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Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

AUDITED FINANCIAL STATEMENTS OF BAWA SECURITIES (PRIVATE) LIMITED FOR THE YEAR ENDED JUNE 30, 2024

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Other Offices at
Lahore - Rawalpindi / Islamabad

September 30, 2024

The Board of Directors
Bawa Securities (Private) Limited
Room No. 432-433, Stock Exchange Building
Stock Exchange Road, Karachi

Dear Sirs,

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

We have completed our fieldwork for the audit of **Bawa Securities (Private) Limited** ("the Company") for the year ended **June 30, 2024** and are pleased to enclose draft financial statements prepared by its management, which have been initialed by us for identification purposes, together with our draft audit report thereon. We shall be pleased to sign our report in the present or amended form after the captioned financial statements have been approved by the Board of Directors ('the Board') and signed by the Chief Executive and one of the Directors authorized in this behalf, and after we have received the following;

(a) minutes of meeting of the Board, or its extracts, approving the financial statements and authorizing CEO and one director to sign the financial statements on behalf of the Board;

(b) Specific Board approval for the following:

Particulars	FS note reference	Rupees
▪ Additions to property and equipment	10	3,498,269
▪ Short term investments-at fair value through profit or loss	13	117,715,498
▪ Short term investments-at amortized cost	13	134,626,892
▪ Provision for expected credit loss	14	3,182,089
▪ Receivable against Margin Finance	15	147,494,168
▪ Remuneration of Chief Executive and Directors	19.1	3,000,000
▪ Unwinding of director loan	19	3,126,118
▪ Provision for taxation-current and prior year	21	9,405,979
▪ Disclosure in respect of related party transactions and balances	22	-
▪ Capital related disclosures	25	-

(c) A **signed and stamped** copy of final version of trial balance as at June 30, 2024 (incorporating all identified audit adjustments that have been incorporated in the captioned financial statements);

(d) representation letter signed by the Chief Executive and Chief Financial Officer; and

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1. RESPONSIBILITIES OF THE AUDITORS AND THE MANAGEMENT

The responsibilities of the independent auditors, in an audit of financial statements, are explained in International Standard on Auditing 200 "Overall objectives of the independent auditor and the conduct of an audit in accordance with international standards on auditing." While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for the preparation of the financial statements is primarily that of the management in accordance with applicable financial reporting framework, which includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error. The management's responsibilities include to provide the auditor with (i) all information, such as records and documentation, and other matters that are relevant to the preparation and presentation of the financial statements; (ii) any additional information that the auditor may request from the company and, where appropriate, those charged with governance; and (iii) unrestricted access to those within the entity from whom the auditor determines it necessary to obtain audit evidence. The audit of the financial statements does not relieve the management of its responsibilities. Accordingly, our examination of the books of accounts and records should not be relied upon to disclose all the errors or irregularities in relation to the financial statements.

We wish to place on record our appreciation for the courtesy and co-operation extended to us by management during the course of our audit.

Yours truly,

Rahman Sarfaraz Rahim Iqbal Rafiq

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INDEPENDENT AUDITORS' REPORT

To the members of Bawa Securities (Private) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **M/s. Bawa 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 comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the financial statements'), 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 comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and, respectively, give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the Profit, total comprehensive Income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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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 scepticism 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; and

- 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.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing 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 **Mr. Muhammad Waseem**.

Rahman

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: October 08 2024
UDIN: AR202410213aJZoM1Szg

Bawa Securities (Private) Limited

Statement of Financial Position

As at June 30, 2024

EQUITY AND LIABILITIES	Note	2024	2023
		Rupees	
Share capital and reserves			
Authorized capital	4	**100,000,000**	100,000,000
Issued, subscribed and paid up capital	4	**35,000,000**	35,000,000
Capital reserve			
Capital contribution from the Directors		**62,449,101**	62,449,101
Revenue reserve			
Unappropriated profits		**212,145,211**	159,439,683
		309,594,312	256,888,784
Non-current liability			
Loan from Directors	5	**30,215,524**	27,089,406
Current liabilities			
Trade and other payables	6	**83,501,136**	36,930,688
Short term borrowing	7	**78,600,185**	-
Taxation-net	8	**2,236,620**	2,871,355
		164,337,941	39,802,043
Contingencies and commitments	9	-	-
Total equity and liabilities		**504,147,777**	323,780,233
ASSETS			
Non-current assets			
Property and equipment	10	**1,387,144**	3,151,657
Intangible assets	11	**3,500,000**	3,500,000
Long term deposits and advances	12	**6,400,000**	6,400,000
		11,287,144	13,051,657
Current assets			
Short term investments	13	**259,439,935**	156,274,116
Trade debts	14	**16,449,538**	29,207,752
Receivable against margin financing	15	**147,494,168**	63,763,041
Deposits and other receivables	16	**13,732,844**	13,628,202
Cash and bank balances	17	**55,744,148**	47,855,465
		492,860,633	310,728,576
Total assets		**504,147,777**	323,780,233

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive **Director**

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Bawa Securities (Private) Limited

Statement of Profit or Loss

For the year ended June 30, 2024

	Note	2024	(Restated) 2023
		Rupees	
Operating revenue	18	**64,702,979**	39,634,130
Realized gain/(loss) on disposal of investments		**9,913,091**	(29,166,437)
Unrealized gain on remeasurement of investments		**16,188,696**	20,153,325
		90,804,766	30,621,018
Administrative expenses	19	**(59,580,244)**	(31,727,049)
Finance costs	20	**(3,126,118)**	(2,802,686)
Other income	21	**34,154,068**	14,935,178
Profit before levies and taxation		**62,252,472**	11,026,461
Levies	22	**(1,382,282)**	(1,009,529)
Profit before taxation		**60,870,190**	10,016,932
Taxation	23	**(8,164,662)**	(4,364,518)
Profit after taxation		**52,705,528**	5,652,414

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive

Director

Bawa Securities (Private) Limited

Statement of Comprehensive Income

For the year ended June 30, 2024

	2024	2023
	Rupees	
Profit after taxation	**52,705,528**	5,652,414
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year	52,705,528	5,652,414

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive

Director

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Bawa Securities (Private) Limited

Statement of Changes in Equity
For the year ended June 30, 2024

	Issued, subscribed and paid up capital	Unappropriated profits	Capital contribution from the Directors	Total
	Rupees			
Balance as at June 30, 2022	35,000,000	153,787,269	62,449,101	251,236,370
Total comprehensive income for the year ended June 30, 2023				
- Profit after taxation	-	5,652,414	-	5,652,414
- Other comprehensive income	-	-	-	-
	-	5,652,414	-	5,652,414
Balance as at June 30, 2023	35,000,000	159,439,683	62,449,101	256,888,784
Total comprehensive income for the year ended June 30, 2024				
- Profit after taxation	-	**52,705,528**	-	**52,705,528**
- Other comprehensive income	-	-	-	-
	-	**52,705,528**	-	**52,705,528**
Balance as at June 30, 2024	**35,000,000**	**212,145,211**	**62,449,101**	**309,594,312**

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive **Director**

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Bawa Securities (Private) Limited

Statement of Cash Flows

For the year ended June 30, 2024

	Note	2024	2023
		Rupees	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before levies and taxation		**62,252,472**	11,026,461
Adjustments for non-cash items :			
Unrealized gain on remeasurement of investments		**(16,188,696)**	(20,153,325)
Depreciation on property and equipment	10	**482,518**	572,575
Provision for expected credit losses on trade debts	14.2	**(4,118,430)**	(2,299,645)
Interest on treasury bills	18	**(14,429,419)**	(9,237,323)
Finance cost	20	**3,126,117**	2,802,686
Gain on disposal of operating fixed asset	21	**(619,735)**	-
Interest on saving accounts	21	**(14,715,189)**	(11,280,754)
Interest on cash margin placed with PSX	21	**(8,200,714)**	(1,354,779)
		(54,663,548)	(40,950,565)
Operating loss before working capital changes		**7,588,924**	(29,924,104)
Change in working capital:			
Decrease/(Increase) in current assets			
Trade debts		**16,876,644**	(23,060,361)
Short term investments -net		**(86,977,123)**	(37,125,529)
Receivable against margin financing		**(83,731,127)**	(16,765,323)
Deposits and other receivables		**(104,642)**	(8,206,834)
		(153,936,248)	(85,158,047)
Increase/(Decrease) in current liabilities			
Trade and other payables		**46,570,448**	(63,721,091)
Cash (used in) / generated from operations		**(99,776,876)**	(178,803,242)
Income tax paid		**(10,181,679)**	(4,445,777)
Net cash used in operating activities		**(109,958,555)**	(183,249,019)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment		**(3,498,269)**	(278,100)
Proceeds from sale of fixed assets		**5,400,000**	-
Interest received on saving accounts		**14,715,189**	11,280,754
Interest received on treasury bills		**14,429,419**	9,237,323
Interest received on cash margin placed with PSX		**8,200,714**	1,354,779
Long term deposits - net		**-**	800,000
Net cash generated from investing activities		**39,247,053**	22,394,756
Net decrease in cash and cash equivalents		**(70,711,502)**	(160,854,263)
Cash and cash equivalents at beginning of the year		**47,855,465**	208,709,728
Cash and cash equivalents at end of the year	17	**(22,856,037)**	47,855,465

The annexed notes from 1 to 29 form an integral part of these financial statements.

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Chief Executive **Director**

Bawa Securities (Private) Limited

Notes to the Financial Statements
For the year ended June 30, 2024

1. STATUS AND NATURE OF BUSINESS

Bawa Securities (Private) Limited ('the Company') was incorporated in Pakistan on April 28, 2008 as a private limited company under the Companies Ordinance, 1984 (which has now been repealed by the enactment of the Companies Act, 2017 in May 2017). The Company is a Trading Rights Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (PSX) and is categorized as a 'Trading and Self-Clearing' broker by the Securities and Exchange Commission of Pakistan (SECP). The Company is also a member of Pakistan Mercantile Exchange Limited (PMEX).

The principal activities of the Company are investments, share brokerage and Initial Public Offer (IPO) underwriting.

The registered office of the Company is situated at Room Nos. 432-433, Stock Exchange Building, Stock Exchange Road, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and

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

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

2.2 Basis of measurement

In these financial statements all items have been measured at their historical cost except for investment in quoted equity securities and mutual funds which have been measured at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards 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.

(a) Useful lives, depreciation methods and residual values of property and equipment;
(b) Provision for taxation.

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2.5 Changes in Accounting Standards, Interpretations and Amendments to Published Approved Accounting Standards

2.5.1 *Amendments to existing standards that became effective during the year*

The following new or amended standards and interpretations became effective during the period which are considered to be relevant to the Company's financial statements :

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The above amendments / interpretations do not likely have an effect on the financial statements of the Company except noted below:

The Company adopted the 'Disclosure of Accounting Policies' (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from July 01, 2023. Although the amendment did not result in any changes to the accounting policies themselves, it has affected 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 entity specific accounting policy information that user need to understand other information in the financial statements.

2.5.2 *Standards, interpretations and amendments to published approved accounting standards that are not yet effective*

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2024:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for accompany to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business

- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and FRS 7. Amendments to the Classification and Measurement of Financial instruments. The amendments:

  - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  - Clarify how to assess the contractual cash now characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.

  - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI)

  - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).

- Annual Improvements - Volume Eleven:

  - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

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- Gain or Loss on Derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement

- Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.

- Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

- Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

- Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.

- Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term "transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.

- Determination of a 'De Facto Agent' (Amendments to IFRS 10) - Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in 874 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.

- Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method".

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

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)
- IFRS 18 (Presentation and Disclosure in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

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3.1 **Property and equipment**

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the carrying amount 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. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 9. Depreciation is charged when the asset is available for use till the asset is disposed off.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

3.2 **Intangible assets**

Trading Right Entitlement Certificate (TREC) and Membership card of PMEX

The useful lives of these assets are indefinite and hence, no amortization is charged by the Company.

These are stated at cost less impairment, if any. 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.

3.3 **Trade debts**

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

3.4 **Cash and cash equivalents**

Cash and cash equivalent are carried in the statement of financial position at amortized cost. For the purpose of cash flow statement cash and cash equivalents comprise cash and bank balances.

3.5 **Levies**

A levy is an outflow of resources embodying economic benefits imposed by the government that does not meet the definition of income tax provided in the International Accounting Standard (IAS) 12 'Income Taxes' because it is not based on taxable profit.

In these financial statements, levy includes Final tax liability under various sections of Income Tax Ordinance, 2001.

3.6 **Taxation**

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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Deferred tax

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.7 Provisions and contingent liabilities

Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognized for future operating losses.

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 the obligation cannot be measured with sufficient reliability.

3.8 Financial assets

3.8.1 *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.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place.

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The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost.
(b) fair value through other comprehensive income (FVOCI).
(c) fair value through profit or loss (FVTPL).

(a) 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.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the 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.

(c) Financial assets at FVTPL

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

Such financial assets are initially measured at fair value.

3.8.2 *Subsequent measurement*

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognized in profit or loss.

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(c) *Financial assets at FVTPL*

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognized in other comprehensive income is not reclassified from equity to profit or loss.

Dividends received from investments measured at fair value through profit or loss are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

3.8.3 ***Impairment***

The Company recognizes a loss allowance for expected credit losses in respect of financial assets measured at amortized cost.

For trade debts and receivables from margin financing, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognizes in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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

3.8.4 ***De-recognition***

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

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.9 ***Financial liabilities***

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

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

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

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to setoff the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

3.10 *Revenue recognition*

Revenue from trading activities - brokerage commission

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

3.11 Other income

Mark up / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

4. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024	2023		2024	2023
(Number of shares)			Rupees	
		Authorized capital		
1,000,000	1,000,000	Ordinary shares of Rs. 100/- each	**100,000,000**	100,000,000
		Issued, subscribed and paid up capital		
		Ordinary shares of Rs.100/- each		
350,000	350,000	Issued for cash	**35,000,000**	35,000,000

4.1 There are no agreements among shareholders in respect of voting rights, board selection, rights of first refusal, and block voting.

4.2 Pattern of shareholding

	2024		2023	
Categories of shareholders	**Shares held**	**% of holding**	Shares held	% of holding
Individuals				
Muhammad Hanif Bawa	**140,000**	**40.00%**	140,000	40.00%
Muhammad Rafiq Bawa	**122,500**	**35.00%**	122,500	35.00%
Seema Bawa	**35,000**	**10.00%**	35,000	10.00%
Yasmin Rafiq Bawa	**35,000**	**10.00%**	35,000	10.00%
Muhammad Iqbal Bawa	**17,500**	**5.00%**	17,500	5.00%
	350,000	**100%**	350,000	100%

5. LOAN FROM DIRECTORS

This represents unsecured, interest free loan provided by Directors of the Company. The capital contribution represents the difference between the nominal value and present value (at the disbursement date) of long term loan received in 2001. Since the loan is interest-free and is to be repaid after 30 years from the disbursement date, it has been discounted at the Company's borrowing rate with the effect of discounting credited to equity in accordance with the requirements of Technical Release 32-Accounting Directors' Loan issued by the Institute of Chartered Accountants of Pakistan.

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6. TRADE AND OTHER PAYABLES

	2024	2023
	Rupees	
Creditors	55,157,904	32,907,977
Payable to clients against DFCs	1,262,810	2,385,924
Accrued expenses	26,673,524	1,272,905
Sindh Sales Tax payable	406,898	363,882
	83,501,136	36,930,688

7. SHORT TERM BORROWING

Running finance	7.1	78,600,185	-

7.1 This represents the amount availed against a running finance facility obtained by the Company from M/s. Bank Al-Habib Limited in order to meet its working capital requirements. As of the reporting date, the limit of the facility was Rs. 85 million (2023: NIL). The facility is secured against pledge over shares of listed companies quoted at Pakistan Stock Exchange Limited (as per bank approved list), lien over Government Securities, 12 month TDR issued in the name of Directors. The facility carries markup at the rate of 3-Month KIBOR plus 1.5 % p.a. (2023: NIL).

As of the reporting date, the amount of unavailed facility was Rs. 6.4 million (2023: NIL).

8. INCOME TAX PAYABLE

Opening balance - income tax payable / (refundable)	2,871,355	1,943,085
Tax paid during the year	(10,181,679)	(4,445,777)
Provision for taxation - current	9,546,944	5,015,132
Provision for taxation - prior	(148,215)	358,915
Closing balance - income tax payable	2,236,620	2,871,355

9. CONTINGENCIES AND COMMITMENTS

As of the reporting date, no material contingencies and commitments were known to exist (2023:None).

	2024	2023
	Rupees	
Revolving guarantee given by Bank Al Habib Limited on behalf of the Company in favour of National Clearing Company of Pakistan Limited against Ready market exposure	10,000,000	10,000,000

10. PROPERTY AND EQUIPMENT

	Offices	Furniture & fixture	Electric Equipments	Vehicles	Computer	Total
			Rupees			
As at June 30, 2022						
Cost	3,301,000	759,930	1,886,456	400,000	5,739,312	12,086,698
Accumulated depreciation	(1,551,522)	(655,032)	(1,019,015)	(396,680)	(5,018,317)	(8,640,566)
Net book value	1,749,478	104,898	867,441	3,320	720,995	3,446,132
Year ended June 30, 2023						
Opening net book value	1,749,478	104,898	867,441	3,320	720,995	3,446,132
Additions during the year	-	-	-	-	278,100	278,100
Depreciation for the year	(174,948)	(10,490)	(86,744)	(664)	(299,729)	(572,575)
Closing net book value	1,574,530	94,408	780,697	2,656	699,366	3,151,657
As at June 30, 2023						
Cost	3,301,000	759,930	1,886,456	400,000	6,017,412	12,364,798
Accumulated depreciation	(1,726,470)	(665,522)	(1,105,759)	(397,344)	(5,318,046)	(9,213,141)
Net book value	1,574,530	94,408	780,697	2,656	699,366	3,151,657

Year ended June 30, 2024						
Opening net book value	1,574,530	94,408	780,697	2,656	699,366	3,151,657
Additions during the year	3,371,599	-	13,500	-	113,170	3,498,269
Disposals:						
- Cost	(6,672,599)	-	-	-	-	(6,672,599)
- Accumulated depreciation	1,892,335	-	-	-	-	1,892,335
	(4,780,264)	-	-	-	-	(4,780,264)
Depreciation for the year	(165,865)	(9,441)	(79,420)	(531)	(227,261)	(482,518)
Closing net book value	-	84,967	714,777	2,125	585,275	1,387,144
As at June 30, 2024						
Cost	-	759,930	1,899,956	400,000	6,130,582	9,190,468
Accumulated depreciation	-	(674,963)	(1,185,179)	(397,875)	(5,545,307)	(7,803,324)
Net book value	-	84,967	714,777	2,125	585,275	1,387,144
Rate of depreciation	10%	10%	10%	20%	30%	

10.1 Property and Equipment includes fully depreciated offices costing Rs 600,000 addresing office # 432 & 433 in Pakistan Stock Exchange

11. INTANGIBLE ASSETS

	Note	2024	2023
		Rupees	
Trading Rights Entitlement (TRE) Certificate - PSX	*11.1*	**2,500,000**	2,500,000
Membership Card - PMEX		**1,000,000**	1,000,000
		3,500,000	3,500,000

11.1 Pursuant to the promulgation of the Stock Exchanges (Corporatization, Demutualization and Integration) Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012, the Company received a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of Pakistan Stock Exchange Limited (PSX). This is being carried at cost less accumulated impairment computed based on the notional value of the TREC as notified by PSX.

12. LONG TERM DEPOSITS AND ADVANCES

	Note	2024	2023
		Rupees	
Trading deposits			
- National Clearing Company of Pakistan Limited	*12.1*	**1,400,000**	1,400,000
Advances			
Pakistan Mercantile Exchange Limited (PMEX)	*12.2*	**5,000,000**	5,000,000
		6,400,000	6,400,000

12.1 These includes basic deposits and security deposits (including the security deposit relating to DFC market).

12.2 This represent an advance made to Pakistan Mercantile Exchange Limited (PMEX) for acquiring an office space at NCEL Building Project.

13. SHORT TERM INVESTMENTS

	Note	2024	2023
		Rupees	
At fair value through profit or loss			
Investment in quoted securities	*13.1*	**117,715,498**	70,299,913
Investment in mutual fund	*13.2*	**7,097,545**	5,982,983
		124,813,043	76,282,896
At amortized cost			
Investment in Treasury bill (T-bill)	*13.4*	**134,626,892**	79,991,220
		259,439,935	156,274,116

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13.1 Investment in quoted securities

Scrips 2024	Scrips 2023	Scrip name	Market Value 2024	Market Value 2023
-------Numbers -------			-------Rupees -------	
-	5,000	Kot Addu Power Company Limited	-	104,000
-	107,499	Maple Leaf Cement Factory Limited	-	3,045,447
-	5,875	Pervez Ahmed Consultancy Services Limited	-	3,643
158,820	82,320	Pakistan Petroleum Limited	**18,599,410**	4,868,405
126,000	208,500	Pakistan Refinery Limited	**2,923,200**	2,827,260
2,002,953	2,002,953	Pakistan Stock Exchange Limited	**25,657,828**	14,821,852
-	2,175	Reliance Weaving Mills Limited	-	168,236
-	40,500	Sui Northern Gas Pipelines Limited	-	1,594,485
-	20,000	Sui Southern Gas Company Limited	-	171,800
-	66,500	Air Link Communication Limited	-	1,318,695
-	1,500	Al Shaheer Corporation Limited	-	10,845
-	22,000	Avanceon Limited	-	968,880
-	1,000	Bank Alfalah Limited	-	30,440
-	6,500	Bankislami Pakistan Limited	-	115,440
-	9,500	Citi Pharma Limited	-	202,730
45,500	32,000	D.G. Khan Cement Company Limited	**4,107,285**	1,641,600
-	4,000	Descon Oxychem Limited	-	96,880
-	5,500	Engro Corporation Limited	-	1,429,395
-	500	Fauji Fertilizer Bin Qasim Limited	-	5,890
-	32,000	Fauji Foods Limited	-	183,680
-	1,000	Gul Ahmed Textile Mills Limited	-	17,810
-	190,000	Ghani Global Holdings Limited	-	1,875,300
-	1,500	Ghandhara Industries Limited	-	120,810
-	24,000	Habib Bank Limited	-	1,757,520
62,000	2,500	The Hub Power Company Limited	**10,110,960**	173,950
-	27,500	Hum Network Limited	-	160,600
-	438,000	K-Electric Limited	-	753,360
-	19,500	Lotte Chemical Pakistan Limited	-	536,640
-	3,500	Lucky Cement Limited	-	1,827,315
-	2,000	Meezan Bank Limited	-	172,740
-	2,000	Nishat (Chunian) Limited	-	40,600
-	15,000	Nishat Chunian Power Limited	-	250,500
-	12,500	Netsol Technologies Limited	-	935,375
-	500	Nishat Power Limited	-	8,475
-	1,000	National Refinery Limited	-	150,000
120,500		Nishat Mills Limited	**8,537,425**	
-	10,500	Oil & Gas Development Company Limited	-	819,000
-	18,500	Pakistan Aluminium Beverage Cans Limited	-	836,570
-	44,000	Pak Elektron Limited	-	398,200
-	7,500	Pioneer Cement Limited	-	649,725
67,000	1,000	Pakistan State Oil Company Limited	**11,136,070**	111,010
210,000	51,500	Shell Pakistan Limited	**28,161,000**	5,955,975
148,500		The Searle Company Limited	**8,482,320**	
-	3,000	Systems Limited	-	1,209,990
-	35,000	Telecard Limited	-	231,000
-	17,500	Tariq Glass Industries Ltd	-	1,191,750
-	10,000	Tpl Corp Limited	-	60,100
-	203,000	Tpl Properties Limited	-	2,529,380
-	99,000	Treet Corporation Limited	-	1,567,170
-	82,500	Trg Pakistan Limited - Class 'A'	-	7,600,725
-	17,000	United Bank Limited	-	1,998,180
-	105,500	Unity Foods Limited	-	1,648,965
-	90,500	Waves Corporation Limited	-	556,575
-	500,000	Worldcall Telecom Limited	-	545,000
2,941,273	4,692,322		**117,715,498**	70,299,913

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13.2 Investment in mutual funds

Units 2024	Units 2023	Scrip name	Market Value 2024	Market Value 2023
-------Numbers -------			-------Rupees -------	
140,870	118,749	Pakistan Cash Management Fund	7,097,545	5,982,983

13.3 Details of shares pledged

	2024		2023	
	No of shares pledged	Value of shares pledged	No of shares pledged	Value of shares pledged
Pledge with PSX / NCCPL				
Clients	51,000	8,317,220	57,000	4,819,410
Brokerage house	2,390,900	56,484,069	2,342,400	28,985,045
Pledge with Banks				
Clients	1,079,000	62,060,140	3,546,500	94,195,720

13.4 This represents investment in Treasury bills (T-bills) having face value of Rs. 90 million with maturity dates upto November 30, 2025.

14. TRADE DEBTS

	Note	2024	2023
		Rupees	
Total trade debts outstanding		19,631,627	36,508,271
Less: Provision for expected credit losses	14.2	(3,182,089)	(7,300,519)
		16,449,538	29,207,752

14.1 As of the reporting date, the Company held equity securities having fair value of Rs. 1474.65 million (2023: Rs. 242.1 million) owned by its clients, as collaterals against trade debts.

14.2 Movement in provision for expected credit losses

	2024	2023
	Rupees	
Balance at the beginning of the year	7,300,519	9,600,164
Reversal of provision	(4,118,430)	(2,299,645)
Balance at the end of the year	3,182,089	7,300,519

14.3 As of the reporting date, total customer assets held in central depository system amounted to Rs. 1541.3 million (2023: Rs 1,093.9 million).

15. Receivable against margin financing

	2024	2023
	Rupees	
Receivable under Margin Financing - considered good and secured	147,494,168	63,763,041

15.1 As of the reporting date, the Company held equity securities having fair value amounting to Rs. 147.5 million (2023: Rs. 68 million) as collateral against receivables under Margin Financing.

16. DEPOSITS AND OTHER RECEIVABLES

	2024	2023
	Rupees	
Deposits placed with NCCPL in respect of:		
- Ready market exposure	2,500,000	2,500,000
- DFC exposure	7,700,000	3,500,000
- Loss on DFCs	2,072,091	1,525,585
Other receivables		
- Receivable from NCCPL against profit held on Deliverable Futures Contracts	1,460,753	2,076,756
- Interest receivable on Treasury bills	-	4,025,861
	13,732,844	13,628,202

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17.	CASH AND BANK BALANCES	Note	2024	2023
			Rupees	
	Cash in hand		65,303	83,180
	Cash at bank			
	- current accounts		519,711	696,881
	- saving account	17.1	55,159,134	47,075,404
			55,678,845	47,772,285
			55,744,148	47,855,465

17.1 The return on these balances is 23.46% to 24.91% (2023: 8.5% to 12.5%) per annum on daily product basis.

17.2 As of the reporting date, balances held in clients' accounts amounted to Rs. 55.160 million (2023: Rs. 32.910 million).

18.	OPERATING REVENUE	Note	2024	2023
			Rupees	
	Commission income		47,898,710	23,666,616
	Dividend income		2,374,850	6,730,191
	Profit on treasury bills		14,429,419	9,237,323
			64,702,979	39,634,130

19.	ADMINISTRATIVE EXPENSES	Note	2024	2023
	Dealers commission		-	3,257,484
	Salaries, benefits and allowances		17,505,907	15,620,445
	Directors' remuneration	19.1	3,000,000	3,894,875
	PSX, SECP & NCCPL Charges		6,935,528	4,927,964
	Printing and stationery		30,500	21,650
	Fees and subscription		14,362,950	55,100
	Communication expenses		1,062,825	917,645
	Auditors' remuneration - audit fee		525,000	470,000
	Entertainment expense		427,532	353,946
	Repair and maintenance		6,889,681	215,041
	Depreciation	10	482,518	572,575
	Bank charges		1,633,463	1,269,602
	Miscellaneous expenses		6,724,340	150,722
			59,580,244	31,727,049

19.1 Remuneration of Chief Executive, Directors and Executives

The aggregate amounts charged in the financial statements for remuneration, including certain benefits to Directors, Chief Executive and Executives of the Company, are as follows:

	Chief Executive		Directors		Total	
	2024	2023	2024	2023	2024	2023
	Rupees					
Managerial remuneration	2,700,000	2,619,000	300,000	1,275,875	3,000,000	3,894,875
	2,700,000	2,619,000	300,000	1,275,875	3,000,000	3,894,875
Number of persons	1	1	3	3	4	4

19.2 The Chief Executive and Director have also been provided with free use of the Company maintained cars.

19.3 Presently, the Company has no 'executives' as defined in the Fifth Schedule to the Companies Act, 2017.

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20. FINANCE COSTS	2024	2023
	Rupees	
Unwinding of director loan	3,126,118	2,802,686

21. OTHER INCOME

	2024	2023
Profit on bank saving account	14,715,189	11,280,754
Profit on cash margin with NCCPL	8,200,714	1,354,779
Gain on disposal of operating fixed asset	619,735	-
Reversal of provision for expected credit losses	4,118,430	2,299,645
Others	6,500,000	-
	34,154,068	14,935,178

22. LEVIES	2024	(Restated) 2023
Final tax under Income Tax Ordinance, 2001	1,382,282	1,009,529

23. TAXATION	2024	(Restated) 2023
Current	8,164,662	4,005,603
Prior	(148,215)	358,915
	8,016,447	4,364,518

23.1 Relationship of tax expense with accounting profit

	2024	2023
Profit before levies and taxation	62,252,472	11,026,461
Tax at the rate of 29% (2023: 29%)	18,053,217	3,197,674
Effect of realized and unrealized income	(7,569,518)	-
Effect of income chargeable at reduced rate	1,382,282	1,009,529
Tax effect of non-deductible expenses	(287,770)	812,779
Others	(2,179,482)	354,065
	9,398,729	5,374,047

23.1.1 The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate as required by IAS 12 'Income Taxes' has not been presented in these financial statements since the Company has suffered an accounting loss before tax in current year.

23.2 The income tax assessments of the Company have been finalised up to and including the tax year 2023. Tax returns are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for re-assessment by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for the purpose of issuing an amended assessment order.

24. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel including directors and their close family members and major shareholders of the Company. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Remuneration of the Chief Executive and Directors is disclosed in note 18.1 to the financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

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24.1 The Company has a practice of not charging any commission from its directors and their spouses / children in respect of trading in securities carried out on their behalf.

Name of the related party, relationship with the Company and the nature of transaction / balance	2024	2023
	Rupees	
KEY MANAGEMENT PERSONNEL		
Mr. Rafiq Bawa (Director)		
Trade payable at year end	-	-
Miss. Seema Yousuf (Director)		
Trade payable at year end	1,030,771	2,225,354
CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL		
Abdus Samad Bawa		
Trade payable at year end	423,941	535,969
Hoor Bawa		
Trade payable at year end	44,278	303
Khulood Hanif		
Trade payable at year end	175,742	177,556
Khulood Hanif		
Trade payable at year end	6,531,487	523,455
Kanwal Hanif		
Trade payable at year end	111,180	143,535
Dua Hanif		
Trade payable at year end	-	588,251
Yasmeen Rafiq Bawa		
Trade payable at year end	-	4,388
Muhammad Hanif Bawa		
Trade payable at year end	48,500	8,439

25. FINANCIAL INSTRUMENTS

25.1 Financial risk analysis

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

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.

- Credit risk
- Liquidity risk
- Market risk

25.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is **past due for 90 days or more**.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

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Maximum exposure to credit risk

The maximum exposure to credit risk at the reporting date is as follows:

	Note	2024	2023
		Rupees	
Long term deposits		**1,400,000**	1,400,000
Trade debts	*(a)*	**16,449,538**	29,207,752
Receivable against margin financing		**147,494,168**	63,763,041
Deposits and other receivables		**13,732,844**	13,628,202
Bank balances	*(b)*	**55,678,845**	47,772,285
		234,755,395	155,771,280

Note (a) - Credit risk exposure on trade debts

Credit risk of the Company mainly arises from deposits with banks, trade debts, short term deposits, loans and other receivables. The carrying amount of financial assets represents the maximum credit exposure. 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 net worth and proper margins 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.

As of the reporting date, the aging analysis of trade debts was as follows:

	2024		2023	
	Gross Carrying amount	Life time expected credit losses	Gross Carrying amount	Life time expected credit losses
	Rupees			
Past due 1-30 days	**11,525,431**	-	27,810,593	-
Past due 31-180 days	**77,349**	-	674,094	-
Past due 181-365 days	**36,576**	-	152,609	-
More than 365 days	**7,992,179**	**3,182,089**	7,870,975	3,182,089
	19,631,535	**3,182,089**	36,508,271	3,182,089

Note (b) - Credit risk exposure on bank balances

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

	Short term rating	Credit rating agency	2024	2023
			Rupees	
Bank Al-Falah Limited	A-1+	PACRA	**65,662**	15,077
Bank Al-Habib Limited	A-1+	PACRA	**55,340,051**	47,521,978
Habib Bank Limited	A-1+	JCR-VIS	**81,411**	43,509
Habib Metropolitan Bank Limited	A-1+	PACRA	**52,835**	52,835
MCB Bank Limited	A-1+	PACRA	**138,886**	138,886
			55,678,845	47,772,285

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Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. As of the reporting date, the Company was exposed to the following concentrations of credit risk:

	30-Jun-24			30-Jun-23		
	Total exposure-Gross	Concentration	% of total exposure	Total exposure-Gross	Concentration	% of total exposure
	Rupees					
Trade debts	19,631,627	10,537,974	53.68%	36,508,271	28,974,807	79.37%
Bank balances	55,678,845	55,340,051	99.39%	42,772,285	42,521,978	99.41%
		65,878,025			71,496,785	

25.1.2 *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The following are the contractual maturities of financial liabilities:

	June 30, 2024					
	Carrying amount	Contractual Cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	Rupees					
Non-derivative financial liabilities						
Trade and other payables	83,094,238	(83,094,238)	(83,094,238)	-	-	-
Loan from directors	30,215,524	(64,900,000)	-	-	-	(64,900,000)
	113,309,762	(147,994,238)	(83,094,238)	-	-	(64,900,000)

	June 30, 2023					
	Carrying amount	Contractual Cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	Rupees					
Non-derivative financial liabilities						
Trade and other payables	36,566,806	(31,096,806)	(31,096,806)	-	-	-
Loan from directors	27,089,406	(64,900,000)	-	-	-	(64,900,000)
	63,656,212	(95,996,806)	(31,096,806)	-	-	(64,900,000)

25.1.3 *Market risk*

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

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Company was not exposed to currency risk since there were no foreign currency transactions and balances at the reporting date.

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ii) **Price risk**

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by regulatory authorities which reduces the volatility of prices of equity securities. The Company manages price risk by monitoring the exposure in quoted securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Company to incur significant mark-to-market and credit losses. As of the reporting date, the Company was exposed to price risk since it had investments in quoted securities and mutual funds and also because the Company held collaterals in the form of equity securities against their debtor balances.

The carrying value of investments subject to price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, the amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of securities in particular sectors of the market.

Sensitivity analysis

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

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices (Rupees)	Hypothetical effect on profit / loss before tax (Rupees)
June 30, 2024	**124,813,043**	**10% increase**	**137,294,347**	**12,481,304**
		10% decrease	**112,331,739**	**(12,481,304)**
June 30, 2023	76,282,896	10% increase	83,911,186	7,628,290
		10% decrease	68,654,606	(7,628,290)

iii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

	2024	2023	2024	2023
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Variable rate instruments				
Balance held in saving accounts	23.46% - 24.91%	8.5% - 12.5%	55,159,134	47,075,404

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Sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate would not affect the profit or loss and equity of the company.

Cash flow sensitivity analysis for variable rate instruments

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Effect on profit before tax	
	1% increase	**1% (decrease)**
	------------- Rupees -------------	
As at June 30, 2024		
Cash flow sensitivity-Variable rate financial instruments	**551,591**	**(551,591)**
As at June 30, 2023		
Cash flow sensitivity-Variable rate financial instruments	470,754	(470,754)

		2024	2023
25.2	**Financial instruments by categories**	Rupees	
25.2.1	**Financial assets**		
	At fair value through profit or loss		
	Short term investments	**124,813,043**	76,282,896
	At amortized cost		
	Long term deposits	**1,400,000**	1,400,000
	Short term investments	**134,626,892**	79,991,220
	Trade debts	**16,449,538**	29,207,752
	Receivable against margin financing	**147,494,168**	63,763,041
	Deposits and other receivables	**13,732,844**	13,628,202
	Cash and bank balances	**55,744,148**	47,855,465
		369,447,590	235,845,680
25.2.2	**Financial liabilities**		
	At amortized cost		
	Trade and other payables	**83,094,238**	36,566,806
	Loan from directors	**30,215,524**	27,089,406
		113,309,762	63,656,212

26. FAIR VALUE OF ASSETS AND LIABILITIES

The Company measures fair value of its assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

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Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market/ quoted price in an active market and whose fair value cannot be reliably measured.

The table below analyses assets measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

June 30, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees			
Short term investments	**124,813,043**	**-**	**-**	**124,813,043**

June 30, 2023	Level 1	Level 2	Level 3	Total
	Rupees			
Short term investments	76,282,896	-	-	76,282,896

27. CAPITAL RELATED DISCLOSURES

27.1 Capital management

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

Following is the capital analysis of what company manages as capital:

	2024	2023
Borrowings:	--------- Rupees -------	
Loan from directors	**64,900,000**	64,900,000
Shareholders' equity:		
Issued, subscribed and paid up capital	**35,000,000**	35,000,000
Unappropriated profits	**212,145,211**	159,439,683
	247,145,211	194,439,683
	312,045,211	259,339,683

The Company is not subject to any externally imposed capital requirements other than the ones specified in notes 26.2 and 26.3 below.

27.2 Capital Adequacy Level

The **Capital Adequacy Level** as defined by the Central Depository Company of Pakistan Limited (CDC) is calculated as follows:

	Note	**2024**	2023
		--------- Rupees -------	
Total assets	*27.2.1*	**504,147,777**	323,780,233
Less: Total liabilities		**(194,553,465)**	(66,891,449)
Less: Revaluation reserves (created upon revaluation of fixed assets)		**-**	-
Capital Adequacy Level		**309,594,312**	256,888,784

27.2.1 While determining the value of the total assets of the Company, notional value of the TRE certificate as determined by Pakistan Stock Exchange Limited has been considered.

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27.3 Liquid Capital [as per the requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016]

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	1,387,144	1,387,144	-
1.2	Intangible Assets	3,500,000	3,500,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	134,626,892	6,731,345	127,895,547
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	**Investment in Equity Securities**			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirenment, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	124,813,043	54,722,146	70,090,897
	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 Securites Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	**Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.**			
	(i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirenments of base minimum capital may be taken in the calculation of LC	1,400,000	1,400,000	-
1.9	Margin deposits with exchange and clearing house.	12,272,091	-	12,272,091
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	5,000,000	5,000,000	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (*Securities purchased under repo arrangement shall not be included in the investments.*)	-	-	-
1.15	**Advances and receivables other than trade Receiveables;**			
	(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	-	-	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation .	-	-	-
	(iii) In all other cases 100% of net value	-	-	-
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.	1,460,753	-	1,460,753

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. *i. Lower of net balance sheet value or value determined through adjustments.*	147,494,168	21,150,273	126,343,895
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. *ii. Net amount after deducting haircut*	-	-	-
	iii. Incase receivalbes are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, *iii. Net amount after deducting haricut*	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. *iv. Balance sheet value*	10,537,974	-	10,537,974
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. *v. Lower of net balance sheet value or value determined through adjustments*	5,911,564	5,864,947	5,864,947
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. *vi. Lower of net balance sheet value or value determined through adjustments*	-	-	-
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietory accounts	518,711	-	518,711
	ii. Bank balance-customer accounts	55,160,134	-	55,160,134
	iii. Cash in hand	65,303	-	65,303
1.19	**Subscription money against investment in IPO/ offer for sale (asset)**			
	(i)No haircut may be applied in respect of amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker.	-	-	-
	(ii) In case of Investment in IPO where shares have been alloted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities.	-	-	-
	(iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.	-	-	-
1.20	**Total Assets**	504,147,777		410,210,252
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	55,157,904	-	55,157,904

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	406,898	-	406,898
	ii. Accruals and other payables	27,936,334	-	27,936,334
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	2,236,620	-	2,236,620
	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	-	-	-
	iii. Staff retirement benefits			
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nill in all other cases	78,600,185	-	78,600,185
2.4	**Subordinated Loans**			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	30,215,524	30,215,524	-
2.5	**Advance against shares for Increase in Capital of Securities broker:**			
	100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	**Total Liabilites**	194,553,465		164,337,941
3. Ranking Liabilities Relating to :				
3.1	**Concentration in Margin Financing**			
	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total finances. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities	-		85,183,903
3.2	**Concentration in securites lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)	-	-	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
3.3	**Net underwriting Commitments**			
	(a) in the case of right issue : if the market value of securites is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments			
3.4	**Negative equity of subsidiary**			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions**			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO			
3.7	**Repo adjustment**			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	**Concentrated proprietary positions**			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security	1,408,050	-	1,408,050
3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met			
3.10	**Short selll positions**			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietory positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilites**	1,408,050	-	86,591,953

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27.3.1 This includes investment in money market mutual funds amounting to Rs. 5,982,983 (with a haircut / adjustment of 15%) which can be redeemed at any time and therefore, have been considered as liquid for the purpose of Liquid Capital.

28. CHANGE IN ACCOUNTING POLICY

In May 2024, the Institute of Chartered Accountants of Pakistan issued Circular 07/2024 titled as *'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes'*. The circular clarifies that any taxes whose calculation is *not* based on **'taxable profit'** (as defined in the International Accounting Standard (IAS) 12 *'Income Taxes'*) do not meet the definition of **'current tax'** as per that standard. Instead, such taxes should be treated as **'levies'** falling within the scope of IFRIC 21 *'Levies'* and the IAS 37 *'Provisions, Contingent Liabilities and Contingent Assets'*.

In light of the guidance provided in, and as required by, the said circular, the Company has changed its accounting policy for current tax whereby *only* the portion of the income tax charge that is based on the *'taxable income'* for a reporting period *(as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder)* is now classified as a **'current tax'**. Any excess charge over the said amount (for example, excess of Minimum Tax under section 113 of the Income Tax Ordinance, 2001 over the normal tax charge) is now classified as a **'levy'** in the statement of profit or loss. However, the said change in accounting policy has no effect on the accounting for deferred income taxes i.e., the deferred tax liabilities / assets continue to be accounted for based on the taxable / deductible temporary differences and the tax rate(s) enacted or substantively enacted by the end of the reporting period.

In these financial statements, the said change in accounting policy has been accounted for *retrospectively*. If the said change in accounting policy had, however, not been made, the following items in the statement of profit or loss would have been reported as follows:

	2024	2023
	Rupees	
Profit before levies and taxation	**62,252,472**	11,026,461
Levies	-	-
Profit before taxation	**60,870,190**	10,016,932
Taxation	**(9,546,944)**	(5,374,047)
Profit after taxation	**52,705,528**	5,652,414

29. GENERAL

29.1 Number of employees

Number of persons employed by the Company as on the year end were 18 (2023: 18) and average number of employees during the year were 18 (2023: 18).

29.2 Date of authorization of financial statements for issue

These financial statements were approved by the Board of Directors of the Company in their meeting held on Oct 9, 2024

29.3 Level of rounding

All the figures in the financial statements have been rounded off to the nearest rupee.

BAWA SECURITIES (PRIVATE) LTD. PSX 054

Chief Executive

Director