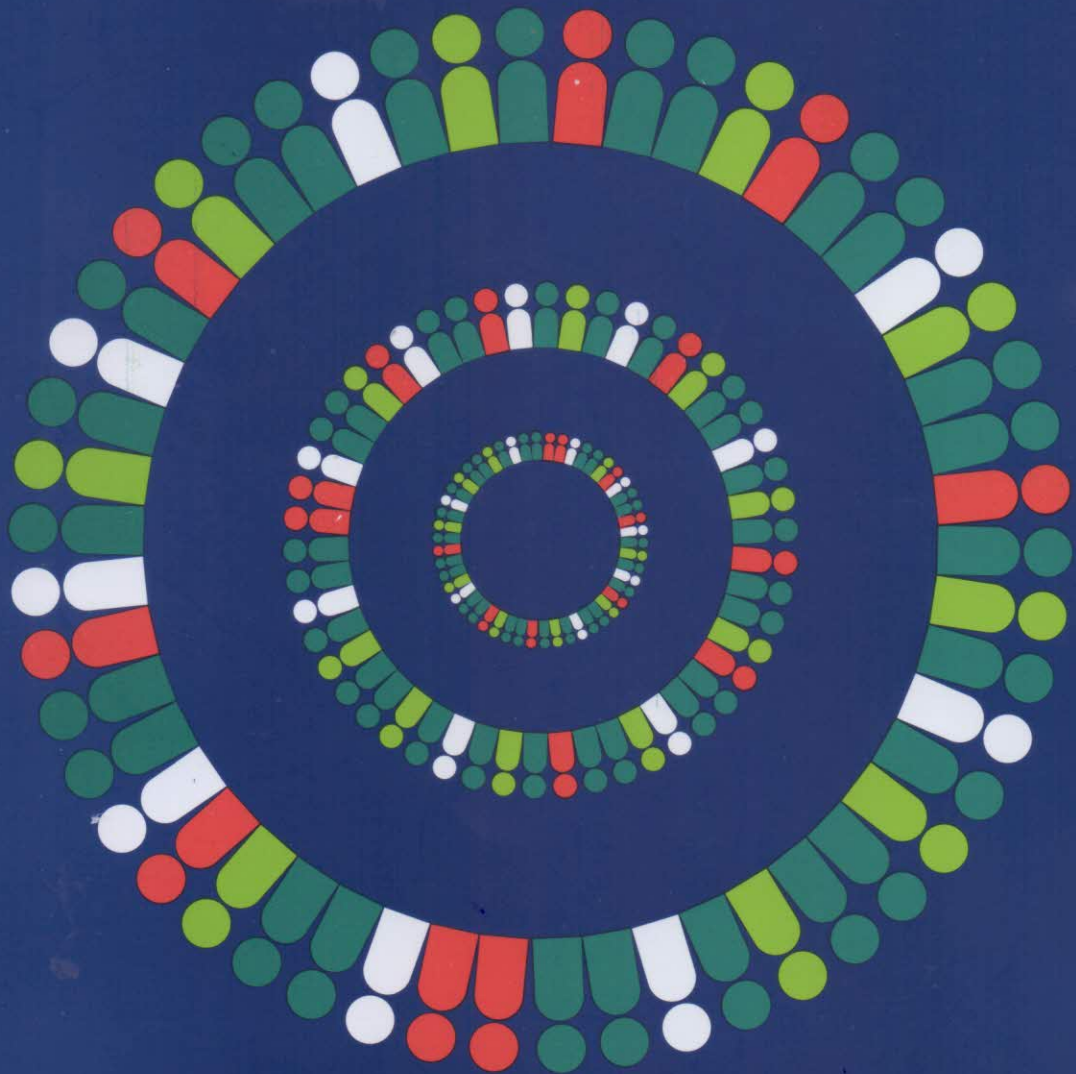


NUA Securities (Private) Limited
Financial Statements
For the year ended
June 30, 2024





N.U.A Securities Pvt Ltd.

TREC Holder | PAKISTAN STOCK EXCHANGE LIMITED

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	42,807,204
Profit before Taxation	18,725,221
Taxation	(163,121)
Profit after Tax	18,562,100

AUDITORS:

The auditor's 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 7, 2024

Karachi

Registered Office

Room No. 429 - 430 , 4th Floor
Pakistan Stock Exchange Building, Karachi

T : 021-32415739, 32420321

021-32460913

E : nuasec@gmail.com

W: www.nua.com.pk



N.U.A Securities Pvt Ltd.
TREC Holder | PAKISTAN STOCK EXCHANGE LIMITED

• UNDERTAKING

I, **Muhammad Nisar** Chief Executive Officer of **NUA Securities (Private) Limited**, a TRE Certificate Holder of Pakistan Stock Exchange Limited having our registered office at Room No. 135-136, 3rd floor, Pakistan Stock Exchange Building, Stock Exchange 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 07, 2024

Muhammad Nisar
Chief Executive Officer

Registered Office

Room No. 429 - 430 , 4th Floor
Pakistan Stock Exchange Building, Karachi

T : 021-32415739, 32420321

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INDEPENDENT AUDITOR'S REPORT

To the members of NUA SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information:

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

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

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

However, we have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

UHY Hassan Naeem & Co.

KARACHI

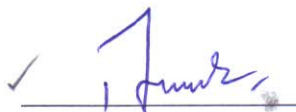
DATE: October 7, 2024

UDIN: AR2024102158R04fHiZp

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

<u>ASSETS</u>	Note	2024 (Rupees)	2023 (Rupees)
<u>NON CURRENT ASSETS</u>			
Property and equipment	4	8,387,500	15,937,500
Intangible assets	5	2,500,000	2,500,000
Investment at fair value through other comprehensive income	6	-	9,990,000
Long term deposits	7	1,400,000	1,400,000
		12,287,500	29,827,500
<u>CURRENT ASSETS</u>			
Trade debts	8	1,386,296	985,410
Investment at fair value through profit and loss	9	48,038,000	55,334,000
Investment in Margin Financing	10	56,141,922	20,737,620
Advances, deposits, prepayments and other receivables	11	33,160,328	18,793,781
Cash and bank balances	12	11,241,471	22,888,089
		149,968,017	118,738,900
		162,255,517	148,566,400
<u>SHARE CAPITAL AND RESERVES</u>			
Authorized capital	13.1	150,000,000	150,000,000
Share capital			
Issued, subscribed and paid-up capital	13.2	87,500,000	87,500,000
Capital Reserves			
Surplus/(Deficit) - Investment at Fair value through OCI		-	(3,493,011)
Subordinate Loan from director	14	12,000,000	-
Revenue reserves			
Accumulated Profit/(Loss)		5,621,391	(12,859,103)
		105,121,391	71,147,886
<u>NON CURRENT LIABILITIES</u>			
Long term loan	15	18,000,000	30,000,000
Gratuity payable		1,125,000	-
		19,125,000	30,000,000
<u>CURRENT LIABILITIES</u>			
Trade and other payable	16	30,110,724	14,418,514
Short term loan	17	-	33,000,000
Running Finance Facility	18	7,898,402	-
		38,009,126	47,418,514
Contingencies and commitments	19		
		162,255,517	148,566,400

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


 Chief Executive


 Director


NUA SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
Revenue from contract with customers	20	42,807,204	21,931,034
Operating and administrative expenses	21	(46,685,939)	(25,711,474)
(Expected credit loss)/Reversal of Expected credit loss		(36,626)	239,871
Finance Cost	22	(927,523)	(388,510)
Other income	23	24,681,997	(9,432,919)
Other charges		(361,357)	-
Profit/(loss) before income tax, minimum tax differential and final tax		19,477,756	(13,361,998)
Minimum tax - levy	24	(752,535)	(316,603)
Final taxes - levy	25	-	(4,087)
		(752,535)	(320,690)
Profit/(loss) before income tax		18,725,221	(13,682,688)
Taxation	26	(163,121)	-
Profit/(loss) after income tax		18,562,100	(13,682,688)

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

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 Chief Executive


 Director

NUA 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	18,562,100	(13,682,688)
Other comprehensive income:		
Items that will not be subsequently reclassified in profit or loss		
Unrealised gain/ (loss) on revaluation of investments at fair value through other comprehensive income	3,411,405	(3,820,500)
	3,411,405	(3,820,500)
TOTAL COMPREHENSIVE INCOME/(LOSS)	21,973,505	(17,503,188)

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

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 Chief Executive

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 Director

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

	Share capital	Capital Reserves		Revenue Reserves	Total
	Issued, subscribed and paid-up capital	Surplus / (Deficit) - Investment at FVTOCI	Subordinate Loan from director	Accumulated Profit/(Loss)	
-----Rupees-----					
Balance as at June 30, 2022	87,500,000	327,489	-	823,585	88,651,074
Profit/(loss) for the year	-	-	-	(13,682,688)	(13,682,688)
Other comprehensive loss	-	(3,820,500)	-	-	(3,820,500)
Balance as at June 30, 2023	87,500,000	(3,493,011)	-	(12,859,103)	71,147,886
Profit/(loss) for the year	-	-	-	18,562,100	18,562,100
Decrease in Surplus due to sell of PSX shares' during the year	-	81,606	-	(81,606)	-
Loan from directors	-	-	12,000,000	-	12,000,000
Other comprehensive income	-	3,411,405	-	-	3,411,405
Balance as at June 30, 2024	87,500,000	-	12,000,000	5,621,391	105,121,391

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

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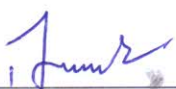
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 Chief Executive

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 Director

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

	Note	2024 (Rupees)	2023 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		18,725,221	(13,682,688)
<u>Adjustment for non-cash items</u>			
Depreciation		633,333	1,050,000
Dividend income		-	(27,249)
Gain on disposal		(3,083,333)	-
Gratuity Expense		1,125,000	-
Capital Gain - Securities		(15,897,385)	15,857,356
Loss Allowance		36,626	(239,871)
Minimum tax - levy		752,535	316,603
Final taxes - levy		-	4,087
		(16,433,224)	16,960,926
<u>Changes in working capital</u>			
Decrease / (increase) in trade debts		(437,512)	311,408
Decrease / (increase) in advances, deposits and prepayments		(14,366,547)	10,420,330
Decrease / (increase) Investment in Margin Financing		(35,404,302)	969,023
(Decrease) / increase in trade and other payable		15,585,731	(18,238,537)
Net changes in working capital		(34,622,630)	(6,537,776)
Taxes paid		(809,177)	(320,690)
Net cash (used in)/generated from operating activities		(33,139,810)	(3,580,228)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition/Disposal of short term investments - net of sales		23,193,385	16,045,094
Acquisition/Disposal of long term investments - net of sales		13,401,405	-
Dividend received		-	27,249
Net cash generated from investing activities		36,594,790	16,072,343
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term loan from directors		(37,700,000)	(16,600,000)
Repayment of short term loan from directors		14,700,000	19,000,000
Net cash generated from financing activities		(23,000,000)	2,400,000
Net increase in cash and cash equivalent		(19,545,020)	14,892,115
Cash and cash equivalent at beginning of the year		22,888,089	7,995,974
Cash and cash equivalent at end of the year	27	3,343,069	22,888,089

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

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 Chief Executive

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 Director

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

1 Legal Status and Nature of Business

NUA Capital Securities (Private) limited was incorporated as a private limited company in Pakistan on February 01, 2006 under the Companies Ordinance, 1984. The Company is a corporate member of Pakistan Stock Exchange Limited. The registered office of the company is located at 135-136, 3rd floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi and the company does not have any branch office. The principal activities of the Company are investment and share brokerage.

2 Basis of Preparation

2.1 Statement of Compliance

These financial statements are prepared in accordance with the provisions of the Companies Act, 2017. 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods in the revision affects both current and future periods.

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 26)

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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 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	-	(752,535)	(752,535)
Final taxes - levy	-	-	-
Profit/(loss) before income tax	19,477,756	(752,535)	18,725,221
Income Tax Expense	(915,656)	752,535	(163,121)

For the year ended June 30, 2023

Minimum tax - levy	-	(316,603)	(316,603)
Final taxes - levy	-	(4,087)	(4,087)
Profit/(loss) before income tax	(13,361,998)	(320,690)	(13,682,688)
Income Tax Expense	-	-	-

- (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.

(iii) In addition to the amendments mentioned above, there were certain amendments to accounting and reporting standards which became effective for the company for the current year. However, these are considered not to be relevant or to have any significant impact on the company's financial reporting and therefore have not been disclosed in these financial statements.

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

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

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

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

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

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

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3 Material Accounting Policy Information

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

3.1 Taxation

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

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, it is written down to its estimated recoverable amount.

3.5.2 Software

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

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

3.5.3 Amortization

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

3.6 Trade debts and other receivables

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

3.7 Provisions

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

3.8 Trade and Other Payable

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

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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.

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.

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.

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Financial assets at "Fair value through profit or loss"

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

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

3.12.3 Subsequent measurement

Debt investments at "Fair value through other comprehensive income"

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

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.

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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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4. PROPERTY AND EQUIPMENT

	2024				
	Office Building	Office Equipment	Furniture and fixtures	Computers	Total
	------(Rupees)-----				
As at July 01, 2023					
Cost	21,000,000	269,470	587,382	1,999,198	23,856,050
Accumulated depreciation	(5,062,500)	(269,470)	(587,382)	(1,999,198)	(7,918,550)
Net book value at the beginning of the year	15,937,500	-	-	-	15,937,500
Changes during the year					
Additions during the year	-	-	-	-	-
Disposals - cost	(10,000,000)	-	-	-	(10,000,000)
Depreciation charge for the year	(633,333)	-	-	-	(633,333)
Disposals - Accumulated depreciation	3,083,333	-	-	-	3,083,333
Net book value at the end of the year	8,387,500	-	-	-	8,387,500
Analysis of net book value					
As at June 30, 2024					
Cost	11,000,000	269,470	587,382	1,999,198	13,856,050
Accumulated depreciation	(2,612,500)	(269,470)	(587,382)	(1,999,198)	(5,468,550)
Net book value at the end of the year	8,387,500	-	-	-	8,387,500
Depreciation rate (% per annum)	5%	15%	15%	30%	
	2023				
	Office Building	Office Equipment	Furniture and fixtures	Computers	Total
	------(Rupees)-----				
As at July 01, 2022					
Cost	21,000,000	269,470	587,382	1,999,198	23,856,050
Accumulated depreciation	(4,012,500)	(269,470)	(587,382)	(1,999,198)	(6,868,550)
Net book value at the beginning of the year	16,987,500	-	-	-	16,987,500
Changes during the year					
Additions	-	-	-	-	-
Disposals - cost	-	-	-	-	-
Depreciation charge for the year	(1,050,000)	-	-	-	(1,050,000)
Disposals - Accumulated depreciation	-	-	-	-	-
Net book value at the end of the year	15,937,500	-	-	-	15,937,500
Analysis of net book value					
As at June 30, 2023					
Cost	21,000,000	269,470	587,382	1,999,198	23,856,050
Accumulated depreciation	(5,062,500)	(269,470)	(587,382)	(1,999,198)	(7,918,550)
Net book value at the end of the year	15,937,500	-	-	-	15,937,500
Depreciation rate (% per annum)	5%	15%	15%	30%	

5. INTANGIBLE ASSETS

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

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		2024 (Rupees)	2023 (Rupees)
6. INVESTMENT - FAIR VALUE THROUGH OCI			
Investment in shares of Pakistan Stock Exchange	6.1	-	9,990,000
7. LONG-TERM DEPOSITS			
Deposits with:			
- National Clearing Company of Pakistan Limited (NCCPL)		<u>1,400,000</u>	<u>1,400,000</u>
8. TRADE DEBTS			
Trade debts	8.1	<u>1,424,343</u>	2,745,539
less: Loss Allowance	8.2	<u>(38,047)</u>	(1,760,129)
		<u>1,386,296</u>	<u>985,410</u>
8.1 Aging Analysis			
Past due 1 - 30 days		<u>851,568</u>	888,752
Past due 31 - 180 days		<u>572,775</u>	94,216
Past due 181 days - 1 year		-	3,862
More than one year		-	1,758,708
		<u>1,424,343</u>	<u>2,745,539</u>
8.2 Expected credit loss			
Opening		<u>1,760,129</u>	2,000,000
Provision recorded during the year		<u>36,626</u>	-
Reversal of expected credit loss		-	(239,871)
Expected credit loss written off		<u>(1,758,708)</u>	-
		<u>38,047</u>	<u>1,760,129</u>

8.3 Trade debts due from related parties

Name of related party	Gross amount due	Past due amount	Provision for expected credit losses	Reversal of provision for expected credit losses	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year (8.3.1)
Abdul Qadir	783,256	783,256	-	-	-	783,256	9,018,317
Sabreena Qadir	534,729	534,729	-	-	-	534,729	4,241,022
	<u>1,317,984</u>	<u>1,317,984</u>	-	-	-	<u>1,317,984</u>	

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

8.3.2 Aging analysis of trade debts due from related parties

Name of related party	Not past due	Past due				Total gross amount due
		Past due 0-30 days	Past due 31-180 days	Past due 181-365 days	Past due 365 days	
Abdul Qadir	-	783,256	-	-	-	783,256
Sabreena Qadir	-	-	534,729	-	-	534,729
	-	<u>783,256</u>	<u>534,729</u>	-	-	<u>1,317,984</u>

9. INVESTMENT AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT

Investment in quoted securities	9.1	<u>48,038,000</u>	<u>55,334,000</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 investment pledge with Pakistan Stock Exchange Limited amounting to Rs 27,848,000 against Base Minimum Capital. This investment also pledged with JS Bank Limited amounting to Rs. 6,955,000 against running finance facility.

10. INVESTMENT IN MARGIN FINANCING

Investment in margin financing for clients held in the name of the company.		<u>56,141,922</u>	<u>20,737,620</u>
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Margin financing facility is provided to clients on markup of 18% (2023: 18%) per annum.

11. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax - net	-	192,975
Income tax Refundable	8,351,764	8,158,789
NCCPL's Exposure deposit	22,467,125	9,467,125
NCCPL's profit and loss deposit	2,186,660	703,931
Other receivables	154,779	270,961
	<u>33,160,328</u>	<u>18,793,781</u>

12. CASH AND BANK BALANCES

Cash in hand	-	-
Cash at bank- Current account	6,968,191	19,166,659
-Savings	4,273,280	3,721,430
	<u>11,241,471</u>	<u>22,888,089</u>

12.1 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 6.968 million (2023: 6.400 million)

13. SHARE CAPITAL

13.1 Authorized share capital

Authorized share capital comprises of 15,000,000 (2023: 15,000,000) Ordinary shares of Rs. 10 each.

13.2 Issued, subscribed and paid up capital

	2024 (Rupees)	2023 (Rupees)
Issued, subscribed and paid up capital comprises of:		
Ordinary share capital	<u>87,500,000</u>	<u>87,500,000</u>
	<u>87,500,000</u>	<u>87,500,000</u>

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

2024 (Numbers)	2023 (Numbers)		2024 (Rupees)	2023 (Rupees)
		Ordinary shares		
7,000,000	7,000,000	Ordinary shares of Rs. 10 each paid in cash	70,000,000	70,000,000
1,750,000	1,750,000	Ordinary shares of Rs. 10 each issued as bonus share	17,500,000	17,500,000
			<u>87,500,000</u>	<u>87,500,000</u>

13.2.2 Reconciliation of number of shares outstanding

	2024 (Numbers)	2023 (Numbers)
Ordinary shares		
Number of shares outstanding at the beginning of the year	8,750,000	8,750,000
Issued as bonus share	-	-
	<u>8,750,000</u>	<u>8,750,000</u>

14. SUBORDINATE LOAN FROM DIRECTOR

Long term loan from directors and related parties:

- Abdul Qadir	6,000,000	-
- Ghulam Mustafa	6,000,000	-
	<u>12,000,000</u>	<u>-</u>

- 14.1 The long-term loan provided to the Company is interest-free and shall be payable at the Company's discretion once sufficient liquidity is available to meet the repayment obligation. The loan is presented as equity as per TR 32 "Accounting Directors' Loan" of the "Institute of Chartered Accountants of Pakistan."

15. LONG TERM LOAN

Long term loan from directors and related parties:

- Abdul Qadir	-	6,000,000
- Sakina Aamir	6,000,000	6,000,000
- Zainab Junaid	6,000,000	6,000,000
- Halima	6,000,000	6,000,000
- Ghulam Mustafa	-	6,000,000
	<u>18,000,000</u>	<u>30,000,000</u>

- 15.1 The long-term loan provided to the Company is interest-free and shall be payable at the Company's discretion once sufficient liquidity is available to meet the repayment obligation.

16. TRADE AND OTHER PAYABLE

Credit balances of clients	16.1.	28,995,295	14,014,601
Income tax payable		106,479	-
Auditor's remuneration payable		67,800	-
Accrued Expenses		941,150	403,913
		<u>30,110,724</u>	<u>14,418,514</u>

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

17. SHORT TERM LOAN

Short term loan from director and related parties:

- Zainab Junaid	-	7,400,000
- Sakina Aamir	-	7,400,000
- Halima	-	7,400,000
- Ghulam Mustafa	-	3,400,000
- Abdul Qadir	-	7,400,000
	<u>-</u>	<u>33,000,000</u>

18. RUNNING FINANCE FACILITY

Running finance facilities of Rs 100 Million (2023: 100 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+2.5% per annum on daily outstanding balances payable quarterly.

19. CONTINGENCIES AND COMMITMENTS

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

	2024 (Rupees)	2023 (Rupees)
20. REVENUE FROM CONTRACT WITH CUSTOMERS		
Brokerage Income- gross	39,686,705	20,023,558
Income under Margin Financing system	8,683,562	4,678,782
Sales tax	(5,563,063)	(2,771,306)
	<u>42,807,204</u>	<u>21,931,034</u>

21. OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	25,133,300	15,291,465
Printing, stationary & periodicals	61,935	53,355
Utilities	406,557	479,782
Rent, rates and taxes	842,927	773,591
Communication Expense	242,495	531,462
Transaction Charges	1,131,704	1,075,867
Legal and professional	410,750	339,000
Fees and Subscription	204,574	123,900
Commission Expense	16,081,350	4,425,942
Computer and software Expense	857,172	658,252
Depreciation	633,333	1,050,000
Auditor's remuneration	271,200	248,600
Bank Charges	54,200	42,260
Miscellaneous	354,442	617,998
	<u>46,685,939</u>	<u>25,711,474</u>
21.1. Auditor's remuneration		
Annual Audit fee	271,200	248,600
	<u>271,200</u>	<u>248,600</u>

22. FINANCE COST

Interest Expense on long term loan	-	-
Finance Cost	927,523	388,510
	<u>927,523</u>	<u>388,510</u>

22.1 The company has not recognized interest expense on long term loan as the director and related parties have waived there interest on long term loan as the company facing cashflow difficulties.

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	2024 (Rupees)	2023 (Rupees)
23. OTHER INCOME		
Gain/(loss) on Investment through profit& loss	15,897,385	(15,857,356)
Initial Public offer	151,985	-
Profit on Cash Margin	3,481,029	1,731,379
Profit on Bank deposit	2,068,265	1,665,809
Wavier of interest expense on long term loan	-	3,000,000
Gain on disposal	3,083,333	-
Income from dividend	-	27,249
	<u>24,681,997</u>	<u>(9,432,919)</u>

24. MINIMUM TAX - LEVY

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

25. FINAL TAX - LEVY

This represents portion of final taxes paid as per Income Tax Ordinance, 2001 (ITO, 2011), representing levy in terms of requirements of IFRIC 21/IAS 37.

26. INCOME TAX EXPENSE

Income Tax Expense 163,121 -

26.1 The company has tax losses in the previous years, on which deferred tax asset amounting to Rs. 4.757 million (2023: 7.103 million) will arise. However, as there is continuous losses on account of operating income therefore deferred tax asset has not been recorded.

	2024 (Rupees)	2023 (Rupees)
26.2 Relationship between tax expense and accounting profit		
Accounting profit/(loss) before income tax, minimum tax differential and final tax	19,477,756	(13,361,998)
less: Accounting Profit/(loss) subject to minimum tax levy	(4,806,863)	(2,468,109)
less: Accounting Profit/(loss) subject to final tax levy	(14,091,544)	15,830,107
Accounting profit/(loss) before taxation	579,349	-
Tax at the applicable rate 29% (2023:29%)	168,011	-
Deferred tax asset not recognized	(4,890)	-
	<u>163,121</u>	<u>-</u>

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

Current tax liability for the year as per applicable tax laws	915,656	320,690
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(163,121)	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(752,535)	(320,690)
Difference	-	-

27 CASH AND CASH EQUIVALENTS

Cash and bank balances	12	11,241,471	22,888,089
Short-term running finance	18	(7,898,402)	-
Cash and cash equivalents per statement of cash flows		3,343,069	22,888,089

27. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

27.1 Financial instrument by category

27.1.1 Financial assets

2024			
At fair value through profit or loss account	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances and deposits	-	1,400,000	1,400,000
Investment at fair value -P&L	48,038,000	-	48,038,000
Investment in Margin Financing	-	56,141,922	56,141,922
Trade debts	-	1,386,296	1,386,296
Advances, deposits and prepayments	-	33,160,328	33,160,328
Bank balances	-	11,241,471	11,241,471
	48,038,000	103,330,017	151,368,017

2023			
At fair value through profit or loss account	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances and deposits	-	1,400,000	1,400,000
Investment at fair value- P&L	55,334,000	-	55,334,000
Investment at fair value- OCI	-	9,990,000	9,990,000
Investment in Margin Financing	-	20,737,620	20,737,620
Trade debts	-	985,410	985,410
Advances, deposits and prepayments	-	18,793,781	18,793,781
Bank balances	-	22,888,089	22,888,089
	55,334,000	64,804,900	130,128,900

27.1.2 Financial Liabilities at amortized cost

2024		
	Amount	Total
Long term loan	18,000,000	18,000,000
Trade and other Payables	30,110,724	30,110,724
Running Finance	7,898,402	7,898,402
	56,009,126	56,009,126

	2023	
	Amount	Total
Long term loan	30,000,000	30,000,000
Short term loan	33,000,000	33,000,000
Trade and other Payables	14,418,514	14,418,514
	77,418,514	77,418,514
	77,418,514	77,418,514

27.2 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

27.2.1 Credit risk

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

27.2.2 Exposure to Credit risk

Credit risk of the company arises principally from the trade debts, investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. 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	1,400,000	1,400,000
Investment at Fair value through OCI	-	9,990,000
Investment at Fair Value through P&L	48,038,000	55,334,000
Investment in Margin Financing	56,141,922	20,737,620
Trade debts	1,386,296	985,410
Advances, deposits, prepayments and other receivables	24,808,564	10,442,017
Bank Balances	11,241,471	22,888,089
	143,016,253	121,777,136

Bank Balances

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

	2024	2023
	<i>(Rupees)</i>	
AA-	11,241,471	22,888,089
	11,241,471	22,888,090

The credit rating agencies are PACRA and JCR-VIS.

27.2.3 Liquidity risk

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

2024					
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Trade and other payables	30,110,724	30,110,724	30,110,724	-	-
Long term loan	18,000,000	18,000,000	-	18,000,000	-
Running Finance Facility	7,898,402	7,898,402	-	-	-
	<u>56,009,126</u>	<u>56,009,126</u>	<u>30,110,724</u>	<u>18,000,000</u>	<u>-</u>
2023					
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Trade and other payables	14,418,514	14,418,514	14,418,514	-	-
Long term loan	30,000,000	30,000,000	-	30,000,000	-
Short term loan	33,000,000	33,000,000	33,000,000	-	-
Running Finance Facility	-	-	-	-	-
	<u>77,418,514</u>	<u>77,418,514</u>	<u>47,418,514</u>	<u>30,000,000</u>	<u>-</u>

On the balance sheet date, the company has cash and bank balances of Rs. 11.241 million (2023: Rs. 22.888 million) and investments of Rs. 48.038 (2023: Rs. 65.324 million) for repayment of liabilities.

27.2.4 Market risk

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

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

Currency risk

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

Interest rate risk

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

27.4 Capital risk management

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

28. CAPITAL ADEQUACY LEVEL

Total Assets	162,255,517	148,566,400
Less: Total Liabilities	(57,134,126)	(77,418,514)
Less: Revaluation Reserves	-	-
Capital Adequacy Level	105,121,391	71,147,886

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

29. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
 Rupees					
Managerial remuneration	2,400,000	4,800,000	2,400,000	2,400,000	4,800,000	-
Bonus	-	-	-	-	-	-
	<u>2,400,000</u>	<u>4,800,000</u>	<u>2,400,000</u>	<u>2,400,000</u>	<u>4,800,000</u>	<u>-</u>

Number of persons (including those who worked part of the year)	1	2	1	1	2	-
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30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of the related party	Relationship with the related party	Transactions during the year and year end balances	2024 (Rupees)	2023 (Rupees)
Muhammad Nasir	Shareholder/CEO	Remuneration	2,400,000	2,400,000
Muhammad Nasir	CEO and Shareholder	Receivable / (Payable)	-	301,928
Abdul Qadir	Shareholder/Director	Remuneration	2,400,000	2,400,000
Abdul Qadir	Shareholder/Director	Receivable / (Payable)	783,256	(4,043)
Abdul Qadir	Shareholder/Director	Long term loan	6,000,000	6,000,000
Abdul Qadir	Shareholder/Director	Short term loan	-	7,400,000
Ghulam Mustafa	Shareholder/Director	Remuneration	2,400,000	2,400,000
Ghulam Mustafa	Shareholder/Director	Receivable / (Payable)	(120,020)	(38,435)
Ghulam Mustafa	Shareholder/Director	Long term loan	6,000,000	6,000,000
Ghulam Mustafa	Shareholder/Director	Short term loan	-	3,400,000
Halima Mohsin	Shareholder	Remuneration	1,200,000	600,000
Halima Mohsin	Shareholder	Long term loan	6,000,000	6,000,000
Halima Mohsin	Shareholder	Short term loan	-	7,400,000
Sakina Aamir	Shareholder	Remuneration	1,200,000	600,000
Sakina Aamir	Shareholder	Long term loan	6,000,000	6,000,000
Sakina Aamir	Shareholder	Short term loan	-	7,400,000
Zainab Junaid	Shareholder	Remuneration	1,200,000	600,000
Zainab Junaid	Shareholder	Long term loan	6,000,000	6,000,000
Zainab Junaid	Shareholder	Short term loan	-	7,400,000
Sabreena Qadir	Wife of Shareholder/Director	Receivable / (Payable)	534,729	(148)
Sabreena Qadir	Wife of Shareholder/Director	Remuneration	2,400,000	-

31 LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
Assets				
1.1	Property & Equipment	8,387,500	8,387,500	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities	-	-	-
1.5	Investment in Equity Securities (listed)	48,038,000	32,595,220	15,442,780
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking	-	-	-
1.8	Statutory or regulatory deposits.	1,400,000	1,400,000	-
1.9	Margin deposits with exchange and clearing house.	22,467,125	-	22,467,125
1.10	Deposit with authorized intermediary against borrowed	-	-	-
1.11	Other deposits and prepayments	-	-	-
1.12	Accrued interest, profit or mark-up	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-
1.15	Advances and receivables other than trade			
	(i) Advance tax	8,351,764	8,351,764	-
	(ii) Other cases	154,779	154,779	-
1.16	Receivables from clearing house or securities exchange(s)	2,186,660	-	2,186,660
1.17	Receivables from customers			
	i. Receivables against margin financing	56,141,922	2,684,192	53,457,730
	ii. Trade receivables not more than 5 days overdue	68,312	-	68,312
	iii. Trade receivables are overdue, or 5 days or more	572,775	38,047	534,729
	iv. Trade receivables from related parties.	783,256	783,256	-
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	4,273,280	-	4,273,280
	ii. Bank balance-customer accounts	6,968,191	-	6,968,191
	iii. Cash in hand	-	-	-
1.19	Subscription money against investment in IPO/ offer for sale (asset)	-	-	-
Total Assets		162,293,564		105,398,806
Liabilities				
2.1	Trade Payables			
	i. Payable to customers	28,995,295	-	28,995,295
2.2	Current Liabilities			
	i. Accruals and other payables	1,115,429	-	1,115,429
	ii. Short-term borrowings	7,898,402	-	7,898,402
	iii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	Non-Current Liabilities			
	i. Staff retirement benefits	1,125,000	-	1,125,000
2.4	Subordinated Loans	30,000,000	30,000,000	-
2.5	Advance against shares for Increase in Capital.	-	-	-
Total Liabilities		69,134,126		39,134,126

Ranking Liabilities Relating to :

3.1	Concentration in Margin Financing	-	21,039,696	21,039,696
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	-	1,548,000	1,548,000
3.9	Opening Positions in futures and options	-	-	-
3.10	Short sell positions	-	-	-
Total Ranking Liabilites		-	-	22,587,696
Grand Total		93,159,438	-	43,676,985

32 OTHER DISCLOSURES UNDER REGULATION 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:

32.1 Pattern of Shareholding

	2024	2023	2024	2023
	% of Holding		Number of Shares	
Halima	14%	14%	1,223,714	1,223,714
Sakina Amir	14%	14%	1,223,714	1,223,714
Sher Bano	5%	5%	399,143	399,143
Abdul Qadir	15%	15%	1,312,625	1,312,625
Ghulam Mustafa	11%	11%	982,289	982,289
Zainab Junaid	14%	14%	1,223,714	1,223,714
Muhammad Nasir	27%	27%	2,384,803	2,384,803
	100%	100%	8,750,000	8,750,000

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

32.3 As at June 30, 2024, company's securities pledged with financial institutions is amounting to Rs. 6.995 million (2023: Rs.30.213 million) and customers' securities maintained with the company pledged with financial institutions are amounting to Rs. 11.672 (2023: Rs. 0).

32.4 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. 603.415 million (June 30, 2023: Rs. 374.144 million).

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

33. NUMBER OF EMPLOYEES

	2024 (Numbers)	2023 (Numbers)
Total number of employees at 30th June.	18	16
Average Number of employees	18	16

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34. **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.

35. **AUTHORISATION OF FINANCIAL STATEMENTS**

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

07 OCT 2024

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✓ 

Chief Executive

✓ 
Director



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UHY INTERNATIONAL

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