory and regulatory dues  | 15,350,000 | - | 15,350,000 |
|     | ii. Accruals and other payables   | 30,544,521 | - | 30,544,521 |
|     | iii. Short-term borrowings  | 58,035,617 | - | 58,035,617 |
|     | iv. Current portion of subordinated loans   | -          | - | -          |
|     | v. Current portion of long term liabilities   | -          | - | -          |
|     | vi. Deferred Liabilities  | -          | - | -          |
|     | vii. Provision for taxation   | -          | - | -          |
|     | viii. Other liabilities as per accounting principles and included in the financial statements | -          | - | -          |
| 2.3 | <b>Non-Current Liabilities</b>  |            |   |            |
|     | i. Long-Term financing  | -          | - | -          |

| <i>S. No.</i> | <i>Head of Account</i>   | <i>Value in Pak Rupees</i> | <i>Hair Cut / Adjustments</i> | <i>Net Adjusted Value</i> |
|---------------|--|----------------------------|-------------------------------|---------------------------|
|               | 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.<br>(b) Nil in all other cases  | -                          | -                             | -                         |
| 2.4           | <b>Subordinated Loans</b>  |                            |                               |                           |
|               | i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted.   | -                          | -                             | -                         |
| 2.5           | <b>iii. Advance against shares for Increase in Capital of Securities broker:</b> 100% haircut may be allowed in respect of advance against shares if:<br>a. The existing authorized share capital allows the proposed enhanced share capital<br>b. Board of Directors of the company has approved the increase in capital<br>c. Relevant Regulatory approvals have been obtained<br>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.<br>e. Auditor is satisfied that such advance is against the increase of capital. | -                          | -                             | -                         |
| 2.6           | <b>Total Liabilities</b>   | <b>184,970,513</b>         | -                             | <b>184,970,513</b>        |

### 3. Ranking Liabilities Relating to :

|     |  |   |   |   |
|-----|--|---|---|---|
| 3.1 | <b>Concentration in Margin Financing</b><br>The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million).<br>Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities | - | - | - |
| 3.2 | <b>Concentration in securities lending and borrowing</b><br>The amount by which the aggregate of:<br>(i) Amount deposited by the borrower with NCCPL<br>(ii) Cash margins paid and<br>(iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed<br>(Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)  | - | - | - |

| <i>S. No.</i> | <i>Head of Account</i>  | <i>Value in Pak Rupees</i> | <i>Hair Cut / Adjustments</i> | <i>Net Adjusted Value</i> |
|---------------|---|----------------------------|-------------------------------|---------------------------|
| 3.3           | <b>Net underwriting Commitments</b>   |                            |                               |                           |
|               | <b>(a) in the case of right issues :</b> if the market value of securities is less than or equal to the subscription price; the aggregate of:<br>(i) the 50% of Haircut multiplied by the underwriting commitments and<br>(ii) the value by which the underwriting commitments exceeds the market price of the securities.<br>In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment. | -                          | -                             | -                         |
|               | <b>(b) in any other case :</b> 12.5% of the net underwriting commitments  | -                          | -                             | -                         |
| 3.4           | <b>Negative equity of subsidiary</b>  |                            |                               |                           |
|               | 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           | <b>Foreign exchange agreements and foreign currency positions</b>   |                            |                               |                           |
|               | 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           | <b>Repo adjustment</b>  |                            |                               |                           |
|               | <b>In the case of financier / purchaser</b> the total amount receivable under Repo less the 110% of the market value of underlying securities.<br><b>In the case of financee/seller</b> the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.   | -                          | -                             | -                         |
| 3.8           | <b>Concentrated proprietary positions</b>   |                            |                               |                           |
|               | 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.   | -                          | 12,904,609                    | 12,904,609                |
| 3.9           | <b>Opening Positions in futures and options</b>   |                            |                               |                           |
|               | 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.  | -                          | 3,275,318                     | 3,275,318                 |
|               | ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met.   | -                          | -                             | -                         |

| <i>S. No.</i> | <i>Head of Account</i>   | <i>Value in Pak Rupees</i> | <i>Hair Cut / Adjustments</i> | <i>Net Adjusted Value</i> |
|---------------|--|----------------------------|-------------------------------|---------------------------|
| 3.10          | <b>Short sell positions</b>  |                            |                               |                           |
|               | i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts. | -                          | -                             | -                         |
|               | ii. 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.  | -                          | -                             | -                         |
| <b>3.11</b>   | <b>Total Ranking Liabilities</b>   | -                          | <b>16,179,927</b>             | <b>16,179,927</b>         |

#### Calculations Summary of Liquid Capital

|  |                   |
|--|-------------------|
| (i) Adjusted value of Assets (serial number 1.20)            | 252,117,603       |
| (ii) Less: Adjusted value of liabilities (serial number 2.6) | (184,970,512)     |
| (iii) Less: Total ranking liabilities (series number 3.11)   | (16,179,927)      |
|  | <u>50,967,164</u> |

| <i>Chief Executive Officer</i> |             | <i>Director</i> |             |
|--------------------------------|-------------|-----------------|-------------|
| <i>2024</i>                    | <i>2023</i> | <i>2024</i>     | <i>2023</i> |
| ----- <i>Rupees</i> -----      |             |                 |             |

**30 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND DIRECTOR**

|                         |                  |           |                |         |
|-------------------------|------------------|-----------|----------------|---------|
| Managerial remuneration | <b>2,400,000</b> | 2,400,000 | <b>635,000</b> | 990,000 |
| Number of person        | <b>1</b>         | 1         | <b>1</b>       | 1       |

No other benefits has been paid to Chief Executive Officer and Directors.

*2024*                      *2023*

**31 NUMBER OF EMPLOYEES**

|                                   |          |          |
|-----------------------------------|----------|----------|
| Number of employees as at June 30 | <u>7</u> | <u>7</u> |
| Average number of employees       | <u>7</u> | <u>7</u> |

**32 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements has been authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.



\_\_\_\_\_  
*Chief Executive Officer*



\_\_\_\_\_  
*Director*