

**ABBASI & COMPANY  
(PRIVATE) LIMITED  
AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ABBASI & COMPANY (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Abbasi & Company (Private) Limited (the Company), which comprise the statement of financial position as at June 30, 2024 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 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 loss and other comprehensive loss, the changes in equity and its cash flows for the year 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on 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 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 material misstatement of this other information, we are required to report that fact. 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 requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### 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.







**Parker Russell-A.J.S.**  
CHARTERED ACCOUNTANTS

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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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no Zakat was deductible at source under the Zakat and Ushr Ordinance 1980, (XVIII of 1980).
- The company was in compliance with the requirement of section 78 of the Securities Act, 2015 and section 62 of the Future Market Act, 2016 and the relevant requirements of Securities Broker (Licensing and Operations) Regulations, 2016 and the Futures Brokers (Licensing and Operations) Regulations, 2018 as at the date on which the financial statements were prepared.
- The Company was in compliance with the relevant requirements of Futures Brokers (Licensing and Operations Regulations), 2018 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Faisal Iqbal Khawaja.

  
Parker Russell A.J.S.  
(Chartered Accountants)



Place: Lahore  
Date: October 04, 2024  
UDIN: AR202410173qSMkY2jrR



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**ABBASI & COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

	Note	2024	2023
		Rupees	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	6	210,242,221	213,273,059
Intangible assets	7	2,258,501	2,795,227
Long term investments	8	1,507,500	12,609,548
Long term deposits	9	5,361,700	5,361,700
Deferred tax assets	10	-	-
		<u>219,369,922</u>	<u>234,039,534</u>
<b>Current assets</b>			
Trade receivables - net	11	5,530,004	4,397,736
Advances, deposits and prepayments	12	30,247,538	57,778,541
Short term investments	13	62,754,679	36,821,880
Tax refunds due from government	14	7,334,994	7,127,852
Cash and cash equivalents	15	201,908,680	106,449,392
		<u>307,775,895</u>	<u>212,575,401</u>
<b>Total assets</b>		<u><b>527,145,817</b></u>	<u><b>446,614,935</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital		<u>200,000,000</u>	<u>200,000,000</u>
20,000,000 Ordinary shares of Rs. 10 each.			
Issued, subscribed and paid up share capital	16	70,110,000	70,110,000
Share premium	17	98,350,000	98,350,000
General reserve	18	200,000,000	200,000,000
Fair value reserve		(1,074,807)	(3,327,302)
Retained earnings		(20,013,359)	(8,863,847)
		<u>347,371,834</u>	<u>356,268,851</u>
<b>Current liabilities</b>			
Trade and other payables	19	179,773,983	90,346,084
		<u>179,773,983</u>	<u>90,346,084</u>
Contingencies and commitments	20	-	-
<b>Total liabilities</b>		<u><b>179,773,983</b></u>	<u><b>90,346,084</b></u>
<b>Total equity and liabilities</b>		<u><b>527,145,817</b></u>	<u><b>446,614,935</b></u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

*Muhammad Suhail*  
Chief Executive

*Stilbari*  
Director

**ABBASI & COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024	2023
Rupees			
Operating revenue	21	72,504,883	34,354,454
Realized loss on sale of investment at fair value through profit or loss		(10,052,422)	(13,917,211)
Unrealized gain on remeasurement of investment at fair value through profit or loss	13.1.1	14,462,110	4,977,561
		<u>76,914,571</u>	<u>25,414,804</u>
Administrative and operating expenses	22	(98,041,674)	(78,313,038)
Operating loss		<u>(21,127,103)</u>	<u>(52,898,234)</u>
Other income	23	18,270,849	13,135,727
Finance costs	24	(509,503)	(57,907)
		<u>17,761,346</u>	<u>13,077,820</u>
Loss before levies and tax		<u>(3,365,757)</u>	<u>(39,820,414)</u>
Minimum and final tax levies		(1,015,844)	(713,576)
Loss before tax		<u>(4,381,601)</u>	<u>(40,533,990)</u>
Taxation	10.2	-	-
Loss after tax		<u>(4,381,601)</u>	<u>(40,533,990)</u>
Deficit per share	25	<u>(0.62)</u>	<u>(5.78)</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

  
Chief Executive

  
Director



**ABBASI & COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
	Rupees	
Loss after tax	(4,381,601)	(40,533,990)
<b>Other comprehensive income</b>		
<i>Items that may be subsequently reclassified to profit or loss</i>		
<i>Items that will not be subsequently reclassified to profit or loss</i>		
Unrealized loss on remeasurement of investments at fair value through other comprehensive income	(824,916)	(3,327,302)
Net loss on sale of investments at fair value through other comprehensive income	(3,690,500)	(7,905,444)
	(4,515,416)	(11,232,746)
<b>Other comprehensive loss</b>	(4,515,416)	(11,232,746)
<b>Total comprehensive loss for the year</b>	(8,897,017)	(51,766,736)

The annexed notes from 1 to 37 form an integral part of these financial statements.

*Muhammad Ismail*  
 Chief Executive

*for*  
*Abbasi*  
 Director

ABBASI & COMPANY (PRIVATE) LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees	
<b>Cash flows from operating activities</b>			
Loss before levies and tax		(3,365,757)	(39,820,414)
Adjustments for:			
Depreciation	6.1	9,021,562	9,719,460
Amortisation	7	536,726	431,705
Charge / (reversal) of provision for expected credit loss	11.1	187,004	(7,708)
Gain on sale of property and equipment	23	(1,865,387)	(1,545,718)
Dividend income	23	(730,218)	(1,894,299)
Realized loss on sale of investment at fair value through profit or loss		10,052,422	13,917,211
Unrealized gain on remeasurement of investment at fair value through profit or loss	13.1.1	(14,462,110)	(4,977,561)
		<u>2,739,999</u>	<u>15,643,090</u>
<b>Operating loss before working capital changes</b>		<b>(625,758)</b>	<b>(24,177,324)</b>
<b>Effect of working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Trade receivables - net	11	(1,319,272)	(790,479)
Advances, deposits and prepayments	12	27,531,003	(11,656,458)
		<u>26,211,731</u>	<u>(12,446,937)</u>
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables	19	89,427,899	(42,839,655)
<b>Cash generated from / (used in) operations</b>		<b>115,013,872</b>	<b>(79,463,916)</b>
Income tax and levies paid	14	(1,222,986)	(1,037,828)
<b>Net cash inflows / (outflows) from operating activities</b>		<b>113,790,886</b>	<b>(80,501,744)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	6	(8,550,337)	(9,326,678)
Payment for intangible asset		-	(1,575,000)
Proceeds from sale of property, plant and equipment	6	4,425,000	5,376,320
Proceeds from long term deposits returned		-	80,000
Dividends received	23	730,218	1,894,299
Investment made in financial assets at fair value through profit or loss		(70,293,425)	(21,826,176)
Investment made in financial assets at amortized cost		(8,529,511)	(500,000)
Proceeds from sale of financial assets at fair value through profit and loss	13	57,299,825	23,372,913
Investment made in financial assets at fair value through other comprehensive income		(690,805)	-
Proceeds from sale of Investment in financial assets at fair value through other comprehensive income	8	7,277,437	-
<b>Net cash outflows from investing activities</b>		<b>(18,331,598)</b>	<b>(2,504,322)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>95,459,288</b>	<b>(83,006,066)</b>
Cash and cash equivalents at the beginning of the year		106,449,392	189,455,458
<b>Cash and cash equivalents at end of the year</b>		<b>201,908,680</b>	<b>106,449,392</b>

The annexed notes from 1 to 37 form an integral part of these financial statements.

  
Chief Executive

  
Director



ABBASI & COMPANY (PRIVATE) LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid up share capital	Share premium	General reserve	Fair value reserve	Retained earnings	Total share capital and reserves
	Rupees					
Balance as at July 01, 2022	70,110,000	98,350,000	200,000,000	19,106,394	20,469,193	408,035,587
Loss for the year	-	-	-	-	(40,533,990)	(40,533,990)
Other comprehensive loss for the year	-	-	-	(11,232,746)	-	(11,232,746)
Transferred to retained earnings on derecognition of financial instrument at fair value through other comprehensive income	-	-	-	(11,200,950)	11,200,950	-
<b>Balance as at June 30, 2023</b>	<b>70,110,000</b>	<b>98,350,000</b>	<b>200,000,000</b>	<b>(3,327,302)</b>	<b>(8,863,847)</b>	<b>356,268,851</b>
Balance as at July 01, 2023	70,110,000	98,350,000	200,000,000	(3,327,302)	(8,863,847)	356,268,851
Loss for the year	-	-	-	-	(4,381,601)	(4,381,601)
Other comprehensive loss for the year	-	-	-	(4,515,416)	-	(4,515,416)
Transferred to retained earnings on derecognition of financial instrument at fair value through other comprehensive income	-	-	-	6,767,911	(6,767,911)	-
<b>Balance as at June 30, 2024</b>	<b>70,110,000</b>	<b>98,350,000</b>	<b>200,000,000</b>	<b>(1,074,807)</b>	<b>(20,013,359)</b>	<b>347,371,834</b>

The annexed notes from 1 to 37 form an integral part of these financial statements.

  
Chief Executive

  
Director

**1 Status and nature of business**

Abbasi & Company (Private) Limited (the Company) was incorporated in Pakistan on February 13, 1999 as a Private Limited Company under the repealed Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017). The Company is a TREC holder of Pakistan Stock Exchange Limited (PSX) and has also acquired membership of the Pakistan Mercantile Exchange Limited (PMEX). The company is principally engaged in the business of brokerage, underwriting, buying and selling of stocks, shares and modaraba certificates etc. The registered office of the Company is situated at 6-Shadman, Lahore.

**2 Basis of preparation**

**2.1 Basis of measurement**

These financial statements have been prepared under the historical cost convention unless otherwise specifically stated, if any,

**2.2 Statement of compliance**

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of Companies Act, 2017. Approved accounting standards comprise of:

- International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Wherever, the requirements of the Companies Act, 2017 or directives issued by the Securities and Exchange Commission of Pakistan differs with the requirements of these accounting standards, the requirements of the Companies Act, 2017 or the requirements of the said directives shall prevail.

**2.3 Functional and presentational currency**

These financial statements have been prepared in Pakistani Rupees (PKR), which is the company's functional and presentational currency

**3 Use of judgments, estimates and assumptions**

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgements which are significant to the financial statements:

- assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property and equipment (Note 6);
- assumptions and estimates used in determining the recoverable amount, residual values and useful lives of intangible assets (Note 7);
- long term investments is recognised only to the extent that it is probable that future taxable profits will be available against which the assets may be utilised (Note 8);
- assumptions and estimates used in deriving fair value of deferred tax assets (Note 10);
- assumptions and estimates used in calculating the provision for impairment for advances and deposits (Note 9 and 12);
- assumptions and estimates used in determining the provision for slow moving and obsolete trade receivables - net (Note 11);
- assumptions and estimates used in calculating the provision for impairment for short term investments (Note 13);
- assumptions and estimates used in disclosure and assessment of provision for contingencies and commitments (Note 20);
- assumptions and estimates used in determining current income under relevant tax law and the decisions of appellate authorities on certain cases issued in the past (Note 10);



**ABBASI & COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**4 Standards, amendments and interpretations**

**4.1 Standards, amendments and interpretations adopted during the year**

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as follows:

**4.2 Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2024**

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 Presentation of Financial Statements have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

During the year the Institute of Chartered Accountants 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 taxes paid under final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the reclassification impact has been incorporated in these financial statements in accordance with the requirement of IAS 1 - Presentation of Financial Statements. There has been no effect on the Statement of Financial Position, Earnings per share and Statement of Changes in Equity as a result of this change.

Financial statements line item	Reclassified from / to	Restated 2023		
		Reported previously	Difference	Reported now
Rupees				
Loss before levies and tax		-	39,820,414	(39,820,414)
Minimum and final tax levies		-	713,576	(713,576)
Loss before tax		(39,820,414)	713,576	(40,533,990)
Taxation		(713,576)	(713,576)	-
Loss after tax		(40,533,990)	-	(40,533,990)

**4.3 Standard, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company**

There are certain new standards and certain amendments to the accounting and reporting standards that will become mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

**5 Material accounting policy information**

**5.1 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any, Cost includes expenditures directly attributable to the acquisition of an asset.

Depreciation on property and equipment is charged on reducing balance method at the rates stated in Note 6 to these financial statements. Depreciation charge commences from the date in which asset is available for use and continues until the month of disposal.

Normal repairs and maintenance are charged to profit or loss as and when incurred. Major renewals and improvements, if any, are capitalised, when it is probable that future economic benefits will flow to the Company.

Residual values and the useful lives are reviewed at each date of statement of financial position and adjusted if expectations differ significantly from previous estimates.



Residual values are determined by the management as the amount it expects it would receive currently for an item of property and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

The carrying values of property and equipment are reviewed at each reporting date for indications that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset or cash generating unit is written down to its recoverable amount. The recoverable amount of property and equipment is the greater of fair value less cost to sell and value in use.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount of the relevant assets. These are included in profit or loss.

## 5.2 Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses except Trading Rights Entitlement Certificate (TREC) which are stated at cost less accumulated impairment losses.

Cost includes expenditures directly attributable to the acquisition of an asset. When there is an exchange of assets and the fair value of neither the assets received nor the assets given up can be reliably measured, the cost of the asset received should be measured at the carrying amount of the asset given up.

Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method at the rates specified in Note 7 to these financial statements.

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

The carrying amount of the intangible is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversal of impairment losses are also recognised in the profit or loss, however, it is restricted to the original cost of the asset.

## 5.3 Financial instruments

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the statement of profit or loss for the period in which it arises.

### 5.3.1 Financial assets

The Company classifies its financial instruments in the following categories:

- at amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVTOCI).

**Financial assets that meet the following conditions are subsequently measured at amortised cost:**

Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets that meet the following conditions are subsequently measured at FVTOCI:**

- Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- By default, all other financial assets are subsequently measured at FVTPL.



### 5.3.2 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"); and
- at amortised cost.

#### Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are subsequently carried at amortised cost, and in the case of financial assets, less any accumulated impairment losses, if any.

#### Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are subsequently carried at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise.

#### Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are subsequently measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income.

### 5.3.3 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the company has a legally enforceable right to offset the recognized amounts and the company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

### 5.3.4 Impairment of financial assets

The Company recognizes loss allowance for ECL on financial assets measured at amortised cost except for debts due directly / ultimately from Government of Pakistan, if any, in respect of which exemption is granted by SECP. For trade debts, if any, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected allowance. The Company uses General 3-stage approach for deposits, other receivables and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL, if credit risk on a financial instruments has not increased significantly since initial recognition.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 months' ECL are portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

In respect of financial assets due directly / ultimately from Government of Pakistan, if any, the financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.



#### 5.3.5 Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (a) The financial instrument has a low risk of default,
- (b) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (c) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations

#### 5.4 Trade debts

Trade debts are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Other receivables are recognized at amortised cost, less any allowance for expected credit losses. The Company applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables are grouped based on days overdue.

#### 5.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

#### 5.6 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

#### 5.7 Contract assets and liabilities

Contract liabilities are recognized for consideration received in respect of unsatisfied performance obligations. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

#### 5.8 Staff retirement benefits

The company operates a funded provident fund scheme covering permanent employees and monthly equal contribution is made to the trust at the rate of 5% of the basic pay both by the employer and the employees.

#### 5.9 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognized in the financial statements in the period in which these are declared.

#### 5.10 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date. Foreign exchange gains and losses on translation are recognised in statement of profit or loss. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.



#### 5.11 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

#### 5.12 Contingencies and commitment

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

#### 5.13 Related party transactions and transfer pricing

Transactions and contracts with the related parties are priced at arm's length as approved by Board of Directors. Prices for transactions with related parties are determined on the basis comparable uncontrolled price method.

#### 5.14 Taxation

##### Current:

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions, if any.

##### Deferred:

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the income statement, except where deferred tax arises on the items credited or charged to equity in which case it is included in equity.

#### 5.15 Revenue recognition

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria has been met for each of the company's activities as described below:

- Revenue from trading activities - brokerage income
- Commission revenue from trading of securities is recognized when the performance obligation is satisfied, being when transaction is settled by the clearing house and there is no unfulfilled obligation that could affect the customer's acceptance of the services. Broker's bills are also generated at that point in time.
- Commission income is recognised as and when received or when the right to receive is established.
- Gains / (losses) arising on disposal of investments are included in income currently and are recognised on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Revenue from rendering of services is recognised as and when performance obligation is meet.
- Dividends are recognised as other income in profit or loss when the right to receive payment is established.

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	Note	2024	2023
		Rupees	
6 Property and equipment			
Operating fixed assets	6.1	210,242,221	213,273,060
		<u>210,242,221</u>	<u>213,273,059</u>

6.1 Operating fixed assets

	Owned assets						Total assets
	Freehold Land	Building on Freehold Land	Furniture and Fixture	Office Equipment	Computers	Vehicles	
	Rupees						
<b>Cost</b>							
Balance as at July 01, 2022	164,257,807	52,112,577	3,320,201	19,979,061	24,910,064	38,298,030	302,877,740
Additions during the year	-	-	-	1,472,250	1,653,975	6,200,453	9,326,678
Disposals	-	-	-	-	-	(5,184,845)	(5,184,845)
Balance as at June 30, 2023	<u>164,257,807</u>	<u>52,112,577</u>	<u>3,320,201</u>	<u>21,451,311</u>	<u>26,564,039</u>	<u>39,313,638</u>	<u>307,019,572</u>
Balance as at July 01, 2023	164,257,807	52,112,577	3,320,201	21,451,311	26,564,039	39,313,640	307,019,575
Additions during the year	-	-	-	1,781,974	736,300	6,032,060	8,550,334
Disposals	-	-	-	-	-	(4,082,987)	(4,082,987)
Balance as at June 30, 2024	<u>164,257,807</u>	<u>52,112,577</u>	<u>3,320,201</u>	<u>23,233,285</u>	<u>27,300,339</u>	<u>41,262,713</u>	<u>311,486,922</u>
<b>Depreciation</b>							
Balance as at July 01, 2022	-	39,960,414	2,215,874	12,841,237	19,024,431	11,339,340	85,381,296
Charge for the year	-	1,215,216	110,433	811,395	2,083,053	5,499,363	9,719,460
Depreciation on disposals	-	-	-	-	-	(1,354,243)	(1,354,243)
Balance as at June 30, 2023	<u>-</u>	<u>41,175,630</u>	<u>2,326,307</u>	<u>13,652,632</u>	<u>21,107,484</u>	<u>15,484,460</u>	<u>93,746,513</u>
Balance as at July 01, 2023	-	41,175,630	2,326,307	13,652,632	21,107,484	15,484,460	93,746,513
Charge for the year	-	1,093,695	99,389	814,971	1,739,754	5,273,753	9,021,562
Depreciation on disposals	-	-	-	-	-	(1,523,374)	(1,523,374)
Balance as at June 30, 2024	<u>-</u>	<u>42,269,325</u>	<u>2,425,696</u>	<u>14,467,603</u>	<u>22,847,238</u>	<u>19,234,839</u>	<u>101,244,701</u>
<b>Rate of depreciation</b>	0%	10%	10%	10%	30%	20%	
Written down value as at June 30, 2023	<u>164,257,807</u>	<u>10,936,947</u>	<u>993,894</u>	<u>7,798,679</u>	<u>5,456,555</u>	<u>23,829,178</u>	<u>213,273,060</u>
Written down value as at June 30, 2024	<u>164,257,807</u>	<u>9,843,252</u>	<u>894,505</u>	<u>8,765,682</u>	<u>4,453,101</u>	<u>22,027,874</u>	<u>210,242,221</u>



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	Note	2024	2023
		Rupees	
6.2 Depreciation for the year has been allocated as under:			
Administrative and operating expenses		9,021,562	9,719,460
		<u>9,021,562</u>	<u>9,719,460</u>
7 Intangible assets			
Computer software	7.1	1,618,501	2,155,227
Trading Rights Entitlement Certificate (TREC)	7.2	640,000	640,000
		<u>2,258,501</u>	<u>2,795,227</u>
7.1 Financial Software			
Net carrying value basis			
Opening net book value (NBV)		2,155,227	1,011,932
Amortization charge		(536,726)	(431,705)
Additions		-	1,575,000
Closing net book value (NBV)		<u>1,618,501</u>	<u>2,155,227</u>
Gross carrying value basis			
Cost		9,765,909	9,765,909
Accumulated amortization		(8,147,408)	(7,610,682)
		<u>1,618,501</u>	<u>2,155,227</u>
Amortization Rate		<u>20%</u>	<u>20%</u>
7.2 Trading Rights Entitlement Certificate(TREC)			
Pakistan Stock Exchange Limited	7.2.1	640,000	640,000
		<u>640,000</u>	<u>640,000</u>

7.2.1 This represents TREC received by the Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 as amended by the Stock Exchanges (Corporatization, Demutualization and Integration) (Amendment) Act, 2015.

7.2.2 As the TREC is not a commonly tradeable instrument, neither it is listed on any stock exchange, therefore, an active market for TREC is currently not available. PSX vide notice no. PSX/N - 225 dated February 16, 2021 have notified the notional fees of a Trading Right Entitlement Certificate which amounts to Rs. 2.5 million.

	Note	2024	2023
		Rupees	
8 Long term investments			
<u>Listed securities</u>			
LSE PropTech Limited	8.1	-	1,990,142
LSE Ventures Limited	8.2	1,507,500	10,619,406
LSE Capital Limited	8.3	-	-
		<u>1,507,500</u>	<u>12,609,548</u>
<u>Unlisted securities</u>			
LSE Financial Services Limited			
Opening balance		-	23,842,294
Net loss on sale of investments at FVOCI		-	(7,905,444)
Realized through shares swap during the year	8.4	-	(15,936,850)
		<u>1,507,500</u>	<u>12,609,548</u>

**ABBASI & COMPANY (PRIVATE) LIMITED**  
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	Note	2024	2023
		Rupees	
<b>8.1 LSE Proptech Limited</b>			
Opening balance		1,990,142	-
Acquired during the year	8.4	-	4,137,510
Sale during the year		(1,538,722)	-
Net loss on sale of investment		(451,420)	-
Unrealised loss on remaining investment		-	(2,147,368)
Closing balance		-	1,990,142

<b>8.2 LSE Ventures Limited</b>			
Opening balance		10,619,406	-
Acquired during the year	8.4	393,805	11,799,340
Sale during the year		(5,326,205)	-
Net loss on sale of investment		(3,354,590)	-
Unrealised loss on remaining investment		(824,916)	(1,179,934)
Closing balance		1,507,500	10,619,406

<b>8.3 LSE Capital Limited</b>			
Opening balance		-	-
Acquired during the year		297,000	-
Sale during the year		(412,510)	-
Net gain on sale of investment		115,510	-
Closing balance		-	-

**8.4** Pursuant to the Lahore High Court HCJD/C-21 proceedings concerning the demerger of LSE Financial Services Limited (LSEFSL), the court ordered the division of the principal business into two newly incorporated entities: LSE Ventures Ltd. (LVL) and LSE Proptech Ltd. (LPL). Both companies were established as public unlisted companies (now listed on PSX) with shares issued to LSEFSL members. During the financial year ended June 30, 2023, LSE Financial Services Limited shares were converted into LSE Venture Limited and LSE Proptech Limited. Following this conversion, the trading of both companies' shares was initiated in the open market, allowing for the calculation of realized and unrealized gains and losses based on the trading activity and current market rates.

	2024	2023	
		Rupees	
<b>9 Long term deposits</b>			
Security deposit with NCCPL	100,000	100,000	
Security deposit - Murabaha shares	100,000	100,000	
Security deposit with NCCPL - DFCs	1,000,000	1,000,000	
Initial margin deposit with NCCPL	200,000	200,000	
Security deposit NCCPL - MSF	100,000	100,000	
Security deposit with PMEX - Offices	2,500,000	2,500,000	
Security deposit against PMEX membership card	750,000	750,000	
Deposit with Pakistan State Oil Company Ltd.	400,000	400,000	
Security deposit - Telecommunication	101,500	101,500	
Security deposit with WAPDA and SNGPL	110,200	110,200	
	<b>5,361,700</b>	<b>5,361,700</b>	



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	Note	2024	2023
		----- Rupees -----	
10			
Deferred tax assets			
10.1			
Deferred tax comprises temporary differences attributable to:			
Taxable temporary difference			
Accelerated depreciation on property and equipment		14,909,250	18,498,269
Accelerated amortisation on intangible assets		353,501	353,500
		<b>15,262,751</b>	<b>18,851,769</b>
Deductible temporary difference			
Remeasurement of investments at fair value through profit or loss		(4,772,471)	(19,234,580)
Remeasurement of investments at fair value through other comprehensive income		(824,916)	(3,327,302)
Provision for expected credit loss		(1,518,413)	(1,331,409)
Unused tax losses		(94,219,320)	(84,251,326)
		<b>(101,335,120)</b>	<b>(108,144,617)</b>
Net taxable / (deductible) temporary difference		<b>(86,072,369)</b>	<b>(89,292,848)</b>
Deferred tax liability / (asset)			
- Pertaining to profit or loss @ 29%		(23,337,745)	(19,351,980)
- Pertaining to profit or loss @ 15%		(715,871)	(2,885,187)
- Pertaining to other comprehensive income @ 15%		(123,737)	(499,095)
		<b>(24,177,353)</b>	<b>(22,736,262)</b>
Unused tax credit		(4,127,038)	(3,220,727)
		<b>(28,304,391)</b>	<b>(25,956,989)</b>
Unrecognized deferred tax asset	10.2	28,304,391	25,956,989
Net deferred tax asset		<b>-</b>	<b>-</b>
10.2			
Deferred tax asset on unused tax losses and unused tax credits amounting to Rs. 28.3 million (2023: Rs. 25.96 million) has not been recognized in these financial statements as the management is of the view that sufficient taxable profit will not be available in the foreseeable future against which unused tax losses and unused tax credits would be adjusted.			

	Note	2024	2023
		----- Rupees -----	
11			
Trade receivables - net			
Considered good		5,530,004	4,397,736
Considered doubtful		1,518,413	1,331,409
		<b>7,048,417</b>	<b>5,729,145</b>
Less: Allowance for expected credit loss	11.1	(1,518,413)	(1,331,409)
		<b>5,530,004</b>	<b>4,397,736</b>
11.1			
Movement in allowance for expected credit loss			
Balance as on July 01,2023		1,331,409	1,339,117
Charged / (reversal) during the year		187,004	(7,708)
Balance as on June 30,2024		<b>1,518,413</b>	<b>1,331,409</b>
11.2			
Ageing Analysis			
Upto fourteen days		1,395,174	403,005
More than fourteen days		5,653,243	5,326,141
		<b>7,048,417</b>	<b>5,729,145</b>

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	Note	2024	2023
		Rupees	
<b>12 Advances, deposits and prepayments</b>			
Advances to employees against salary		10,871,000	9,821,500
Short term security deposits	12.1	18,732,117	47,511,584
Prepaid insurance		280,933	290,085
Other receivable		363,488	155,372
		<u>30,247,538</u>	<u>57,778,541</u>
<b>12.1 This includes the clearing deposit with PMEX and margin deposit with NCCPL</b>			
Clearing deposit with PMEX	12.2	6,532,117	9,261,584
Margin deposit with NCCPL/PSX	12.3	12,200,000	23,050,000
Deposit with PSX for Base Minimum Capital	20.1	-	15,200,000
		<u>18,732,117</u>	<u>47,511,584</u>

12.2 This deposit represents trade exposure from members on behalf of clients' trades with PMEX.

12.3 This represent deposit with National Clearing Company of Pakistan Limited against exposure margin in respect of future and ready counter.

	Note	2024	2023
		Rupees	
<b>13 Short term investments</b>			
Investments in equity instruments at fair value through profit or loss	13.1	38,075,737	20,519,539
Investment in Pakistan Mercantile Exchange at fair value through profit or loss	13.2	238,269	391,179
Investment in Margin Trading System (MTS) - at amortized cost	13.3	24,440,673	15,911,162
		<u>62,754,679</u>	<u>36,821,880</u>

13.1 Investments in equity instruments at fair value through profit or loss

Name of Securities	2024	2023	2024	2023
	Number of shares		Rupees	
Avanceon Limited	-	17,825	-	785,013
Bunnys Limited	-	60,500	-	1,004,300
Crescent Steel and Allied Products Ltd.	-	25,000	-	537,500
Fauji Foods Limited	1,000,000	664,000	8,870,000	3,811,360
Frieslandcampina Engro Pak. Ltd	50,000	175,000	3,501,000	10,330,250
Haleon Pakistan Limited (formerly GLAXO)	-	10,000	-	1,401,400
Pakistan State Oil Company Ltd.	-	11,600	-	1,287,716
Tariq Glass Industries Limited	-	20,000	-	1,362,000
Bolan Casting Limited	60,000	-	7,871,400	-
Fauji Fertilizer Bin Qasim	75,000	-	2,660,250	-
Fecto Cement Limited	31,086	-	923,876	-
Ghani Glass Limited	50,000	-	1,303,000	-
Hum Network Limited	78,695	-	807,411	-
Millat Tractors Limited	10,000	-	6,360,800	-
Pakistan Aluminium Beverages Can Limited	50,000	-	3,692,500	-
Pakistan International Bulk Terminal Limited	150,000	-	925,500	-
Pakistan Refinery Limited	50,000	-	1,160,000	-
	<u>1,604,781</u>	<u>983,925</u>	<u>38,075,737</u>	<u>20,519,539</u>



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13.1 Reconciliation between fair value and cost of investments, classified as investments at fair value through profit or loss.

Note	2024	2023
	Rupees	
Cost of the investments	62,804,308	39,754,109
Unrealized gain / (loss) on remeasurement of investments		
Opening balance	(19,234,380)	(20,211,141)
Unrealized gain / (loss)	14,062,110	4,977,361
	(4,772,471)	(19,234,380)
	<b>38,075,737</b>	<b>10,519,539</b>

13.2 This represents the investment in commodity in Pakistan Merchandise Exchange.

Opening balance	391,179	500,000
Fees and commission	(19,712)	(42,468)
Net unrealised gain / (loss) on investments	(133,198)	(65,953)
Closing balance	<b>238,269</b>	<b>391,179</b>

13.3 This represents an investment in a Margin Trading System, governed by an agreement between a Financier and a Finantee, which is regulated by the National Clearing Company of Pakistan Limited (NCCPL). Under this arrangement, the Financier contributes 85% of the total trade amount, while the Finantee contributes the remaining 15%.

The rate of return on the deposit is determined through mutual agreement between both parties, the Finantee and the Financier, and it is subject to a maximum limit of KIBOR (Karachi Interbank Offered Rate) plus 7%. It's important to note that this rate is variable and can change over time. This investment follows a specific cycle of 60 days, and after the initial 15 days, 25% of the investment is released. This suggests that the investment is gradually liquidated or provides partial returns at specific intervals during the investment period.

Note	2024	2023
	Rupees	
14 Tax refunds due from government		
Opening Balance	7,127,831	6,803,600
Advance income tax paid	1,222,987	1,037,828
Provision for the year	(1,015,844)	(713,576)
	<b>7,334,994</b>	<b>7,127,852</b>
15 Cash and cash equivalents		
Cash in hand	1,320,137	1,303,081
Balances with banks in:		
- current accounts	29,327,258	60,846,741
- deposit accounts	171,261,285	44,269,570
	200,588,543	105,116,311
	<b>201,908,680</b>	<b>106,449,392</b>

15.1 These, during the year, carry mark-up ranging from 9% to 10.75% per annum. (2023 : 5.75% to 8.50%)

Note	2024	2023
	Rupees	
15.2 Balances with banks is further segregated as follows:		
- House account	22,432,105	15,827,589
- Clients account	178,156,438	89,288,712
	<b>200,588,543</b>	<b>105,116,311</b>

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**15.3 Unutilized bank facility**

The company has a short term borrowings facility of Rs. 40 Million (2023: Rs. 40 Million) from Bank Al Habib Limited which remained un-utilized during the current year. The facility is obtained to meet working capital requirements and shall expire on July 17, 2027.

**16 Issued, subscribed and paid up share capital**

	2024	2023	2024	2023
	Number of shares		Rupees	
Ordinary shares of Rs. 10 each.				
- Fully paid in cash	6,611,000	6,611,000	66,110,000	66,110,000
- Fully paid other than cash	400,000	400,000	4,000,000	4,000,000
	<b>7,011,000</b>	<b>7,011,000</b>	<b>70,110,000</b>	<b>70,110,000</b>

**17 Share premium**

It represents share premium received on issue of new shares.

**18 General reserve**

It represents amount transferred from accumulated profits to general reserves with no specific purpose of utilization.

**19 Trade and other payables**

	2024	2023
	Rupees	
Trade payables	178,156,438	89,288,712
Accrued liabilities	634,659	546,247
Sales tax payable	822,886	511,125
Advances from clients	160,000	-
	<b>179,773,983</b>	<b>90,346,084</b>

**20 Contingencies and commitments**

**Contingencies**

**20.1 Letter of Guarantees**

- Guarantee issued by Bank Al Habib Limited in favour of Pakistan Stock Exchange Limited (PSX) on behalf of the company were amounted to Rs. 30 Millions. (2023: Nil)
- Guarantee issued by Bank Al Habib Limited in favour of National Clearing Company Limited (NCCPL) on behalf of the company were amounted to Rs. 10 Millions. (2023: Nil)

**20.2 Commitments**

There are no commitments as at June 30, 2024. (2023: Nil)

**21 Operating revenue**

	2024	2023
	Rupees	
Brokerage income - PSX	68,955,738	33,241,511
Brokerage income - PMEX	9,118,110	5,323,942
Brokerage income - MTS	6,031,816	1,285,714
<b>Gross revenue</b>	<b>84,105,664</b>	<b>39,851,167</b>
Less: sales tax	(11,600,781)	(5,496,713)
<b>Net revenue</b>	<b>72,504,883</b>	<b>34,354,454</b>



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		2024	2023
		Rupees	
<b>22</b>	<b>Administrative and operating expenses</b>		
	Salaries and other benefits	43,940,039	33,498,088
	Directors remuneration	9,956,045	7,661,328
	Utilities	3,467,904	3,339,663
	Fee and subscription	4,382,652	5,710,926
	Legal and professional charges	5,891,024	2,516,621
	Business promotion expenses	1,207,614	1,000,000
	Advertisement	113,400	1,141,204
	Research and staff training	741,470	633,467
	Vehicle running and maintenance	5,494,894	4,631,546
	Travelling and conveyance	65,613	311,702
	Communication	2,620,767	1,654,072
	Repair and maintenance	2,377,710	1,036,069
	Postage and courier	482,445	412,831
	Insurance	642,537	705,069
	Newspaper and periodicals	74,505	67,030
	Printing and stationery	619,163	526,796
	Entertainment	1,336,822	1,009,739
	Rent, rates & taxes	584,259	694,323
	Computer expenses	475,834	351,691
	Donations	3,197,662	632,892
	Allowance for expected credit loss	187,004	-
	Depreciation	9,021,562	9,719,460
	Amortization	536,726	431,705
	Miscellaneous	309,023	338,066
	Auditors' remuneration	315,000	288,750
		<b>98,041,674</b>	<b>78,313,038</b>

22.1 Salaries and other benefits include Rs. 1.31 (2023: Rs. 1.44 million) in respect of staff retirement benefits.

		2024	2023
		Rupees	
<b>23</b>	<b>Other income</b>		
	<u>Income from financial assets</u>		
	Profit on deposits with bank	755,500	1,104,761
	Dividend income	730,218	1,894,299
	Return on margin trading system	2,888,289	2,936,406
	Reversal of provision for doubtful debt	-	7,708
	Return on exposure and cash deposit	8,160,750	3,201,835
	Return on clearing deposit-PMEX	213,905	-
		<b>12,748,662</b>	<b>9,145,009</b>
	<u>Income from non-financial assets</u>		
	Gain on sale of vehicle	1,865,387	1,545,718
	Client account maintenance fee	3,656,800	2,445,000
		<b>5,522,187</b>	<b>3,990,718</b>
		<b>18,270,849</b>	<b>13,135,727</b>
<b>24</b>	<b>Finance costs</b>		
	Bank Charges	189,503	57,907
	Bank guarantee commission	320,000	-
		<b>509,503</b>	<b>57,907</b>

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25 Deficit per share

	Loss after tax		Total shares in issue		Deficit per share	
	2024	2023	2024	2023	2024	2023
	Rupees		Number of shares		Rupees	
Basic and diluted	(4,381,601)	(40,533,990)	7,011,000	7,011,000	(0.62)	(5.78)
	(4,381,601)	(40,533,990)	7,011,000	7,011,000	(0.62)	(5.78)

26 Financial instruments

*Financial assets as per statement of financial position*

At Amortized cost

Long term deposits	5,361,700	5361700
Trade receivables - net	5,530,004	4,397,736
Investment in Margin Trading System (MTS) - at amortized cost	24,440,673	15,911,162
Advances, deposits and prepayments	29,603,117	57,333,084
Cash and cash equivalents	201,908,680	106,449,392
	<u>266,844,174</u>	<u>184,091,374</u>

At fair value

Long term investments at fair value through other comprehensive income	1,507,500	12,609,548
Short term investments at fair value through profit or loss	38,314,006	20,910,718
	<u>39,821,506</u>	<u>33,520,266</u>
	<u>39,821,506</u>	<u>33,520,266</u>

*Financial liabilities as per statement of financial position*

At Amortised Cost

Trade and other payables	178,791,097	90,346,084
	<u>178,791,097</u>	<u>90,346,084</u>

Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

Methods of determining fair values

Fair values of financial instruments for which prices are available from the active market are measured by reference to those market prices. The fair value of financial assets (other than investments) and liabilities with no active market are determined in accordance with generally accepted pricing models based on discounted cash flow analysis based on inputs from other than observable market.

Discount/ interest rates used for determining fair values

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve as at the reporting date plus an adequate credit spread.



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**Fair value hierarchy**

The company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

The fair value hierarchy of financial assets measured at fair value is as follows:

	2024			
	Total	Level 1	Level 2	Level 3
	Rupees			
Long term investments	1,507,500	1,507,500	-	-
Short term investments at fair value through profit or loss	38,075,737	38,075,737	-	-
	<b>39,583,237</b>	<b>39,583,237</b>		

	2023			
	Total	Level 1	Level 2	Level 3
	Rupees			
Long term investments	12,609,548	12,609,548	-	-
Short term investments at fair value through profit or loss	20,519,539	20,519,539	-	-
	<b>33,129,087</b>	<b>33,129,087</b>		

**27 Financial risk management objectives**

**Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board).

**a) Market risk**

**i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions in foreign currencies. The Company is not exposed to foreign currency exchange risk.

**ii) Price risk**

Price risk represents the risk that the 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 factors affecting all similar financial instruments traded in the market. The Company is exposed to equity price risk since it has investment in quoted equity securities. The company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

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	2024	2023
	————— Rupees —————	
Long term investments at fair value through other comprehensive income	1,507,500	12,609,548
Short term investments at fair value through profit or loss	38,314,006	20,910,718
	<u>39,821,506</u>	<u>33,520,266</u>

	Increase / (Decrease) in rate	Effect on profit before tax	Effect on equity	
		————— Rupees —————		
Fair value sensitivity analysis	2024	10%	3,982,151	2,827,327
		-10%	(3,982,151)	(2,827,327)
	2023	10%	3,352,027	2,379,939
		-10%	(3,352,027)	(2,379,939)

**iii) Interest rate risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

At the reporting date, the profit, interest and mark-up rate profile of the Company's significant financial assets and liabilities is as follows:

	2024	2023
	————— Rupees —————	
<b>Variable rate financial instruments</b>		
<b>Financial assets</b>		
Investment in Margin Trading System (MTS) - at amortized cost	24,440,673	15,911,162
Balances with banks in deposit accounts	171,261,285	44,269,570
Cash and cash equivalents	201,908,680	106,449,392
	<u>397,610,638</u>	<u>166,630,124</u>
<b>Financial liabilities</b>	-	-
	-	-

**Fair value sensitivity analysis**

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

	Increase / (Decrease) in rate	Effect on profit before tax	Effect on equity	
		————— Rupees —————		
<b>Interest rate sensitivity analysis</b>				
<b>Financial assets</b>	2024	10%	39,761,064	28,230,355
		-10%	(39,761,064)	(28,230,355)
	2023	10%	16,663,012	11,830,739
		-10%	(16,663,012)	(11,830,739)

**b) Credit risk**

Credit risk is the risk that one party to the financial instrument will fail to discharge its 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 balances with bank, trade debts, advances, deposits and other receivables. The maximum exposure to credit risk before any credit enhancement is given below:



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**Exposure to credit risk**

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts and deposits. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery. The Company's management as part of risk management policies and guidelines, reviews clients' financial position, considers past experience and other factors, and obtains necessary collaterals to reduce credit risks. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. The Company does not expect to incur material credit losses on its financial assets.

2024	2023
Rupees	

**Maximum exposure to credit risk**

Long term deposits	5,361,700	5,361,700
Long term investments	1,507,500	12,609,548
Investments in equity instruments at fair value through profit or	38,075,737	20,519,539
Trade receivables - net	5,530,004	4,397,736
Investment in Margin Trading	24,440,673	15,911,162
Advances, deposits and prepayments	29,603,117	57,333,084
Cash and cash equivalents	201,908,680	106,449,392
	<b>301,065,711</b>	<b>217,220,461</b>

The Company attempts to control the credit risk by monitoring credit exposure, limiting transactions with specific customers and continuing assessment of credit worthiness of customers.

Based on the past experience, record of recoveries, the Company believes that the past due amount do not require any provision or impairment loss. The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Date of rating	Rating agency	Rating	
			Short-term	Long-term
Habib Bank Limited	28-Jun-24	VIS	A-1+	AAA
Meezan Bank Limited	28-Jun-24	VIS	A-1+	AAA
The Bank of Punjab	28-Jun-24	PACRA	A1+	AA+
Bank Alfalah Limited	28-Jun-24	PACRA	A1+	AAA
Bank AL Habib Limited	22-Jun-24	PACRA	A1+	AAA
Allied Bank Limited	24-Jun-24	PACRA	A1+	AAA
MCB Bank Limited	22-Jun-24	PACRA	A1+	AAA

2024	2023
Rupees	

**The account balances maintained with the banks are as under:**

Habib Bank Limited	858,360	14,736,075
Meezan Bank Limited	24,249,404	25,895,447
The Bank of Punjab	2,445,369	8,836,742
Bank Alfalah Limited	840,215	4,920,488
Bank AL Habib Limited	171,845,654	50,379,091
Allied Bank Limited	170,576	170,715
MCB Bank Limited	178,965	177,715
	<b>200,588,543</b>	<b>105,116,273</b>

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c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The company finances its operation through equity and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit line. The following are the contractual maturities of the financial liabilities. It is not expected that the cashflows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Below mentioned financial liabilities are exposed to profit / mark-up rate risk except trade and other payables along with contractual maturities.

	Carrying amount	Less than one years	One to two years	Two to three years	More than three years
As at June 30, 2024					
Trade and other payables	179,773,983	179,773,983	-	-	-
	<u>179,773,983</u>	<u>179,773,983</u>			
As at June 30, 2023					
Trade and other payables	90,346,084	90,346,084	-	-	-
	<u>90,346,084</u>	<u>90,346,084</u>			

27.1 Capital risk management

The company's objectives, policies and processes for managing capital are as follows:

To safeguard Company's ability to continue as going concern, so that it can continue to provide returns for shareholders and benefit other stakeholders; and

To provide adequate return to shareholders by pricing the products and services commensurately with the level of

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The capital structure of the Company consists of equity comprising of issued share capital and unappropriated profits.

The company does not obtained any financing facility and working with 100% equity financing, therefore no gearing is identified.

The capital adequacy level as required by CDC is calculated as follow:

	2024	2023
	Rupees	
Total assets	526,505,817	448,474,935
Total liabilities	(179,773,983)	(90,346,084)
Less: Revaluation reserves (created upon revaluation of fixed asset)	-	-
<b>Capital adequacy level</b>	<b><u>346,731,834</u></b>	<b><u>358,128,851</u></b>

While determining the value of the total assets of the TREC holder, notional value of the TRE certificate held by Abbasi & Company (Private) Limited as at June 30, 2022 as determined by Pakistan Stock Exchange has been considered.



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27.2 Liquid Capital Balance

Sr No	Head Of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
1.	Assets			
1.1	Property & Equipment	210,242,221	210,242,221	-
1.2	Intangible Assets	2,258,501	2,258,501	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If Unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	39,583,237	10,773,562	28,809,675
	ii. If unlisted, 100% of carrying value.	-	-	-
1.6	Investment in subsidiaries			
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securitas Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity i. 100% of net value	4,750,000	4,750,000	-
1.9	Margin deposits with exchange and clearing house.	18,732,117	6,532,117	12,200,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	1,256,121	1,256,121	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	-	-	-
1.15	Advances and receivables other than trade Receivables;			
	(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	10,871,000	10,871,000	-

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Sr No	Head Of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation .	7,334,994	6,319,150	1,015,844
	(iii) In all other cases 100% of net value	-	-	-
1.16	Receivables from clearing house or securities exchange(s) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	1,379,053	-	1,379,053
1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. Lower of net balance sheet value or value determined through adjustments.	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. Net amount after deducting haircut	24,440,673	1,222,034	23,218,639
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract.	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. Balance sheet value	13,021	-	13,021
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. v. Lower of net balance sheet value or value determined through adjustments	4,135,754	1,103,049,965	4,135,754
	vi. 100% haircut in the case of amount receivable form related parties.	-	-	-
1.18	Cash and Bank balances			
	I. Bank Balance-proprietary accounts	22,432,105	-	22,432,105
	ii. Bank balance-customer accounts	178,156,438	-	178,156,438
	iii. Cash in hand	1,320,137	-	1,320,137
1.19	Subscription money against investment in IPO/ offer for sale (asset)			
	i. No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	ii. In case of investments in IPO where shares have been allotted but not yet credited in CDS account, 25% haircuts will be applicable on the value of such securities.	-	-	-
	iii. In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VaR based haircut whichever is higher, will be applied on Right shares.	-	-	-
1.20	Total Assets	526,905,372	1,357,274,671	272,680,666



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Sr No	Head Of Account	Value In Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>2</b>	<b>Liabilities</b>			
<b>2.1</b>	<b>Trade Payables</b>			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	178,156,438	-	178,156,438
<b>2.2</b>	<b>Current Liabilities</b>			
	i. Statutory and regulatory dues	822,886	-	822,886
	ii. Accruals and other payables	634,659	-	315,301
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	1,015,844	-	1,015,844
	ix. Other liabilities as per accounting principles and included in the financial statements	1,518,413	-	1,518,413
<b>2.3</b>	<b>Non Current Liabilities</b>			
	i. Long-Term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
<b>2.4</b>	<b>Subordinated Loans</b>			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	-	-
<b>2.5</b>	<b>Total Liabilities</b>	<b>182,148,240</b>	<b>-</b>	<b>181,828,882</b>
<b>3</b>	<b>Ranking Liabilities Relating to</b>			
<b>3.1</b>	<b>Concentration in Margin Financing</b>			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
<b>3.2</b>	<b>Concentration in securities lending and borrowing</b>			
	The amount by which the aggregate of:	-	-	-
	(i) Amount deposited by the borrower with NCCPL			
	(ii) Cash margins paid and			
	(iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed			
<b>3.3</b>	<b>Net underwriting Commitments</b>			
	(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of:	-	-	-
	(i) the 50% of Haircut multiplied by the underwriting commitments and			
	(ii) the value by which the underwriting commitments exceeds the market price of the securities.			
	In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting			
	(b) in any other case : 12.5% of the net underwriting commitments			

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Sr No	Head Of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
3.4	<b>Negative equity of subsidiary</b> The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary			
3.5	<b>Foreign exchange agreements and foreign currency positions</b> 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency			
3.6	<b>Amount Payable under REPO</b>			
3.7	<b>Repo adjustment</b> In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	<b>Concentrated proprietary positions</b> If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	100,000	100,000
3.9	<b>Opening Positions in futures and options</b> i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	<b>Short sell positions</b> i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii) In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircut.	-	-	-
3.11	<b>Total Ranking Liabilities</b>	-	100,000	100,000
<b>Calculations Summary of Liquid Capital</b>				
	(i) Adjusted value of Assets (serial number 1.20)			272,680,666
	(ii) Less: Adjusted value of liabilities (serial number 2.5)			(181,828,882)
	(iii) Less: Total ranking liabilities (series number 3.11)			(100,000)
				90,751,784



**ABBASI & COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**27.2 Basis of measurement**

The statement has been prepared under historical cost convention except investment in listed securities which are measured on fair value. Commission may issue guidelines and clarifications in respect of the treatment of any component of Liquid Capital including any modification, deletion and inclusion in the calculation of Adjusted value of assets and liabilities to address any practical difficulty.

**28 Transactions with related parties**

The related parties comprise of major shareholder, associated undertakings, entities under common directorship and key management personnel.

*Significant transactions with related parties are as follows:*

Name of related party and basis of relationship	Detail of transactions	2024	
		Shares sold	Shares purchased
		Rupees	
1) Syed M. Ismail Abbasi - <i>Chief Executive</i>	No transaction during the year	-	-
2) Syed Farooq Ali Abbasi - <i>Director</i>	Trading of shares	-	-
3) Syed Awais Ali Abbasi - <i>Director</i>	Trading of shares	61,874,831	60,945,823
4) Mrs. Yasmeen Ismial - <i>Shareholder</i>	Trading of shares	5,271,719	13,453,775
5) Syed M. Umar Abbasi - <i>Shareholder</i>	Trading of shares	398,992	396,113
		<b>67,545,542</b>	<b>74,795,711</b>

Name of related party and basis of relationship	Detail of transactions	2023	
		Shares sold	Shares purchased
		Rupees	
1) Syed M. Ismail Abbasi - <i>Chief Executive</i>	No transaction during the year	-	-
2) Syed Farooq Ali Abbasi - <i>Director</i>	Trading of shares	12,450	25,500
3) Syed Awais Ali Abbasi - <i>Director</i>	Trading of shares	6,324,602	5,691,602
4) Mrs. Yasmeen Ismial - <i>Shareholder</i>	Trading of shares	277,600	15,877,922
5) Syed M. Umar Abbasi - <i>Shareholder</i>	Trading of shares	1,345	1,915,420
		<b>6,615,997</b>	<b>23,510,444</b>

All transactions with related parties have been carried out on commercial terms and conditions.

**29 Remuneration of chief executive and directors**

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the Chief Executive and full time working Directors of the Company are as follows:

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	Rupees		Rupees		Rupees	
Remuneration	2,827,125	2,410,125	6,746,213	4,860,192	25,721,885	17,703,902
Provident fund	150,354	153,996	232,353	237,015	1,009,006	982,275
	<b>2,977,479</b>	<b>2,564,121</b>	<b>6,978,566</b>	<b>5,097,207</b>	<b>26,730,891</b>	<b>18,686,177</b>
No. of persons	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>18</b>	<b>15</b>

29.1 The Company also provides the Executive with cars for personal and business use.

Section-A: Details relating to securities																																																																																																																																																																																																																																													
SECURITIES AS PER BACK OFFICE RECORD																																																																																																																																																																																																																																													
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Securities held	5,578,413	49,493,538	403,440	4,833,930	218,705	6,573,873	326,312,361	10,117,568,807																																																																																																																																																																																																																																					
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4) Physical shares	-	-	-	-	-	-	-	-	-																																																																																																																																																																																																																																				
5) Right Shares subscription	-	-	-	-	-	-	-	-	-																																																																																																																																																																																																																																				
6) Short delivery from NCCPL	-	-	-	-	-	-	-	-	-																																																																																																																																																																																																																																				
7) Square up transaction	-	-	-	-	-	-	-	-	-																																																																																																																																																																																																																																				
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Funder Payable							99,263,909	145,817,134																																																																																																																																																																																																																																					
Director / Spansory		418,100																																																																																																																																																																																																																																											
Liquidation		178,423		850,779			204,500	71,580																																																																																																																																																																																																																																					
Client	49,130,089	177,305,261					(9,624,157)	(7,204,390)																																																																																																																																																																																																																																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="10">Cash of Bank as per Bank Statement</th> </tr> <tr> <th></th> <th>Opening</th> <th>Closing</th> <th>Opening</th> <th>Closing</th> <th>Opening</th> <th>Closing</th> <th>Opening</th> <th>Closing</th> <th></th> </tr> </thead> <tbody> <tr> <td>Bank Reconciling entries</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1) Un-cleared cheque</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2) Un-processed cheque</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3) Bank Charges</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>4) Entry made by bank not recorded in GL</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>5) Others</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cash of Bank as per Bank Ledger</td> <td></td> <td></td> <td></td> <td></td> <td>49,384,712</td> <td>178,136,438</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="10">Add Other Reconciling Entries</td> </tr> <tr> <td>1) PSX Future exposure</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2) PSX Equity exposure</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3) Points Held by PSX</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>4) SLB market exposure</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>5) Receivable from NCCPL</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>6) Concentration Margin</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>7) MF's finance exposure</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>8) Provisional Exposure</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>9) Others</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total of Reconciling Entries</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Grand Total</td> <td></td> <td>49,384,712</td> <td></td> <td>178,136,438</td> <td></td> <td></td> <td>49,384,712</td> <td>178,136,438</td> <td></td> </tr> </tbody> </table>										Cash of Bank as per Bank Statement											Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing		Bank Reconciling entries										1) Un-cleared cheque										2) Un-processed cheque										3) Bank Charges										4) Entry made by bank not recorded in GL										5) Others										Cash of Bank as per Bank Ledger					49,384,712	178,136,438				Add Other Reconciling Entries										1) PSX Future exposure										2) PSX Equity exposure										3) Points Held by PSX										4) SLB market exposure										5) Receivable from NCCPL										6) Concentration Margin										7) MF's finance exposure										8) Provisional Exposure										9) Others										Total of Reconciling Entries										Grand Total		49,384,712		178,136,438			49,384,712	178,136,438																			
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8) Provisional Exposure																																																																																																																																																																																																																																													
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Total of Reconciling Entries																																																																																																																																																																																																																																													
Grand Total		49,384,712		178,136,438			49,384,712	178,136,438																																																																																																																																																																																																																																					
Section-C: Details relating to amount deposited and withdrawn by clients of the brokerage house																																																																																																																																																																																																																																													
Particulars					Amount																																																																																																																																																																																																																																								
Amount deposited by the clients during the period					30,793,870																																																																																																																																																																																																																																								
Amount withdrawn by the clients during the period					63,726,261																																																																																																																																																																																																																																								
Comments (if any)																																																																																																																																																																																																																																													
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COMPLIANCE OFFICER					CEO COMPANY SECRETARY																																																																																																																																																																																																																																								
<p style="text-align: center;"><b>UNDERTAKING BY THE BROKERAGE HOUSE:</b></p> <p>We hereby declare that the information furnished in this statement is true, correct and complete and understand that we shall be bound to submit to Pakistan Stock Exchange Limited (PSX), all the relevant information and/or supporting documents that the PSX may require to verify the above information at any time. We also declare that securities have been pledged with prior written consent/approval of the clients. We further acknowledge and agree that in case of non-submission of this statement or submission of incorrect, inaccurate or misleading information in this statement, the PSX shall initiate disciplinary action(s) in accordance with relevant provisions of PSX Regulations.</p>																																																																																																																																																																																																																																													



**ABBASI & COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
	Number of persons	
<b>31 Number of employees</b>		
Average number of employees during the year	46	53
Total number of employees as at June 30th	47	53

**32 Employees provident fund**

The Company has maintained an employees' provident fund trust and investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose. The information of the fund is based on the audited financial statements of the fund as follows:

	Note	2024	2023
		Rupees	
Size of fund		25,442,078	23,208,953
Cost of investments made	32.1	25,442,078	23,208,953
Percentage of investments made		100%	100%
Fair value of investments		25,442,078	23,208,953

**32.1 These represents investment in shares of listed equity securities fund and balance**

Balance in scheduled banks in saving account	25,179,978	22,948,698
Investment in shares	262,100	260,255
	25,442,078	23,208,953

**33 Details of securities pledged**

	2024	2023	2024	2023
	Number of Shares		Rupees	
House account	1,031,000	988,974	13,266,480	10,352,691
Client account	68,422,487	70,678,640	14,598,889,124	1,138,324,182
	69,453,487	71,667,614	14,612,155,604	1,148,676,873

**34 Pattern of share holding**

Directors and their spouse (S) And Minor Children	Shares Held in 2024	Percentage
Syed Muhammad Ismail Abbasi	3,686,790	52.59%
Syed Awais Ali Abbasi	3,505	0.05%
Syed Farooq Ali Abbasi	641,638	9.15%
Mrs. Yasmeen Ismail	904,419	12.90%
Syed Muhammad Umar Abbasi	1,774,648	25.31%
	7,011,000	100%

**35 Events after the reporting period**

There are no other significant events after the reporting period which may require adjustment or disclosure in these financial statements.

**36 Date of authorization for issue**

These financial statements have been approved and authorized for issue on October 04, 2024 by the Board of Directors of the company.

ABBASI & COMPANY (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

37 General

- Figures have been rounded off to the nearest rupee.

  
Chief Executive

  
Director

*Jan*





**ABBASI & COMPANY**  
**(PRIVATE) LIMITED**  
TSEEC Member - Pakistan Stock Exchange Limited  
Unlisted Member - Pakistan Mercantile Exchange Limited

October 04, 2024

**TO THE MEMBER OF ABBASI & COMPANY (PRIVATE) LIMITED.**

It is to inform that there are no transactions entered into by Abbasi & Company Private Limited during the year, which are fraudulent, illegal or in violation of any securities market laws or futures market laws.

The compliance with regards to above has been mentioned in the Directors Report with reference to compliance to Code of Corporate Governance.

Syed Muhammad Ismail Abbasi  
Chief Executive Officer

6-Shadman, Lahore - Pakistan,  
Phone: 92-42-38302028, 32300180,

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## DIRECTORS' REVIEW REPORT

The Directors are please to present the Director' Report of M/S Abbasi & Company (Private) Limited (ACPL) along with the audited financial statements and the Auditors' report for the year ended 30 June 2024.

During the period under review, overall performance of the Company showed positive growth compared to the last financial year. An overview of the financial performance of ACPL, for the financial year ended June 30, 2024 compared with same period of last year is summarized below:

Particulars	In Rupees	
	30-June-2024	30-June-2023
Operating Revenue	72,504,883	34,354,454
Operating Loss	(21,127,103)	(52,898,234)
Loss Before Levies & Final Tax	(3,365,757)	(39,820,414)
Loss After Tax	(4,381,601)	(40,533,990)
Deficit Per Share	(0.62)	(5.78)

During the year, the Company earned total revenue of Rs.72.504 million, compared to Rs.34.354 million in the comparative period i.e. a significant 105% YoY increase.

In term of revenue share, equity brokerage is the main component of operating revenue, whereas company is also engaged in money market and commodity brokerage segment which also exhibit impressive growth over the same period.

The short-term investment portfolio performed reasonably well compared with the respective period, reducing to loss of Rs.10 million in FY24, compared to a loss of Rs.13.91 million in FY23.

## ECONOMIC REVIEW

The economy of Pakistan embarked on stabilization phase in FY24 where the, inflation remained high however, it is now on a downward trajectory. The real GDP growth of 2.38% in FY24, turned the positive growth from negative growth in FY23. There has been robust growth in agriculture sector and; inflationary impact is gradually fading in FY24. The investment to GDP ration stood at 13.14% in FY24 compared to 14.13% in FY23. The industrial and services sector posted growth. The external account deficit has reduced due to control on imports driven through prudent fiscal and monetary policies along with significant growth in exports and remittances. The stability is enforced as, the government has recently secured a staff-level agreement with the IMF for 37-months.

Adoption of the strict monetary policies, coupled with the KSE-100 index of Pakistan experiencing a substantial growth of 89.2% in FY24, can be largely attributed to capital appreciation, dividends, currency strengthen; and the reversal of cumulative losses over the past two years. The recovery stems from a significant reduction in the current account deficit, long with the slight decline in external borrowing. Additionally, the market volumes reached their highest levels in three years.

The Commodity Market in Pakistan has been experiencing notable development in FY24 even the Geopolitical tension kept commodities through a volatile cycle throughout the year.



The State Bank of Pakistan (SBP) has been focused monetary easing, as inflation drops into single digit for the first time in three years, is expected to stimulate economic activity, particularly in the industries and services sector.

#### EXTERNAL CONTROL

The present M/S Parker Russell-A.J.S., Chartered Accountants, is the retiring Auditors of the Company and being eligible have offered them self for appointment as Auditors for the year ending June 30, 2024.

#### INTERNAL CONTROL

The Board of the Company is responsible for the establishment and maintenance of the Company's system of internal control in order to identify and manage risks faced by the Company.

The Company has outsourced its Internal Audit functions to M/S Fazal Mahmood & Company, Chartered Accountants.

The Board is confident that the system of internal control is sound in design and has been effectively implemented and monitored.

#### MANAGEMENT RATING

Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed the Broker Management Rating of M/S Abbasi & Company (Pvt.) Limited (ACL) at 'BMR2'. Outlook on the assigned rating is 'Stable'. The rating incorporates a well-designed organization structure with proper departmentization and clearly defined responsibilities.

#### BROKER FIDUCIARY RATING

Pakistan Credit Rating Agency Limited (PACRA) has reaffirmed the Broker fiduciary Rating of M/S Abbasi & Company (Pvt.) Limited at 'BFR2'. Outlook on the assigned rating is 'Stable'.

#### CASH DIVIDEND

No dividend for the year ended June 30, 2024.

#### CORPORATE GOVERNANCE

The Directors confirm compliance with the Corporate & financial Reporting Framework as outlined by the Securities and Exchange Commission of Pakistan (SECP's) under the Code of Corporate Governance. This include maintaining accurate and up-to-date books of account, preparing financial statements in accordance with the approved accounting standards (IFRS), and implementing appropriate accounting policies. The Company also ensure the effectiveness of internal control systems, which are consistently monitored. Furthermore, the Company fully complies with all relevant requirement of the Code of Corporate Governance, as applicable to its status as securities broker with a trading and self-clearing license along with all laws and regulations applicable to the company.

## ETHICS AND BUSINESS PRACTICES

The Company has fully complied with the requirement of the Securities Brokers Licensing and Operations Regulations 2016, the Company has circulated a "Code of Ethics" for compliance, all directors and employees of Company acknowledging their understanding and acceptance the Code.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

ACPL is committed towards fulfilment of its Corporate Social Responsibility and continued its contribution to the community welfare. As part of CSR activities, the Company allocated an aggregate amount during the financial year 2023-24 to Saylani Welfare Trust to support the noble cause for humanity.

## FUTURE PROSPECTS

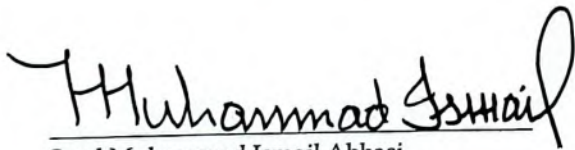
Abbasi & Company's senior management are always promising towards increasing the volumes from its existing clientele as well as domestic and foreign clients by expanding with them through the Company's dedicated customer support including high quality Research. We have also revamped our mobile application "Trade In" with a user-friendly interface to provide clients with the facility of online trading while a research department is also present.

## ACKNOWLEDGMENT

The Board of Directors express its sincerest appreciation to the employees for their dedication and hard work and to our clients and shareholders for their support and confidence. We also acknowledge the valuable contribution and active role of the members of the Board and the Committees in supporting and guiding the management on every issue.

We Continue to pray to ALLAH for the success of our Company and for the benefit of all employees, and the country in general. (Ameen)

For and on behalf of the Board of Directors  
Abbasi & Company (Private) Limited



Syed Muhammad Ismail Abbasi  
Chief Executive Officer  
Lahore.  
October 04<sup>th</sup>. 2024