

GAZIPURA SECURITIES & SERVICES (PRIVATE) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

DIRECTORS' REPORT

On behalf of the Board of Directors of the Company, I am pleased to present our report together with the audited financial statement of the Company for the year June 30, 2024.

Performance Overview

The following depicts the Company's performance in the current year.

	Rupees
Operating revenue	104,740,596
Operating expenses	(45,289,724)
Operating profit	59,450,872
Other income	15,644,503
Profit / (loss) before levy and income tax	75,095,375
Levy and Income Tax	(17,216,632)
Profit after taxation	57,878,743

Capital Market Review & Outlook

In Financial Year 2024, the Pakistan Equity Market performed exceptionally well, experiencing improvement in both trading value and volume compared to FY23. Despite anticipated economic difficulties and political instability, the market's performance exceeded expectations. This positive momentum, reflected in the KSE-100 Index trading at a reasonable Price to Earnings ratio, gradually drew investors back into the market. Those who had previously exited found renewed confidence in the market's performance, leading to a partial resurgence in trading activity. Moreover, higher inflation and interest rates are likely to keep the equities market under pressure during next year.

Dividend:

The Directors do not recommended any dividend during the year due to cash flow requirement during next financial year.

External Auditors

The retiring auditors, M/s. Nasir Javaid Maqsood Imran., Chartered Accountants, being eligible, have offered themselves for reappointment

Dated:

Director

Chief Executive Officer

GAZIPURA SECURITIES & SERVICES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	Rupees 2024	Rupees 2023
ASSETS			
NON-CURRENT ASSETS			
Property & equipment	4	199,402	235,434
Intangible assets	5	2,750,000	2,750,000
Long term deposits and loans	6	13,526,854	13,534,704
		16,476,256	16,520,138
CURRENT ASSETS			
Trade receivables	7	9,753	-
Short term investments	8	373,492,172	366,325,567
Advances, deposits & other receivables	9	22,045,820	26,318,387
Bank balances	10	35,387,078	7,132,174
		430,934,823	399,776,128
TOTAL ASSETS		447,411,079	416,296,266
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
17,000,000 (2023: 17,000,000) ordinary shares of Rs. 10/- each		170,000,000	170,000,000
Issued, subscribed and paid-up capital	11	50,000,000	50,000,000
Revenue reserves		387,217,413	325,722,215
		437,217,413	375,722,215
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liability	12	4,777,566	174,051
		4,777,566	174,051
CURRENT LIABILITIES			
Accrued expenses & other liabilities	13	5,416,100	40,400,000
		5,416,100	40,400,000
CONTINGENCIES AND COMMITMENTS	14	-	-
TOTAL EQUITY AND LIABILITIES		447,411,079	416,296,266

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive Officer

Director

GAZIPURA SECURITIES & SERVICES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

		(Restated)	
Note	Rupees 2024	Rupees 2023	
REVENUE			
Operating revenue	15	21,636,186	16,008,338
Capital gain on disposal of securities	16	51,277,219	17,855,589
Unrealised gain on remeasurement of investment at fair value - through profit or loss		31,827,192	1,132,991
		104,740,596	34,996,917
Administrative expenses	17	(45,269,450)	(29,073,051)
Finance cost	18	(20,274)	(11,451)
		(45,289,724)	(29,084,502)
Operating profit		59,450,872	5,912,415
Other income	19	15,644,503	11,876,653
Profit before levy and income tax		75,095,375	17,789,068
Levy	20	(10,052,593)	(4,339,233)
Profit before income tax		65,042,783	13,449,835
Income Tax	21	(7,164,039)	(1,154,309)
Profit after income tax		57,878,743	12,295,526

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive Officer

Director

GAZIPURA SECURITIES & SERVICES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

Note	Rupees 2024	Rupees 2023
Profit after income tax	57,878,743	12,295,526
<u>Other comprehensive income for the year</u>		
Items that will not be reclassified to statement of profit or loss subsequently		
Unrealised gain / (loss) on remeasurement of investment - At fair value - through other comprehensive income	3,616,455	(9,919,691)
Total comprehensive income for the year	<u>61,495,198</u>	<u>2,375,835</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive Officer

Director

GAZIPURA SECURITIES & SERVICES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

Notes	Rupees 2024	Rupees 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before income tax	65,042,783	17,789,068
Add/(less) : Items not involved in movement of fund:		
Depreciation	36,032	42,752
Levy	10,052,593	4,339,233
Capital gain on disposal of securities	(51,277,219)	(17,855,589)
Unrealised (gain) / loss on remeasurement of investment at fair value - through profit or loss	(31,827,192)	(1,132,991)
Profit on investment in treasury bills	(9,825,925)	(7,105,625)
Finance costs	20,274	11,451
	<u>(82,821,437)</u>	<u>(21,700,768)</u>
Cash used in operating activities before working capital changes	(17,778,655)	(3,911,700)
Net change in working capital	(a) (26,482,212)	(10,478,559)
	(44,260,866)	(14,390,260)
Taxes and levies paid	(7,026,066)	(2,664,355)
Finance costs paid	(20,274)	(11,451)
Net cash used in operating activities	(51,307,207)	(17,066,066)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of equity securities of LSE Financial Services Limited	-	15,866,730
Disposal of / (investment in) equity securities of listed companies and treasury bills	79,554,260	(13,831,365)
Long term deposits and loans	7,850	-
Net cash generated from investing activities	79,562,110	2,035,365
Net decrease in cash and cash equivalents	28,254,903	(15,030,700)
Cash and cash equivalent at beginning of the year	7,132,174	22,162,874
Cash and cash equivalent at end of the year	10 35,387,078	7,132,174
(a) Statement of change in working capital		
(Increase) / decrease in current assets		
Trade receivables	(9,753)	106,837
Advances, deposits & other receivables	8,511,441	(10,751,523)
	8,501,688	(10,644,686)
Increase / (decrease) in current Liabilities		
Accrued expenses & other liabilities	(34,983,900)	166,127
Net change in working capital	(26,482,212)	(10,478,559)

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive Officer

Director

GAZIPURA SECURITIES & SERVICES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	<i>Revenue Reserves</i>				Total
	Issued, subscribed & paid up capital	Unappropriated profit	Unrealised gain on remeasurement of investment at fair value-through other comprehensive income	Sub Total	
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	
Balance as at June 30, 2022	50,000,000	315,670,727	7,675,656	323,346,380	373,346,380
Profit for the year	-	12,295,526	-	12,295,526	12,295,526
Loss on remeasurement of investment at fair value - through other comprehensive income - net	-	-	(9,919,691)	(9,919,691)	(9,919,691)
Balance as at June 30, 2023	50,000,000	327,966,253	(2,244,035)	325,722,215	375,722,215
Profit for the year	-	57,878,743	-	57,878,743	57,878,743
Gain on remeasurement of investment at fair value - through other comprehensive income - net	-	-	3,616,455	3,616,455	3,616,455
Balance as at June 30, 2024	50,000,000	385,844,997	1,372,419	387,217,413	437,217,413

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive Officer

Director

GAZIPURA SECURITIES & SERVICES (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Gazipura Securities & Services (Private) Limited ('the Company') was incorporated in Pakistan as a private company on March 13, 2006 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 Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 736-737, 7th Floor, Stock Exchange Building, Stock Exchange Road, Karachi, Pakistan. The principal activities of the Company are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. Approved accounting and reporting standards comprise of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by International Accounting Standards Board and provisions of and directives issued under the Companies Act 2017. In case requirements differ, the provision or directives of the Companies Act, 2017 shall prevail. These financial statements also include disclosures required to be reported in accordance with the provisions of Securities Brokers (Licensing and Operations) Regulations, 2016.

2.2 Basis of measurement

Items in these financial statements have been measured at their historical cost except for short term investments in quoted equity securities which are carried at fair value.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The summary of material accounting policies and methods of computations adopted in the preparation of these financial statements are same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2023.

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 4. 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

Intangible assets having definite useful life are stated at cost less accumulated amortization and impairment losses, if any however, Intangible assets having indefinite life are stated at cost less impairment losses, if any.

Subsequent cost is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization is charged to the statement of profit or loss using reducing balance method over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged in the month in which the asset is disposed off.

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exist than the assets recoverable amount is estimated. The recoverable amount is the greater of its value and fair value less cost to sell.

3.2.1 Trading Right Entitlement Certificate

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

3.2.2 Pakistan Mercantile Exchange - Membership card

Membership card represents corporate membership of Pakistan Mercantile Exchange with indefinite useful life. This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether this is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, this is written down to its estimated recoverable amount.

3.2.3 Computer software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method.

3.3 Investment property

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises expenditure that is directly attributable to the acquisition of the asset including transaction

Depreciation on investment property is charged using reducing balance method in accordance with the rates specified in note 6 to these financial statements. The useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

3.4 Financial instruments

3.4.1 Financial assets - Initial recognition, classification and measurement

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

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

- (a) financial assets measured at amortized cost;
- (b) financial assets measured at fair value through other comprehensive income (FVOCI); and
- (c) financial assets measured at 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 amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.4.2 Financial assets - 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 and 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 is recorded in other comprehensive income, except in the case of impairment gains or losses and foreign exchange gains and losses. This recognition continues until the financial asset is either derecognised or reclassified. Upon derecognition, the cumulative gain or loss previously included in other comprehensive income is transferred from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(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 recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.4.3 Financial liabilities - Classification, subsequent measurement and gain and losses

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 or loss.

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.

3.5 Impairment

3.5.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

The Company assumes that the credit risk on a financial assets has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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

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

3.5.2 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an assets or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized to the statement of profit or loss.

3.6 Derecognition

3.6.1 Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable recognised in statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to statement of profit or loss, but is transferred to statement of changes in equity.

3.6.2 Financial liabilities

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

3.7 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.8 Trade and other receivables

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

3.9 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash in hand, balance with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts / short term borrowings. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. Trade payables in respect of securities purchased are recorded at settlement date of transaction.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.11 Taxation

Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

i) 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.

ii) Deferred tax

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

iii) Levies

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

3.12 Provisions

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

3.13 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.

3.14 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

- Brokerage, consultancy, advisory fee and commission etc. are recognized as and when such services are provided.
- Income from bank deposits, reverse repo and margin deposits is recognized at effective yield on time proportion basis.
- Dividend income is recorded when the right to receive the dividend is established.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss' are included in profit and loss account for the period in which they arise.
- Rental income from investment properties is recognized on accrual basis.
- Income on financial assets (including margin financing) is recognised on time proportionate basis taking into account effective / agreed rate of the instrument.
- Unrealised gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through other comprehensive income' are taken directly to other comprehensive income.

3.15 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Borrowing costs are recognised as an expense in the period in which these are incurred, except to the extent that they are directly attributable to the acquisition or construction of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) in which case these are capitalised as part of cost of that asset.

3.16 Restatement

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity and the statement of cash flows as a result of this change.

2024			2023		
Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Rupees					

Effect on statement of profit or loss

Profit / (loss) before income tax	75,095,375	(10,052,593)	65,042,783	17,789,068	(4,339,233)	13,449,835
Levy - final taxes	-	(10,052,593)	(10,052,593)	-	(4,339,233)	(4,339,233)
Income tax expense	(17,216,632)	10,052,593	(7,164,039)	(5,493,542)	4,339,233	(1,154,309)

4 PROPERTY AND EQUIPMENT

	Office equipments	Computer & allied	Furniture & fixtures	Vehicles	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
<u>Net carrying value basis</u>					
Year ended June 30, 2024					
Opening net book value (NBV)	92,212	4,780	13,195	125,247	235,434
Additions (at cost)	-	-	-	-	-
Disposals (at NBV)	-	-	-	-	-
Depreciation charge	(13,832)	(1,434)	(1,979)	(18,787)	(36,032)
Closing net book value (NBV)	78,380	3,346	11,216	106,460	199,402
<u>Gross carrying value basis</u>					
As at June 30, 2024					
Cost	464,228	1,903,178	144,450	1,147,720	3,659,576
Accumulated depreciation	(385,848)	(1,899,832)	(133,234)	(1,041,260)	(3,460,174)
	78,380	3,346	11,216	106,460	199,402
<u>Net carrying value basis</u>					
Year ended June 30, 2023					
Opening net book value (NBV)	108,485	6,829	15,523	147,349	278,186
Additions (at cost)	-	-	-	-	-
Disposals (at NBV)	-	-	-	-	-
Depreciation charge	(16,273)	(2,049)	(2,328)	(22,102)	(42,752)
Closing net book value (NBV)	92,212	4,780	13,195	125,247	235,434
<u>Gross carrying value basis</u>					
As at June 30, 2023					
Cost	464,228	1,903,178	144,450	1,147,720	3,659,576
Accumulated depreciation	(372,016)	(1,898,398)	(131,255)	(1,022,473)	(3,424,142)
Net book value (NBV)	92,212	4,780	13,195	125,247	235,434
Depreciation Rates (%)	15	30	15	15	

Notes	Rupees 2024	Rupees 2023
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5 INTANGIBLE ASSETS

Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited	5.1	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited		250,000	250,000
		2,750,000	2,750,000

- 5.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. TREC has been recognized at cost less accumulated impairment losses.

6 LONG TERM DEPOSITS AND LOANS

LSE Financial Services Limited	480,000	480,000
National Clearing Company of Pakistan Limited	1,605,650	1,600,000
Central Depository Company of Pakistan Limited	100,000	100,000
Pakistan Mercantile Exchange Limited	650,000	650,000
Deposit against office at Pakistan Mercantile Exchange Limited	5,000,000	5,000,000
Loan to staff	5,691,204	5,704,704
	13,526,854	13,534,704

7 TRADE RECEIVABLES

Receivable from National Clearing Company of Pakistan Limited	9,753	-
	9,753	-

Notes	Rupees 2024	Rupees 2023
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8 SHORT TERM INVESTMENT

Investment at fair value through profit & loss

Listed equity securities	179,819,391	28,124,726
Unrealised gain on remeasurement of investment at fair value	31,827,192	1,132,991
Market value as at June 30, 2024	211,646,583	29,257,716

Investment at fair value through other comprehensive income

Listed equity securities	14,195,915	26,927,345
Unrealised gain / (loss) on remeasurement of investment at fair value	3,616,455	(9,919,691)
Market value as at June 30, 2024	17,812,369	17,007,654

Investment at amortized cost

Investment in treasury bills	144,033,220	320,060,197
------------------------------	--------------------	--------------------

GRAND TOTAL

373,492,172	366,325,567
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- 8.1 Securities having market value of Rs. 47,277,017/- (2023: Rs. 32,180,991/-) are pledged with Pakistan Stock Exchange Limited for the purpose of base minimum capital requirement and National Clearing Company of Pakistan Limited for the purpose of exposure requirements.

9 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Income tax refundable		309,995	5,827,438
Exposure deposit	9.1	10,012,978	11,843,461
Capital gain tax receivable		1,695,649	1,080,744
Profit on treasury bills receivable		9,825,925	7,105,625
Profit on exposure deposit receivable		201,273	461,119
		22,045,820	26,318,387

Notes	Rupees 2024	Rupees 2023
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9.1 This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market.

10 BANK BALANCES

Cash at bank

- at current accounts

- at savings accounts

10.1

1,145,377	2,642,724
34,241,701	4,489,450
35,387,078	7,132,174

10.1 *Bank balance pertains to:*

Clients

Brokerage House

-	-
34,848,208	7,132,174
34,848,208	7,132,174

10.2 The return on these balances is 17.5% to 20% (2023: 8% to 12%) per annum on daily product basis.

11 ISSUED, SUBSCRIBED & PAID-UP-CAPITAL

2024	2023
Number of shares	
2,001,000	2,001,000
2,999,000	2,999,000
5,000,000	5,000,000

Ordinary shares of Rs. 10 each fully paid in cash
Ordinary shares of Rs. 10 each issued for
consideration other than in cash

11.1

20,010,000	20,010,000
29,990,000	29,990,000
50,000,000	50,000,000

11.1 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

11.1.1 PATTERN OF SHAREHOLDING

Name of shareholders	2024	2023	2024	2023
	Number of Shares		Percentage of Holding	
Mrs. Bilquis	4,999,065	4,999,065	99.981%	99.981%
Muhammad Saleem	935	935	0.019%	0.019%
	5,000,000	5,000,000	100%	100%

12 DEFERRED TAX LIABILITY

Taxable temporary difference

Unrealized gain on re-measurement of investment

Accelerated depreciation

4,774,079	169,949
3,487	4,103
4,777,566	174,051

Notes	Rupees 2024	Rupees 2023
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13 ACCRUED EXPENSES & OTHER LIABILITIES

Accrued expenses		100,000	400,000
Other liabilities		316,100	-
Payable to director	13.1 & 13.2	5,000,000	40,000,000
		5,416,100	40,400,000

13.1	Name of related party	Relation	Carrying amount at the beginning	Repaid during the year	Balance as on June 30, 2024
	Mrs. Bilquis Adam	Chief Executive Officer	40,000,000	35,000,000	5,000,000
			40,000,000	35,000,000	5,000,000

13.2 This amount represents markup free loan received from director on temporary basis for meeting company's running requirements.

14 CONTINGENCIES AND COMMITMENTS

There were no outstanding contingencies and commitments during the year. (2023: Nil).

15 OPERATING REVENUE

Dividend income		21,636,186	16,008,338
		21,636,186	16,008,338

16 CAPITAL GAIN ON DISPOSAL OF SECURITIES

Equity securities		35,109,933	1,837,199
Treasury bills		16,167,286	16,018,390
		51,277,219	17,855,589

17 ADMINISTRATIVE EXPENSES

Staff salaries & allowances		5,090,932	4,928,275
Director remuneration	17.1	300,000	300,000
Rent, rates and taxes		809,145	338,509
Utilities and communication		230,435	220,905
Entertainment		109,770	105,850
Service & transaction charges		1,043,803	1,442,802
Repair & maintenance		420,479	208,210
Auditors' remuneration	17.2	375,000	250,000
Legal & professional		245,000	155,000
Insurance		-	17,500
Printing and stationery		19,300	7,600
Fees & subscription		446,534	165,869
Donation	17.3	35,000,000	20,000,000
Computer & software expenses		414,402	453,700
Depreciation		36,032	42,752
Miscellaneous expenses		728,618	436,079
		45,269,450	29,073,051

17.1 Remuneration of Chief Executive and Director

	2024			2023		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Managerial remuneration	300,000	-	-	300,000	-	-
Company's contribution to the Provident Fund	-	-	-	-	-	-
Bonus	-	-	-	-	-	-
Housing and utilities	-	-	-	-	-	-
	300,000	-	-	300,000	-	-
Number of person (including those who worked part of the year)	1	1	-	1	1	-

Notes	Rupees 2024	Rupees 2023
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17.2 Auditors' remuneration

Audit services

Annual audit fee
Certifications

175,000	120,000
80,000	80,000
255,000	200,000

Non-audit services

Other services

120,000	50,000
120,000	50,000
375,000	250,000

17.3 Donations

Details of donations given to a single party exceeding Rs. 1,000,000/- or 10 percent of Company's total amount of donation, whichever is higher, during the year are as follows:

Dawat-e-Islami Foundation	10,000,000	-
Saylani Welfare Trust	25,000,000	20,000,000
	35,000,000	20,000,000

18 FINANCE COST

Bank charges

20,274	11,451
20,274	11,451

19 OTHER INCOME

From financial assets

Profit on exposure deposit
Profit on deposit with banks
Profit on investment in treasury bills

2,217,529	1,918,509
3,601,049	2,852,520
9,825,925	7,105,625
15,644,503	11,876,653

20 LEVY

Final taxes

20.1	10,052,593	4,339,233
	10,052,593	4,339,233

- 20.1 This represents final taxes paid under section 5 and 37A of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

	Rupees 2024	Rupees 2023
21 INCOME TAX		
Current	519,059	1,048,996
Prior	2,041,466	(68,738)
Deferred	4,603,515	174,051
	7,164,039	1,154,309

21.1 Relationship between income tax expense and accounting profit

	75,095,375	17,789,068
Profit before levy and income tax		
Tax at the applicable tax rate of 29% (2023: 29%)	21,777,659	5,158,830
Tax effect of income taxed at lower tax rates	(6,853,324)	(5,329,294)
Tax effect of exempt income	(13,367,268)	(480,580)
Tax effect of non deductible expenses	9,598,950	6,301,821
Tax effect of prior year	2,041,466	(68,738)
Tax effect of deferred tax	4,603,515	174,051
Tax effect of adjustment of prior year business loss	(454,600)	-
Tax effect of tax credit	(129,765)	(262,549)
	17,216,632	5,493,541

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

Current tax liability for the year as per applicable tax laws	10,571,651	5,388,229
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(519,059)	(1,048,996)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(10,052,593)	(4,339,233)
Difference	-	-

- 21.2 The aggregate of final taxes and income tax, amounting to Rs. 10,571,651/- (2023: Rs. 5,388,229) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

- 21.3 The income tax returns of the Company have been filed up to tax year 2023 under the Universal Self Assessment Scheme. This scheme provides that the return filed is deemed to be an assessment order. The returns may be selected for audit within five years. The Income Tax Commissioner may amend assessment if any objection is raised during audit.

22 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

22.1 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest rate risk and price 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.

22.1.1 Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of interest rate risk, foreign currency risk and price risks.

(i) 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. The interest rate exposure arises from short borrowings from banking companies. At the reporting date, the profile of the Company's interest-bearing financial instruments was as follows:

	2024	2023
	– Carrying amounts (Rs.) –	
<u>Financial assest</u>		
Deposit against exposure margin requirements	10,012,978	11,843,461
Deposit with banks	34,241,701	4,489,450
	<u>44,254,679</u>	<u>16,332,911</u>

Sensitivity analysis

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 carrying amount of any financial instrument.

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.

	<u>Effect on profit before</u>	
	1%	1%
	increase	decrease
As at June 30, 2024		
Cash flow sensitivity - Variable rate financial instruments	<u>442,547</u>	<u>(442,547)</u>
As at June 30, 2023		
Cash flow sensitivity - Variable rate financial instruments	<u>(163,329)</u>	<u>163,329</u>

(ii) **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. Currency risk arises mainly from receivables and payable that exist due to transaction in foreign currencies. The Company is not exposed to currency risk as all the operations of the Company are being carried out in local currency.

(iii) **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 rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company manages price risk by monitoring the exposure in quoted equity 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 equity securities 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, 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 equity securities in particular sectors of the market.

The table below summarizes Company's equity 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 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 equity investment portfolio.

	Fair value (Rupees)	Hypothetical price change	Estimated fair value after hypothetical change in prices (Rupees)	Hypothetical increase / (decrease) in profit before tax (Rupees)
June 30, 2024	373,492,172	10% increase	410,841,389	37,349,217
		10% decrease	336,142,955	(37,349,217)
June 30, 2023	366,325,567	10% increase	402,958,124	36,632,557
		10% decrease	329,693,010	(36,632,557)

22.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet comments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market options due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities.

	2024			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	----- (Rupees) -----			
Financial liabilities				
Accrued expenses & other liabilities	5,416,100	5,416,100	5,416,100	-
	5,416,100	5,416,100	5,416,100	-

	2023			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	----- (Rupees) -----			
Financial liabilities				
Accrued expenses & other liabilities	40,400,000	40,400,000	40,400,000	-
	40,400,000	40,400,000	40,400,000	-

22.1.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations.

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 360 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.

Exposure to credit risk

Credit risk of the Company arises principally from the trade debts, short term investments, loans and advances, deposits 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 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.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimised due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions are settled / paid for upon delivery. The Company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is follows:

	Rupees 2024	Rupees 2023
Long term deposits and loans	13,526,854	13,534,704
Trade receivables	9,753	-
Short term investments	373,492,172	366,325,567
Advances, deposits & other receivables	22,045,820	26,318,387
Bank balances	35,387,078	7,132,174
	444,461,677	413,310,832

a) 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:

Bank	Short term rating	2024	2023
		Rupees	
JS Bank Limited	A-1+	26,371	22,171
Muslim Commercial Bank Limited	A-1+	35,017,134	6,685,132
Bank Al Falah Limited	A-1+	0	45,694
Askari Bank Limited	A-1+	108	48,041
National Bank of Pakistan Limited	A-1+	37,420	37,477
Faysal Bank Limited	A-1+	239,886	234,984
Habib Metropolitan Bank Limited	A-1+	66,159	58,676
		35,387,078	7,132,174

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

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.

22.2 Financial Instruments by category

22.2.1 Financial Assets

	2024			
	At fair value through profit or loss	At fair value through other comprehensive income	At amortised cost	Total
Long term deposits and loans	-	-	13,526,854	13,526,854
Trade receivables	-	-	9,753	9,753
Short term investments	211,646,583	17,812,369	144,033,220	373,492,172
Advances, deposits & other receivables	-	-	21,735,825	21,735,825
Bank balances	-	-	35,387,078	35,387,078
	211,646,583	17,812,369	214,692,730	444,151,682

	2023			
	At fair value through profit or loss	At fair value through other comprehensive income	At amortised cost	Total
Long term deposits and loans	-	-	13,534,704	13,534,704
Short term investments	29,257,716	17,007,654	320,060,197	366,325,567
Advances, deposits & other receivables	-	-	20,490,949	20,490,949
Bank balances	-	-	7,132,174	7,132,174
	29,257,716	17,007,654	361,218,024	407,483,394

22.2.2 Financial Liabilities

	2024		
	Amortised cost	At fair value through profit or loss	Total
Accrued expenses & other liabilities	5,416,100	-	5,416,100
	5,416,100	-	5,416,100

	2023		
	Amortised cost	At fair value through profit or loss	Total
Accrued expenses & other liabilities	40,400,000	-	40,400,000
	40,400,000	-	40,400,000

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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 financial instruments 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 categorised:

		2024			
		Level 1	Level 2	Level 3	Total
Financial assets					
<i>At fair value through profit and loss</i>					
Investment in securities of quoted companies		211,646,583	-	-	211,646,583
		211,646,583	-	-	211,646,583
<i>At fair value through other comprehensive income</i>					
Investment in securities of quoted companies		17,812,369	-	-	17,812,369
		17,812,369	-	-	17,812,369
<i>At amortised cost</i>					
Investment in treasury bills		-	-	144,033,220	144,033,220
		-	-	144,033,220	144,033,220
		2023			
		Level 1	Level 2	Level 3	Total
Financial assets					
<i>At fair value through profit and loss</i>					
Investment in securities of quoted companies		29,257,716	-	-	29,257,716
		29,257,716	-	-	29,257,716
<i>At fair value through other comprehensive income</i>					
Investment in securities of quoted companies		17,007,654	-	-	17,007,654
		17,007,654	-	-	17,007,654
<i>At amortised cost</i>					
Investment in treasury bills		-	-	320,060,197	320,060,197
		-	-	320,060,197	320,060,197

24 CAPITAL

24.1 Management of capital

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. The management closely monitors the return on capital employed along with the level of distributions to ordinary shareholders. Further, in order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital, or issue new shares.

On a regular basis, the Company manages to meet the financial resource requirements applicable to the Company (i.e., minimum levels of Liquid Capital or net worth) as specified in the Securities Brokers (Licensing and Operations) Regulations, 2016.

24.2 Capital Adequacy Level

Total Assets
Less: Total Liabilities
Less: Revaluation Reserves (Created upon revaluation of Fixed Assets)

June 30, 2024
447,411,079
(10,193,666)
-
437,217,413

Capital Adequacy Level

24.2.1

437,217,413

24.2.1 While determining the value of the total assets of the TREC Holder, notional value of the TRE certificate held by the company as at June 30, 2024, as determined by Pakistan Stock Exchange has been considered.

24.3 Liquid Capital Balance

Liquid Capital Balance of the Company, as at June 30, 2024, in accordance with the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 is enclosed as Annexure A-I.

25 RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, directors, shareholders and key management personnel. Transactions with related parties are at terms determined in accordance with the agreed rates. Transactions and balances with related parties other than those disclosed elsewhere are as follows:

KEY MANAGEMENT PERSONNEL:

Mrs. Bilquis (Chief Executive Officer)

Transactions during the year

Remuneration paid
Loan repaid

2024	2023
300,000	-
35,000,000	40,000,000

Balances at year end

Remuneration payable at year end
Loan payable at year end

300,000	300,000
5,000,000	40,000,000

26 GENERAL

26.1 Number of Employees

Total employees of the Company at the year end
Average employees of the Company during the year

2024	2023
12	12
12	11

26.2 Figures have been re-arranged and re-classified wherever necessary, for the purpose of better presentation. No major reclassifications were made in these financial statements.

26.3 Figures have been rounded off to the nearest rupee.

26.4 Authorization for Issue

These financial statements were approved by the Company's board of directors and authorised for issue on _____.

Chief Executive Officer

Director

Gazipura Securities & Services (Private) Limited
Statement of Liquid Capital
As on June 30, 2024

(Annexure A-I)

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	199,402	(199,402)	-
1.2	Intangible Assets	2,750,000	(2,750,000)	-
1.3	Investment in Govt. Securities	144,033,220	-	144,033,220
	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.			
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.			
1.4	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.			
	Investment in Equity Securities			
1.5	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	229,458,952	(75,435,436)	154,023,516
	ii. If unlisted, 100% of carrying value.			
1.6	Investment in subsidiaries			
	Investment in associated companies/undertaking			
1.7	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.			
	ii. If unlisted, 100% of net value.			
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC	2,835,650	(2,835,650)	-
1.9	Margin deposits with exchange and clearing house.	10,012,978	-	10,012,978
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.			
	Amounts receivable against Repo financing.			
1.14	Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)			
1.15	Advances and receivables other than trade Receivables; (i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months. (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	17,724,046	(17,724,046)	-
	Receivables from clearing house or securities exchange(s)			
1.16	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	9,753	-	9,753
	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.			
	ii. In case receivables are against margin trading, 5% of the net balance sheet value.			
	ii. Net amount after deducting haircut			
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,			
	iii. Net amount after deducting haircut			
1.17	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.			
	iv. Balance sheet value			

	v. 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			
	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			
	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	35,387,078	-	35,387,078
	ii. Bank balance-customer accounts	-	-	-
	iii. Cash in hand	-	-	-
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 allotted or are not included in the investments of securities broker. (ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS			
1.20	Total Assets	447,411,079	(103,944,534)	343,466,545
2. Liabilities				
	Trade Payables			
2.1	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products			
	iii. Payable to customers			
	Current Liabilities			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	100,000	-	100,000
2.2	iii. Short-term borrowings			
	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities	4,777,566	-	4,777,566
	vii. Provision for taxation			
	viii. Other liabilities as per accounting principles and included in the financial statements	5,316,100	-	5,316,100
	Non-Current Liabilities			
	i. Long-Term financing			
2.3	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) Nil in all other cases			
	Subordinated Loans			
2.4	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:			
	Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if:			
2.5	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	10,193,666	-	10,193,666
3. Ranking Liabilities Relating to :				
	Concentration in Margin Financing			
3.1	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			
	Concentration in securites lending and borrowing			
3.2	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (li) 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)			

Net underwriting Commitments			
3.3	<p>(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:</p> <p>(i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment</p> <p>(b) in any other case : 12.5% of the net underwriting commitments</p>		
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		
Foreign exchange agreements and foreign currency positions			
3.5	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurrency less total liabilities denominated in foreign currency		
3.6	Amount Payable under REPO		
Repo adjustment			
3.7	<p>In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securites.</p> <p>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.</p>		
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	5,132,263	-
Opening Positions in futures and options			
3.9	<p>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</p> <p>ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met</p>	559,625	-
Short selll positions			
3.10	<p>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</p> <p>ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.</p>		
3.11	Total Ranking Liabilites	5,691,888	-
	Liquid Capital	431,525,525	(103,944,534)
			327,580,991