CONTINENTAL CAPITAL MANAGEMENT (PRIVATE) LIMITED

Financial Statements
For the year ended June 30, 2024

REANDA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONTINENTAL CAPITAL MANAGEMENT (PRIVATE) LIMITED ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

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

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

Basis for Qualified Opinion

We could not verify the existence and valuation of advance given against purchase of offices as on June 30, 2024, to the extent of Rs. 11.407 million, out of the total balance of Rs. 13.907 million as disclosed in note no. 6 to the financial statements.

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

Emphasis of Matter

Without qualifying our opinion, we draw attention of the members to note no. 8, 9, and 10 to the financial statements, disclosing provision for expected credit losses recognized on trade receivables, loans and markup receivable from related parties as on the reporting date.

Information Other than the Financial Statements and Auditors' Report Thereon

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

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

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Other offices at:
Lahore and Islamabad

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

REANDA

- 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) except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat is deductible at source under the Zakat and Ushr Ordinance, 1980.

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

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

RHZASRCO Reanda Haroon Zakaria Aamir Salman Rizwan & Co.

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: October 04, 2024
UDIN: AR202410086MgDwmsQ1q

CONTINENTAL CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

		2024	2023
ASSETS	***Note***	***Rupees***	*Rupees*
Non-Current Assets			
Property and equipment	4	**13,787,555**	15,319,700
Intangibles	5	**5,877,656**	5,878,944
Long-term advance and deposits	6	**15,499,484**	15,499,484
Deferred tax asset	7	**-**	-
		35,164,695	36,698,128
Current Assets			
Trade debts	8	**10,869,789**	9,288,949
Short-term loans	9	**65,400,044**	71,528,112
Deposits, prepayments and other receivables	10	**74,458,166**	62,304,899
Short-term investments	11	**23,099,062**	16,619,698
Income tax refunds due from the Government	12	**5,793,279**	7,428,121
Bank balances	13	**193,145**	595,640
		179,813,485	167,765,419
Total Assets		**214,978,180**	204,463,547
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
500,000 Ordinary shares of Rs. 100 each		**50,000,000**	50,000,000
Issued, subscribed and paid-up capital	14	**35,000,000**	35,000,000
Reserves		**170,916,293**	160,199,739
Shareholders' equity		**205,916,293**	195,199,739
Non-Current Liabilities			
Lease liabilities	15	**-**	210,253
Advance against sale of vehicles	16	**7,136,581**	7,136,581
		7,136,581	7,346,834
Current Liabilities			
Current maturity of lease liabilities	15	**210,253**	604,607
Trade and other payables	17	**1,715,053**	1,312,367
		1,925,306	1,916,974
Contingencies and commitments	18		
Total Equity and Liabilities		**214,978,180**	204,463,547

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

RHZASRCO

Chief Executive

Director

CONTINENTAL CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Operating revenue	19	**763,558**	37,768
Operating and administrative expenses	20	**(11,252,189)**	(10,809,082)
Operating loss		**(10,488,631)**	(10,771,314)
Finance cost	21	**(98,770)**	(874,505)
Other charges	22	**(16,137,702)**	(66,080,081)
Other income	23	**39,583,236**	29,425,610
Profit / (loss) before levy and tax		**12,858,133**	(48,300,290)
Levy	24	**(2,318,054)**	(484,979)
Profit / (loss) before tax		**10,540,079**	(48,785,269)
Taxation - net	25	**176,475**	144,420
Profit / (loss) after taxation		**10,716,554**	(48,640,849)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		**10,716,554**	(48,640,849)

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

RHZASRCo

Chief Executive | **Director**

CONTINENTAL CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

Description	*Issued, Subscribed and Paid-up Share Capital*	*Revenue Reserves* *Unappropriated Profits*	*Shareholders' Equity*
	---------- *Rupees*	----------	
Balance as at June 30, 2022	35,000,000	208,840,588	243,840,588
Total comprehensive loss for the year	-	(48,640,849)	(48,640,849)
Balance as at June 30, 2023	**35,000,000**	**160,199,739**	**195,199,739**
Total comprehensive income for the year	-	**10,716,554**	**10,716,554**
Balance as at June 30, 2024	**35,000,000**	**170,916,293**	**205,916,293**

Unappropriated profit can be utilized for meeting any contingencies and for distribution of profit by way of dividends.

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

RHZASRG

Chief Executive | *Director*

CONTINENTAL CAPITAL MANAGEMENT (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before levy and tax		**12,858,133**	(48,300,290)
Adjustments for:			
Depreciation	20	**1,532,145**	1,702,467
Amortization	20	**1,288**	1,611
Financial cost	21	**98,770**	874,505
Provision for ECL on loans and receivables	22	**8,655,827**	58,180,551
Capital gain on disposal of investments - net	22 & 23	**6,609,464**	(6,459,843)
Remeasurement (gain) / loss on investments - net	23 & 22	**(8,679,392)**	7,349,530
Provision for ECL on loans and trade debts reversed	23	**(8,669,806)**	(3,099,826)
Markup income on loans to related parties	23	**(18,957,485)**	(15,029,183)
Cash outflows before working capital changes		**(6,551,056)**	(4,780,478)
Working capital changes			
(Increase) / decrease in current assets			
Trade debts		**(1,571,234)**	4,471,979
Deposits, prepayments and other receivables		**(1,851,609)**	(1,725,563)
Increase / (decrease) in current liabilities			
Trade and other payables		**402,686**	(326,636)
		(3,020,157)	2,419,780
Net cash used in operations		**(9,571,213)**	(2,360,698)
Finance cost paid		**(41,605)**	(1,032,281)
Short-term loans recovered - net		**14,788,268**	628,255
Income taxes paid	12.1	**(506,737)**	(484,507)
Net cash generated from / (used in) operating activities		**4,668,713**	(3,249,231)
B. CASH FROM INVESTING ACTIVITIES			
Short-term investments - (made) / disposal proceeds - net		**(4,409,436)**	9,030,615
Net cash (used in) / generated from investing activities		**(4,409,436)**	9,030,615
C. CASH FROM FINANCING ACTIVITIES			
Lease rentals paid	15.1	**(661,772)**	(1,188,176)
Short-term borrowings repaid - net		**-**	(4,266,529)
Net cash used in financing activities		**(661,772)**	(5,454,705)
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(402,495)**	326,680
Cash and cash equivalents at the beginning of the year		**595,640**	268,960
Cash and cash equivalents at the end of the year	13	**193,145**	595,640

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

RHZASRCO

Chief Executive ***Director***

1 THE COMPANY AND GENERAL INFORMATION

Continental Capital Management (Private) Limited (the Company) was incorporated in Pakistan on January 06, 2000, as a private limited company, under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a holder of Trading Right Entitlement Certificate (TREC) of the Pakistan Stock Exchange Limited - PSX. The principal business of the Company include share brokerage, money market transactions, underwriting and portfolio management. The registered office of the Company is situated at 7-10, Hina Palace, Hoshang Road, Karachi. The Company also executes its operations from 708, 7th Floor, Business and Finance Center, I.I. Chundrigar Road, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (Act) and provisions of and directives issued under the Act. Where provisions of or directives issued under the Act differ from the IFRS Standards, the provisions of or directives issued under the Act have been followed.

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

Further, disclosures of liquid capital (note no. 29) are prepared to meet the specific requirements of the Securities and Exchange Commission of Pakistan (SECP) in accordance with the guidelines given under the Second and Third Schedule to the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with clarifications and guidelines issued by the SECP from time to time.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except stated otherwise. Further, accrual basis of accounting is followed except for cash flow information.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is also the functional currency of the Company.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the 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 recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment is exercised in application of accounting policies are as follows:

Review of useful life and residual value of property and equipment (note 3.1 and 4);

Intangibles (note 3.2 and 5);

Assumptions and estimates used in calculating the provision for ECL on trade debts (note 3.4 and 8);

Assumptions and estimates used in calculating the provision for doubtful loans, advances and other receivables (note 3.6, 3.7, 6, 9 and 10);

Recognition of revenue and other income (note 3.14, 19 and 23); and

Provision for taxation including deferred tax (note 3.15, 7, 24 and 25).

2.5 *Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period*

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	Effective for period beginning on or after
Amendments to IAS 1 'Presentation of Financial Statements Amendments regarding the disclosure of accounting policies.	January 1, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors: Amendments regarding the definition of accounting estimates.	January 1, 2023
Amendments to IAS 12 'Income Taxes': Amendments regarding deferred tax on leases and decommissioning obligations and amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.	January 1, 2023

Certain annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

2.6 *Amendments to standards and IFRS interpretations that are not yet effective*

The following amendments to accounting standards and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	Effective for period beginning on or after
Amendments to IFRS 7 'Financial Instruments: Disclosures' and IAS 7 'Statement of Cash Flows': Amendments regarding supplier finance arrangements.	January 1, 2024

	Effective for period beginning on or after
Amendments to IFRS 7 'Financial Instruments - Disclosures' and IFRS 'Financial Instruments': Amendments regarding the classification and measurement of financial instruments.	January 1, 2026
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture.	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
Amendments to IFRS 16 'Leases': Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.	January 1, 2024
IFRS 17 - Insurance Contracts	January 1, 2026
Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and debts with covenants	January 1, 2024

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 - First Time Adoption of International Financial Reporting Standards
IFRS 18 Presentation and Disclosures in Financial Statements
IFRS 19 Subsidiaries without Public Accountability: Disclosures
IFRS S1 - General Requirements for Disclosure of Sustainability Related Financial Information
IFRS S2 Climate-related Disclosures

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property and equipment

Owned

These are stated at cost less accumulated depreciation and accumulated impairment (if any). The depreciation is charged to income applying the reducing balance method at the rates specified in the relevant note to the financial statements. Depreciation is charged from the date when the depreciable assets are available for the intended use till the date preceding the date of disposal.

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

Assets are derecognized when disposed off or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal of assets, if any, are recognized in the statement of profit or loss, as and when incurred.

Right-of-use assets and lease liabilities

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets are initially measured based on the initial amount of lease liabilities adjusted for any principle lease payments made at or before the commencement date, plus any initial direct costs incurred. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. These are depreciated on the same basis as owned assets at the rates as disclosed in note 4.1 to these financial statements. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset.

The related lease liabilities are initially measured at the present value of remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. The lease liabilities are subsequently measured at amortized cost using the effective interest rate method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, any change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its estimate of whether it will exercise a purchase or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in profit or loss if the carrying amount of that right-of-use has been reduced to zero.

The carrying values of tangible fixed assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

3.2 Intangible assets

Membership Card - Pakistan Mercantile Exchange Limited and PSX Trading Booth

These are stated at cost less impairment, if any. These are not amortized due to the fact that these have an indefinite useful life. Useful life can not be ascertained as it is unknown that how long the member will hold the card and the booth. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

Trading Rights Entitlement Certificate (TREC)

This was initially measured at apportioned value of carrying value of surrendered card which is apportioned between TREC and shares of Pakistan Stock Exchange Limited (PSX). It is not amortized due to the fact that these have an indefinite useful life. Useful life can not be ascertained as it is unknown that how long the member will hold the TREC. Subsequent to its initial recognition, it is measured at cost less impairment, if any. Impairment test is done to assess whether the carrying value is in excess of its recoverable amount, and where the carrying amount exceeds the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amounts.

Software and remote terminals

Software and remote terminals are stated at cost less accumulated amortization and any identified impairment loss. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss during the financial year in which they are incurred.

Amortization is charged to statement of profit or loss account by applying the reducing balance method at the rates specified in the relevant note. Amortization is charged from the date when the amortizable assets are available for the intended use till the date preceding the date of disposal.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

3.3 *Financial assets and liabilities*

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 plus or minus transaction costs (except financial asset at FVTPL where transaction costs are charged to profit or loss). These are subsequently measured at fair value or amortized cost as the case may be.

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 provided that the investment is neither held for trading nor its a contingent consideration in a business combination.

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 *Classification of financial liabilities*

The Company classifies its financial liabilities in the following categories:

- 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

These 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 subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities at FVTPL

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 other 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 other 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 Trade debts

Trade debts are recognized initially at fair value and subsequently measured at amortized cost after deducting allowance for uncollectable amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses a lifetime expected loss allowance for trade and other receivables. The Company has established an ECL policy based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Precisely, provision for ECL is made for clients, having balances overdue for more than 5 days in excess of fair value of shares in the sub-account of that particular client after applying VAR based hair cut.

Trade receivables are recorded at the settlement date of transactions executed by the clients.

3.5 Deposits and prepayments

Deposits are carried at cost and subsequently measured at amortized cost. Prepayments are carried at amounts disbursed which is the value to be adjusted in future.

3.6 Advances

Advances are carried at cost which is the fair value of the consideration to be adjusted. Provision is made against balances considered doubtful balances. Balances considered irrecoverable are written off.

3.7 Loans and other receivables

Loans and other receivables including markup receivable are recognized initially at fair value and subsequently measured at amortized cost. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the account balances. Balances are written off when considered irrecoverable.

3.8 Fiduciary assets

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

3.9 Cash and cash equivalents

It comprises of cash in hand and cash at bank which are carried at cost and subsequently measured at amortized. For the purpose of cash flow statements, cash and cash equivalents include cash held with the banks.

3.10 Trade and other payables

Liabilities for trade and other payables are initially recognized at fair value which is the consideration to be paid in the future for the goods and / or services received, whether or not billed to the Company. These are subsequently measure at amortized cost. Liabilities no longer payable are written back and recognized as income in the profit or loss.

Trade payables are recorded at the settlement date of transactions executed by the clients.

3.11 *Provisions*

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

3.12 *Contingent liabilities*

- ***Contingent liability is disclosed when:***

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

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

3.13 *Contingent assets*

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization become virtually certain.

3.14 *Revenue recognition*

- ***Revenue from brokerage services***

Commission income is measured based on the consideration specified in a contract with a customer and is recognized when providing services to a customer at a point in time when the performance obligations are met. The transaction price of Company's contracts with customers for transferring the services does not include any variable consideration, any significant financing component, any non cash consideration or any consideration payable to its customers.

Other income

- Dividend income on equity investments is recognized, when the right to receive the same is established.

- Unrealized gains / (losses) arising on revaluation of securities classified as 'financial assets at fair value through profit or loss are included in statement of profit or loss account in the period in which they arise.

- Gain / (loss) on sale of fixed assets is recorded when title is transferred in favor of the transferee.

- Gains / (losses) arising on disposal of investments are included in income currently and are recognized on the date when the transaction takes place.

- Markup income is recognized on time proportionate basis on the principal amount outstanding, at the applicable rate.

- Other income is recognized, on accrual basis, on occurrence of transactions, when related performance obligations are met.

3.15 *Levies and taxation*

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss, except to the extent that it relates to the items recognized directly in other comprehensive income or in equity, in which case it is recognized there.

Current tax and levies

Provision for taxation is based on current year taxable income determined in accordance with the provisions of Income Tax Ordinance, 2001, enactive on the date of statement of financial position and only adjustment to tax payable in respect of previous year.

Deferred

Deferred tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, tax credits if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such temporary differences and other factors application of minimum tax regime and alternative corporate tax (ACT) can be utilized.

3.15.1 *Change in accounting 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 issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" in the light of IFRS. The said guidance explains the recognition of income taxes paid on the basis other than on taxable income to be shown separately as a levy under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and IFRIC 21 "Levies", which were previously being recognized as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these financial statements. There has been no effect on the statement of financial position, the statement of changes in equity and the statement of cash flows as a result of this change. The effects of restatements are as follows:

	Had there been no change in accounting policy	*Effect of change in accounting policy*	*After incorporatin g effects of change in accounting policy*
	----------------	*Rupees*	----------------
For the Year Ended June 30, 2024			
Levy	**-**	**(2,318,054)**	**(2,318,054)**
Loss before tax	**12,858,133**	**(2,318,054)**	**10,540,079**
Taxation	**(2,141,579)**	**2,318,054**	**176,475**
For the Year Ended June 30, 2023			
Levy	-	(484,979)	(484,979)
Loss before tax	(48,300,290)	(484,979)	(48,785,269)
Taxation	(340,559)	484,979	144,420

	Note	2024 Rupees	2023 Rupees
4 PROPERTY AND EQUIPMENT	4.1	**13,787,555**	15,319,700

4.1 Operating fixed assets

Description	**Written down value: As at July 01, 2023**	**Written down value: Depreciation charge for the year**	**Written down value: As at June 30, 2024**	**Cost as at June 30, 2024**	**Accumulated depreciation as at June 30, 2024**	**Written down value as at June 30, 2024**	**Rate**
	Rupees						
Owned Assets							
Leasehold improvements	**79,798**	**(7,980)**	**71,818**	**507,842**	**(436,024)**	**71,818**	**10%**
Computers	**878**	**(263)**	**615**	**1,176,950**	**(1,176,335)**	**615**	**30%**
Office equipment	**944,440**	**(94,444)**	**849,996**	**2,708,494**	**(1,858,498)**	**849,996**	**10%**
Furniture and fixtures	**368,589**	**(36,859)**	**331,730**	**2,584,394**	**(2,252,664)**	**331,730**	**10%**
Motor vehicle	**2,222,465**	**(222,246)**	**2,000,219**	**4,835,000**	**(2,834,781)**	**2,000,219**	**10%**
Right-of-use Assets							
Motor vehicles	**11,703,530**	**(1,170,353)**	**10,533,177**	**21,346,954**	**(10,813,777)**	**10,533,177**	**10%**
	15,319,700	**(1,532,145)**	**13,787,555**	**33,159,634**	**(19,372,079)**	**13,787,555**	

Description	*Written down value: As at July 01, 2022*	*Written down value: Depreciation charge for the year*	*Written down value: As at June 30, 2023*	*Cost as at June 30, 2023*	*Accumulated depreciation as at June 30, 2023*	*Written down value as at June 30, 2023*	*Rate*
	Rupees						
Owned Assets							
Leasehold improvements	88,664	(8,866)	79,798	507,842	(428,044)	79,798	10%
Computers	1,254	(376)	878	1,176,950	(1,176,072)	878	30%
Office equipment	1,049,378	(104,938)	944,440	2,708,494	(1,764,054)	944,440	10%
Furniture and fixtures	409,543	(40,954)	368,589	2,584,394	(2,215,805)	368,589	10%
Motor vehicle	2,469,406	(246,941)	2,222,465	4,835,000	(2,612,535)	2,222,465	10%
Right-of-use Assets							
Motor vehicles	13,003,922	(1,300,392)	11,703,530	21,346,954	(9,643,424)	11,703,530	10%
	17,022,167	(1,702,467)	15,319,700	33,159,634	(17,839,934)	15,319,700	

5 INTANGIBLES	Note	2024 Rupees	2023 Rupees
Trading Rights Entitlement Certificate (TREC)	5.1	**2,500,000**	2,500,000
Remote terminals	5.2	**4,266**	5,332
Software	5.3	**890**	1,112
Membership card of Pakistan Mercantile Exchange Limited		**1,000,000**	1,000,000
Trading booth - PSX		**2,372,500**	2,372,500
		5,877,656	5,878,944

5.1 The management of the Company has valued TREC at Rs. 2.5 million as on reporting date, based on the invitation for the purchase of TREC issued by the PSX via notice PSX / N-397 dated May 03, 2024, indicating the fee for TREC to be Rs. 2.5 million.

Previously, TREC was valued based on the invitation for the purchase of TREC issued by the PSX via notice PSX / N-303 dated March 24, 2023, indicating the fee for TREC to be Rs. 2.5 million.

5.2 Remote terminals	Note	2024 Rupees	2023 Rupees
Opening net book value		**5,332**	6,665
Amortization charge for the year	20	**(1,066)**	(1,333)
Closing net book value		**4,266**	5,332
As at June 30,			
Cost		**370,000**	370,000
Accumulated amortization		**(365,734)**	(364,668)
		4,266	5,332
Rate of amortization		**20%**	20%

5.3 Software	Note	2024 Rupees	2023 Rupees
Opening net book value		**1,112**	1,390
Amortization charge for the year	20	**(222)**	(278)
Closing net book value		**890**	1,112
As at June 30,			
Cost		**39,500**	39,500
Accumulated amortization		**(38,610)**	(38,388)
		890	1,112
Rate of amortization		**20%**	20%

6 LONG-TERM ADVANCE AND DEPOSITS

	Note	2024 Rupees	2023 Rupees
- Advance - considered good			
Advance against purchase of offices	6.1	**13,907,284**	13,907,284
- Deposits with			
National Clearing Company of Pakistan Limited		**1,400,000**	1,400,000
Central Depository Company of Pakistan Limited		**100,000**	100,000
Pakistan Telecommunication Company Limited		**92,200**	92,200
		1,592,200	1,592,200
		15,499,484	15,499,484

6.1 This represents advance given to NCEL Building Management Limited, against the purchase of offices, against which neither the title nor the possession has been passed to the Company till the issuance of these financial statements.

7 DEFERRED TAX ASSET

	Note	2024 Rupees	2023 Rupees
This comprises of the following:			
Deductible temporary difference			
Provision for Expected Credit Losses		**19,072,402**	19,076,456
Unused tax losses		**7,063,019**	26,032,761
Alternative Corporate Tax Credit		**1,747,145**	1,472,343
Minimum Tax Credit		**89,781**	89,781
Investment at fair value through profit or loss		**5,246,503**	130,023
Lease liabilities		**45,952**	236,309
		33,264,802	47,037,673
Taxable temporary difference			
Accelerated tax depreciation		**(2,911,159)**	(3,132,919)
		30,353,643	43,904,754
Less: Unrecognized deferred tax asset	7.1	**(30,353,643)**	(43,904,754)
		-	-

7.1 The Company has not recognized its entire deferred tax asset relating to net deductible temporary differences as on the reporting date, as the Management expects that major portion of taxes of the Company in foreseeable future will fall under minimum tax, ACT and final tax regime.

7.2 ***Deductible temporary differences as on the reporting date and their expiry dates are as follows:***

Description	*Expiry*	*Amount*
Depreciation losses	Infinite	**915,664**
Unused capital losses		
TY 2022	30-Jun-25	17,308,639
TY 2023	30-Jun-26	26,802,663
TY 2024	30-Jun-27	10,268,513
		54,379,816
Alternative Corporate Tax Credit		
TY 2018	30-Jun-28	988,116
TY 2019	30-Jun-29	484,227
TY 2024	30-Jun-34	274,802
		1,747,145
Minimum Tax Credit		
TY 2022	30-Jun-25	89,309
TY 2023	30-Jun-26	472
		89,781

8 TRADE DEBTS	Note	2024 Rupees	2023 Rupees
Balance as on June 30,	8.1	**18,460,513**	16,889,279
Less: Provision for ECL	8.2	**(7,590,724)**	(7,600,330)
		10,869,789	9,288,949

8.1 The Company has no established credit terms with its clients and the balances are recoverable on demand. Further, breakup of receivables from related parties as on the reporting date and maximum aggregate amount outstanding from related parties at any month end is as follows:

Name of Related Parties	*Relationship*	*Maximum Aggregate Balance*	*Balance As on June 30, 2024*
Mr. Adnan Arif	Director	**4,580,966**	**4,580,966**
Mr. Farhan Arif	Director	**5,660,317**	**67,129**
Mrs. Anum Adnan	Close Family Member of a Director	**8,752**	**8,752**
Mrs. Yasmeen Arif	Close Family Member of Directors	**1,348,496**	-
Muhammad Ibrahim Arif	Close Family Member of Directors	**41,086**	**41,086**
Magic Works (Private) Limited	Associated Company	**273**	**273**
			4,698,206

8.1.1 *Ageing of receivables from related parties is as follows:*

Name of Related Parties	*Due within 1-90 Days*	*Due within 91-365 Days*	*Due Over 365 Days*	*Balance As on June 30, 2024*
Mr. Adnan Arif	**1,850**	**4,535,110**	**44,006**	**4,580,966**
Mr. Farhan Arif	-	**67,129**	-	**67,129**
Mrs. Anum Adnan	-	-	**8,752**	**8,752**
Mrs. Yasmeen Arif	-	-	-	-
Muhammad Ibrahim Arif	-	**41,086**	-	**41,086**
Magic Works (Private) Limited	-	-	**273**	**273**
	1,850	**4,643,325**	**53,031**	**4,698,206**

8.2 *Provision for doubtful debts and ECL*	*Note*	*2024 Rupees*	*2023 Rupees*
Balance as on July 01,		**7,600,330**	28,213,414
Provision adjusted against receivables	8.3	-	(17,513,258)
Provision reversed during the year	23	**(9,606)**	(3,099,826)
Balance as on June 30,	8.4	**7,590,724**	7,600,330

8.3 During the corresponding period, doubtful debts considered to be no longer receivable, were written off against provision made there against.

8.4 This includes provision for ECL amounting to 4.651 (2023: Rs. 3.723) million recognized against receivable from related parties.

8.5 As on the reporting date, shares held in the name of sub-account holders (clients) amounting to Rs. 24.191 (2023: Rs. 16.251) million, out of which shares amounting to Rs. 2.188 (2023: Rs. 1.315) million are pledged with the NCCPL against exposure.

	Note	2024 Rupees	2023 Rupees
9 SHORT-TERM LOANS			
- To			
Associated company	9.1	**68,421,882**	83,210,150
Associated undertaking	9.2	**743,710**	743,710
Staff	9.3	**2,225,041**	2,225,041
		71,390,633	86,178,901
Less: Provision for ECL	9.4	**(5,990,589)**	(14,650,789)
		65,400,044	71,528,112

9.1 This represents loan to Magic Works (Pvt.) Limited - associated company (related party), which is unsecured and carries mark-up at the rate of 3 Month Kibor plus 2.5% per annum. Loan and accrued markup is recoverable on demand. Maximum aggregate amount of loan and markup receivable outstanding at any time during the year with reference to month end balance amounting to Rs. 83.899 (2023: Rs. 89.117) million and Rs. 77.931 (2023: Rs. 59.152) million, respectively.

9.2 This represents loan to General Services - associated undertaking (related party), which is unsecured and carries mark-up at the rate of 3 Month Kibor plus 2.5% per annum. Loan and accrued markup is recoverable on demand. Closing balance represents maximum aggregate amount of loan and markup receivable outstanding at any time during the year with reference to month end balances.

9.3 These are unsecured and interest-free loans given to employees for their personal need which are recoverable on demand by way of deduction from salaries.

	Note	2024 Rupees	2023 Rupees
9.4 Provision for ECL			
Balance as on July 01,		**14,650,789**	-
Provision (reversed) / made during the year	23 & 22	**(8,660,200)**	14,650,789
Balance as on June 30,		**5,990,589**	14,650,789

10 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2024	2023
- Deposits against			
Base minimum capital with PSX		**1,000**	1,000
Exposure and Future loss deposited with NCCPL		**11,644,551**	10,056,898
		11,645,551	10,057,898
- Prepayments - insurance		**109,479**	59,726
- Other receivables - considered good			
Markup receivable from - Director	10.1	**33,619,811**	33,619,811
Markup receivable from - Magic Works (Pvt.) Ltd.	9.1	**77,931,379**	59,157,952
Markup receivable from - General Services	9.2	**2,021,360**	1,837,302
Future profit receivable from NCCPL		**1,316,175**	1,101,972
		114,888,725	95,717,037
Less: Provision for ECL	10.2	**(52,185,589)**	(43,529,762)
		74,458,166	62,304,899

10.1 This represents markup recoverable on demand from the Director on loans given and recovered in prior years.

10.2 Provision for ECL	*Note*	*2024 Rupees*	*2023 Rupees*
Balance as on July 01,		**43,529,762**	-
Provision made during the year	22	**8,655,827**	43,529,762
Balance as on June 30,		**52,185,589**	43,529,762

11 SHORT-TERM INVESTMENTS

- In shares of listed companies			
- At fair value through profit or loss			
Carrying value		**14,419,670**	23,969,228
Gain / (loss) on remeasurement of investments - net	23 & 22	**8,679,392**	(7,349,530)
		23,099,062	16,619,698

11.1 Out of total investments as on the reporting date, shares amounting to Rs. 12.048 (2023: Rs. 6.229) million have been pledged with the NCCPL against exposures, shares amounting to Rs. 9.742 (2023: Rs. 9.628) million are pledged with the PSX against base minimum capital while shares amounting to Rs. nil (2023: Rs. 11.341 million) are pledged with a banking company against running finance facility.

	Note	*2024 Rupees*	*2023 Rupees*
12 INCOME TAX REFUNDS DUE FROM THE GOVERNMENT		**5,793,279**	7,428,121
12.1 Movement during the year			
Balance as on July 01,		**7,428,121**	7,284,173
Prior year adjustment	25	**176,475**	144,420
Taxes and levy paid / deducted at source during the year		**506,737**	484,507
Provision for current tax and levy	25	**(2,318,054)**	(484,979)
Balance as on June 30,		**5,793,279**	7,428,121

13 BANK BALANCES

- Owned balance		
in current accounts	**171,680**	528,886
- Client balances		
in current accounts	**21,465**	66,754
	193,145	595,640

14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Number of shares 2024	*Number of shares 2023*			
350,000	350,000	***Ordinary shares of Rs. 100 each*** fully paid in cash	**35,000,000**	35,000,000

	Note	2024 Rupees	2023 Rupees
16 ADVANCE AGAINST SALE OF VEHICLES	16.1	**7,136,581**	7,136,581

16.1 This represents full advance received from Mr. Asim Shakoor (buyer) against sale of two vehicles of the Company which are currently held under a leasing arrangement by the Company with a banking company, however, the Company has given possession of the vehicles to the buyer against the advance while the title will be transferred after the full discharge of the remaining lease liability by the Company.

	Note	2024 Rupees	2023 Rupees
17 TRADE AND OTHER PAYABLES			
Trade creditors		**14,280**	34,242
Accrued liabilities		**1,339,099**	1,273,215
WWF payable	22	**262,411**	-
Sales tax payable		**99,263**	4,910
		1,715,053	1,312,367

18 CONTINGENCIES AND COMMITMENTS

Contingency

There are no contingencies binding on the Company as on the reporting date that may have required disclosure in these financial statements.

Commitments

Commitments against unrecorded transactions executed before the year end having settlement date subsequent to year end are as follows:

	2024 Rupees	2023 Rupees
For purchase of shares	**16,101,542**	12,907,976
For sale of shares	**15,591,252**	11,437,770
Open future contracts	**292,006,455**	112,481,435

	Note	2024 Rupees	2023 Rupees

19 OPERATING REVENUE

	Note	2024 Rupees	2023 Rupees
Brokerage income	19.1	**763,558**	37,768

		2024 Rupees	2023 Rupees
19.1 Gross commission		**862,821**	42,678
Less: Sales tax		**(99,263)**	(4,910)
		763,558	37,768

20 OPERATING AND ADMINISTRATIVE EXPENSES

	Note	2024 Rupees	2023 Rupees
Salaries and other benefits		**1,884,000**	1,591,000
Directors' remuneration	26	**5,400,000**	5,400,000
Regulatory charges		**870,312**	177,162
Utilities		**397,635**	462,735
Communication expenses		**579,342**	881,355
Fees and subscription		**249,288**	372,075
Insurance		**103,271**	169,275
Depreciation	4.1	**1,532,145**	1,702,467
Amortization	5.2 & 5.3	**1,288**	1,611
Office repair and maintenance		**234,908**	51,402
		11,252,189	10,809,082

21 FINANCE COST

	Note	2024 Rupees	2023 Rupees
Mark-up on running finance		-	673,341
Bank charges		**41,605**	52,261
Interest on lease liability	15.1	**57,165**	148,902
		98,770	874,505

22 OTHER CHARGES

	Note	2024 Rupees	2023 Rupees
Auditors' remuneration	22.1	**610,000**	550,000
Provision for ECL on loans	9.4	-	14,650,789
Provision for ECL on other receivables	10	**8,655,827**	43,529,762
Loss on remeasurement of investments - net	11	-	7,349,530
Capital loss on disposal of investments - net		**6,609,464**	-
Provision for Workers' Welfare Fund	22.2	**262,411**	-
		16,137,702	66,080,081

22.1 Auditors' remuneration

	2024 Rupees	2023 Rupees
Statutory audit	**460,000**	340,000
Out of pocket	**30,000**	25,000
Other services	**120,000**	185,000
	610,000	550,000

22.2 Provision for Workers Welfare Fund (WWF) has been recognized in pursuant of the amendments made to Sindh WWF Act, 2014, during the corresponding period. However, the Company intends to challenge the said amendments in the Court of Law for which the consultation with the legal experts is in progress.

	Note	2024 Rupees	2023 Rupees
23 OTHER INCOME			
- From financial assets			
Markup income on loans to related parties			
- Magic Works (Pvt.) Limited	9.1	**18,773,427**	14,793,349
- General Services	9.2	**184,058**	235,834
		18,957,485	15,029,183
Dividend income		**1,260,666**	4,836,736
Capital gain on disposal of investments - net		-	6,459,843
Reversal of provision for ECL on trade debts	8.2	**9,606**	3,099,826
Reversal of provision for ECL on loans	9.4	**8,660,200**	-
Gain on remeasurement of investments - net	11	**8,679,392**	-
Markup income on deposits with NCCPL		**2,015,887**	22
		39,583,236	29,425,610

	Note	2024	2023 Restated
24 LEVY	24.1	**2,318,054**	484,979

24.1 This represents income tax charge for the year determined on the basis other than on taxable income, therefore, recognized as a levy in accordance with the requirements of IFRS.

	Note	2024 Rupees	2023 Rupees Restated
25 TAXATION - NET			
Current	25.3	-	-
Prior	12.1	**(176,475)**	(144,420)
		(176,475)	(144,420)

25.1 Effect of restatement in the corresponding period has been discussed in Note no. 3.15.1 to these financial statements.

	2024 Rupees	2023 Rupees Restated
25.2 Reconciliation of income tax charge for the year as per tax laws with the current tax recognized in the profit or loss is as follows:		
Income tax liability for the year as per applicable tax laws	**2,318,054**	484,979
Liability recognized as the levy	**(2,318,054)**	(484,979)
Liability recognized as the current tax	-	-
	-	-

25.3 Relationship between income tax expense and accounting loss	2024 Rupees	2023 Rupees Restated
Profit / (loss) before levy and tax	**12,858,133**	(48,300,290)
Tax at the enacted tax rate	**3,728,859**	(14,007,084)
Effect of inadmissible expenses	**2,971,463**	537,364
Effect of allowable deductions	**(2,903,562)**	(5,628,536)
Income taxable under Final Tax Regime	**76,143**	704,831
Effect of taxable loss for the year	**-**	18,877,932
Effect of prior year loss adjustment	**(1,829,651)**	-
Minimum Tax / ACT credit for the year	**274,802**	472
Tax recognized as levy	**(2,318,054)**	(484,979)
Prior tax adjustment	**(176,475)**	(144,420)
	(176,475)	(144,420)

25.4 Income Tax Returns of the Company have been finalized up to and including the tax year 2023. However, the Commissioner of Income Tax may at any time during a period of five years from the date of filing of return may select the deemed assessment for audit.

26 REMUNERATION TO CHIEF EXECUTIVE OFFICER AND DIRECTORS

	Chief Executive		Directors		Total	
	2024	2023	**2024**	2023	**2024**	2023
	Rupees					
Managerial remuneration	**1,800,000**	1,800,000	**3,600,000**	3,600,000	**5,400,000**	5,400,000
Number of person(s)	**1**	1	**2**	2		

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

27.1 Financial Instrument by Category

	Note	2024 Rupees	2023 Rupees
Financial assets			
- Financial assets at fair value through profit or loss			
Short-term investments	11	**23,099,062**	16,619,698
- At amortized cost			
Long term deposits	6	**1,592,200**	1,592,200
Trade debts - gross	8	**18,460,513**	16,889,279
Short-term loans - gross	9	**71,390,633**	86,178,901
Deposits and other receivables - gross	10	**126,534,276**	105,774,935
Bank balances	13	**193,145**	595,640
		218,170,767	211,030,955
		241,269,828	227,650,653
Financial Liabilities			
- At amortized cost			
Lease liabilities including current portion	15	**210,253**	814,860
Trade and other payables	17	**1,353,379**	1,307,457
		1,563,632	2,122,316

27.2 Financial risk management

The Company's activities expose it to a variety of financial risks: 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.

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational 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.

27.3 *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

Exposure to credit risk

Credit risk of the Company arises principally out of receivables from customers, loans, deposits and other receivables. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margin are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The carrying amounts of financial assets represent the maximum credit exposure, as specified below:

	Note	*2024*	*2023*
		Rupees	*Rupees*
Long term deposits	6	**1,592,200**	1,592,200
Trade debts - gross	8	**18,460,513**	16,889,279
Short-term loans - gross	9	**71,390,633**	86,178,901
Deposits and other receivables - gross	10	**126,534,276**	105,774,935
Bank balances	13	**193,145**	595,640
		218,170,767	211,030,955

Trade Debts

The aging of trade debtors as on the reporting date was:

	Note	2024	2023
Past due 1-5 days		**1,850**	835,467
Past due more than 5 days		**18,458,663**	16,053,812
		18,460,513	16,889,279
Less: Provision for expected credit losses	8.2	**(7,590,724)**	(7,600,330)
		10,869,789	9,288,949
Securities available for overdue receivables of more than 5 days after applying VAR based haircut		**10,867,939**	8,453,483

Based on the consideration of financial position of the clients including the related parties, the Company considers the amount to be fully recoverable. However, based on accounting policy for recognizing ECL on unsecured receivables, as disclosed in note no. 3.4 to these financial statements, the management has recognized ECL as disclosed above.

Short-term loans and markup receivable thereon

Ageing of short-term loans from related parties as on the reporting date is as follow:

	Loan Receivable		Markup Receivable		
	Magic works (Pvt.) Ltd.	*General Services*	*General Services*	*Magic works (Pvt.) Ltd.*	*Director*
	Rupees				
Overdue for					
3 months	**42,885,255**	-	**45,409**	**4,294,946**	-
3-6 months	**22,979,586**	-	**44,426**	**4,799,552**	-
6-12 months	**2,557,041**	-	**94,223**	**9,678,929**	-
Over due 1 year	-	**743,710**	**1,837,302**	**59,157,952**	**33,619,811**
Gross receivable	**68,421,882**	**743,710**	**2,021,360**	**77,931,379**	**33,619,811**
Less: Provision for ECL	**(5,618,734)**	**(371,855)**	**(965,225)**	**(34,410,458)**	**(16,809,906)**
	62,803,148	**371,855**	**1,056,135**	**43,520,921**	**16,809,906**

Based on the consideration of the financial position of the related parties, while the related parties are under common management and control, the Company considers the amount to be fully recoverable, however, based on the accounting policy for recognizing ECL, as disclosed in note no. 3.7 to these financial statements, the management has recognized ECL as disclosed above.

Credit Rating of Company's Banks

The credit quality of Company's bank balances can be assessed with reference to external credit rating as follows:

Name of banks	*Rating Agency*	*Credit rating* Long-term	*Credit rating* Short-term
Private sector commercial banks			
Bank Alfalah Limited	PACRA	AAA	A1+
Bank Al-Habib Limited	PACRA	AAA	A1+
United Bank Limited	VIS	AAA	A-1+
JS Bank Limited	PACRA	AA	A1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
Soneri Bank Limited	PACRA	AA-	A1+
Summit Bank Limited	VIS	Suspended	Suspended
Meezan Bank Limited	PACRA	AAA	A1+
MCB Islamic Bank Limited	PACRA	A+	A1
Dubai Islamic Bank	PACRA	AA	A1+
MCB Bank Limited	PACRA	AA+	A1+

Other financial assets do not require any provision for expected credit losses (ECL) as these mainly comprise of regulatory deposits with the NCCPL.

27.4 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, working capital and running finance facility from banks with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

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

	As At June 30, 2024			
	Carrying Amount	**Contractual cash flows**	**Up to one year**	**More than one year**
Financial liabilities	------------- **Rupees** -------------			
Lease liabilities including current portion	**210,253**	**267,417**	**267,417**	**-**
Trade and other payables	**1,353,379**	**1,353,379**	**1,353,379**	**-**
	1,563,632	**1,620,796**	**1,620,796**	**-**

	As At June 30, 2023			
	Carrying Amount	Contractual cash flows	Up to one year	More than one year
Financial liabilities	------------- Rupees -------------			
Lease liabilities including current portion	814,860	1,009,219	741,802	267,417
Trade and other payables	1,307,457	1,307,457	1,307,457	-
	2,122,316	2,316,676	2,049,259	267,417

27.5 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. As on the reporting date, the Company is only exposed to interest rate risk and price risk, which are discussed as under:

Interest / mark up rate risk

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.

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

	2024	2023	**2024**	2023
	Interest rate		**Carrying amounts**	
			Rupees	Rupees
Financial assets				
Loans to related parties	**3 Month Kibor + 2.5%**	3 Month Kibor + 2.5%	**69,165,592**	83,953,860
Financial liabilities				
Lease liabilities	**15.02%**	15.02%	**(210,253)**	(814,860)
Net Exposure			**68,957,359**	83,141,019

Cash flow sensitivity

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit and equity for the year by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on same basis for the corresponding period:

	Rupees	
	Interest Rate 100 bp	
Cash flow Sensitivity	***Increase***	***Decrease***
For the year ended June 30, 2024	**689,574**	**(689,574)**
For the year ended June 30, 2023	831,410	(831,410)

Price risk

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

	Note	***2024 Rupees***	*2023 Rupees*
Short-term investments	11	**23,099,062**	16,619,698

Sensitivity analysis

At reporting date, if the market prices of each security held by the Company as short term investment had increased / decreased by Rupee 10% with all other variables remain constant, Company's unrealized gain / (loss) on remeasurement of investment carried at fair value through profit or loss. The analysis is performed on same basis for the corresponding period:

	Profit and loss	
	Increase	***Decrease***
For the year ended June 30, 2024	**2,309,906**	**(2,309,906)**
For the year ended June 30, 2023	1,661,970	(1,661,970)

27.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with processes technology and infrastructure supporting the company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risk arising formal the company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. The responsibility encompasses the controls in the following areas:

i Requirements for appropriate segregation of duties between various functions, roles and responsibility;
ii Requirements for the reconciliation and monitoring of transactions;
iii Compliance with regulatory and other legal requirements;
iv Documentation of control and procedures;
v Requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;
vi Ethical and business standards;
vii Risk mitigation, including insurance where this is effective.

27.7 Risk management policies

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like market price risk, interest rate risk and investing excessive liquidity.

27.8 Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders. No changes were made in the objectives, policies or processes since the corresponding period.

Capital is monitored on the basis of gearing ratio. This is calculated as net debt divided by total capital plus net debt. Net debt is calculated as total borrowings from financial institutions including accrued markup less cash and bank balances:

	Note	*2024* *Rupees*	*2023* *Rupees*
Lease liabilities including current portion	15.1	**210,253**	814,860
Less: Cash and bank balances	13	**(193,145)**	(595,640)
Net Debt	**A**	**17,108**	219,220
Total shareholders' equity	**B**	**205,916,293**	195,199,739
Total Capital + Net Debt	**C = A+B**	**205,933,401**	195,418,959
Gearing Ratio	**D = A / C**	**0.01%**	0.11%

27.9 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.

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).

	Level 1	*Level 2*	*Level 3*
		Rupees	
As At June 30, 2024			
Investments at fair value through profit or loss	**23,099,062**	-	-
Trading Rights Entitlement Certificate (TREC)	-	**2,500,000**	-
As At June 30, 2023			
Investments at fair value through profit or loss	16,619,698	-	-
Trading Rights Entitlement Certificate (TREC)	-	2,500,000	-

28 RELATED PARTY TRANSACTION

Related parties comprise of Directors, their close family members, associated companies and undertakings. Year end balances and transaction with related parties are disclosed in the relevant notes to these financial statements. Remuneration during the year given to Chief Executive and the Directors are disclosed in note no. 26 to these financial statements. Details of other transactions with related parties not disclosed elsewhere in these financial statements, are as follows:

	2024 *Rupees*	*2023* *Rupees*
Close family member		
Commission income	**763,558**	-
Associated Company - common directorship		
Loan given	**153,706,629**	89,506,468
Loan recovered	**168,494,897**	88,844,262
Associated undertaking - common directorship		
Loan given	-	240,804
Loan recovered	-	1,531,265

28.1 Transactions during the year have been occurred with the following related parties:

	Name	*Relationship*	*Percentage*
1	Mr. Muhammad Arif	Chief Executive	70%
2	Mr. Muhammad Farhan Arif	Director	15%
3	Mr. Muhammad Adnan Arif	Director	15%
4	Mrs. Yasmeen Arif	Close Family Member	n/a
5	Magic Works (Pvt.) Limited	Associated Company - Common Directors	n/a
6	General Services	Associated undertaking - Common Partners / Directors	n/a

29 COMPUTATION OF LIQUID CAPITAL AS OF JUNE 30, 2024

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
		- - - - - - - - Amount in Rupees - - - - - - - -		
1	**ASSETS**			
1.1	Property and Equipment	13,787,555	100.00%	-
1.2	Intangible Assets	5,877,656	100.00%	-
1.3	Investment in Government Securities	-	-	-
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure up to 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	**Investment in Equity Securities**			
	i. If listed 15% or VaR of each security on the cutoff date as computed by the clearing house for respective security whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital)	23,099,062	11,793,577	11,305,485
	ii. If unlisted, 100% of carrying value.	-	-	-
1.6	Investment in subsidiaries	-	-	-
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	**Statutory or regulatory deposits / basic deposits with the exchanges, clearing house or central depository or any other entity.** 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC.	1,593,200	100.00%	-
1.9	Margin deposits with exchange and clearing house.	11,644,551	-	11,644,551
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	109,479	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	61,386,961	100%	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. ***(Securities purchased under repo arrangement shall not be included in the investments.)***	-	-	-
1.15	**Advances and receivables other than trade receivables**			
	(i) No haircut may be applied on the short-term loan to employees provided these loans are secured and due for repayments within 12 months.	2,225,041	100%	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	5,793,279	-	5,793,279
	(iii) In all other cases 100% of net value	77,082,287	100%	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MTM gains.	1,316,175	-	1,316,175
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the finance (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haircut***	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	-	-	-
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. ***v. Lower of net balance sheet value or value determined through adjustments***	10,822,664	1.00	10,822,663

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	vi. In case of amount of receivable from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner: a. up to 30 days, values determined after applying VaR based haircuts; b. Above 30 days but up to 90 days, values determined after applying 50% or VaR based haircuts whichever is higher; c. Above 90 days, 100% haircut shall be applicable. vi. Lower of net balance sheet values or values determined through adjustments.	47,125	25,345	21,780
1.18	**Cash and Bank balances**			
	i. Bank balance - proprietary accounts	171,680	-	171,680
	ii. Bank balance - customer accounts	21,465	-	21,465
	iii. Cash in hand	-	-	-
1.19	Subscription money against Investment in IPO/offer for Sale: No haircut if shares have not been allotted or are not included in the investments of securities broker.	-	-	-
1.20	**Total Assets**	**214,978,180**		**41,097,078**

2	**LIABILITIES**	*-------- Amount in Rupees --------*		
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	14,280	-	14,280
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	361,674	-	361,674
	ii. Accruals and other payables	1,339,099	-	1,339,099
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	210,253	-	210,253
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	**Non-Current Liabilities**			
	i. Long-Term financing	-	-	-
	ii. Other liabilities as per accounting principles and included in the financial statements	7,136,581	-	7,136,581
	iii. Staff retirement benefits	-	-	-
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases	-	-	-
2.4	**Subordinated Loans**			
	i.100% of Subordinated loans which fulfil the conditions specified by SECP are allowed to be deducted.	-	-	-
2.5	***Advance against shares for increase in capital of securities broker***	-	-	-
	100% haircut may be allowed in respect of advance against shares if:			

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	a. The existing authorized share capital allows the proposed enhanced share capital			
	b. Board of Directors of the company has approved the increase in capital			
	c. Relevant Regulatory approvals have been obtained			
	d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed.			
	e. Auditor is satisfied that such advance is against the increase of capital.			
2.6	***Total Liabilities***	**9,061,887**		**9,061,887**

3	**RANKING LIABILITIES RELATING TO:**	-------- *Amount in Rupees* --------		
3.1	**Concentration in Margin Financing**			
	The amount calculated on client - to - client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances. (Provided that the above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million. Note: Only amount exceeding by 10% of each finance from aggregate amount shall be included in the ranking liabilities.	-	-	-
3.2	**Concentration in securities lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed. Note: Only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities.	-	-	-
3.3	**Net underwriting Commitments**			
	<u>(a) in the case of right issue:</u> if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment.	-	-	-
	<u>(b) in any other case :</u> 12.5% of the net underwriting commitments	-	-	-
3.4	**Negative equity of subsidiary**			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-

	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	**Repo adjustment**			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. **In the case of finance/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	**Concentrated proprietary positions**			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security.	-	1,529,945	1,529,945
3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral / pledged with securities exchange after applying VaR haircuts.	-	389,509	389,509
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met.	-	-	-
3.10	**Short sell positions**			
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilities**	-	**1,919,454**	**1,919,454**

Calculation Summary of Liquid Capital:

1	**Adjusted value of Assets (serial number 1.20)**	**41,097,078**
2	**Less: Adjusted value of liabilities (serial number 2.6)**	**(9,061,887)**
3	**Less: Total ranking liabilities (series number 3.11)**	**(1,919,454)**
		30,115,737

	Note	2024 Rupees	2023 Rupees

30 CAPITAL ADEQUACY LEVEL

	Note	2024 Rupees	2023 Rupees
Total Assets		**214,978,180**	204,463,547
Less : Total Liabilities		**(9,061,887)**	(9,263,808)
Less : Revaluation Reserve (created upon revaluation of fixed assets)		-	-
Capital Adequacy Level	30.1	**205,916,293**	195,199,739

30.1 While determining the value of total assets of the TREC Holder, notional value of the TRE certificate held by M/s. Continental Capital Management (Pvt.) Limited, as at year ended June 30, 2024, as determined by the Pakistan Stock Exchange has been considered.

30.1.1 Disclosure has been provided in pursuant of the requirements of 'Limit on Asset Under Custody Regime' read with Regulation 6.8 of CDC regulations.

31 GENERAL

- Figures in these financial statements have been rounded off to the nearest Rupee.
- Number of employees as on the reporting date and average number of employees during the year were 5 and 5 (2023: 5 and 5), respectively.

32 DATE OF AUTHORIZATION FOR ISSUE

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

RHZASRCO

Chief Executive

Director