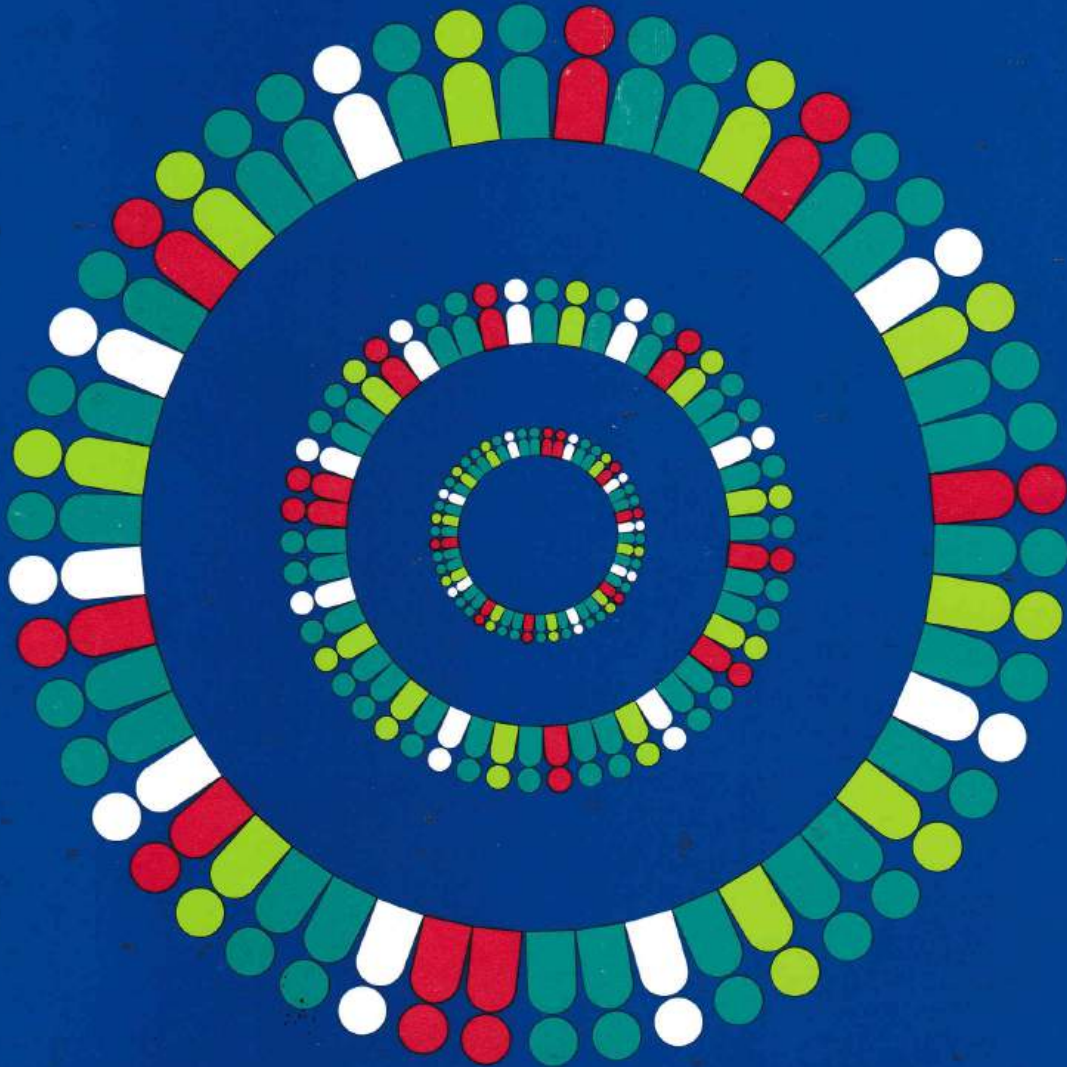


M.M. Securities (Private) Limited
Financial Statements
For the year ended
June 30, 2024



M. M. Securities (Private) Limited

Director's Report

Dear Shareholders

Assalam-o-Alaikum

The Directors of your Company are pleased to present the Annual Report with the audited financial statements of the Company and Auditor's Report thereon for the year ended June 30, 2024.

Economic review:

Economy of Pakistan has stabilized during the year 2023-24 due to government of policies and measures. i. e. Inflation declined, Decrease in current account deficit, Established exchange rates, GDP growth improved. These factors helps to improve capital market investors confidence and market reflected in positive.

Financial Highlights:

A brief financial analysis is presented as under:

Financial Overview	2023-2024	2022-2023
	Amount in Rupees	
Revenue	15,275,029	6,432,126
Operating & Admin expenses	(21,074,646)	(19,920,435)
Other Charges	(140,046)	-
Other Income / (Loss)	12,941,961	(8,201,953)
Profit / (Loss) before Taxation	7,002,298	(21,690,262)
Minimum Tax Levy	(839,223)	(97,427)
Final Tax Levy	-	-
Income Tax Expense	(90,567)	-
Profit / (Loss) After Taxation	6,072,508	(21,787,689)

Revenue of the Company increased by from 6.432 Million in (2022-23) to Rs. 15.275 Million in (2023-24). Operating & Admin expenses increased to Rs. 21.075 from Rs. 19.920 Million. Other charges increased to Rs. 0.140 Million, Other Income increased of Rs. 12.942 Million from other loss of Rs. (8.202) Million. Profit before tax increased to Rs. 7.003 Million from Loss of Rs. (21.690) Million. Profit after tax increased to Rs. 6.072 Million from loss of Rs. (21.788) Million.

The KSE 100 Index has significantly changed during the year under review to 78,444.96 points as at 30 June 2024 from 41,452.69 points as at 30 June 2023 (gain 89.24% points).

Future Outlook:

The business outlook for CY25 to still remain some challenging. The political condition of the country and economic reforms by the Govt. is the key factor and would be helpful to restore the confidence and interest of the investor on equity market, hope that the coming fiscal year will be helpful and witness to achieve many of major goals.

Auditors:

The present Auditors are UHY Hassan Naeem & Co, Chartered Accountants being the retiring auditors have offered their services for another term.

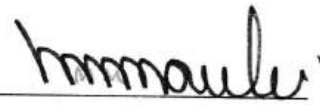
Board of Directors:

The current members of the Board are listed below:

- Mr. Mahmood Baqi Moulvi
- Mrs. Madiha Moulvi



Mahmood Baqi Moulvi
Chief Executive / Director



Madiha Moulvi
Director

Place: Karachi

Date: October 07, 2024

ایم ایم سیکورٹیز (پرائیویٹ) لمیٹڈ

ڈائریکٹرز رپورٹ

محترم سٹریٹ ہولڈرز

اسلام علیکم:

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ سالانہ رپورٹ مع 30 جون 2024 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔ کمپنی کا مختصر مالیاتی جائزہ منافع/نقصان کی تفصیل درج ذیل ہے۔

2022-23	2023-24	کاروباری نتائج
روپے	روپے	
6,432,126	15,275,029	آمدنی/REVENUE
(19,920,435)	(21,074,646)	دیگر کاروباری اخراجات
-	(140,046)	دیگر اخراجات
(8,201,953)	12,941,961	دیگر منافع/نقصان
(21,690,262)	7,002,298	قبل از ٹیکس منافع/نقصان
(97,427)	(839,223)	کم از کم ٹیکس لیوی
-	-	حتمی ٹیکس لیوی
-	(90,567)	ٹیکس
(21,787,689)	6,072,508	بعد از ٹیکس منافع/نقصان

کمپنی کی آمدنی (2022-23) میں 6.432 ملین سے بڑھ کر (2023-24) 15.275 ملین روپے ہو گئی۔ آپریٹنگ اور ایڈمن کے اخراجات 19.920 ملین سے بڑھ کر 21.075 ملین ہو گئے۔ دیگر اخراجات 0.140 ملین ہو گئے۔ دیگر نقصان (8.202) ملین سے کم ہو کر منافع 12.942 ملین ہو گئے۔ قبل از ٹیکس منافع/نقصان (21,690) ملین سے بڑھ کر منافع 7.003 ملین ہو گیا۔

کے ایس ای 100 انڈیکس زیر جائزہ سال کے دوران 30 جون 2024 کو 78,444.96 پوائنٹس پر نمایاں طور تبدیل ہوا ہے جو 30 جون 2023 کو 41,452.69 پوائنٹس تھا (%89.24 پوائنٹس حاصل ہوا)۔

مستقبل کی توقعات:

CY25 کے لیے کاروباری نقطہ نظر اب بھی کچھ چیلنجنگ رہے گا۔ ملک کی سیاسی صورتحال اور حکومت کی طرف سے معاشی اصلاحات، کیلڈی عنصر ہے اور ایکویٹی مارکیٹ پر سرمایہ کار کے اعتماد اور دلچسپی کو بحال کرنے میں مددگار ثابت ہوگا، امید ہے کہ آنے والا مالی سال مددگار ثابت ہوگا اور بہت سے بڑے اہداف کے حصول کا گواہ ہوگا۔

آڈیٹر کا تقرر:

موجودہ آڈیٹرز UHY حسن نعیم اینڈ کمپنی ہیں، چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے والے آڈیٹرز نے ایک اور مدت کے لئے اپنی خدمات پیش کی ہیں۔

بورڈ آف ڈائریکٹرز

بورڈ کے موجودہ اراکین درج ذیل ہیں۔

1- جناب محمود باقی مولوی

2- مسز مدیحہ مولوی

Immaul

مسز مدیحہ مولوی

ڈائریکٹر

MSM

جناب محمود باقی مولوی

چیف ایگزیکٹو ڈائریکٹر

کراچی:

07 اکتوبر 2024



M. M. Securities (Pvt.) Ltd.

Corporate TREC : Pakistan Stock Exchange Limited

UNDERTAKING

I, **Mahmood Baqi Moulvi** Chief Executive Officer of **M.M Securities (Private) Limited**, a TRE Certificate Holder of Pakistan Stock Exchange Limited having our registered office at 2nd floor, 9-C, Ittehad Lane No. 12, Phase-II Extension, Defence Housing Authority, Karachi, herein after called the "company" do hereby undertake that:

- I. There are no transactions entered into by the broker during the year, which are fraudulent, illegal or in violation of any securities market laws;
- II. The company is complied with Corporate Governance Code For Securities Broker as per the criteria specified in **Annexure D** of Securities Brokers (Licensing and Operations) Regulations, 2016;

Date: October 07, 2024

Mahmood Baqi Moulvi
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the members of **M.M. SECURITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **M.M. SECURITIES (PRIVATE) LIMITED** ("the Company"), which comprise the statement of financial position as at **June 30, 2024** and the statement of profit or loss, the statement of changes in equity, and the statement of cash flow for the year then ended, and notes to the financial statements, including a material accounting policy information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of changes in equity and statement of cash flow 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 for the year then ended, the changes in equity and its cash flows for the period 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 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.

Other Information:

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

However, 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 requirement 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 operation, 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 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 period were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- e) the company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared.

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

Uly Hassan Naeem

KARACHI

DATE: October 7, 2024

UDIN: AR202410311uP43N7cFT

M. M. SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property and equipment	4	2,590,435	2,393,984
Intangible assets	5	2,990,000	2,990,000
Investment-at fair value through other comprehensive income	6	20,533,828	11,861,852
Long term deposits	7	7,550,579	7,400,315
		33,664,842	24,646,151
<u>CURRENT ASSETS</u>			
Trade debts	8	457,506	712,495
Investment-at fair value through profit and loss account	9	21,935,921	15,758,645
Advances, deposits, prepayments & other receivables	10	42,930,177	42,382,401
Cash and bank balances	11	31,543,414	16,955,167
		96,867,018	75,808,708
		130,531,860	100,454,859
<u>SHARE CAPITAL AND RESERVES</u>			
Authorized capital	12.1	200,000,000	200,000,000
Share capital			
Issued, subscribed and paid-up capital	12.2	155,000,000	155,000,000
Capital Reserves			
Surplus / (Deficit) -Investment at FVTOCI		4,533,830	(4,138,146)
Actuarial gain/(loss) on defined benefit		(422,713)	(363,717)
Revenue reserves			
Accumulated Profit/(Loss)		(63,585,654)	(69,658,162)
		95,525,463	80,839,975
<u>NON-CURRENT LIABILITIES</u>			
Staff Retirement Benefits - Gratuity	13	3,061,417	2,770,450
		3,061,417	2,770,450
<u>CURRENT LIABILITIES</u>			
Trade and other payable	14	31,944,980	16,844,434
		31,944,980	16,844,434
Contingencies and commitments	15	130,531,860	100,454,859

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




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

	Note	2024 (Rupees)	2023 (Rupees)
Revenue from contract with customers	16	15,275,029	6,432,126
Operating and administrative expenses	17	(21,074,646)	(19,920,435)
Other charges		(140,046)	-
Other income	18	12,941,961	(8,201,953)
Profit/(loss) before income tax, minimum tax differential and final tax		7,002,298	(21,690,262)
Minimum tax - levy	19	(839,223)	(97,427)
Final taxes - levy	20	-	-
		(839,223)	(97,427)
Profit/(loss) before income tax		6,163,075	(21,787,689)
Income Tax Expense	21	(90,567)	-
Profit/(loss) after income tax		6,072,508	(21,787,689)

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

why





Director

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

	2024	2023
	<i>(Rupees)</i>	<i>(Rupees)</i>
Profit/(loss) after income tax	6,072,508	(21,787,689)
Other Comprehensive Loss:		
Items that will not be subsequently reclassified in profit or loss		
Unrealised gain/ (loss) on revaluation of investments at fair value through other comprehensive income	8,671,976	(4,536,357)
Actuarial gain/(loss) on defined benefit obligation	(58,996)	(10,514)
	8,612,980	(4,546,871)
TOTAL COMPREHENSIVE LOSS	14,685,488	(26,334,560)

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

uly

msn

Chief Executive

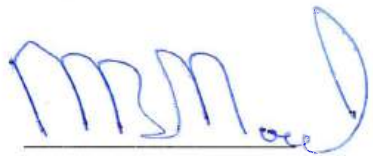
hmmaule

Director

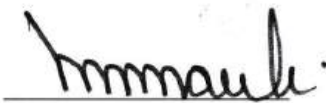
M. M. SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Share capital	Capital Reserves		Revenue Reserves	Total
	Issued, subscribed and paid-up capital	Surplus / (Deficit) - Investment at FVTOCI	Actuarial gain/ (loss) on defined benefit	Accumulated Profit/(Loss)	
	----- <i>Rupees</i> -----				
Balance as at June 30, 2022	155,000,000	398,211	(353,203)	(47,870,473)	107,174,535
Net Profit/(loss) after income tax - Restated	-	-	-	(21,787,689)	(21,787,689)
Other Comprehensive Loss - Restated	-	(4,536,357)	(10,514)	-	(4,546,871)
Balance as at June 30, 2023	155,000,000	(4,138,146)	(363,717)	(69,658,162)	80,839,975
Profit/(loss) after income tax	-	-	-	6,072,508	6,072,508
Other comprehensive income	-	8,671,976	(58,996)	-	8,612,980
Balance as at June 30, 2024	155,000,000	4,533,830	(422,713)	(63,585,654)	95,525,463

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



Chief Executive



Director

M. M. SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2024

	2024 (Rupees)	2023 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	6,163,075	(21,690,262)
<u>Adjustment for non-cash items:</u>		
Depreciation	274,999	272,116
Loss allowance	-	(698,852)
Unrealized (gain)/loss on Investment at fair value through P&L	(6,177,276)	13,116,379
Gain/(Loss) on sale of property and equipment	-	21,663
Provision for gratuity	901,637	694,411
Operating profit before working capital changes	(5,000,640)	13,405,717
<u>Changes in working capital</u>		
Decrease / (increase) in long term deposits	(150,264)	-
Decrease / (increase) in trade debts	254,989	319,137
Decrease / (increase) in advances, deposits and prepayments	(547,776)	9,452,511
(Decrease) / increase in trade and other payable	15,100,546	(1,267,847)
Net changes in working capital	14,657,495	8,503,801
Taxes paid	(90,567)	(200,589)
Gratuity paid	(669,666)	(506,708)
Net cash (used in)/generated from operating activities	15,059,697	(488,041)
CASH FLOW FROM INVESTING ACTIVITIES		
Disposal of property and equipment	-	20,000
Addition of property and equipment	(471,450)	(330,830)
Net cash (used in)/generated from investing activities	(471,450)	(310,830)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net cash (used in)/generated from financing activities	-	-
Net increase in cash and cash equivalent	14,588,247	(798,871)
Cash and cash equivalent at beginning of the year	16,955,167	17,754,038
Cash and cash equivalent at end of the year	31,543,414	16,955,167

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

mm

mm

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

1 Legal Status and Nature of Business

M.M Securities (Private) limited was incorporated under the Companies Ordinance, 1984 on 9 August 2007 as a private Limited company. The Company is a corporate member of Pakistan Stock Exchange Limited. The registered office of the company is located at 2nd floor, 9-C, Ittehad Lane No. 12, Phase-II Extension, Defence Housing Authority, Karachi – Pakistan and the company does not have any branch office. The principal activities of the Company are investment and share brokerage.

2 Basis of Preparation

2.1 Statement of Compliance

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

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except Investments that are carried at fair value.

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgments

The preparation of financial statements is 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 reported amounts of assets and 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 carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and judgments that have a significant effect on the financial statements that are in respect of the following:

- Property and equipment (note 4)
- Income Tax Expense (note 21)

2.5 Changes in accounting standards, interpretations and pronouncements

a) Standard, interpretations and amendments to approved published accounting standards that became effective during the year

The following amendments to published standards are mandatory for the financial year beginning on July 1, 2023 and are relevant to the company.

why

(i) **IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes**

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final 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, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

Impacts on the Company's statement of profit or loss:

Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
---	---------------------------------------	--

-----Rupees-----

For the year ended June 30, 2024

Minimum tax - levy
Final taxes - levy
Profit/(loss) before income tax
Income Tax Expense

-	(839,223)	(839,223)
-	-	-
7,002,298	(839,223)	6,163,075
(929,790)	839,223	(90,567)

For the year ended June 30, 2023

Minimum tax - levy
Final taxes - levy
Profit/(loss) before income tax
Income Tax Expense

-	(97,427)	(97,427)
-	-	-
(21,690,262)	(97,427)	(21,787,689)
(97,427)	97,427	-

(ii) **Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments'**

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful accounting policy information that user need to understand other information in the financial statements.

(iii) In addition to the amendments mentioned above, 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.

b) **Standard, interpretations and amendments to approved published accounting standards that are not yet effective**

Following are the amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024.

Description effective for periods		Effective for periods
IAS 1	Presentation of Financial Statements (Amendments)	January 01, 2024
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 01, 2024
IFRS 16	Leases (Amendments)	January 01, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 01, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 01, 2026
IFRS 17	Insurance Contracts	January 01, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 01, 2026

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material effect on the Company's financial statements in the period of initial application.

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

- IFRS 1 First Time Adoption of International Financial Reporting Standards)
- IFRIC 12 Service Concession Arrangement
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

3 Material Accounting Policy Information

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Taxation

Income tax expense comprises of current, deferred and prior year tax. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

why

3.1.1 Current Tax

Provision for current tax is based on taxable income at the enacted or substantially enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years which arises from assessments/ developments made during the year, if any.

3.1.2 Deferred Tax

Deferred tax is recognized using balance sheet method, in respect of temporary differences between the carrying amounts of asset and liabilities for financial reporting purposes and the amounts used for taxation purpose. The amount of deferred tax provided is based on the expected manner of realization or settlement or the carrying amount of assets and liabilities, using the enacted or substantively enacted rates or taxation.

The company recognizes deferred tax assets to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.2 Minimum Taxes levy

Any excess over the amount designated as income tax under the scope of IAS 12 "Income Taxes", is then recognised as a levy falling under the scope of IFRIC 21/IAS 37. Hence, any excess over the amount designated as income tax under the scope of IAS 12 "Income Taxes" should be classified as Minimum Taxes levy and not income tax in the profit and loss account.

3.3 Final Taxes levy

Any final taxes paid which is not based on the taxable income, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37. Hence, Final tax paid should be classified as Final Taxes levy and not income tax in the profit and loss account.

3.4 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. 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 its cost can be measured reliably. Cost incurred to replace a component of an item of property and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account in the period in which they are incurred.

Depreciation on all property and equipment is charged to the profit and loss account using Straight Line method over the asset's useful life at the rates stated Note no. 4. The depreciation on property and equipment is charged full in the month of acquisition and no depreciation is charged in the month of disposal. Gains or losses on disposal of an item of property and equipment are recognized in the profit and loss account. The assets' residual value and useful life are reviewed at each financial year end, and adjusted if appropriate.

3.5 Intangible Assets

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

why

3.5.1 Trading Right Entitlement Certificate (TREC)

This is stated at cost less impairment if any, the carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and when the carrying amount exceeds its estimated recoverable amount, is it written down to its estimated recoverable amount.

3.5.2 Software

Costs directly associated with identifiable software that will have probable economic benefits exceeding costs beyond one year, are recognized as an intangible asset. Direct costs include the purchase costs of software and other directly attributable costs of preparing the software for its intended use.

Computer software is measured initially at cost and subsequently stated at cost less accumulated amortization and accumulated impairment losses, if any.

3.5.3 Amortization

Intangible assets with indefinite useful lives are not amortized, instead they are systematically tested for impairment at each reporting date. Intangible assets with finite useful lives are amortized at straight line basis over the useful life of the asset (at the rate specified in note 6 to these financial statements).

3.6 Trade debts and other receivables

Trade debts and other receivables are recognized at fair value and subsequently measure at cost less impairment losses, if any. Actual credit loss experience over past years is used to base the calculation of expected credit loss. Trade debts and other receivables considered irrecoverable are written off.

3.7 Provisions

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

3.8 Trade and Other Payable

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.9 Revenue recognition

Brokerage Commission, corporate finance income and other income are recognized as and when services are rendered.

Dividend income is recognized when the right to receive the dividend is established.

Income on continuous funding system transactions and bank deposits is recognized on a time proportionate basis that takes in to account the effective yield.

3.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.11 Contingent Liabilities

A Contingent liability is disclosed when the company has a possible obligation as a result of past events, 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 the company has a present legal or constructive 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 obligation cannot be measured with sufficient liability.

3.12 Financial Instruments

3.12.1 Financial Assets

3.12.2 Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

Financial assets measured at "Amortized cost"

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

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

Financial assets at "Fair value through other comprehensive income"

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

It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount or,

It is an investment in equity instrument which is designated as at fair value through OCI in accordance with the irrevocable election available to the Company at initial recognition.

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

Financial assets at "Fair value through profit or loss"

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on different bases.

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

3.12.3 Subsequent measurement

Debt investments at "Fair value through other comprehensive income"

These assets are subsequently measured at fair value. Interest / markup income calculated using effective interest rate method, and impairment are recognized in the statement of profit and loss account. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit and loss account.

why

Equity Investments at "Fair value through other comprehensive income"

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit and loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never classified to the profit and loss account.

Financial asset at "Fair value through profit or loss"

These assets are subsequently measured at fair value. Net gains and losses, including any interest/markup or dividend income, are recognized in the statement of profit and loss account.

Financial assets measured at Amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/ markup income, and impairment are recognized in the statement of profit and loss account.

3.12.4 Non Derivative financial assets

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

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

3.12.6 Financial Liabilities

Financial Liabilities are initially recognized on trade date i.e. the date on which the company becomes party to thee respective contractual provisions. Financial Liabilities include markup bearing borrowings and trade and other payables. The company derecognizes the financial liabilities when contractual obligations are discharged, cancelled or expire. Financial liability other than fair value through profit and loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortized cost using effective interest rate method.

3.12.7 Impairment

Financial assets

The company recognized loss allowances for Expected Credit Losses (ECLs) in respect of financial asset measured at amortized cost.

The company measures loss allowance at an amount equal to life time ECLs, except for the following, which are measured at 12 month ECLs:

Debt securities that are determined to have low credit risk at reporting date; and

Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based in the company's historical experience and informed credit assessment and including forward- looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of financial asset is written off when the company has no reasonable expectations of recovering of a financial asset in its entirety or a proportion thereof. The company individually makes an assessment with respect to the timing and amount of write-off based on whether there is reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for the recovery of amounts due.

3.13 Non- financial assets

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

3.14 Staff retirement benefits - Defined benefit plan

A defined benefit plan is a post-employment benefit plan under which an entity regularly pays contributions into a separate fund but will continue to have legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the entity.

The Company operates an unfunded gratuity scheme for its employees which is classified as a defined benefit plan.

The Company's obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligation is performed annually by using the Projected Unit Credit Method.

Remeasurements of the defined benefit liability (i.e. the actuarial gains or losses) are recognised immediately in other comprehensive income. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate to the defined benefit liability at the beginning of the annual reporting period, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

4. PROPERTY AND EQUIPMENT

	2024				
	Office Equipment	Furniture and fixtures	Vehicles	Computers	Total
	------(Rupees)-----				
As at July 01, 2023					
Cost	630,477	55,615	6,365,825	4,077,486	11,129,403
Accumulated depreciation	(463,927)	(19,702)	(5,372,458)	(2,879,332)	(8,735,419)
Net book value at the beginning of the year	166,550	35,913	993,367	1,198,154	2,393,984
Changes during the year					
Additions during the year	10,200			461,250	471,450
Disposals - cost					
Depreciation charge for the year	(15,425)	(2,761)	(176,664)	(80,149)	(274,999)
Disposals - Accumulated depreciation					
Net book value at the end of the year	161,325	33,152	816,703	1,579,255	2,590,435
Analysis of net book value					
As at June 30, 2024					
Cost	640,677	55,615	6,365,825	4,538,736	11,600,853
Accumulated depreciation	(479,352)	(22,463)	(5,549,122)	(2,959,481)	(9,010,418)
Net book value at the end of the year	161,325	33,152	816,703	1,579,255	2,590,435
	6365825	6365825	6365825	6365825	
Depreciation rate (% per annum)	16458300%	16458300%	16458300%	16458300%	
	2023				
	Office Building	Furniture and fixtures	Motor vehicles	Computers	Total
	------(Rupees)-----				
As at July 01, 2022					
Cost	630,477	55,615	6,330,025	3,832,956	10,849,073
Accumulated depreciation	(448,672)	(16,921)	(5,200,771)	(2,805,776)	(8,472,140)
Net book value at the beginning of the year	181,805	38,694	1,129,254	1,027,180	2,376,933
Changes during the year					
Additions	-	-	86,300	244,530	330,830
Disposals - cost	-	-	(50,500)	-	(50,500)
Depreciation charge for the year	(15,255)	(2,781)	(180,524)	(73,556)	(272,116)
Disposals - Accumulated depreciation	-	-	8,837	-	8,837
Net book value at the end of the year	166,550	35,913	984,530	1,198,154	2,393,984
Analysis of net book value					
As at June 30, 2023					
Cost	630,477	55,615	6,365,825	4,077,486	11,129,403
Accumulated depreciation	(463,927)	(19,702)	(5,372,458)	(2,879,332)	(8,735,419)
Net book value at the end of the year	166,550	35,913	993,367	1,198,154	2,393,984
Depreciation rate (% per annum)	5%	5%	5%	5%	

5. INTANGIBLE ASSETS

	2024		
	TREC (Note 5.1)	Booth at PSX	Total
	------(Rupees)-----		
As at July 01, 2023			
Cost	5,000,000	490,000	5,490,000
Accumulated ammortization and impairment	(2,500,000)	-	(2,500,000)
Net book value at the beginning of the year	<u>2,500,000</u>	<u>490,000</u>	<u>2,990,000</u>
Addition during the year	-	-	-
Disposals - cost	-	-	-
Ammortization for the year	-	-	-
Disposals - Accumulated ammortization	-	-	-
Net book value at the end of the year	<u>2,500,000</u>	<u>490,000</u>	<u>2,990,000</u>
Analysis of Net Book Value			
Cost	5,000,000	490,000	5,490,000
Accumulated ammortization and impairment	(2,500,000)	-	(2,500,000)
Net book value as at June 30, 2024	<u>2,500,000</u>	<u>490,000</u>	<u>2,990,000</u>

Rate of ammortization per annum (%)

-

	2023		
	TREC (Note 5.1)	Booth at PSX	Total
	------(Rupees)-----		
As at July 01, 2022			
Cost	5,000,000	490,000	5,490,000
Accumulated ammortization and impairment	(2,500,000)	-	(2,500,000)
Net book value at the beginning of the year	<u>2,500,000</u>	<u>490,000</u>	<u>2,990,000</u>
Addition during the year	-	-	-
Disposals - cost	-	-	-
Ammortization for the year	-	-	-
Disposals - Accumulated ammortization	-	-	-
Net book value at the end of the year	<u>2,500,000</u>	<u>490,000</u>	<u>2,990,000</u>
Analysis of Net Book Value			
Cost	5,000,000	490,000	5,490,000
Accumulated ammortization and impairment	(2,500,000)	-	(2,500,000)
Net book value as at June 30, 2023	<u>2,500,000</u>	<u>490,000</u>	<u>2,990,000</u>
Rate of ammortization per annum (%)	-	-	-

5.1 This represents TREC acquired on surrender of Stock Exchange membership Card. According to the Stock Exchanges (Corporatisation, Demutualization and Integration) Act 2012, the TRE Certificate may only be transferred once to a company intending to carry out shares brokerage business in the manner to be prescribed.

2024
(Rupees) 2023
(Rupees)

6. INVESTMENT-AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investment in shares of Pakistan Stock Exchange 6.1 20,533,828 11,861,852

6.1 This represents 1,602,953 (2023: 1,602,953) shares of Pakistan Stock Exchange Limited This investment is pledge with PSX against Base Minimum Deposit.

7. LONG-TERM DEPOSITS

Deposits with:

- National Clearing Company of Pakistan Limited	1,400,000	1,400,000
- Pakistan Mercantile Exchange - Deposit	1,650,579	1,500,315
- Pakistan Stock Exchange (Base Minimum Capital)	4,500,000	4,500,000
	<u>7,550,579</u>	<u>7,400,315</u>

8. TRADE DEBTS

Trade debts	8.1	945,067	1,263,058
less: provision for bad debts	8.2	(487,561)	(550,563)
		<u>457,506</u>	<u>712,495</u>

8.1 The aging analysis of trade debts are as follows:

Past due 1 - 30 days	462,967	104,825
Past due 31 - 180 days	198,980	63,318
Past due 181 days - 1 year	28,488	62,868
More than one year	254,632	1,032,047
	<u>945,067</u>	<u>1,263,058</u>

8.2 Provision for expected credit loss

Opening	550,563	1,249,415
Provision recorded during the year	-	-
Less: Reversal of expected credit loss	(63,002)	(698,852)
	<u>487,561</u>	<u>550,563</u>

8.3 Trade debts due from related parties

Name of related party	Gross amount due	Past due amount	Provision for expected credit losses	Reversal of provision for expected credit losses	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year (8.3.1)
Madiha Mahmood Moulvi	69	69	-	-	-	-	69
	<u>69</u>	<u>69</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69</u>

8.3.1 Maximum amount outstanding at any time during the year calculated by reference to month-end balances.

8.3.2 Aging analysis of trade debts due from related parties

Name of related party	Not past due	Past due				Total gross amount due
		Past due 0-30 days	Past due 31-180 days	Past due 181-365 days	Past due 365 days	
Madiha Mahmood Moulvi	-	-	69	-	-	69
	<u>-</u>	<u>-</u>	<u>69</u>	<u>-</u>	<u>-</u>	<u>69</u>

		2024 (Rupees)	2023 (Rupees)
9. INVESTMENT-AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT			
Investment in quoted securities	9.1.	<u>21,935,921</u>	<u>15,758,645</u>

9.1 Investments in quoted securities are stated at fair value at the year-end, using the year-end market prices. This investment pledge with Pakistan Stock Exchange Limited amounting to Rs 2,562,000 against Base Minimum Capital. National Clearing Company Pakistan Limited amounting to Rs 19,250,000 against Ready RMS and Future Contract.

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax - net	13,559,407	13,063,133
NCCPL- Ready Market Exposure	11,000,000	14,000,000
NCCPL- Future Market Exposure	15,000,000	14,000,000
Nccpl - Loss and profit held of Future Market	1,627,437	595,285
Loan to staff	-	33,806
Other receivables	1,743,333	690,177
	<u>42,930,177</u>	<u>42,382,401</u>

11. CASH AND BANK BALANCES

Cash in hand	14,482	17,644
Cash at bank - Current accounts	31,394,337	16,785,620
- Saving accounts	134,595	151,903
	<u>31,543,414</u>	<u>16,955,167</u>

11.1 Bank balances include customers' bank balances held in designated current bank accounts amounting to Rs. 25.633 million (2023: 15.745million).

12. SHARE CAPITAL

12.1 Authorized share capital

Authorized share capital comprises of 2,000,000 (2023: 2,000,000) Ordinary shares of Rs. 100 each.

12.2 Issued, subscribed and paid up capital

Issued, subscribed and paid up capital comprises of:
Ordinary share capital

2024 (Rupees)	2023 (Rupees)
<u>155,000,000</u>	<u>155,000,000</u>
<u>155,000,000</u>	<u>155,000,000</u>

12.2.1 The breakup of ordinary and preference share capital is as follows:

2024 (Numbers)	2023 (Numbers)		2023 (Rupees)	2022 (Rupees)
		Ordinary shares		
		Ordinary shares of Rs. 100 each paid in cash	<u>155,000,000</u>	<u>155,000,000</u>
1,550,000	1,550,000		<u>155,000,000</u>	<u>155,000,000</u>

12.2.2 Reconciliation of number of shares outstanding

	2024 (Numbers)	2023 (Numbers)
Ordinary shares		
Number of shares outstanding at the beginning of the year	1,550,000	1,550,000
Issued for cash	-	-
	<u>1,550,000</u>	<u>1,550,000</u>

13. STAFF RETIREMENT BENEFITS - GRATUITY (Rupees)

The Company operates a unfunded gratuity scheme for its employees. The latest actuarial valuation of the plan was carried out as at June 30, 2024 by using the Projected Unit Credit method.

13.1 Movement in defined benefit obligation

Opening defined benefit obligation	2,770,450	2,572,233
Current service cost	505,849	387,160
Interest on Defined Benefit Obligation	395,788	307,251
Benefits paid	(669,666)	(506,708)
Actuarial (Gains)/Losses	58,996	10,514
Closing defined benefit obligation	<u>3,061,417</u>	<u>2,770,450</u>

13.2 Expense recognized in the statement of profit or loss

Current service cost	505,849	387,160
Interest cost on defined benefit obligation	395,788	307,251
	<u>901,637</u>	<u>694,411</u>

13.3 Remeasurement losses / (gain) recognised in other comprehensive income

Actuarial gain/(loss) on defined benefit obligation		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	-	-
- Changes in experience assumptions	58,996	10,514
	<u>58,996</u>	<u>10,514</u>

13.4 Changes in net liability

Opening net liability	2,770,450	2,572,233
Expense chargeable to P&L	901,637	694,411
Remeasurements charged in other comprehensive income	58,996	10,514
Benefits paid	(669,666)	(506,708)
Closing net liability	3,061,417	2,770,450
Benefits payable transferred to short term liability	-	-
Closing defined benefit obligation	<u>3,061,417</u>	<u>2,770,450</u>

13.5 Year end sensitivity analysis on defined benefit obligation

Discount Rate + 1%	726,133	2,375,385
Discount Rate - 1%	815,045	2,785,326
Salary Increase + 1%	921,520	2,785,394
Salary Increase - 1%	5,182,715	2,375,414

The above sensitivity analyses are based on the changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant assumptions the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied when calculating the liability recognized within the statement of financial position.

13.6 As of the reporting date, the average duration of the defined benefit obligation is 8 year.

13.7 Principal actuarial assumptions used

Discount rate used for interest cost in profit and loss	14.75%	16.25%
Discount rate used for year end obligation	14.75%	16.25%
Expected rate of increase in salary level (per annum)	14.75%	16.25%
Mortality rates	SLIC 2001-2005	SLIC (2001-05)

13.8 The defined benefit obligation exposes the Company to the following risks:

Final salary risks:

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Mortality risks:

The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit.

Withdrawal risks:

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

14. TRADE AND OTHER PAYABLE

		2024	2023
		(Rupees)	
Credit balance of clients	14.1	25,633,272	15,744,792
Withheld profit and exposure from client		542,244	-
Accrued Expenses		1,376,779	1,099,642
Auditors' remuneration payable		253,000	-
Payable to NCCPL		4,139,685	-
		<u>31,944,980</u>	<u>16,844,434</u>

14.1 Credit balances of clients held by the company in separate bank accounts.

15. CONTINGENCIES AND COMMITMENTS

15.1 There were no contingencies and commitments as at June 30, 2024

16. REVENUE FROM CONTRACT WITH CUSTOMERS

		2024	2023
		(Rupees)	
Commission income		15,275,029	7,269,398
Less: Sales Tax		-	(837,272)
		<u>15,275,029</u>	<u>6,432,126</u>

17. OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits		11,330,549	12,740,424
Conveyance & travelling		365,918	610,976
Printing, stationary and periodicals		50,835	31,689
Utilities		-	111,507
Communication expense		1,324,190	1,184,489
Rent, rates and taxes		213,290	97,224
Transaction charges		1,170,749	868,124
Fees and subscription		394,465	252,965
Repair and maintenance		1,290,986	1,604,253
Depreciation		274,999	272,116
Commission expense		3,407,979	1,263,285
Insurance		507,976	373,295
Entertainment		22,090	1,800
Legal and professional		465,020	147,602
Auditors' remuneration	17.1	253,000	230,000
Bank charges		777	6,713
Miscellaneous		1,823	123,973
		<u>21,074,646</u>	<u>19,920,435</u>

17.1 Auditor's Remuneration

Annual Audit fee	253,000	230,000
	<u>253,000</u>	<u>230,000</u>

18. OTHER INCOME

Capital gain/(loss) on investment through P&L		6,177,276	(13,116,379)
Profit on margin deposits		6,485,338	4,215,445
Reversal of expected credit loss	8.2	-	698,852
Gain/(Loss) on sale of property and equipment other income		-	(21,663)
Profit on bank deposits		254,612	-
		24,735	21,792
		<u>12,941,961</u>	<u>(8,201,953)</u>

19. MINIMUM TAX - LEVY

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

20. FINAL TAX - LEVY

This represents portion of final taxes paid as per Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

21. INCOME TAX EXPENSE

Income Tax Expense

90,567

21.1. The company has tax losses in the previous years, on which deferred tax asset amounting to Rs. 17.738 million (2023: 15.416) will arise. However, as there is continuous losses on account of operating income therefore deferred tax asset has not been recorded.

21.2 Relationship between tax expense and accounting profit

	2024 (Rupees)	2023 (Rupees)
Accounting profit/(loss) before income tax, minimum tax differential and final tax	7,002,298	(21,690,262)
less: Accounting Profit/(loss) subject to minimum tax levy	(3,853,819)	
less: Accounting Profit/(loss) subject to final tax levy	(1,532,946)	21,690,262
Accounting profit/(loss) before taxation	1,615,533	-
Tax at the applicable rate 29% (2022:29%)	468,504	-
Deferred tax asset not recognized	19,895	-
Permanent difference	(397,833)	-
	<u>90,567</u>	<u>-</u>

21.3 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:

Current tax liability for the year as per applicable tax laws	929,790	97,427
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(90,567)	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(839,223)	(97,427)
Difference	-	-

22. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

22.1. Financial instrument by category

22.1.1 Financial assets

	2024			
	At fair value through profit or loss account	At fair value through OCI	At Amortized Cost	Total
Long term deposits	-	-	7,550,579	7,550,579
Investment at fair value through OCI	-	20,533,828	-	20,533,828
Investment at fair value through P&L	21,935,921	-	-	21,935,921
Trade debts	-	-	457,506	457,506
Advances, deposits and prepayments	-	-	42,930,177	42,930,177
Cash and bank balances	-	-	31,543,414	31,543,414
	<u>21,935,921</u>	<u>20,533,828</u>	<u>82,481,676</u>	<u>124,951,425</u>

	2023			
	At fair value through profit or loss account	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances & deposits	-	-	7,400,315	7,400,315
Investment at fair value through OCI	-	11,861,852	-	11,861,852
Investment at fair value through P&L	15,758,645	-	-	15,758,645
Trade debts	-	-	712,495	712,495
Advances, deposits and prepayments	-	-	42,382,401	42,382,401
Bank balances	-	-	16,955,167	16,955,167
	<u>15,758,645</u>	<u>11,861,852</u>	<u>67,450,378</u>	<u>95,070,875</u>

22.1.2 Financial Liabilities at amortized cost

	2024	
	Amount	Total
Trade and other Payables	31,944,980	31,944,980
	<u>31,944,980</u>	<u>31,944,980</u>
	2023	
	Amount	Total
Trade and other Payables	16,844,434	16,844,434
	<u>16,844,434</u>	<u>16,844,434</u>

22.2. Financial risk management

The company primarily invests in marketable securities and are subject to varying degrees of risk.

The Board of Directors of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company has exposure to the following risks from its use of financial instruments:

Credit risk

Liquidity risk

Market risk

Operational risk

22.2.1 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.

Exposure to Credit risk

Credit risk of the company arises principally from the trade debts, investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure.

Credit risk is minimised due to the fact that the company invest only in high quality financial assets, all transactions are settled/paid for upon delivery. The company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is as follows:

	2024	2023
	(Rupees)	
Long term deposits	7,550,579	7,400,315
Investment at fair value through other comprehensive income	20,533,828	11,861,852
Investment at fair value through Profit and Loss Account	21,935,921	15,758,645
Advances, deposits, prepayments and other receivable	29,370,770	29,319,268
Trade debts	457,506	712,495
Bank Balances	31,528,932	16,937,523
	<u>111,377,536</u>	<u>81,990,098</u>

22.2.2 Bank Balances

The Analysis below summarizes the credit quality of the company's bank balance:

	2024	2023
	<i>Rupees</i>	
AAA	31,443,847	16,865,397
AA+	11,811	11,811
A+	44,721	35,004
AA-	28,553	25,312
	31,528,932	16,937,523

The long term rating above are taken from SBP website and the rating agencies are PACRA and VIS.

22.2.3 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of business.

2024					
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Trade and other payables	31,944,980	31,944,980	31,944,980	-	-
	31,944,980	31,944,980	31,944,980	-	-
2023					
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Trade and other payables	16,844,434	16,844,434	16,844,434	-	-
	16,844,434	16,844,434	16,844,434	-	-

On the balance sheet date, the company has cash and bank balances of Rs. 31.543 million (2023: 16.955 million) and investments of Rs. 42.470 million (2023: 27.620 million) for repayment of liabilities

22.2.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, management manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines.

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

Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently there is no currency risk as all financial assets and liabilities are in PKR.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk. The company is not exposed to interest rate risk as there is no interest based liability or asset.

Other price risk

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of 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 factor affecting all or similar financial instrument traded in the market.

The company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The company manages the equity price through diversification and all instruments are made thorough surplus funds.

The company is exposed to other price risk on investment in listed shares. The company manages the risk through portfolio diversification, as per recommendation of Investment committee of the company. The committee regularly monitors the performance of investees and assess the financial performance on on-going basis.

The 10 percent increase/(decrease) in market value of these instruments with all other variables held constant impact on profit and loss account of the company is as follows:

	Before Tax	
	10% Increase	10% Decrease
as at 30th June 2024	<u>2,193,592</u>	<u>(2,193,592)</u>
as at 30th June 2023	<u>1,575,865</u>	<u>(1,575,865)</u>

22.3 Fair value of Financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in any orderly transaction between market participants at the measurement date. The management is of the view that the fair values of the financial assets and liabilities are not significantly different from their carrying values in the financial statements.

The company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using 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: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Following is the fair value hierarchy of assets and liabilities carried at fair value:

	2024		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
Investment in quoted securities	<u>42,469,749</u>	-	-
	<u>42,469,749</u>	-	-
	2023		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
Investment in quoted securities	42,469,749	-	-
	42,469,749	-	-

22.4 Capital risk management

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

The company finances its operations through 100% equity with a view to maintain an appropriate mix between various sources of finance to minimise risk.

23. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees					
Managerial remuneration	1,680,000	-	1,950,000	1,680,000	1,080,000	3,300,000
Bonus						150,000
	<u>1,680,000</u>	<u>-</u>	<u>1,950,000</u>	<u>1,680,000</u>	<u>1,080,000</u>	<u>3,450,000</u>

Number of persons

(including those who

worked part of the year)

1 0 1 1 1 2

24. RELATED PARTY TRANSACTIONS

Related parties comprise associated companies, companies where directors also hold directorship, retirement benefits fund and key management personnel. Significant transactions with related parties during the year are as under:

Name of the related party	Relationship with the related party	Transactions during the year and year end balances	2024 (Rupees)	2023 (Rupees)
Mahmood Baqi Moulvi	CEO/Shareholder	Receivable / (Payable)	(6,616,247)	(22,656)
Mahmood Baqi Moulvi	CEO/Shareholder	Remuneration	1,680,000	1,680,000
Madiha Mahmood Moulvi	Director/Shareholder	Receivable / (Payable)	69	300
Madiha Mahmood Moulvi	Director/Shareholder	Remuneration	-	1,080,000
M. M. Rice Mill (Private) Limited	Associate company	Receivable / (Payable)	-	3,200
Mahwish Moulvi	Daughter of CEO/Shareholder	Receivable / (Payable)	-	(28,027)
Yousaf Moulvi	Brother of CEO/Shareholder	Receivable / (Payable)	(68)	(268)
Nadeem Baqi Moulvi	Brother of CEO/Shareholder	Receivable / (Payable)	-	(4,513)

25. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
Assets				
1.1	Property & Equipment	2,590,435	2,590,435	-
1.2	Intangible Assets	2,990,000	2,990,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities	-	-	-
1.5	Investment in Equity Securities (listed)	42,469,749	26,976,189	15,493,560
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking	-	-	-
1.8	Statutory or regulatory deposits.	7,550,579	7,550,579	-
1.9	Margin deposits with exchange and clearing house.	26,000,000	-	26,000,000

1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	-	-	-
1.12	Accrued interest, profit or mark-up	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-
1.15	Advances and receivables other than trade receivables;			
	(i) Short term loan to employees	-	-	-
	(ii) Advance tax	13,559,407	13,559,407	-
	(iii) Other cases	1,743,333	1,743,333	-
1.16	Receivables from clearing house or securities exchange(s)	1,627,437	-	1,627,437
1.17	Receivables from customers			
	i. Trade receivables not more than 5 days overdue	270,097	-	270,097
	ii. Trade receivables are overdue, or 5 days or more	674,970	260,739	414,232
	iii. Trade receivables from related parties.	-	-	-
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	5,401,453	-	5,401,453
	ii. Bank balance-customer accounts	26,127,479	-	26,127,479
	iii. Cash in hand	14,482	-	14,482
1.19	Subscription money against investment in IPO/ offer for sale (asset)			

Total Assets

131,019,421

75,348,740

Liabilities

2.1	Trade Payables			
	i. Payable to customers	25,633,272	-	25,633,272
2.2	Current Liabilities			
	i. Accruals and other payables	1,629,779	-	1,629,779
	ii. Other liabilities as per accounting principles and included in the financial statements	4,681,929	-	4,681,929
2.3	Non-Current Liabilities			
	i. Staff retirement benefits	3,061,417	-	3,061,417
2.4	Subordinated Loans	-	-	-
2.5	Advance against shares for Increase in Capital.	-	-	-

Total Liabilities

35,006,397

35,006,397

Ranking Liabilities Relating to :

3.1	Concentration in Margin Financing	-	-	-
3.2	Concentration in securities lending and borrowing	-	-	-
3.3	Net underwriting Commitments	-	-	-
3.4	Negative equity of subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment	-	-	-
3.8	Concentrated proprietary positions	-	3,272,083	3,272,083
3.9	Opening Positions in futures and options	-	-	-
3.10	Short sell positions	-	-	-

Total Ranking Liabilities

-

-

3,272,083

Grand Total

96,013,024

-

37,070,260

26. CAPITAL ADEQUACY LEVEL	2024 (Rupees)	2023 (Rupees)
Total Assets	130,531,860	100,454,859
Less: Total Liabilities	(35,006,397)	(19,614,884)
Less: Revaluation Reserves	-	-
Capital Adequacy Level	95,525,463	80,839,975

While determining the value of total assets of TREC holder, the Notional value of the TREC held by M.M. Securities (Private) Limited as at year ended 30th June 2024 determined by Pakistan Stock Exchange has been considered.

27. OTHER DISCLOSURES UNDER REGULATION OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016:

The disclosures under the regulation , other than disclosed elsewhere in these annual financial statements are as follows:

27.1 Pattern of Shareholding

	2024	2023	2024	2023
	% of Holding		Number of Shares	
Mahmood Baqi Moulvi (CEO)	20.10%	20.10%	311,550	311,550
Madiha Mahmood Moulvi (Director)	79.90%	79.90%	1,238,450	1,238,450
	100.00%	100.00%	1,550,000	1,550,000

27.2 During the year there was no movement in shareholding of more than 5% of the shares.

27.3 As at June 30, 2024, neither company's securities pledged with financial institutions, nor customer securities maintained with the company pledged with financial institutions.

27.4 As at June 30, 2024, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs. 438.743 million (June 30, 2023: Rs. 281.704 million).

27.5 Company prepares these financial statements on the trade date basis and accordingly account for income, assets and liabilities

28. NUMBER OF EMPLOYEES

	2024 (Number of employees)	2023 (Number of employees)
Total number of employees at 30th June.	14	14
Average Number of employees	14	14

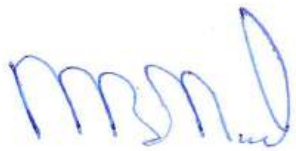
29. CORRESPONDING FIGURES

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current year.

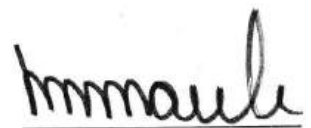
30. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were approved by the Company's board of directors and authorised for issue on
07 OCT 2024

WJ



Chief Executive



Director



OFFICES IN PAKISTAN

Karachi Office:

402 Progressive Centre,
30-A, Block-6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi
Phone +92 (21) 34322551-3

Lahore Office:

193-A, Shah Jamal,
Lahore - 54000.
Phone: +92 (42) 35403550-1, 35403588
Fax: 92 (42) 35403599
E-mail: info@uhy-hnco.com
Web: <http://www.uhy-hnco.com>

Islamabad Office:

West Lower Ground, Pak Plaza (19-A)
Fazl-e-Haq Road, Blue Area, Islamabad.
Phone: +92 (51) 2873431-3
Fax: +92 (51) 2261791

UHY INTERNATIONAL

UHY Hassan Naeem & Company is a member of Urbach Hacker Young International Limited, a UK Company, and forms part of the international UHY network of legally independent accounting and consulting firms. UHY is the brand name for the UHY International network. The services described herein are provided by the Firm and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.