

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

# **Dalal Securities (Private) Limited**

TREC Holder of the Pakistan Stock Exchange Limited.

## **DIRECTOR'S REPORT**

On Behalf of the Board of Director of M/s Dalal Securities (Private) Limited, I am pleased to present herewith the financial performance and Audited Accounts of the company for the year ended June 30, 2024.

<b>FINANCIAL RESULTS</b>	<b>2024 (Rupees)</b>	<b>2023 (Rupees)</b>
Operating Revenue	23,004,101	7,913,919
Profit/(Loss) before Taxation	71,103,884	(30,837,190)
Taxation	(1,399.819)	(1,179,977)
Profit/(Loss) after Taxation	69,704,065	(32,017,167)
Earnings per share (Rs.)	6.97	(3.20)

### **MARKET DYNAMIC & OUTLOOK**

The Year under review witnessed a significant improvement in the macro-economic environment with the major indicators such as inflation, current account, foreign exchange reserves, tax collection all depicting positive progress.

### **COMPANY PERFORMANCE**

In view of the positive outlook as above the capital market shown a rise by 89% in the last financial year and this put the psx into the top 10 best performing market in the world. Due to all positive factors the performance of our company was excellent and earning per shares is Rs. 6.97. The Net Profit for the year is Rs. 69.70 million as compared to loss of Rs. (32.01) million in the last financial year.


### **AUDITORS:**

The Auditors M/s UHY Hassan Naeem & Co. retire at the conclusion of the Annual General Meeting being eligible, they have offered themselves for re-appointment.

### **CONCLUSION:**

The Board of Directors the co-operation extended by our banks and financial institutions and efforts, dedication and commitment demonstrated by our valued customers. The board appreciates and acknowledges the contribution and dedication of all the employees in performing their task diligently and with commitment.

For and on behalf of the Board  
Dalal Securities (Private) Limited

  
Muhammad Siddique Dalal  
Chief Executive  
Karachi:  
Date: 07-10-2024

  
Director

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Room # 103, 1st Floor, Business & Finance Centre, I.I. Chundrigar Road, Karachi.  
Ph: 021-2467051-54 Fax:9221-2467062 email.dalalsec@hotmail.com

# **Dalal Securities (Private) Limited**

TREC Holder of the Pakistan Stock Exchange Limited.

## **UNDERTAKING**

I, **Muhammad Siddique Dalal** Chief Executive Officer of **Dalal Securities (Private) Limited**, a TRE Certificate Holder of Pakistan Stock Exchange Limited having our registered office at 103, 1st floor, Business Finance Centre, I.I. Chundrigar Road, Karachi, Karachi herein after called the “company” do hereby undertake that:

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

**Date: October 07, 2024**



**Muhammad Siddique Dalal**  
**Chief Executive Officer**

A handwritten signature in black ink, appearing to read "Muhammad Siddique Dalal", written over a light blue background.

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Room # 103, 1st Floor, Business & Finance Centre, I.I. Chundrigar Road, Karachi.  
Ph: 021-2467051-54 Fax:9221-2467062 email.dalalsec@hotmail.com

## INDEPENDENT AUDITOR'S REPORT

To the members of **DALAL SECURITIES (PRIVATE) LIMITED**

### Report on the Audit of the Financial Statements

#### Opinion

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

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

#### Basis for Opinion

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

#### Other Information:

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

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

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

However, we have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

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

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

*UHY Hassan Naeem & Co.*

**KARACHI**

**DATE: October 7, 2024**

**UDIN: AR202410311hBQgY81ka**

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

	Note	2024 (Rupees)	2023 (Rupees)
<b><u>ASSETS</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
Property and equipment	4	15,919,672	9,781,667
Intangible assets	5	2,750,000	2,750,000
Investment - at Fair value through other comprehensive income	6	13,850,095	8,000,836
Long term deposits	7	8,770,000	8,770,000
		41,289,767	29,302,503
<b><u>CURRENT ASSETS</u></b>			
Trade debts	8	5,805,927	2,452,096
Investment at fair value through profit and loss	9	157,965,636	114,926,233
Advances, deposits, prepayments and other receivables	10	15,935,360	15,018,417
Cash and bank balances	11	89,139,433	25,070,801
		268,846,356	157,467,547
		<u>310,136,123</u>	<u>186,770,050</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>CAPITAL RESERVES</u></b>			
Authorized capital	12.1	150,000,000	150,000,000
Issued, subscribed and paid-up capital	12.2	100,000,000	100,000,000
Accumulated Profit		128,986,206	59,282,141
Surplus - Investment at Fair value through other comprehensive income		9,803,086	3,953,827
		238,789,292	163,235,968
<b><u>NON CURRENT LIABILITIES</u></b>			
Gratuity Payable		13,798,000	13,798,000
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payable	13	57,548,831	9,736,082
		57,548,831	9,736,082
Contingencies and commitments	14		
		<u>310,136,123</u>	<u>186,770,050</u>

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

  
**Chief Executive**

  
**Director**

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

	Note	2024 (Rupees)	2023 (Rupees)
Revenue With Contract With Customers	15	23,004,101	7,913,919
Administrative and general expenses	16	(32,602,687)	(27,125,745)
Other charges		(1,384,878)	-
Expected credit loss/(reversal of expected credit loss)		(2,079)	279,905
Other income	17	82,089,427	(11,905,269)
<b>Profit/(loss) before income tax, minimum tax differential and final tax</b>		<b>71,103,884</b>	<b>(30,837,190)</b>
Minimum tax - levy	18	(425,723)	(190,529)
Final taxes - levy	19	(779,079)	(989,448)
		(1,204,802)	(1,179,977)
<b>Profit/(loss) before income tax</b>		<b>69,899,082</b>	<b>(32,017,167)</b>
Inome Tax Expense	20	(195,017)	-
<b>Profit/(loss) after income tax</b>		<b>69,704,065</b>	<b>(32,017,167)</b>
<b>Earning/(loss) per share- basic and diluted</b>		<b>6.97</b>	<b>(3.20)</b>

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

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Chief Executive

  
Director



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

	2024 (Rupees)	2023 (Rupees)
Profit/(loss) before income tax	69,704,065	(32,017,167)
<b>Other comprehensive income:</b>		
Unrealised (loss) on revaluation of investments at fair value through other comprehensive income	5,849,259	(3,059,779)
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>75,553,324</u>	<u>(35,076,946)</u>

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

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Chief Executive

  
Director

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

	Issued, subscribed and paid-up capital	Accumulated Profit/(Loss)	Surplus - Investment- (FVTOCI)	Total
-----Rupees-----				
<b>Balance as at June 30, 2022</b>	50,000,000	141,299,308	7,013,606	198,312,914
Bonus shares issued	50,000,000	(50,000,000)		
Unrealised (loss) on revaluation of investments at fair value through other comprehensive income	-	-	(3,059,779)	(3,059,779)
Profit/(loss) before income tax	-	(32,017,167)	-	(32,017,167)
<b>Balance as at June 30, 2023</b>	<b>100,000,000</b>	<b>59,282,141</b>	<b>3,953,827</b>	<b>163,235,968</b>
Unrealised (loss) on revaluation of investments at fair value through other comprehensive income	-	-	5,849,259	5,849,259
Profit/(loss) before income tax	-	69,704,065	-	69,704,065
<b>Balance as at June 30, 2024</b>	<b>100,000,000</b>	<b>128,986,206</b>	<b>9,803,086</b>	<b>238,789,292</b>

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

  
**Chief Executive**

  
**Director**

**DALAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024 (Rupees)	2023 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before income tax	69,899,082	(32,017,167)
<b>Adjustment for non-cash items:</b>		
Depreciation	1,393,793	828,671
Gratuity Expense	-	1,214,500
Gain/(Loss) on sales of Fixed Assests	12,446	(77,178)
Unrealized capital Gain on investment FVTPL	(26,098,268)	28,492,763
Realized capital loss on investment at FVTPL	(46,184,674)	(5,901,019)
Income from dividend	(5,809,272)	(7,718,500)
Minimum tax - levy	425,723	190,529
Final taxes - levy	779,079	989,448
	<b>(75,481,173)</b>	<b>18,019,214</b>
<b>Changes in working capital</b>		
Decrease / (increase) in trade debts	(3,353,831)	(238,041)
Decrease / (increase) in advances, deposits and prepayments	(395,000)	10,005,000
(Decrease) / increase in trade and other payable	47,812,749	(12,970,214)
<b>Net changes in working capital</b>	<b>44,063,918</b>	<b>(3,203,255)</b>
Gratuity paid	-	(54,000)
Taxes paid	(1,142,683)	(1,696,715)
<b>Net cash (used in)/generated from operating activities</b>	<b>37,339,144</b>	<b>(1,696,715)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(7,694,246)	(1,032,000)
Disposal of property and equipment	150,002	300,000
(Acquisition)/Proceeds from sale of investments	29,243,539	(10,756,217)
Dividend received	5,030,193	7,718,500
<b>Net cash (used in)/generated from investing activities</b>	<b>26,729,488</b>	<b>(3,769,717)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
<b>Net cash (used in)/generated from financing activities</b>		
Net increase in cash and cash equivalent	64,068,632	(22,721,640)
Cash and cash equivalent at beginning of the year	25,070,801	47,792,441
Cash and cash equivalent at end of the year	<b>89,139,433</b>	<b>25,070,801</b>

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

  
**Chief Executive**

  
**Director**

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

**1 Legal Status and Nature of Business**

Dalal Securities (Private) limited was incorporated under the repealed Companies Ordinance, 1984 on June 04, 2001 as a private limited company. The Company is a corporate member of Pakistan Stock Exchange Limited. The geographical location of business and registered office of the company is located at room no. 103,1st floor, Business Finance Centre, I.I. Chundrigar Road, Karachi and the company does not have any branch office. The principal activities of the Company are investment and share brokerage.

**2 Basis of Preparation**

**2.1 Statement of Compliance**

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

**2.2 Basis of Measurement**

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

**2.3 Functional and Presentation Currency**

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

**2.4 Use of Estimates and Judgments**

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

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

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

- Property and equipment (note 4)
- Income Tax Expense (note 20)

**2.5 Changes in accounting standards, interpretations and pronouncements**

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

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

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

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

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

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

	'Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
-----Rupees-----			
<b>For the year ended June 30, 2024</b>			
Minimum tax - levy	-	(425,723)	(425,723)
Final taxes - levy	-	(779,079)	(779,079)
Profit/(loss) before income tax	71,103,884	(1,204,802)	69,899,082
Inome Tax Expense	(1,399,819)	1,204,802	(195,017)
<b>For the year ended June 30, 2023</b>			
Minimum tax - levy	-	(190,529)	(190,529)
Final taxes - levy	-	(989,448)	(989,448)
Profit/(loss) before income tax	(30,837,190)	(1,179,977)	(32,017,167)
Inome Tax Expense	(1,179,977)	1,179,977	-

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

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

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

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

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

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

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

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

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

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

### 3 Material Accounting Policy Information

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

#### 3.1 Taxation

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

### **3.1.1 Current Tax**

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

### **3.1.2 Deferred Tax**

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

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

### **3.2 Minimum Taxes levy**

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

### **3.3 Final Taxes levy**

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

### **3.4 Property and Equipment**

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

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

### **3.5 Intangible Assets**

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

### **3.5.1 Trading Right Entitlement Certificate (TREC)**

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

### **3.5.2 Software**

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

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

### **3.5.3 Amortization**

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

### **3.6 Trade debts and other receivables**

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

### **3.7 Provisions**

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

### **3.8 Trade and Other Payable**

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

### **3.9 Revenue recognition**

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

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

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

### **3.10 Cash and Cash Equivalents**

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



### 3.11 Contingent Liabilities

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

### 3.12 Financial Instruments

#### 3.12.1 Financial Assets

#### 3.12.2 Initial recognition, classification and measurement

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

##### *Financial assets measured at "Amortized cost"*

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

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

##### *Financial assets at "Fair value through other comprehensive income"*

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

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

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

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

##### *Financial assets at "Fair value through profit or loss"*

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

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

#### 3.12.3 Subsequent measurement

##### *Debt investments at "Fair value through other comprehensive income"*

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

#### ***Equity Investments at "Fair value through other comprehensive income"***

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

#### ***Financial asset at "Fair value through profit or loss"***

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

#### ***Financial assets measured at Amortized cost***

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

### **3.12.4 Non Derivative financial assets**

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

### **3.12.5 Offsetting of financial assets and financial liabilities**

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

### **3.12.6 Financial Liabilities**

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

### **3.12.7 Impairment**

#### **Financial assets**

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

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

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

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

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

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

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

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

### **3.13 Non- financial assets**

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

### **3.14 Staff retirement benefits - Defined benefit plan**

A defined benefit plan is a post-employment benefit plan under which an entity regularly pays contributions into a separate fund but will continue to have legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the entity.

The Company operates an unfunded gratuity scheme for its employees which is classified as a defined benefit plan.

The Company's obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligation is performed annually by using the Projected Unit Credit Method.

Remeasurements of the defined benefit liability (i.e. the actuarial gains or losses) are recognised immediately in other comprehensive income. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate to the defined benefit liability at the beginning of the annual reporting period, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### 4. PROPERTY AND EQUIPMENT

	2024					
	Office premises	Furniture and fixture	Computer equipment	Office equipment	Vehicles	Total
	------(Rupees)-----					
<b>As at July 01, 2023</b>						
Cost	10,381,000	3,498,185	2,033,962	2,336,124	6,848,975	25,098,246
Accumulated depreciation	(3,838,380)	(2,909,916)	(1,978,665)	(1,639,052)	(4,950,566)	(15,316,579)
Net book value at the beginning of the year	6,542,620	588,269	55,297	697,072	1,898,409	9,781,667
<b>Changes during the year</b>						
Additions during the year			194,246		7,500,000	7,694,246
Disposals - cost				(789,000)		(789,000)
Depreciation charge for the year	(327,131)	(58,827)	(53,031)	(75,122)	(879,682)	(1,393,793)
Disposals - Accumulated depreciation				626,552		626,552
Net book value at the end of the year	6,215,489	529,442	196,512	459,502	8,518,727	15,919,672
<b>Analysis of net book value</b>						
<b>As at June 30, 2024</b>						
Cost	10,381,000	3,498,185	2,228,208	1,547,124	14,348,975	32,003,492
Accumulated depreciation	(4,165,511)	(2,968,743)	(2,031,696)	(1,087,622)	(5,830,248)	(16,083,820)
Net book value at the end of the year	6,215,489	529,442	196,512	459,502	8,518,727	15,919,672
Depreciation rate (% per annum)	10%	10%	10%	30%	20%	
<b>2023</b>						
	Office premises	Furniture and fixture	Computer equipment	Office equipment	Vehicles	Total
	------(Rupees)-----					
<b>As at July 01, 2022</b>						
Cost	10,381,000	3,498,185	2,033,962	2,336,124	6,666,975	24,916,246
Accumulated depreciation	(3,494,032)	(2,844,553)	(1,954,966)	(1,561,599)	(5,259,936)	(15,115,086)
Net book value at the beginning of the year	6,886,968	653,632	78,996	774,525	1,407,039	9,801,160
<b>Changes during the year</b>						
Additions	-	-	-	-	1,032,000	1,032,000
Disposals - cost					(850,000)	(850,000)
Depreciation charge for the year	(344,348)	(65,363)	(23,699)	(77,453)	(317,808)	(828,671)
Disposals - Accumulated depreciation					627,178	627,178
Net book value at the end of the year	6,542,620	588,269	55,297	697,072	1,898,409	9,781,667
<b>Analysis of net book value</b>						
<b>As at June 30, 2023</b>						
Cost	10,381,000	3,498,185	2,033,962	2,336,124	6,848,975	25,098,246
Accumulated depreciation	(3,838,380)	(2,909,916)	(1,978,665)	(1,639,052)	(4,950,566)	(15,316,579)
Net book value at the end of the year	6,542,620	588,269	55,297	697,072	1,898,409	9,781,667
Depreciation rate (% per annum)	10%	10%	10%	30%	20%	

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## 5. INTANGIBLE ASSETS

	2024		
	PMEX	TREC (Note 5.1)	Total
	------(Rupees)-----		
<b>As at July 01, 2023</b>			
Cost	250,000	5,000,000	5,250,000
Accumulated ammortization	-	(2,500,000)	(2,500,000)
<b>Net book value at the beginning of the year</b>	<b>250,000</b>	<b>2,500,000</b>	<b>2,750,000</b>
Addition during the year	-	-	-
Disposals - cost	-	-	-
Ammortization for the year	-	-	-
Disposals - Accumulated ammortization	-	-	-
<b>Net book value at the end of the year</b>	<b>250,000</b>	<b>2,500,000</b>	<b>2,750,000</b>
<b>Analysis of Net Book Value</b>			
Cost	250,000	5,000,000	5,250,000
Accumulated ammortization	-	(2,500,000)	(2,500,000)
<b>Net book value as at June 30, 2024</b>	<b>250,000</b>	<b>2,500,000</b>	<b>2,750,000</b>
<b>Rate of ammortization per annum (%)</b>	<b>-</b>	<b>-</b>	
	2023		
	PMEX	TREC (Note 5.1)	Total
	------(Rupees)-----		
<b>As at July 01, 2022</b>			
Cost	250,000	5,000,000	5,250,000
Accumulated ammortization	-	(2,500,000)	(2,500,000)
<b>Net book value at the beginning of the year</b>	<b>250,000</b>	<b>2,500,000</b>	<b>2,750,000</b>
Addition during the year	-	-	-
Disposals - cost	-	-	-
Ammortization for the year	-	-	-
Disposals - Accumulated ammortization	-	-	-
<b>Net book value at the end of the year</b>	<b>250,000</b>	<b>2,500,000</b>	<b>2,750,000</b>
<b>Analysis of Net Book Value</b>			
Cost	250,000	5,000,000	5,250,000
Accumulated ammortization	-	(2,500,000)	(2,500,000)
<b>Net book value as at June 30, 2023</b>	<b>250,000</b>	<b>2,500,000</b>	<b>2,750,000</b>
<b>Rate of ammortization per annum (%)</b>	<b>-</b>	<b>-</b>	

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

		2024 (Rupees)	2023 (Rupees)
<b>6. INVESTMENT AT FAIR VALUE THROUGH OCI</b>			
Investment in quoted Securities	6.1	<u>13,850,095</u>	<u>8,000,836</u>

6.1 This Represents 1,081,194 shares of Pakistan Stock Exchange.(2023: 1,081,194), these shares are pledge with PSX against Base minimum capital requirement.

## 7. LONG TERM DEPOSITS

### Deposits with:

- Pakistan Stock Exchange Limited (PSX)	7.1	10,000	10,000
- Central Depository company (CDC)		100,000	100,000
- National Clearing Company of Pakistan Limited (NCCPL)		400,000	400,000
- National Commodity Building (NCEL)		7,500,000	7,500,000
- PMEX		750,000	750,000
- Pakistan Mobile Communication		10,000	10,000
		<u>8,770,000</u>	<u>8,770,000</u>

## 8. TRADE DEBTS

Trade receivables		5,828,101	2,472,191
Less: Expected credit loss	8.1	(22,174)	(20,095)
		<u>5,805,927</u>	<u>2,452,096</u>

### 8.1 Provision for expected credit loss

Opening		20,095	300,000
Provision recorded during the year		2,079	-
Reversal of expected credit loss		-	(279,905)
		<u>22,174</u>	<u>20,095</u>

### 8.2 The aging analysis of trade debts are as follows:

Past due 1 - 30 days		5,765,364	2,336,355
Past due 31 - 180 days		31,799	11,832
Past due 181 days - one year		27,588	116,736
More than one year		3,350	7,269
		<u>5,828,101</u>	<u>2,472,191</u>

## 9. SHORT-TERM INVESTMENTS

Investment in quoted securities	9.1	<u>157,965,636</u>	<u>114,926,233</u>
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9.1 Investments in quoted securities are stated at fair value at the year-end, using the year-end market prices. This investment pledge with Pakistan Stock Exchange Limited amounting to Rs 20,990,090 against Base Minimum Capital. National Clearing Company Pakistan Limited amounting to Rs 41,252,090 against Ready RMS.

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## 10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax		521,943	516,738
Income tax refund		6,794,417	6,277,679
NCCPL Exposure		25,000	10,000
Advances to employees		944,000	564,000
Advance against plot	10.1	7,650,000	7,650,000
		<u>15,935,360</u>	<u>15,018,417</u>

10.1 This asset is acquired in the name of Chief Executive Officer.

## 11. CASH AND BANK BALANCES

Cash at bank			
Current accounts		51,234,624	9,465,737
Saving accounts		37,869,841	15,542,241
		89,104,465	25,007,978
Cash in hand		34,968	62,823
		<u>89,139,433</u>	<u>25,070,801</u>

11.1 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 50.763 million (2023: 9.012).

## 12. SHARE CAPITAL

### 12.1 Authorized share capital

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

### 12.2 Issued, subscribed and paid up capital

	2024 (Rupees)	2023 (Rupees)
Issued, subscribed and paid up capital comprises of:		
Ordinary share capital	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>

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

2024 (Numbers)	2023 (Numbers)		2024 (Rupees)	2023 (Rupees)
		<b>Ordinary shares</b>		
		Ordinary shares of Rs. 10 each		
10,000,000	10,000,000	paid in cash	100,000,000	100,000,000
			<u>100,000,000</u>	<u>100,000,000</u>

12.2.2 Reconciliation of number of shares outstanding

	2024 (Numbers)	2023 (Numbers)
<b>Ordinary shares</b>		
Number of shares at the beginning of the year	10,000,000	5,000,000
Bonus shares issued	-	5,000,000
	<u>10,000,000</u>	<u>10,000,000</u>

		2024 (Rupees)	2023 (Rupees)
<b>13 TRADE AND OTHER PAYABLES</b>			
Credit balances of clients	13.1	50,763,184	9,012,984
Accrued expenses		6,530,647	493,098
Auditor remuneration		255,000	230,000
		<u>57,548,831</u>	<u>9,736,082</u>

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

#### 14. CONTINGENCIES AND COMMITMENTS

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

#### 15. REVENUE WITH CONTRACT WITH CUSTOMERS

Commission income	25,994,634	8,942,728
Less: Sales Tax	(2,990,533)	(1,028,809)
	<u>23,004,101</u>	<u>7,913,919</u>

#### 16. ADMINISTRATIVE AND GENERAL EXPENSES

Salaries Allowances, and other benefit	13,577,580	12,527,201
Directors Remuneration	5,200,000	4,800,000
Travelling and conveyance expense	1,335,900	285,305
Rent, rates and taxes	64,155	41,655
Utility expense	499,690	415,651
Printing and stationary expense	274,819	196,607
Computer software expense	583,432	522,972
Communication expense	344,284	356,080
Repair and Mainainance	1,374,941	1,056,649
Audit fee	255,000	230,000
Legal professional charges	120,000	120,000
Insurance expense	361,153	354,867
Entertainment expense	469,734	401,451
Depreciation expense	1,393,793	828,671
Bank charges	97,916	16,161
System audit fees	100,000	
General expenses	188,010	122,600
Charity donation	4,800,000	3,425,000
Transaction Charges	1,317,455	686,920
Fees and subscription	244,825	737,955
	<u>32,602,687</u>	<u>27,125,745</u>

#### 16.1 Auditor's Remuneration

<b>Audit services</b>		
Annual audit fee	255,000	230,000
	<u>255,000</u>	<u>230,000</u>



**17. OTHER INCOME**

Realized capital loss on investment at FVTPL	46,184,674	5,901,019
Unrealized capital Gain on investment FVTPL	26,098,268	(28,492,763)
Income from dividend	5,809,272	7,718,500
Profit on bank deposit	4,000,733	2,031,466
Profit for cash exposure margin	8,926	859,331
Gain/(Loss) on sales of Fixed Assests	(12,446)	77,178
	<u>82,089,427</u>	<u>(11,905,269)</u>

**18. MINIMUM TAX - LEVY**

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

**19. FINAL TAX - LEVY**

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

**20. INCOME TAX EXPENSE**

Income Tax Expense	<u>195,017</u>	<u>-</u>
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**20.1 Major components of income tax expense are a under:**

- Current year	195,017	-
- Prior year	-	-
	<u>195,017</u>	<u>-</u>

20.2 The company has tax losses in the previous years, on which deferred tax asset will arise. However, as there is continuous losses on account of operating income therefore deferred tax asset amounting to Rs. 6.066 million (2023: Rs. 9.29 million) has not been recorded.

	2024 (Rupees)	2023 (Rupees)
<b>20.3 Relationship between tax expense and accounting profit</b>		
Accounting profit/(loss) before income tax, minimum tax differential and final tax	71,103,884	(30,837,190)
less: Accounting Profit/(loss) subject to minimum tax levy	-	
less: Accounting Profit/(loss) subject to final tax levy	(71,974,078)	14,873,244
Accounting profit/(loss) before taxation	(870,194)	(15,963,946)
Tax at the applicable rate 29% (2023:29%)	(252,356)	(4,629,544)
Deferred tax asset not recognized	447,374	4,629,544
	<u>195,017</u>	<u>-</u>

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

Current tax liability for the year as per applicable tax laws	1,399,819	1,179,977
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(195,017)	(190,529)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(1,204,802)	(989,448)
Difference	-	-

## 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### 21.1 Financial instrument by category

#### 21.1.1 Financial assets

	2024			
	At fair value through profit or loss	At fair value through OCI	Amortized cost	Total
Long-term deposits	-	-	8,770,000	8,770,000
Investment at fair value through OCI		13,850,095		13,850,095
Investment at fair value through P&L	157,965,636	-	-	157,965,636
Trade debts	-	-	5,805,927	5,805,927
Advances, deposits and prepayments	-	-	15,935,360	15,935,360
Bank balances	-	-	89,139,433	89,139,433
	<u>157,965,636</u>	<u>13,850,095</u>	<u>119,650,720</u>	<u>291,466,451</u>
	2023			
	At fair value through profit or loss account	At fair value through OCI	At Amortized Cost	Total
Long-term deposits	-	-	8,770,000	8,770,000
Investment at fair value through OCI		8,000,836		8,000,836
Investment at fair value through P&L	114,926,233	-	-	114,926,233
Trade debts	-	-	2,452,096	2,452,096
Advances, deposits and prepayments	-	-	15,018,417	15,018,417
Bank balances	-	-	25,070,801	25,070,801
	<u>114,926,233</u>	<u>8,000,836</u>	<u>51,311,314</u>	<u>174,238,383</u>

#### 21.1.2 Financial Liabilities at Amortized Cost

	2024	
	Amount	Total
Trade and other Payables	57,548,831	57,548,831
	<u>57,548,831</u>	<u>57,548,831</u>
	2023	
	Amount	Total
Trade and other Payables	9,736,082	9,736,082
	<u>9,736,082</u>	<u>9,736,082</u>

### 21.2 Financial risk management

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

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

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Credit risk  
 Liquidity risk  
 Market risk  
 Operational risk

### 21.2.1 Credit risk

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

#### Exposure to Credit risk

Credit risk of the company arises principally from the trade debts, investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure.

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

	2024 (Rupees)	2023 (Rupees)
Investment - at Fair value through other comprehensive income	13,850,095	8,000,836
Long term deposits	8,770,000	8,770,000
Investment at fair value through profit and loss	157,965,636	114,926,233
Trade debts	5,805,927	2,452,096
Advances, deposits, prepayments and other receivables	8,619,000	8,224,000
Bank Balances	89,104,465	25,007,978
	<u>270,265,028</u>	<u>159,380,307</u>

### 21.2.2 Bank Balances

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

	2024 (Rupees)	2023 (Rupees)
AAA	88,800,274	24,877,906
AA+	106,067	44,006
AA-	106,137	42,387
Other	91,987	43,679
	<u>89,104,465</u>	<u>25,007,978</u>

The credit rating agency are PACRA and JCR-VIS.

### 21.2.3 Liquidity risk

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

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	2024				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
<b>Financial Liabilities</b>					
Trade and other payables	57,548,831	57,548,831	57,548,831	-	-
	57,548,831	57,548,831	57,548,831	-	-

	2023				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
<b>Financial Liabilities</b>					
Trade and other payables	9,736,082	9,736,082	9,736,082	-	-
	9,736,082	9,736,082	9,736,082	-	-

On the balance sheet date, the company has cash and bank balances of Rs. 89.14 million (2023: 25.07 million) and Investments of Rs 177.82 million (2023: 122.93 million) for repayment of liabilities.

### 21.3 Market risk

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

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

#### Currency risk

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

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk. The interest rate risk is insignificant as all interest based assets are linked with market interest rate.

#### Other price risk

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

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

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

	Before Tax	
	10% Increase	10% Decrease
as at 30th June 2024	15,796,564	(15,796,564)
as at 30th June 2023	11,492,623	(11,492,623)

## 21.4 Fair value of Financial instruments

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

The company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

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

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

Following is the fair value hierarchy of assets and liabilities carried at fair value:

	2024		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
Investment in quoted securities	171,815,731	-	-
	<u>171,815,731</u>	<u>-</u>	<u>-</u>
	2023		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
Investment in quoted securities	122,927,069	-	-
	<u>122,927,069</u>	<u>-</u>	<u>-</u>

## 21.5 CAPITAL RISK MANAGEMENT

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

## 22. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	..... Rupees .....					
Managerial remuneration	5,200,000	-	10,390,500	4,800,000	-	7,332,000
Bonus						
	<u>5,200,000</u>	<u>-</u>	<u>10,390,500</u>	<u>4,800,000</u>	<u>-</u>	<u>7,332,000</u>

Number of persons (including those who worked part of the year)

	1	-	6	1	-	5
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## 23. RELATED PARTY TRANSACTIONS

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

Name of the related party	Relationship with the related party	Transactions during the year and year end balances	2024 (Rupees)	2023 (Rupees)
Muhammad Siddique Dalal	Shareholder/CEO	Remuneration	5,200,000	4,800,000
Muhammad Siddique Dalal	Shareholder/CEO	Receivable / (Payable)	(2,403,214)	-

## 24. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>Assets</b>				
1.1	Property and equipment	15,919,672	15,919,672	-
1.2	Intangible Assets	2,750,000	2,750,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities	-	-	-
1.5	Investment in Equity Securities (listed)	171,815,731	57,213,358	114,602,373
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking	-	-	-
1.8	Statutory or regulatory deposits	1,260,000	1,260,000	-
1.9	Margin deposits with exchange and clearing house.	25,000	-	25,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	7,510,000	7,510,000	-
1.12	Accrued interest, profit or mark-up	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-
1.15	<b>Advances and receivables other than trade</b>			
	(i) Loan to staff	944,000	944,000	-
	(ii) Advance tax	7,316,360	7,316,360	-
	(iii) Other cases	7,650,000	7,650,000	-
1.16	Receivables from clearing house or securities exchange(s)	-	-	-
1.17	<b>Receivables from customers</b>			
	i. Trade receivables not more than 5 days overdue	899,366	-	899,366
	ii. Trade receivables are overdue, or 5 days or more	4,928,735	334,626	4,594,109
	iii. Trade receivables from related parties.	-	-	-
1.18	<b>Cash and Bank balances</b>			
	i. Bank Balance-proprietary accounts	38,237,068	-	38,237,068
	ii. Bank balance-customer accounts	50,867,395	-	50,867,395
	iii. Cash in hand	34,968	-	34,968
1.19	Subscription money against investment in IPO/ offer for sale (asset)	-	-	-
<b>Total Assets</b>		<b>310,158,296</b>		<b>209,260,280</b>

**Liabilities**

2.1	<b>Trade Payables</b>			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable to customers	50,763,184	-	50,763,184
2.2	<b>Current Liabilities</b>			
	i. Accruals and other payables	6,785,647	-	6,785,647
	ii. Short-term borrowings	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	<b>Non-Current Liabilities</b>			
	i. Staff retirement benefits	13,798,000	-	13,798,000
2.4	Subordinated Loans	-	-	-
2.5	Advance against shares for Increase in Capital.	-	-	-
<b>Total Liabilities</b>		<b>71,346,831</b>		<b>71,346,831</b>

**Ranking Liabilities Relating to :**

3.1	Concentration in Margin Financing	-	-	-
3.2	Concentration in securites lending and borrowing	-	-	-
3.3	Net underwriting Commitments	-	-	-
3.4	Negative equity of subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment	-	-	-
3.8	Concentrated proprietary positions	-	-	-
3.9	Opening Positions in futures and options	-	-	-
3.10	Short sell positions	-	-	-
<b>Total Ranking Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>238,811,465</b>	<b>-</b>	<b>137,913,449</b>

## 25. CAPITAL ADEQUACY LEVEL

Total Assets	310,136,123	186,770,050
Less: Total Liabilities	(71,346,831)	(23,534,082)
Less: Revaluation Reserves	-	-
<b>Capital Adequacy Level.</b>	<b>238,789,292</b>	<b>163,235,968</b>

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

## 26. OTHER DISCLOSURES UNDER REGULATION OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016:

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

### 26.1 Person holding more than 5% of shares

	2024	2023	2024	2023
	% of Holding		Number of Shares	
Muhammad Siddique Dalal	59.70%	59.79%	5,970,000	5,970,000
Muhammad Shoaib Dalal	40.00%	40.06%	4,000,000	4,000,000

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

26.3 As at June 30, 2024, customer pledged securities with the financial institutions amounting to Rs. 65.275 (2023: 56.167) and no company's securities pledged with the financial institutions

26.4 As at June 30, 2024, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs. 2,039.861 million (June 30, 2023: Rs. 1,645.922 million).

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

	2024 (Numbers)	2023 (Numbers)
27. NUMBER OF EMPLOYEES		
Total employees of the Company at the year end	11	11
Average employees of the Company during the year	11	11

## 28. CORRESPONDING FIGURES

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

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29 DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on

07 OCT 2024

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Chief Executive

  
Director