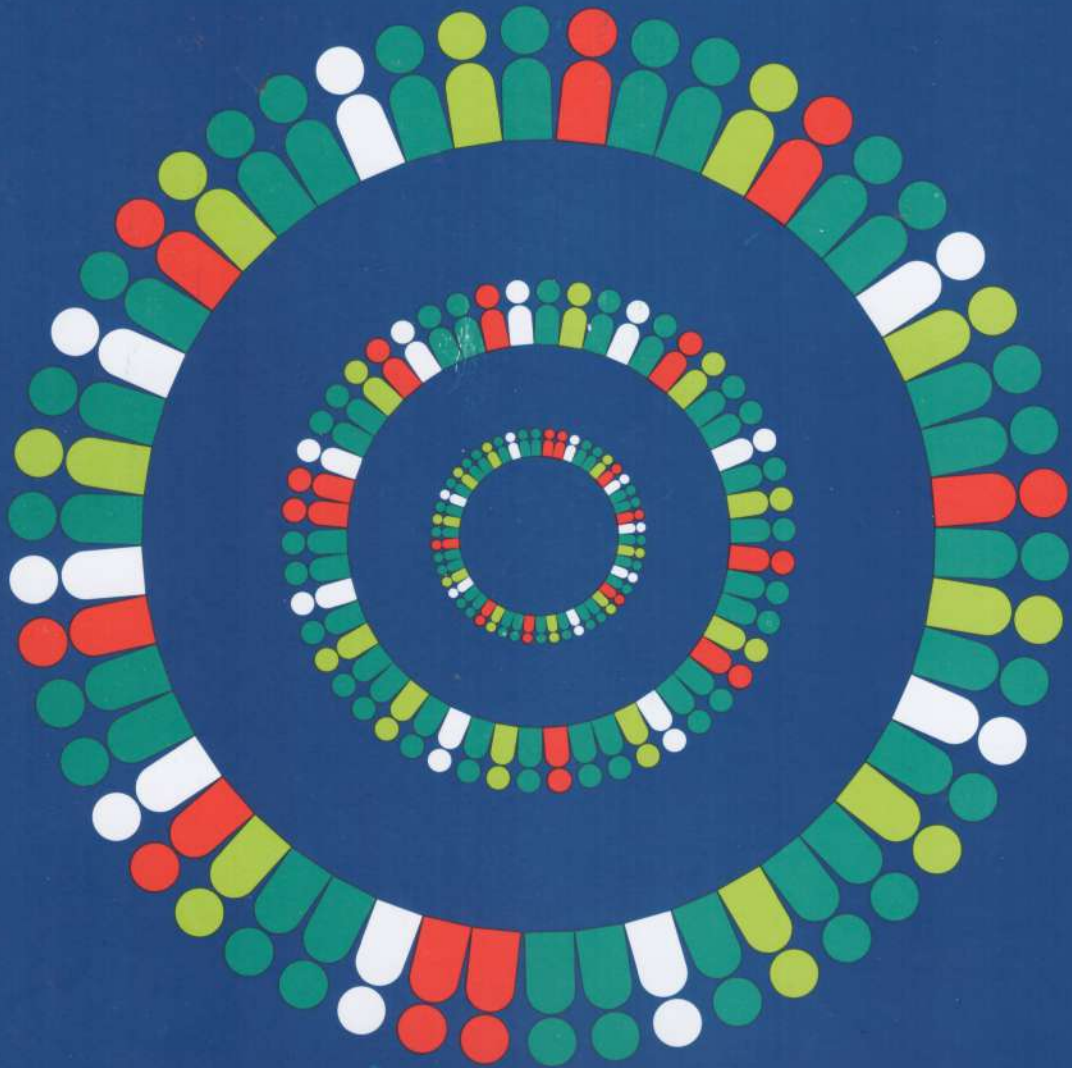


Zillion Capital Securities (Private)
Limited
Financial Statements
For the year ended
June 30, 2024



ZILLION CAPITAL SECURITIES (PVT) LTD.

IFSC HOLDER (PAKISTAN STOCK EXCHANGE LIMITED)

CPSC (MUMBAI) LTD. (MUMBAI) (MUMBAI) (MUMBAI)

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CPSC (MUMBAI) LTD. (MUMBAI) (MUMBAI) (MUMBAI)

**Zillion Capital Securities (Private)
Limited
Financial Statements
For the year ended
June 30, 2024**

As at the end of the year, the company has a net worth of Rs. 100,000,000/- (Ten Crores Rupees) and a total assets of Rs. 100,000,000/- (Ten Crores Rupees). The company has a net profit of Rs. 10,000,000/- (Ten Lakhs Rupees) for the year ended June 30, 2024.

Particulars	2024	2023
Share Capital	100,000,000	100,000,000
Reserves	10,000,000	10,000,000
Total	110,000,000	110,000,000

AUDITORS
The auditors have examined the financial statements and have issued their audit report thereon.

CONCLUSION
The financial statements are true and correct and give a true and fair view of the financial position of the company as at the end of the year.

The Director
Zillion Capital Securities (Private) Limited

The Director



ZILLION CAPITAL SECURITIES (PVT) LTD.

TREC HOLDER : PAKISTAN STOCK EXCHANGE LIMITED.

TREC Number: 047, Registration Number: BRP: 282

Registered Office: Office No. # 727-729, 7th Floor, Stock Exchange Building,
Stock Exchange Road, Karachi-74000, Pakistan.

Tel: (021) 32472330, 32472406, 32472268, 32472103 | Fax: (021) 32429073

Email: info@zcs.com.pk - customersupport@zcs.com.pk

Website: www.zcs.com.pk | Facebook: facebook.com/zcspak | Twitter: twitter.com/zcspak

DIRECTOR'S REPORT

On behalf of the Board of Directors I am pleased to present the Annual report together with the company's Audited Financial Statement and Auditors Report for the Financial year ended 30th June 2024. The Summarized results for the year ended 30th June 2024 are as under:

Financial results	2024
Operating Revenue	17,107,733
Profit before Taxation	22,194,126
Taxation	(294,780)
Profit after Tax	21,899,346


AUDITORS:

The auditors M/S UHY Hassan Naeem & co retire at the conclusion of the meeting being eligible, they have offered themselves for re-appointment.

CONCLUSION:

The Directors appreciate assistance and co-operation extended by customers and employees of the company.

For and on behalf of the Board



Chief Executive





Director

Date: October 5, 2024

Karachi



ZILLION CAPITAL SECURITIES (PVT) LTD.

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TREC Number: 047, Registration Number: BRP: 282

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UNDERTAKING

I, **Imtiaz Ibrahim** Chief Executive Officer of **Zillion Capital Securities (Private) Limited**, a TREC Certificate Holder of Pakistan Stock Exchange Limited having our registered office at Room no 727-729, 7th floor, Pakistan Stock Exchange Building, I.I chundigarh Road Karachi, herein after called the "company" do hereby undertake that:

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

Date: October 05, 2024

Imtiaz Ibrahim
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the members of **ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of changes in equity and statement of cash flow together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss for the year then ended, the changes in equity and its cash flows for the period then ended.

Basis for Opinion

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

Other Information:

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

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

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

However, we have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- e) the company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared

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

UHY Hassan Naeem & Co.

KARACHI

DATE: October 5, 2024

UDIN: AR202410215uer5SqYh1

ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property and equipment	4	9,872,428	12,311,118
Intangible assets	5	2,750,000	2,750,000
Investment at fair value through OCI	6	13,850,095	8,000,836
Long term deposits	7	7,350,000	7,350,000
		33,822,523	30,411,954
<u>CURRENT ASSETS</u>			
Trade debts	8	97,174,171	47,879,759
Investment at fair value through profit & loss	9	5,781,715	10,608,341
Advances, deposits, prepayments and other receivables	10	31,497,128	10,144,147
Cash and bank balances	11	3,859,419	2,678,410
		138,312,433	71,310,657
		<u>172,134,956</u>	<u>101,722,611</u>
<u>SHARE CAPITAL AND RESERVES</u>			
Authorized capital	12.1	<u>150,000,000</u>	<u>150,000,000</u>
Share capital			
Issued, subscribed and paid-up capital	12.2	101,500,000	101,500,000
Capital Reserves			
Surplus on revaluation of property and equipment	12.3	5,584,860	6,205,400
Surplus / (Deficit) - Investment at FVTOCI		5,122,383	(726,876)
Capital contribution from director		-	3,663,645
Revenue reserves			
Accumulated Profit/(Loss)		(4,157,863)	(26,677,749)
		108,049,380	83,964,420
<u>NON-CURRENT LIABILITIES</u>			
Long term loan	13	-	5,307,889
Deferred tax liability	14	-	-
<u>CURRENT LIABILITIES</u>			
Trade and other payable	15	27,868,582	4,738,059
Short term running finance	16	36,216,994	7,712,243
		64,085,576	12,450,302
Contingencies and commitments	17	<u>172,134,956</u>	<u>101,722,611</u>

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



 Chief Executive




 Director

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

	Note	2024 (Rupees)	2023 (Rupees)
Revenue from contract with customers	18	17,107,733	5,619,556
Operating and administrative expenses	19	(17,822,212)	(13,139,108)
Operating (Loss)		<u>(714,479)</u>	<u>(7,519,552)</u>
Finance cost	20	(2,978,361)	(3,236,535)
Other charges		(443,882)	-
Other income	21	26,414,320	19,142,590
Profit/(loss) before income tax, minimum tax differential and final tax		<u>22,277,598</u>	<u>8,386,503</u>
Minimum tax - levy	22	-	(70,244)
Final taxes - levy	23	(83,472)	(27,351)
		(83,472)	(97,595)
Profit/(loss) before income tax		22,194,126	8,288,908
Taxation	24	(294,780)	2,534,600
NET PROFIT/ (LOSS) AFTER TAXATION		<u>21,899,346</u>	<u>10,823,508</u>
Earning / (loss) per share-basic and diluted		<u>21.58</u>	<u>10.66</u>

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


 Chief Executive


 Director

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

	2024 <i>(Rupees)</i>	2023 <i>(Rupees)</i>
Profit/(loss) for the year	21,899,346	10,823,508
Other comprehensive income:		
Items that will not be subsequently reclassified in profit or loss		
Unrealised loss on revaluation of investments at fair value through OCI	5,849,259	(3,059,779)
Surplus on revaluation of property and equipment - net of deferred tax	(620,540)	6,205,400
(Decrease)/Increase in capital contribution from director	(3,663,645)	2,192,111
	1,565,074	5,337,732
TOTAL COMPREHENSIVE INCOME/LOSS	23,464,420	16,161,240

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



Chief Executive



Director

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

	Share capital	Capital Reserves			Revenue Reserves	Total
	Issued, subscribed and paid-up capital	Revaluation surplus	Surplus/ (Deficit) - Investment- (FVTOCI)	Capital contribution from director	Accumulated Profit/(Loss)	
	-----Rupees-----					
Balance as at June 30, 2022	101,500,000		2,332,903	1,471,534	(37,501,257)	67,803,180
Net loss for the year	-	-	-	-	10,823,508	10,823,508
<u>Other comprehensive income:</u>						
Surplus/(Deficit) on Investment at fair value through OCI	-	-	(3,059,779)	-		(3,059,779)
Surplus on revaluation of property and equipment	-	6,205,400	-	-		6,205,400
Effect of discounting of long term loan from directors	-	-	-	2,192,111		2,192,111
Balance as at June 30, 2023	101,500,000	6,205,400	(726,876)	3,663,645	(26,677,749)	83,964,420
Net (loss) for the year	-	-	-	-	21,899,346	21,899,346
<u>Other comprehensive income:</u>						
Surplus/(Deficit) on Investment at fair value through OCI	-	-	5,849,259	-		5,849,259
Transfer on account of incremental depreciation (net of tax)	-	(620,540)	-	-	620,540	-
Effect of discounting of long term loan from directors	-	-	-	(3,663,645)		(3,663,645)
Balance as at June 30, 2024	101,500,000	5,584,860	5,122,383	-	(4,157,863)	108,049,380

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



Chief Executive



Director


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

	Note	2024 (Rupees)	2023 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		22,277,598	8,386,503
Adjustment for non-cash items:			
Depreciation		1,802,440	997,085
Capital Gain/(loss)-Investment at FVTPL		(20,791,876)	621,582
Dividend income		(556,477)	(182,331)
Gain on disposal		(1,338,750)	(5,000,000)
Loss on extinguishment of liability		-	523,256
Unwinding of long term loan from director		-	948,278
Other		(1,471,534)	-
Expense / (Reversal) of expected credit loss		1,672,942	(12,794,262)
Operating profit before working capital changes		(20,683,255)	(14,886,392)
Changes in working capital			
(Increase)/decrease in trade debts		(50,967,353)	(13,160,676)
(Increase)/Decrease in advances, deposits and prepayments		(21,276,430)	(4,731,707)
Increase/(Decrease) in trade and other payable		23,130,523	(8,682,472)
Net changes in working capital		(49,113,260)	(26,574,855)
Taxes paid		(454,803)	7,440,041
Net cash generated from operating activities		(47,973,720)	(25,634,703)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(25,000)	(191,800)
Sale proceed of property and equipment		2,000,000	5,000,000
Proceeds from sale of Investment		25,618,502	16,199,781
Dividend received		556,477	182,331
Net cash generated from investing activities		28,149,979	21,190,312
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loan		(7,500,000)	-
Net cash generated from financing activities		(7,500,000)	-
Net increase in cash and cash equivalent		(27,323,741)	(4,444,391)
Cash and cash equivalent at beginning of the year		(5,033,833)	(589,442)
Cash and cash equivalent at end of the year	25	(32,357,575)	(5,033,833)

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



 Chief Executive



 Director

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

1 Legal Status and Nature of Business

Zillion Capital Securities (Private) limited was incorporated under the repealed Companies Ordinance, 1984 on June 07, 2001 as a private limited company. The Company is a corporate member of Pakistan Stock Exchange Limited. The registered office of the company is located at room no 727-729, 7th floor, Pakistan Stock Exchange Building, I.I chundigarh Road Karachi, Pakistan and the company does not have any branch office. The principal activities of the Company are to carry on the business of share brokerage, under writing of public issues, investment and portfolio management.

2 Basis of Preparation

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgments

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

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

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

- Property and equipment (note 4)
- Income Tax Expense (note 24)

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2.5 Changes in accounting standards, interpretations and pronouncements

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

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

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

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

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

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

	'Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	-----Rupees-----		
For the year ended June 30, 2024			
Minimum tax - levy	-	-	-
Final taxes - levy	-	(83,472)	(83,472)
Profit/(loss) before income tax	22,277,598	(83,472)	22,194,126
Taxation	(378,252)	83,472	(294,780)
For the year ended June 30, 2023			
Minimum tax - levy	-	(70,244)	(70,244)
Final taxes - levy	-	(27,351)	(27,351)
Profit/(loss) before income tax	8,386,503	(97,595)	8,288,908
Taxation	2,437,005	97,595	2,534,600

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

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

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

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

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

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

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

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

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

3 Material Accounting Policy Information

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

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3.1 Taxation

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

3.1.1 Current Tax

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

3.1.2 Deferred Tax

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

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

3.2 Minimum Taxes levy

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

3.3 Final Taxes levy

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

3.4 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost incurred to replace a component of an item of property and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account in the period in which they are incurred.

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

3.5 Intangible Assets

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

3.5.1 Trading Right Entitlement Certificate (TREC)

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

3.5.2 Amortization

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

3.6 Trade debts and other receivables

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

3.7 Provisions

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

3.8 Trade and Other Payable

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

3.9 Revenue recognition

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

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

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

Mark-up income from investment in margin financing system is calculated on outstanding balance at agreed rates and recorded in profit and loss account.

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3.10 Cash and Cash Equivalents

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

3.11 Contingent Liabilities

A Contingent liability is disclosed when the company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the company; or the company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of obligation cannot be measured with sufficient liability.

3.12 Financial Instruments

3.12.1 Financial Assets

3.12.2 Initial recognition, classification and measurement

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

Financial assets measured at "Amortized cost"

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

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

Financial assets at "Fair value through other comprehensive income"

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

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

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

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

Financial assets at "Fair value through profit or loss"

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

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

3.12.3 Subsequent measurement

Debt investments at "Fair value through other comprehensive income"

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

Equity Investments at "Fair value through other comprehensive income"

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

Financial asset at "Fair value through profit or loss"

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

Financial assets measured at Amortized cost

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

3.12.4 Non Derivative financial assets

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

3.12.5 Offsetting of financial assets and financial liabilities

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

3.12.6 Financial Liabilities

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

3.12.7 Impairment

Financial assets

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

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

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

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

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

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

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

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

3.13 Non- financial assets

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

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5. INTANGIBLE ASSETS

	2024		
	TREC (Note 5.1)	PMEX- Membership	Total
As at July 01, 2023			
Cost	5,000,000	250,000	5,250,000
Accumulated depreciation and impairment	(2,500,000)	-	(2,500,000)
Net book value at the beginning of the year	2,500,000	250,000	2,750,000
Additions	-	-	-
Disposals - cost	-	-	-
Depreciation charge for the year	-	-	-
Disposals - Accumulated depreciation	-	-	-
Net book value at the end of the year	2,500,000	250,000	2,750,000
Analysis of Net Book Value			
Cost	5,000,000	250,000	5,250,000
Accumulated depreciation and impairment	(2,500,000)	-	(2,500,000)
Net book value as at June 30, 2024	2,500,000	250,000	2,750,000
Rate of ammortization per annum (%)	-	-	-
	2023		
	TREC (Note 5.1)	PMEX- Membership	Total
As at July 01, 2022			
Cost	5,000,000	250,000	5,250,000
Accumulated depreciation and impairment	(2,500,000)	-	(2,500,000)
Net book value at the beginning of the year	2,500,000	250,000	2,750,000
Additions	-	-	-
Disposals - cost	-	-	-
Depreciation charge for the year	-	-	-
Disposals - Accumulated depreciation	-	-	-
Net book value at the end of the year	2,500,000	250,000	2,750,000
Analysis of Net Book Value			
Cost	5,000,000	250,000	5,250,000
Accumulated depreciation and impairment	(2,500,000)	-	(2,500,000)
Net book value as at June 30, 2023	2,500,000	250,000	2,750,000
Rate of ammortization per annum (%)	-	-	-

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

6. INVESTMENT AT FAIR VALUE THROUGH OCI

		2024 (Rupees)	2023 (Rupees)
Investment in quoted Securities	6.1	<u>13,850,095</u>	<u>8,000,836</u>

- 6.1 This represents 1,081,194 (2023: 1,081,194) shares of Pakistan Stock Exchange which are pledged with JS Bank Limited against running finance facility.

7 LONG TERM DEPOSITS

Deposits with:

- National Clearing Company of Pakistan Limited (NCCPL)
- Ncel Building Management Limited
- Pakistan Mercantile Exchange (PMEX)
- Central Depository company (CDC)

1,400,000	1,400,000
5,000,000	5,000,000
850,000	850,000
100,000	100,000
7,350,000	7,350,000

8. TRADE DEBTS

- Trade debts 8.1
- Provision for expected credit loss 8.2

103,370,054	52,402,701
(6,195,883)	(4,522,942)
97,174,171	47,879,759

8.1 Aging Analysis

- Past due 1 - 30 days
- Past due 31 - 180 days
- Past due 181 days - 1 year
- More than one year

90,978,287	34,263,963
-	75
-	3
12,391,767	18,138,659
103,370,054	52,402,701

8.2 Expected credit loss

- Opening
- Provision recorded during the year
- Reversal of expected credit loss
- Less: Write off during the year

4,522,942	17,317,204
-	-
1,672,941	(12,794,262)
-	-
6,195,883	4,522,942

8.3 Trade debts due from related parties

Name of related party	Gross amount due	Past due amount	Provision for expected credit losses	Reversal of provision for expected credit losses	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year (8.3.1)
Atiqa Zafar	26,464	26,464	-	-	-	26,464	210,314
Imtiaz	40,237,254	40,237,254	-	-	-	40,237,254	230,273,909
Abdul Qadir	10,885	10,885	-	-	-	10,885	702,713
Abdul Aziz	469,623	469,623	-	-	-	469,623	4,027,614
Muhammad Iqbal	82,553	82,553	-	-	-	82,553	10,514,799
Asif Ibrahim	27,414,926	27,414,926	-	-	-	27,414,926	45,410,264
Ambreen Asif	46,413	46,413	-	-	-	46,413	3,819,321
	68,288,118	68,288,118				68,288,118	

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

8.3.2 Aging analysis of trade debts due from related parties

Name of related party	Not past due	Past due				Total gross amount due
		Past due 0-30 days	Past due 31-180 days	Past due 181-365 days	Past due 365 days	
Atiqa Zafar	-	26,464	-	-	-	26,464
Imtiaz	-	40,237,254	-	-	-	40,237,254
Abdul Qadir	-	10,885	-	-	-	10,885
Abdul Aziz	-	469,623	-	-	-	469,623
Muhammad Iqbal	-	82,553	-	-	-	82,553
Asif Ibrahim	-	27,414,926	-	-	-	27,414,926
Ambreen Asif	-	46,413	-	-	-	46,413
	-	68,288,118	-	-	-	68,288,118

9. INVESTMENT - FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT

Investment in quoted securities	9.1	<u>5,781,715</u>	<u>10,608,341</u>
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9.1 Investments in quoted securities are stated at fair value at the year-end, using the year-end market prices. This includes investment pledged with National Clearing Company Pakistan Limited amounting to Rs 1,387,605 against Ready RMS and Future Contract. This investment also pledged with JS Bank Limited amounting to Rs. 4,003,702 against running finance facility.

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax - net	<u>4,807,596</u>	<u>4,731,045</u>
Nccpl's profit and loss deposit	<u>17,648,529</u>	<u>2,387,130</u>
Nccpl's Exposure deposit	<u>9,000,000</u>	<u>2,879,394</u>
Others	<u>41,003</u>	<u>146,578</u>
	<u>31,497,128</u>	<u>10,144,147</u>

11. CASH AND BANK BALANCES

Cash in hand	<u>-</u>	<u>-</u>
Cash at bank- current	<u>3,859,419</u>	<u>2,678,410</u>
	<u>3,859,419</u>	<u>2,678,410</u>

11.1 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 2.969 million (2023: 2.073 million)

12. SHARE CAPITAL

12.1 Authorized share capital

Authorized share capital comprises of 1,500,000 (2023: 1,500,000) Ordinary shares of Rs. 100 each.

12.2 Issued, subscribed and paid up capital

	2024 (Rupees)	2023 (Rupees)
Issued, subscribed and paid up capital comprises of:		
Ordinary share capital	<u>101,500,000</u>	<u>101,500,000</u>
	<u>101,500,000</u>	<u>101,500,000</u>

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

2024 (Numbers)	2023 (Numbers)		2024 (Rupees)	2023 (Rupees)
		Ordinary shares		
		Ordinary shares of Rs. 100 each		
1,015,000	1,015,000	paid in cash	<u>101,500,000</u>	<u>101,500,000</u>
			<u>101,500,000</u>	<u>101,500,000</u>

12.2.2 Reconciliation of number of shares outstanding

	2024 (Numbers)	2023 (Numbers)
Ordinary shares		
Number of shares outstanding at the beginning of the year	1,015,000	1,015,000
Issued for cash	-	-
	<u>1,015,000</u>	<u>1,015,000</u>

12.3 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT

The revaluation surplus represents net cumulative increase in the carrying amount as a result of revaluation of property, plant and equipment carried at revalued amount.

	2024 (Rupees)	2023 (Rupees)
Revaluation surplus as at July 1		
Surplus/(deficit) arising on revaluation :		
Office premises	8,740,000	8,740,000
Deferred tax liability on revaluation surplus	(2,534,600)	(2,534,600)
	<u>6,205,400</u>	<u>6,205,400</u>
Net amount transferred to unappropriated profit on account of		
Incremental depreciation	(874,000)	-
Deferred tax on incremental depreciation	253,460	-
	<u>(620,540)</u>	<u>-</u>
	<u>5,584,860</u>	<u>-</u>

13. LONG TERM LOAN

Long term loan from Director	13.1	-	5,307,889
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13.1 This represents subordinated loan provided by the Muhammad Zafar (Director) which is interest free and it is repaid during the year.

14. DEFERRED TAX LIABILITY

The deferred tax asset and deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	2024 (Rupees)	2023 (Rupees)
Deferred tax liability on revaluation surplus	2,281,140	2,534,600
Deferred tax asset on unrecognized tax losses and depreciation	(2,281,140)	(2,534,600)
	<u>-</u>	<u>-</u>

14.1 DEFERRED TAX LIABILITY ON REVALUATION SURPLUS

	2024	2023
Opening	2,534,600	-
During the year	(253,460)	2,534,600
Closing	<u>2,281,140</u>	<u>2,534,600</u>

15. TRADE AND OTHER PAYABLE

Credit balances of clients	15.1.	2,968,737	2,073,534
Accrued Expenses		1,291,149	735,684
Audit Fees Payable		260,000	220,000
Other payable		23,348,696	1,708,841
		<u>27,868,582</u>	<u>4,738,059</u>

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

16. SHORT TERM-RUNNING FINANCE

Financing from Financial Institution.	16.1	36,216,994	7,712,243
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16.1 Running finance facilities of Rs 100 Million (2023: 122 Million) have been arranged from commercial bank under markup arrangement. The aggregate finance are secured against pledge of shares of listed companies and personal guarantee of directors of company. The markup charged on these facility ranges from 3 month KIBOR+2% per annum on daily outstanding balances payable quarterly.

17. CONTINGENCIES AND COMMITMENTS

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

	2024	2023
	(Rupees)	
18. REVENUE FROM CONTRACT WITH CUSTOMERS		
Brokerage Income- gross	19,331,738	6,350,098
Less : Sales tax	(2,224,005)	(730,542)
	<u>17,107,733</u>	<u>5,619,556</u>
19. OPERATING AND ADMINISTRATIVE EXPENSES		
Salaries, allowances and other benefits	8,731,395	7,610,460
Printing, stationary and periodicals	20,550	103,543
Utilities	736,213	524,435
Conveyance Expense	218,206	102,130
Communication Expense	255,465	277,515
Rent, rates and taxes	579,880	644,139
Fee and subscription	873,323	716,787
Insurance	266,602	229,114
Entertainment	435,578	238,941
Repair and Maintenance	427,400	223,750
Software Maintenance	981,000	867,000
Auditor's remuneration	260,000	220,000
Expected Credit Loss	1,672,942	-
Legal and Professional	78,815	142,501
Depreciation	1,802,440	997,085
Bank charges	267,114	241,708
Miscellaneous	215,289	-
	<u>17,822,212</u>	<u>13,139,108</u>
19.1 Auditor's remuneration		
Audit services		
Annual audit fee	240,000	220,000
Out of pocket expenses	20,000	-
	<u>260,000</u>	<u>220,000</u>
20. FINANCE COST		
Unwinding of long term loan from director	-	948,278
Loss on extinguishment of liability	-	523,256
Markup on running finance	2,978,361	1,765,001
	<u>2,978,361</u>	<u>3,236,535</u>
21. OTHER INCOME		
Capital Gain/(loss)-Investment at FVTPL	20,791,876	(621,582)
Income from dividend	556,477	182,331
Gain on disposal of property and equipment	1,338,750	5,000,000
Reversal of expected credit loss	-	12,794,262
Profit on margin deposits	2,131,547	875,765
Other	1,595,670	911,814
	<u>26,414,320</u>	<u>19,142,590</u>
22. MINIMUM TAX - LEVY		

This represents portion of minimum tax paid under relevant sub sections of section 113 of Income Tax Ordinance, 2001 (ITO, 2011), representing levy in terms of requirements of IFRIC 21/IAS 37.

23. FINAL TAX - LEVY

This represents portion of final taxes paid under relevant sub sections of section 5 of Income Tax Ordinance, 2001 (ITO, 2011), representing levy in terms of requirements of IFRIC 21/IAS 37.

24. INCOME TAX EXPENSE

Income Tax Expense	<u>294,780</u>	<u>(2,534,600)</u>
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24.1 Major components of income tax expense are a under:

Current tax expense	294,780	-
Deferred tax	-	(2,534,600)
	<u>294,780</u>	<u>(2,534,600)</u>

24.2 The company has tax losses in the previous years, on which deferred tax asset amounting to Rs. 12.957 million (2023: 11.596) will arise. However, as there is continuous losses on account of operating income therefore deferred tax asset is recorded to the extent of deferred tax liability.

	2024	2023
	<i>(Rupees)</i>	
24.3 Relationship between tax expense and accounting profit		
Accounting profit/(loss) before income tax, minimum tax differential and final tax	22,277,598	8,386,503
less: Accounting Profit/(loss) subject to minimum tax levy	-	(8,825,754)
less: Accounting Profit/(loss) subject to final tax levy	(20,711,019)	439,251
Accounting profit/(loss) before taxation	1,566,579	-
Tax at the applicable rate 29% (2023:29%)	454,308	-
Deferred tax	(159,528)	(2,534,600)
	<u>294,780</u>	<u>(2,534,599)</u>

24.4 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	378,252	(2,437,005)
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(294,780)	2,534,600
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(83,472)	(97,595)
Difference	-	-

25 CASH AND CASH EQUIVALENTS

Cash and bank balances	11	3,859,419	2,678,410
Short-term running finance	16	(36,216,994)	(7,712,243)
Cash and cash equivalents per statement of cash flows		<u>(32,357,575)</u>	<u>(5,033,833)</u>

25 CAPITAL ADEQUACY LEVEL

Total Assets	172,134,956	101,722,611
Less: Total Liabilities	(64,085,576)	(17,758,191)
Less: Revaluation Reserves	(5,584,860)	(6,205,400)
Capital Adequacy Level.	<u>102,464,520</u>	<u>77,759,020</u>

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

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

23.1. Financial Instrument by Category

23.1.1 Financial Assets

2024			
At fair value through profit or loss	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances and deposits		7,350,000	7,350,000
Investment at fair value through OCI	13,850,095		13,850,095
Investment at fair value thorough P&L	5,781,715		5,781,715
Trade debts		97,174,171	97,174,171
Advances, deposits and prepayments		31,497,128	31,497,128
Bank balances		3,859,419	3,859,419
	<u>5,781,715</u>	<u>139,880,718</u>	<u>159,512,528</u>

2023			
At fair value through profit or loss	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances and deposits	-	7,350,000	7,350,000
Investment at fair value through OCI	8,000,836	-	8,000,836
Investment at fair value thorough P&L	10,608,341	-	10,608,341
Trade debts	-	47,879,759	47,879,759
Advances, deposits and prepayments	-	10,144,147	10,144,147
Bank balances	-	2,678,410	2,678,410
	<u>10,608,341</u>	<u>68,052,316</u>	<u>86,661,493</u>

23.1.2 Financial Liabilities at Amortized Cost

2024	
Amount	Total
Long term loan	0
Short Term Running Finance	36,216,994
Trade and other Payables	27,868,582
	<u>64,085,576</u>

2023	
Amount	Total
Long term loan	5,307,889
Short Term Running Finance	7,712,243
Trade and other Payables	4,738,059
	<u>17,758,191</u>

23.2 Financial risk management

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

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

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

23.2.1 Credit risk

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

Exposure to Credit risk

Credit risk of the company arises principally from the trade debts, short term investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The company did not allow credits to its customers and trade are executed on 100% margin.

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

	2024	2023
	<i>Rupees</i>	
Long term deposits	7,350,000	7,350,000
Investment at fair value through other comprehensive income	13,850,095	8,000,836
Investment at fair value through Profit & Loss	5,781,715	10,608,341
Advances, deposits, prepayments and other receivable	26,689,532	5,413,102
Trade debts	97,174,171	47,879,759
Bank Balances	3,859,419	2,678,410
	<u>154,704,932</u>	<u>81,930,448</u>

23.2.2 Bank Balances

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

AAA	699,415	-
AA+	2,051,163	1,729,892
AA	205,887	105,887
AA-	902,954	842,631
	<u>3,859,419</u>	<u>2,678,410</u>

23.2.3 Liquidity risk

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

	2024				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Long term loan	-	-	-	-	-
Short Term Running Finance	36,216,994	36,216,994	36,216,994	-	-
Trade and other payables	27,868,582	27,868,582	27,868,582	-	-
	<u>64,085,576</u>	<u>64,085,576</u>	<u>64,085,576</u>	<u>-</u>	<u>-</u>

	2023				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Long term loan	5,307,889	5,307,889	-	5,307,889	-
ShortTerm Running Finance	7,712,243	7,712,243	7,712,243	-	-
Trade and other payables	4,738,059	4,738,059	4,738,059	-	-
	<u>17,758,191</u>	<u>17,758,191</u>	<u>12,450,302</u>	<u>5,307,889</u>	

On the balance sheet date, the company has cash and bank balances of Rs. 3.86 Million (2023: 2.68million) and investments of Rs 19.632 million (2023: 18.609 million) for repayment of liabilities.

23.2.4 Market risk

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

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

Currency risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk. The company is exposed to interest rate risk on borrowing at floating interest rate from bank. However the amount of loan is not significant to as compared to overall assets.

Other price risk

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

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

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

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

	Before Tax	
	10% Increase	10% Increase
as at 30th June 2024	578,172	(578,172)
as at 30th June 2023	<u>1,060,834</u>	<u>1,060,834</u>

23.3 Fair value of Financial instruments

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

26. NUMBER OF EMPLOYEES

	2024 (Numbers)	2023 (Numbers)
Total employees of the Company at the year end	10	10
Average employees of the Company during the year	10	9

27. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
Assets				
1.1	Property & Equipment	9,872,428	9,872,428	-
1.2	Intangible Assets	2,750,000	2,750,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities	-	-	-
1.5	Investment in Equity Securities (listed)	19,631,810	3,622,227	16,009,583
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking	-	-	-
1.8	Statutory or regulatory deposits.	2,350,000	2,350,000	-
1.9	Margin deposits with exchange and clearing house.	9,000,000	-	9,000,000
1.10	Deposit with authorized intermediary against borrowed	-	-	-
1.11	Other deposits and prepayments	5,000,000	5,000,000	-
1.12	Accrued interest, profit or mark-up	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-
1.15	Advances and receivables other than trade			
	(i) Advance tax	4,807,596	4,807,596	-
	(ii) Other cases	41,003	41,003	-
1.16	Receivables from clearing house or securities exchange(s)	17,648,529	-	17,648,529
1.17	Receivables from customers			
	i. Trade receivables not more than 5 days overdue	22,708,693	-	22,708,693
	ii. Trade receivables are overdue, or 5 days or more	12,410,592	12,369,461	41,131
	iii. Trade receivables from related parties.	68,250,769	46,413	68,204,356
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	787,032	-	787,032
	ii. Bank balance-customer accounts	3,072,387	-	3,072,387
	iii. Cash in hand	-	-	-
1.19	Subscription money against investment in IPO/ offer for			
Total Assets		178,330,839		137,471,712
Liabilities				
2.1	Trade Payables			
	i. Payable to customers	2,968,737	-	2,968,737
2.2	Current Liabilities			
	i. Accruals and other payables	1,551,149	-	1,551,149
	ii. Short-term borrowings	36,216,994	-	36,216,994
	iii. Other liabilities as per accounting principles and included in the financial statements	23,348,696	-	23,348,696

2.3	Non-Current Liabilities			
	i. Staff retirement benefits	-	-	-
2.4	Subordinated Loans	-	-	-
2.5	Advance against shares for Increase in Capital.	-	-	-
Total Liabilites		64,085,576		64,085,576
Ranking Liabilities Relating to :				
3.1	Concentration in Margin Financing	-	-	-
3.2	Concentration in securites lending and borrowing	-	-	-
3.3	Net underwriting Commitments	-	-	-
3.4	Negative equity of subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment	-	-	-
3.8	Concentrated proprietary positions	-	1,414,224	1,414,224
3.9	Opening Positions in futures and options	-	1,167,846	1,167,846
3.10	Short sell positions	-	-	-
Total Ranking Liabilites		-	-	2,582,070
Grand Total		114,245,263	-	70,804,066

28. OTHER DISCLOSURES UNDER REGULATION 34(2) OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016:

The disclosures under the regulation 34(2), other than disclosed elsewhere in these annual financial statements are as follows:

28.1 Pattern of Shareholding

	2024	2023	2024	2023
	% of Holding		Number of Shares	
Imtiaz Ibrahim (CEO)	62.50%	50.00%	634,374	507,499
Muhammad.Irfan	0.00%	12.50%	-	126,875
Muhammad Iqbal (Director)	12.50%	12.50%	126,875	126,875
Muhammad Zafar	12.50%	12.50%	126,875	126,875
Anis Haroon Kapadia	7.50%	7.50%	76,125	76,125
Abdul Aziz (Director)	5.00%	5.00%	50,750	50,750
Asif Ibrahim (Director)	0.00%	0.00%	1	1
	100%	100%	1,015,000	1,015,000

28.2 During the year, 126,875/- shares was transferred from Muhammad Irfan to Imtiaz Ibrahim.

28.3 As at June 30, 2024, company's securities pledged with financial institutions is amounting to Rs. 17.854 million (2023: Rs. 10.118 million) and customers' securities maintained with the company pledged with financial institutions are amounting to Rs. 70.687 million (2023: Rs. 28.501 million).

28.4 As at June 30, 2024, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs. 646.540 million (June 30, 2023: Rs. 304.540 million).

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

29. CORRESPONDING FIGURES

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

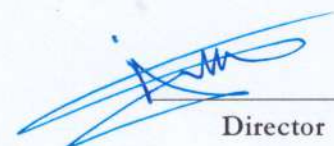
30. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were approved by the Company's board of directors and authorised for issue on 05 OCT 2024.

7



Chief Executive



Director



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UHY INTERNATIONAL

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