PEARL SECURITIES LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024

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Independent Auditor's Report
To the Members of Pearl Securities Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of the **Pearl Securities Limited** (the Company) which comprise the statement of financial position as at June 30, 2024 and the statement of profit or loss and other 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 policies 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 profit and loss statement, 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 (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 its 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

The 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 or conclusion thereon.

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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. 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.

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- 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 and other 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 (XIX of 2017) and are in agreement with the books of account and returns;
c) investments made, expenditure incurred and guarantees extended during the year 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, section 62 of the Future Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial statements were prepared; and
f) 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 Imran Shaikh.

Crowe Hussain

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Karachi

Date: 31 OCT 2024

UDIN: AR202410207kHhabuG27

PEARL SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024	2023
		(Rupees)	
SHARE CAPITAL & RESERVES			
Authorized share capital			
50,000,000 (2023: 50,000,000) ordinary shares of Rs. 10 each		**500,000,000**	500,000,000
Issued, subscribed and paid-up capital	5	**144,136,000**	144,136,000
Sponsors' loan		**46,000,000**	46,000,000
Fair value reserve		**(168,763,756)**	(151,850,207)
Remeasurement of post retirement benefits		**1,257,399**	2,895,334
Unappropriated profit		**201,470,599**	200,574,492
		224,100,243	241,755,619
NON-CURRENT LIABILITIES			
Lease Liability	6	**938,909**	505,518
Staff retirement benefits	7	**40,911,493**	33,706,000
		41,850,402	34,211,518
CURRENT LIABILITIES			
Trade creditors, accrued and other liabilities	9	**443,866,254**	353,061,393
Current portion of lease liability	6	**838,738**	1,898,987
Short term borrowings	10	**1,255,774,951**	1,403,578,497
Accrued markup		**106,205,652**	69,570,789
Taxation - net		-	2,697,741
		1,806,685,595	1,830,807,407
Contingencies and commitments	11	-	-
Total Equity and Liabilities		**2,072,636,240**	2,106,774,544
NON-CURRENT ASSETS			
Property and equipment	12	**38,984,682**	40,009,514
Right-of-use assets	13	**1,671,042**	2,207,869
Intangible assets	14	**2,750,000**	2,750,000
Deferred taxation	8	**34,557,699**	30,690,826
Long term deposits	15	**17,507,979**	17,907,979
		95,471,402	93,566,188
CURRENT ASSETS			
Short term investments	16	**202,412,863**	187,018,436
Receivable against margin financing transactions		**40,801,293**	11,215,526
Trade debts	17	**1,487,657,584**	1,660,112,895
Advances, deposits, prepayments and other receivables	18	**82,237,929**	61,179,007
Taxation - net		**2,828,752**	-
Cash and bank balances	19	**161,226,417**	93,682,492
		1,977,164,838	2,013,208,356
Total Assets		**2,072,636,240**	2,106,774,544

The annexed notes from 1 to 38 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER Farah

DIRECTOR

PEARL SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		------------- (Rupees)	------------
Operating revenue	20	**161,410,513**	106,935,935
Capital gain on short term investments		**271,102,032**	299,526,206
Administrative and operating expenses	21	**(158,160,124)**	(159,242,027)
Unrealized gain/(loss) on fair value through profit and loss investments	16	**(804,887)**	322,468
Operating profit		**273,547,534**	247,542,582
Finance cost	22	**(301,177,853)**	(241,129,495)
		(27,630,319)	6,413,087
Other income	23	**26,216,458**	23,952,244
(Loss)/profit levies before taxation		**(1,413,861)**	30,365,331
Levies		**(6,015,599)**	(1,758,072)
(Loss) /profit before taxation		**(7,429,460)**	28,607,259
Taxation	24	**(2,388,171)**	(6,922,955)
(Loss)/profit after taxation		**(9,817,631)**	21,684,304
(Loss)/earning per share - basic and diluted	25	**(0.68)**	1.50

The annexed notes from 1 to 38 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER ______________ **DIRECTOR** ______________

PEARL SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	(Rupees)	
Profit after taxation	**(9,817,631)**	21,684,304
Other comprehensive income for the year		
Items that will not be reclassified subsequently to profit or loss		
- Remeasurement of staff retirement obliagtion - net of deferred tax	**(1,637,935)**	3,426,460
- Remeasurement of investment at FVOCI - net of deffered tax	**(6,199,811)**	(46,150,698)
- Realised loss - FVOCI investment	**(10,713,738)**	(9,990,539)
	(16,913,549)	(56,141,237)
Total comprehensive loss for the year	**(28,369,115)**	(31,030,473)

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

PEARL SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and taxation	**(1,413,861)**	30,365,331
Adjustments for:		
- Depreciation	**3,675,613**	4,273,585
- Depreciation on right of use assets	**1,878,065**	1,766,295
- Unrealized loss/(gain) on held-for-trading investments	**804,887**	(322,468)
- Provision for gratuity	**8,772,650**	8,200,000
- Gain on disposal of fixed assets	**(5,803,599)**	(1,711,866)
- Finance cost	**301,177,853**	241,129,495
Cash generated from operating activities before working capital changes	**310,505,469**	253,335,041
Decrease / (increase) in current assets		
Trade debts	**172,455,311**	(435,327,801)
Receivable against margin financing transactions	**(29,585,767)**	12,974,160
Advances, deposits, prepayments and other receivables	**(21,058,922)**	(32,908,381)
Increase / (decrease) in current liabilities		
Trade creditors, accrued and other liabilities	**90,804,861**	(198,092,437)
Short term borrowings	**(147,803,546)**	232,931,206
	64,811,937	(420,423,253)
Financial charges paid	**(264,304,694)**	(212,369,682)
Taxes paid	**(17,797,136)**	(7,204,686)
Gratuity paid	**(4,179,384)**	(2,374,000)
Net cash generated from / (used in) operating activities	**87,622,331**	(358,671,249)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	**(6,321,183)**	(7,507,800)
Proceeds from disposal of property and equipment	**9,474,001**	2,356,000
Net proceeds from sale of short term investments	**(21,827,162)**	360,564,570
Long term deposits	**400,000**	930,000
Net cash (used in) / generated from investing activities	**(18,274,344)**	356,342,770
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	**(1,804,063)**	(3,224,311)
Net cash used in financing activities	**(1,804,063)**	(3,224,311)
Net increase/(decrease) in cash and cash equivalents	**67,543,925**	(5,552,790)
Cash and cash equivalents at the beginning of the year	**93,682,492**	99,235,282
Cash and cash equivalents at the end of the year	**161,226,417**	93,682,492

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER ____________ DIRECTOR ____________

PEARL SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed & paid-up capital	Sponsor's Loan (Note: 4.17)	Capital Reserves		Revenue Reserve	Total
			Fair value reserve	Remeasurement of post retirement benefits-net of tax	Unappropriated profit	
	(Rupees)					
Balance as at 30 June 2022	144,136,000	46,000,000	(105,699,509)	(531,126)	188,880,727	272,786,092
Profit after taxation for the year	-	-	-	-	21,684,304	21,684,304
Other comprehensive gain for the year	-	-	(56,141,237)	-	-	(56,141,237)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	9,990,539	-	(9,990,539)	-
Remeasurement gain on post retirement benefits-net of tax for the year	-	-	-	3,426,460	-	3,426,460
Balance as at 30 June 2023	**144,136,000**	**46,000,000**	**(151,850,207)**	**2,895,334**	**200,574,492**	**241,755,619**
Loss after taxation for the year	-	-	-	-	**(9,817,631)**	**(9,817,631)**
Other comprehensive gain for the year	-	-	**(6,199,811)**	-	-	**(6,199,811)**
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	**(10,713,738)**	-	**10,713,738**	-
Remeasurement loss on post retirement benefits-net of tax for the year	-	-	-	**(1,637,935)**	-	**(1,637,935)**
Balance as at 30 June 2024	**144,136,000**	**46,000,000**	**(168,763,756)**	**1,257,399**	**201,470,599**	**224,100,243**

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER ____________ **DIRECTOR** ____________

PEARL SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

Pearl Securities Limited (the Company) was incorporated as a private limited company on May 8, 2000 under the repealed Companies Ordinance, 1984 (now the companies act, 2017) and was subsequently converted into a public limited Company on April 27, 2009. The Company is a corporate member of Pakistan Stock Exchange Limited (PSX).

The Company is a Trading Right Entitlement Certificate (TREC) holder of PSX and a member of Pakistan Mercantile Exchange Limited (PMEX). The Company is principally engaged in brokerage of shares, stocks, securities,commodities and other financial instruments,securities research, financial consultancy and underwriting.The Company has a network of six branches (June 30, 2023: six branches) across Pakistan.

Geographical location of business units

Locations	**Addresses**
Head Office/Registered Office	Suit # 204, 2nd Floor, Business & Finance Centre,I.I Chundrigar Road, Karachi.
Branches	
Pakistan Stock Exchange	Suit # 137, 3rd Floor, Stock Exchange Building,Karachi
Islamabad Branch	Suit # 1011, 10th Floor , Stock Exchange Towers,Islamabad
Peshawar Branch	Ground Floor, State Life Building, Peshawar Cantt,Peshawar.
Lahore Branch	Suit # 218, 2nd Floor, Siddiq Trade Centre, 72 MainBoulevard Gulberg,Lahore.
Mardan Branch	102-103, Ground Floor, Mardan Trade Centre-2, Qazi Bashir Road, Opp DC Office, Mardan.
Kohat Branch	5-6, Al-Madina Plaza, Near Central Science College, University Road, Chakar Kot, Kohat.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) 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.

Where provisions of and directives issued under the Companies Act 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for certain financial assets and financial liabilities which have been stated at their fair values and staff retirement benefit which is stated at 'Projected Unit Credit Method'

2.3 Functional and presentation currency

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

2.4 Use of critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates involved or where judgment was exercised in application of accounting policies are as follows:

	Note
a) Useful life of property and equipment	4.1
b) Carrying amount of intangible assets	4.3
c) Provision of impairment of financial assets	4.4
d) Provision for current and deferred taxation	4.9
e) Leases	4.17

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, amendments and interpretations to the published standards that are relevant to the Company and adopted in the current year

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial statements except as disclosed in notes to these financial statements.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

Standard or Interpretation	Effective date (Annual periods beginning on or after)
- IAS 1 - Presentation of Financial Statements (Amendments)	January 01, 2024
- IAS 7 - Statement of Cash Flows (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	January 01, 2026

3.3 The above standards and amendments are not expected to have any material impact on the company's financial statements in the period of initial application.

3.4 Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

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Standards

-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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

4.1 Property and equipment

Owned

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit and loss account by applying the reducing balance method systematically on yearly basis at the rates specified in note 12.1. Depreciation on additions to property and equipment is charged from the month in which an item is acquired while no depreciation is charged in the month the item is disposed off.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such an indication exists the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount; and the impairment losses are recognised in the profit and loss account.

The residual value, depreciation method and the useful lives of each part of property and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal of assets, if any are included in profit and loss account for the current year.

Normal repairs and maintenance costs are charged to profit and loss account in the period of its occurrence, while major renovations and improvements are capitalized only when it is probable that the future economic benefits associated with the item will flow to the entity and its cost can be measured reliably. Disposal of assets is recognized when significant risk and rewards incidental to the ownership have been transferred to the buyers.

4.2 Intangible assets

These represent computer software,Trading right entitlement certificate and membership card of Pakistan Mercantile Exchange Limited (PMEX).

TRE Certificate and membership card of PMEX has an indefinite useful life and are stated at the carrying value less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of their recoverable amounts, and where the carrying value exceeds the estimated recoverable amount, it written down to their estimated recoverable amount.

Computer software is recognized in the financial statements, if and only if, it is probable that the future economic benefits that are attributable to the asset will flow to the Company; and the cost of the asset can be measured reliably. It is carried at cost less accumulated amortization and impairment, if any. Amortization is charged from the month of addition to the month proceeding the month of retirement / disposal, by applying reducing balance method. The amortization period and the amortization method for intangible assets with finite useful life are reviewed, and adjusted if appropriate, at each reporting date.

4.3 Financial instruments

a) Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

b) Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

The Company determines the classification of financial assets at initial recognition. The classifiation of instruments (other than equity instruments) is driven by the Company's business model for managing the fiancial assets and their contractual cash flows characteristics.

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

- the financial asset is held within a business model whose objective is to hold fiancial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specifid 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:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specifid 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.

c) Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

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

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

d) Subsequent measurement

(i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

(ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

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(iii) **Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised 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 and other comprehensive income in the period in which they arise. Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

e) Impairment of financial assets

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and FVTOCI at an amount equal to lifetime ECLs except for the financial assets in which there is no signifiant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded. The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date:

- bank balances;
- receivable from employee
- receivables from NCCPL and others

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

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

Lifetime ECL is only recognised if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the customers) on ECLs. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive).

Provision against financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

f) Derecognition

(i) Financial assets

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

(ii) Financial liabilities

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

4.4 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are off set and the net amount is reported in the statement of financial position only when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.5 Long term deposits

These are stated at cost which represents the fair value of consideration given.

4.6 Trade debts

Trade debts are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. A provision for impairment is established when there is an objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts. Bad debts are written off when considered irrecoverable.

4.7 Taxation

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation underthe normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

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

Deferred tax is not recognised for the following temporary differences; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill. 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.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

4.8 Revenue recognition

- Brokerage and commission income is recognised as and when such services are provided and when performance obligations have been satisifed and right to receive the consideration in exchange for services has been established.
- Dividend income is recognised when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Interest income is recognised on a time proportion basis that takes into account the effective yield
- Income on continuous funding system is recognised on an accrual basis.
- Underwriting commission is recognised when the agreement is executed.
- Gains / (loss) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealised gains / (losses) arising on mark to market of investments classified as 'Financial assets at fair value through profit or loss' are included in the profit and loss account in the period in which they arise.
- Unrealised capital gains / (losses) arising from mark to market of investments classified as 'available-for-sale' are taken directly to other comprehensive income.
- All other incomes are recognised on an accrual basis.

4.9 Expenses

All expenses are recognized in the profit or loss on an accrual basis.

4.10 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, 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. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.11 Creditors, accrued and other liabilities

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in future for goods and services received.

4.12 Dividend

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

4.13 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks.

4.14 Earning per share

Earning per share is calculated by dividing the profit after taxation for the year by the weighted average number of shares outstanding during the year.

4.15 Leases

a) Right of use of assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

c) Short term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of lease contract of branches (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.16 Sponsor's Loan

According to technical release 32 issued by the Institute of Chartered Accountants of Pakistan (ICAP) according to which a loan to an entity by the director which is agreed to be paid at the discretion of the entity does not pass the test of liability and is to be recorded as equity at face value. This is not subsequently re-measured. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the director's loan would be a direct debit to equity.

4.17 Accounting guidance issued by ICAP on accounting for minimum taxes and final taxes

Institute of Chartered Accountants of Pakistan (ICAP) issued a guidance "Application Guidance on Accounting for Minimum and Final Taxes" through circular No. 07/2024 date May 15, 2024. In light of the said guidance, as minimum taxes and final taxes are not calculated on the 'taxable profit' as defined in IAS - 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under IAS 37/ IFRIC 21 as levies (though these are charged under tax law) and not under IAS - 12 as income taxes. Based on the guidance, the minimum taxes under ITO, 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies) and final taxes fall under levy within the scope of IAS 37/IFRIC 21.

5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

This comprises fully paid-up ordinary shares of Rs. 10 each as follows:

2024	2023		2024	2023
(No. of shares)			(Rupees)	
14,413,600	14,413,600	Issued for cash	144,136,000	144,136,000

5.1 Pattern of Shareholding

Categories of shareholders	Shares Held	Percentage
Members		
Mrs Fatima Usman	4,418,100	30.652%
Mrs. Naik Perveen	972,555	6.747%
Mr. Muhammad Arfeen Dhedhi	972,625	6.748%
Mr. Amir Nazeer Dhedhi	972,625	6.748%
Ms. Alia Dhedhi	972,625	6.748%
Mr. Sajid Anwar	500	0.003%
Mr. M Asadullah Sheikh	500	0.003%
Mrs Farzana Asad	432,270	2.999%
Government of KPK GPI Fund	5,670,300	39.340%
Directors and their spouse(s) and minor children		
Ms. Farah Zubair	500	0.003%
Mr. Pervez Mirza Chaghtai	500	0.003%
Mr. Muhammad Naeem Mahmood Shahid	500	0.003%
Total	14,413,600	100.00%

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

Shareholders holding 5% or more	Shares held	Percentage
Mrs. Naik Perveen	972,555	6.747%
Mr. Muhammad Arfeen Dhedhi	972,625	6.748%
Mr. Amir Nazeer Dhedhi	972,625	6.748%
Ms. Alia Dhedhi	972,625	6.748%
Government of KPK GPI Fund	5,670,300	39.340%
Mrs. Fatima Usman	4,418,100	30.652%

6 LEASE LIABILITY

	Note	2024	2023
		(Rupees)	
Opening lease liability		2,404,505	4,120,851
Lease lability recognized during the year	6.2	1,341,238	-
Accretion of interest		238,296	340,046
Lease installments paid		(2,206,392)	(2,056,392)
Closing lease liability as at June 30,	6.1	1,777,647	2,404,505
Current portion		838,738	1,898,987
Non-current portion		938,909	505,518
	6.1	1,777,647	2,404,505

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6.1 Lease liabilities are payable as follows:

	2024		
	Minimum lease payments	**Interest**	**Present value of minimum lease payments**
	Rupees	Rupees	Rupees
Less than one year	**1,124,598**	**285,860**	**838,738**
More than one years	**1,168,449**	**229,540**	**938,909**
	2,293,047	**515,400**	**1,777,647**

	2023		
	Minimum lease payments	Interest	Present value of minimum lease payments
	Rupees	Rupees	Rupees
Less than one year	2,056,392	157,405	1,898,987
More than one years	514,098	8,580	505,518
	2,570,490	165,985	2,404,505

6.2 During the current financial year, an addition to the lease liability has been recognized due to the leasing of the Mardan office.Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

7. STAFF RETIREMENT BENEFITS

7.1 The Company has established a Fund - 'Pearl Securities Limited - Employees' Unfunded Gratuity Scheme' for all its permanent employees. The benefits under the gratuity scheme are payable on retirement at the age of 60 or earlier of cessation of service. The amount of gratuity payable is equal to one months' gross salary for each year of eligible service with the Company subject to a minimum qualifying period of service of 5 years.

7.2 Principal actuarial assumptions

The latest actuarial valuations of the unfunded gratuity scheme was carried out by the valuers Anwar Associates Consulting Actuaries as at 30 June 2024. The principal actuarial assumptions based on acturial report for the year ended 30 June 2024 are as follows:

	2024	2023
	-----------**Rates**-----------	
Discount rate	**14.00%**	16.25%
Salary increase rate	**13.00%**	11.25%
Mortality rates	**SLIC(2001-05)-1**	SLIC(2001-05)-1

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		2024	2023
		----------- (Rupees) -----------	
7.3	**The Amount recognized in statement of financial position**		
	Present value of defined benefit obligations	**40,911,493**	33,706,000
	Fair value of plan assets	-	-
		40,911,493	33,706,000

		2024	2023
		----------- (Rupees) -----------	
7.4	**Movement in present value of defined benefit obligations**		
	Present value of obligations as at 01 July	**33,706,000**	32,706,000
	Current service cost	**3,635,000**	3,776,000
	Interest cost on defined benefit obligation	**5,137,650**	4,424,000
	Re-measurement loss/(gain)	**2,612,227**	(4,826,000)
	Actual benefits paid during the year	**(4,179,384)**	(2,374,000)
	Present value of obligation as at 30 June	**40,911,493**	33,706,000
7.5	**Cost recognized in profit or loss**		
	Current service cost	**3,635,000**	3,776,000
	Net interest	**5,137,650**	4,424,000
		8,772,650	8,200,000
7.6	**Remesurement recognized in other comprehensive income**		
	Gain due to change in financial assumptions	-	(467,000)
	Gain due to change in experience adjustments	**2,612,227**	(4,359,000)
		2,612,227	(4,826,000)
7.7	**Sensitivity analysis on significant actuarial assumptions:**		
	Current Liability	**40,911,493**	33,706,000
	Discount rate: +1% (2023:+0.5%)	**37,932,269**	32,342,000
	Discount rate: +1% (2023: -0.5%)	**46,058,910**	35,159,000
	Long term salary increase: +1% (2023: +0.5%)	**46,136,913**	35,093,000
	Long term salary increase: +1% (2023: -0.5%)	**37,789,118**	32,939,000

7.8 **Maturity Profile**

Expected benefit Payment

	Rupees
Year 1	**2,589,009**
Year 2	**1,096,538**
Year 3	**1,165,863**
Year 4	**1,416,636**
Year 5	**8,474,645**
Year 6 - 10	**6,926,506**

7.9 Expected gratuity expense for the year ended June 30, 2025 works out Rs. 10,762,114.

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8. DEFERRED TAXATION

	2024			
	Opening as at July 1, 2023	Profit and loss	Other comprehensive income	Closing as at June 30, 2024
	(Rupees)			
Taxable temporary difference:				
Accelerated depreciation allowance	(6,264,001)	536,947	-	(5,727,054)
Right of Use of assets	(640,282)	512,226	-	(128,056)
Deductible temporary difference:				
Provision for doubtful debts	4,788,852	-	-	4,788,852
Provision for gratuity	8,085,200	3,021,587	974,292	12,081,080
Liability against leased assets	697,306	(550,706)	-	146,600
Investments-FVOCI	24,072,123	-	(796,575)	23,275,548
Investments-FVTPL	(48,370)	169,103	-	120,733
	30,690,826	3,689,156	177,717	34,557,699

	2023			
	Opening as at July 1, 2022	Profit and loss	Other comprehensive Income	Closing as at June 30, 2023
	(Rupees)			
Taxable temporary difference:				
Accelerated depreciation allowance	(5,858,767)	(405,234)	-	(6,264,001)
Right of Use of assets	(1,152,508)	512,226	-	(640,282)
Deductible temporary difference:				
Provision for doubtful debts	4,788,852	-	-	4,788,852
Provision for gratuity	9,042,780	7,865,697	(8,823,277)	8,085,200
Liability against leased assets	1,195,047	(497,741)	-	697,306
Investments-FVOCI	14,291,266	0	9,780,857	24,072,123
Investments-FVTPL	267,023	(315,393)	-	(48,370)
Depreciation/Initial allowance c/f	1,719,822	(1,719,822)		
	24,293,515	5,439,732	957,580	30,690,826

9. TRADE CREDITORS, ACCRUED AND OTHER LIABILITIES

	Note	2024	2023
		(Rupees)	
Creditors for purchase of shares	9.1.	**138,377,292**	81,408,448
Payable to NCCPL		**-**	5,836,303
Creditors of PMEX		**6,143**	6,143
Payable to money market clients		**283,876,455**	258,007,263
Sindh sales tax on brokerage services		**2,055,995**	296,678
Commission payable to traders		**3,078,333**	2,937,986
Accrued and other liabilities		**16,472,036**	4,568,572
		443,866,254	353,061,393

9.1 This includes an amount of Rs. 116 (2023: Rs. 195) payable to related party of the Company.

		Note	2024	2023
			---------- (Rupees) ----------	
10.	**SHORT TERM BORROWINGS**			
	From banking companies - secured			
	Bank Makramah Limited (Formerly: Summit Bank Limited)	10.1	**194,803,267**	222,341,797
	Silk Bank Limited	10.2	**590,672,393**	599,716,918
	Sindh Bank Limited	10.3	**293,160,571**	293,435,571
	Askari Bank Limited	10.4	**70,799,687**	19,924,803
	Soneri Bank Limited	10.5	**7,831,433**	778,308
	Silk Bank Limited	10.6	**98,507,600**	267,381,100
			1,255,774,951	1,403,578,497

10.1 This represents running finance facility with a limit of Rs.223 million (2023: Rs.223 million) against readily marketable shares of quoted companies and personal guarantee of the Chief Executive Officer of the Company for meeting the working capital requirements carrying markup at the rate of 3 months KIBOR plus 200 bps per annum, which at the year end stood at 23.99% per annum (2023: 23.98% per annum).

10.2 This represent running finance facility and repo facility with the limit of Rs. 600 million (2023: Rs. 900 million) for meeting the working capital requirements carrying markup at the rate of 3 months KIBOR plus 250 bps per annum subject to quarterly revisions, which at the year end stood at 24.49% per annum (2023: 24.48% per annum). The facility is secured with first pari passu charge of Rs. 1.14 billion on receivables of the Company.

10.3 This represents running finance facility with a limit of Rs. 350 million (2023: Rs. 350 million) for meeting the working capital requirements carrying markup at the rate of 3 months KIBOR plus 375 bps (2023: 3 months kibor + 375 bps) per annum subject to quarterly revisions, which at the year end stood at 25.74% per annum (2023: 25.73 per annum). The facility is secured by pledge of shares of listed companies with 35% margin.

10.4 This represents running finance facility with a limit of Rs. 200 million (2023: Rs. 200 million) for meeting the working capital requirements carrying markup at the rate of 1 months KIBOR plus 200 bps per annum payable on quarterly basis, which at the year end amounted to 24.49% per annum (2023: 23.70% per annum). The facility is secured by pledge of shares with 30% to 50% margin (2023: 30% to 50% margin).

10.5 This represents running finance facility with a limit of Rs. 250 million (2023: Rs. 250 million) for meeting the working capital requirements carrying markup at the rate of 3 months KIBOR plus 250 bps per annum payable on quarterly basis, which at the year end amounted to 21.99% per annum (2023: 24.48%). The facility is secured by pledge of shares with 30% to 50% margin.

10.6 This represents short repo borrowings against PIB amounting to Rs. Nil (2023: Rs. 124,712,500) and T-Bills amounting to Rs. 98,507,600 (2023: Rs. 142,668,600) from Silk bank at the rate of 20.8% (2023: 22.7% and 21.45%) respectively.

10.7 The unavailed credit facilities by the Company as at year end aggregated to Rs. 465.7 million (2023: Rs. 520 million)

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11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

The Assistant Commissioner SRB, has passed 3 orders in respect of short payment of sales tax amounting to Rs. 280,808,039 along with penalty amounting to Rs. 14,040,401 in respect of financial year 2011 to 2018 on other charges recovered from customers. The Company has filed appeal before the Commissioner Appeals against the impugned order however, decision in appeal is pending. The Company is having fair chance of success in appeal, therefore, no provision has been made in these financial statements.

11.2 Commitments

	2024	2023
	(Rupees)	
Against future sale	**255,622,810**	31,838,560
Against future buy	**12,885,620**	115,217,780

12. PROPERTY AND EQUIPMENTS

	Note		
Property and equipments	12.1	**38,984,682**	40,009,514
		38,984,682	40,009,514

12.1 Operating fixed assets

	30 June 2024					
	Office Premises	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
	(Rupees)					
COST						
As at 1 July 2023	15,396,625	8,763,883	9,393,050	18,131,459	33,563,251	85,248,268
Additions	1,676,587	2,626,980	1,744,066	273,550	-	6,321,183
Disposals	-	(5,112,504)	(2,055,205)	(6,091,840)	(3,836,000)	(17,095,549)
As at 30 June 2024	17,073,212	6,278,359	9,081,911	12,313,169	29,727,251	74,473,902
ACCUMULATED DEPRECIATION						
As at 1 July 2023	-	6,462,849	4,338,458	13,701,471	20,735,976	45,238,754
For the year	-	305,150	645,898	882,458	1,842,106	3,675,613
On disposals	-	(4,045,962)	(1,071,562)	(5,798,955)	(2,508,668)	(13,425,147)
As at 30 June 2024	-	2,722,037	3,912,795	8,784,974	20,069,414	35,489,220
Written down value	17,073,212	3,556,322	5,169,116	3,528,195	9,657,837	38,984,682

	30 June 2023					
	Office Premises	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
	(Rupees)					
COST						
As at 1 July 2022	15,396,625	8,763,883	9,151,830	17,534,539	29,442,251	80,289,128
Additions	-	-	342,700	1,165,100	6,000,000	7,507,800
Disposals	-	-	(101,480)	(568,180)	(1,879,000)	(2,548,660)
As at 30 June 2023	15,396,625	8,763,883	9,393,050	18,131,459	33,563,251	85,248,268
ACCUMULATED DEPRECIATION						
As at 1 July 2022	-	6,207,178	3,850,499	13,269,378	19,542,640	42,869,695
For the year	-	255,671	540,891	872,901	2,604,122	4,273,585
On disposals	-	-	(52,932)	(440,808)	(1,410,786)	(1,904,526)
As at 30 June 2023	-	6,462,849	4,338,458	13,701,471	20,735,976	45,238,754
Written down value	15,396,625	2,301,034	5,054,592	4,429,988	12,827,275	40,009,514
Depreciation rate per annum	-	10%	10%	20%	20%	

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		Note	2024	2023
13.	**RIGHT OF USE ASSETS**		(Rupees)	
	Cost			
	Opening balance		5,298,886	5,298,886
	Addition during the year		1,341,238	-
	Disposal during the year		-	-
	Closing balance		6,640,124	5,298,886
	Accumulated Depreciation			
	Opening balance		3,091,017	1,324,722
	Charge for the year		1,878,065	1,766,295
	Disposal		-	-
	Closing balance		4,969,082	3,091,017
	Carrying amount		1,671,042	2,207,869
	Useful life		3 years	3 years

		Note	2024	2023
14.	**INTANGIBLE ASSETS**			
	Trading Right Entitlement Certificate	14.1	2,500,000	2,500,000
	Pakistan Mercantile Exchange Limited - membership card		250,000	250,000
			2,750,000	2,750,000

14.1 This represents TREC received by the Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012. These have been recorded at notional value determined by PSX.

		Note	2024	2023
15.	**LONG TERM DEPOSITS**		(Rupees)	
	Pakistan Stock Exchange Limited	15.1	11,655,979	12,055,979
	National Clearing Company of Pakistan Limited		1,400,000	1,400,000
	Pakistan Mercantile Exchange Limited		3,250,000	3,250,000
	Central Depository Company of Pakistan Limited		100,000	100,000
	Others		1,102,000	1,102,000
			17,507,979	17,907,979

15.1 This shows the amount placed with Pakistan Stock Exchange Limited as a basic deposit for taking exposure in regular and future market in cash against BMC requirement.

		Note	2024	2023
16.	**SHORT TERM INVESTMENT**		(Rupees)	
	Financial assets classified as FVTPL			
	Shares of listed companies - carrying amount	16.1	16,077,287	2,575,106
	Unrealized (loss)/gain on revaluation of fair value through profit or loss investments		(804,887)	322,468
	Fair value as at June 30,		15,272,400	2,897,574

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	Note	2024	2023
		---------- (Rupees) ----------	
Financial assets classified as FVTOCI			
Share of listed companies - carrying amount	16.2	**342,310,919**	344,601,685
Unrealized loss on revaluation of fair value through other comrehensive income		**(155,170,456)**	(160,480,823)
Fair value as at June 30,		**187,140,463**	184,120,862
Total Short Term Investment		**202,412,863**	187,018,436

16.1 Financial assets classified as fair value through profit and Loss

Number Of Shares		Name of the Company	2024		2023	
			---------------Rupees---------------			
2024	2023		Average Cost	Market Value	Average Cost	Market Value
-	500	Attock Cement Pakistan Limited	-	-	89,009	85,815
5,000	-	Attock Refinery Limited	2,052,607	1,757,950	-	-
173,455	-	Bank Makramah Limited	321,075	319,157	-	-
-	38,500	Cnergy Energy Limited	-	-	383,171	237,545
38,359	-	Engro Fertilizers Limited	6,499,110	6,376,033	-	-
-	-	Fauji Foods Limited	-	-	-	-
-	13,100	Fauji Fertilizer Company Limited	-	-	1,325,937	1,289,563
72,720	-	Flying Cement Company Limited	712,120	605,030	-	-
-	-	G3 Technologies Limited	-	-	-	-
7,000	-	Ghandara Automobiles Limited	1,281,031	1,223,040	-	-
-	-	Ghani Global Glass Limited	-	-	-	-
-	30,846	Ghani Glass Limited	-	-	-	786,573
27,500	-	The Hub Power Company Limited	4,638,035	4,484,700	-	-
-	3,944	Lotte Chemical Pakistan Limited	-	-	111,393	108,539
-	-	Netsol Technologies Limited	-	-	-	-
20	-	Oil & Gas Development Co Limited	2,729	2,707	-	-
-	-	Pakistan Aluminium Beverages Cans Limited			-	-
20,200	-	Pak Elektron Limited	563,824	499,142	-	-
200	-	Pakistan Refinery Limited	6,756	4,640	-	-
-	10,000	Searle Pakistan Limited	-	-	657,308	383,200
-	161	Sui Northern Gas Pipelines Limited	-	-	7,498	6,339
344,454	97,051		16,077,287	15,272,400	2,575,106	2,897,574

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16.2 Financial assets carried at Fair value through other comprehensive income

Number of Shares 2024	Number of Shares 2023	Name of the Company	2024 Average Cost (Rupees)	2024 Market Value (Rupees)	2023 Average Cost (Rupees)	2023 Market Value (Rupees)
-	400	AKD Hospitality Limited	-	-	43,471	41,048
-	420	AL-Shaheer Corp Limited	-	-	3,860	3,037
2,062,285	2,062,285	Ansari Sugar Mills Limited	41,244,026	11,981,878	41,244,026	11,981,876
50,000,000	-	Bank Makramah Limited	167,400,000	92,000,000	-	-
1,292,882	1,397,599	Chenyites Pak Limited (formerly BYCO Petroleum Ltd)	35,366,596	4,977,480	36,147,552	3,959,181
-	20,000	Engro Polymer	-	-	1,334,541	845,380
300	-	Ferozsons Laboratories Limited	68,700	74,823	-	-
997,000	997,000	First Capital Equities Limited	35,094,380	10,249,160	35,094,380	8,461,530
152,875	212,875	Flying Cement Company Limited	2,994,717	1,271,928	4,158,151	1,379,328
-	20,500	Fauji Foods Limited	-	-	514,550	117,670
187,500	199,000	Hascol Petroleum Limited	4,134,906	1,160,625	4,556,378	1,104,450
12,982	-	Honda Atlas Cars (Pakistan) Limited	4,118,262	3,679,358	-	-
100	-	Ibrahim Fibers Limited	36,990	40,000	-	-
440,765	-	K-Electric Limited	2,399,159	2,040,742	-	-
-	4,000	Kot Addu Power Company Limited	-	-	181,052	83,200
3,850	5,250	Murree Brewery Company Limited	2,255,212	1,863,593	2,730,070	1,572,300
-	1,121	National Refinery Limited	-	-	283,020	168,150
-	408	Netsol Technologies Limited	-	-	64,024	37,255
-	148	Oil & Gas Development Company Ltd	-	-	15,014	11,244
-	55,000	PACE Pakistan Limited	-	-	293,926	107,800
104,000	104,000	Pak Agro Packagings Limited	2,574,000	858,960	2,574,000	721,760
-	294	Pakistan Petroleum Limited	-	-	23,467	17,387
20,000	-	Pakistan Refinery Limited	675,141	464,000	-	-
-	2,855	Pakistan State Oil Company Limited	-	-	510,187	316,379
1,837,553	1,932,953	Pakistan Stock Exchange Limited	17,193,327	23,544,178	18,520,154	14,303,852
-	41,000	Power Cement Limited	-	-	405,080	188,190
-	1,600	Shell Pakistan Limited	-	-	280,320	185,040
-	289,000	Silk Bank Limited	-	-	360,029	289,000
-	13,000	Siddiqsons Tin Plate Limited	-	-	115,413	77,090
-	2,500	Sitara Peroxide Limited	-	-	48,703	30,925
5,000	-	Sui Northern Gas Pipelines Limited	354,950	317,350	-	-
-	1,000	Sui Southern Gas Company Limited	-	-	16,171	8,390
-	50,003,000	Summit Bank Limited	-	-	167,406,850	87,505,250
90	-	Telecard Limited	650	650	-	-
2,000	-	TPL Corp Limited	11,840	9,380	-	-
523,374	538,374	TRG Pakistan Limited	26,101,483	33,475,357	26,852,422	49,600,397
-	1,013	Unity Foods Limited	-	-	23,381	15,833
105,565	230,000	Worldcall Telecom Limited	236,141	133,012	322,132	250,700
57,748,491	58,132,609		342,310,839	187,140,403	[illegible]	[illegible]

16.3 Fair value of shares pledged with banking companies against various short term running finance facilities as at June 30, 2024 amounted to Rs. 834.078 million (2023: Rs. 893.7 million). Total value of pledged securities with financial institutions indicating separately securities belonging to customers and Company are as under:

	June 30, 2024		June 30, 2023	
	No. of securities	Amount (Rupees)	No. of securities	Amount (Rupees)
Customers	179,382,812	654,881,994	186,068,718	745,357,803
Company	53,294,956	179,196,936	52,507,147	148,348,888
	232,677,768	834,078,930	238,575,865	893,706,691

	Note	2024	2023
		(Rupees)	
17. TRADE DEBTS			
Receivable from client on behalf of;			
Purchase of shares on behalf of clients		1,496,430,490	1,671,004,225
Money market and Forex Brokerage		7,740,376	5,621,952
		1,504,170,866	1,676,626,177
Considered doubtful		16,513,282	-
		1,520,684,148	1,676,626,177
Provision for expected credit losses	17.1	(16,513,282)	(16,513,282)
		1,487,657,584	1,660,112,895

17.1 Provision against expected credit losses

	2024	2023
Opening	16,513,282	16,513,282
Charge for the year	-	-
Closing	16,513,282	16,513,282

17.2 Treatment of amount receivable from customers

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

17.3 The Company have equity securities under custody having fair value of Rs. 3.077 billion (30 June 2023: Rs. 2.977 billion) owned by its clients as collaterals against trade debts. The aging analysis of the trade receivable from equity clients as at the reporting date is as follows:

	June 30, 2024		June 30, 2023	
	Gross	Impairment	Gross	Impairment
	(Rupees)			
Past due 1 day - 30 days	1,490,051,339	-	1,351,001,547	-
Past due 31 days - 60 days	3,774,891	-	109,986,729	-
Past due 61 days to 90 days	1,121,400	-	39,668,796	-
Past due 91 days to 180 days	4,206,236	-	8,798,113	-
Past due 180 days	18,997,428	16,513,282	161,569,040	16,513,282
Total	1,518,151,294	16,513,282	1,671,004,225	16,513,282

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17.4 This includes an amount of Rs. 1,015,139 (2023: Rs. 2,172,623) receivable from related parties of the Company. The breakup of which is as follows:

Name of client	2024	2023
	----------- (Rupees)	-----------
Mr. Pervez Mirza Chaghtai	**981**	529
Mr. M. Naeem Mehmood Shahid	**1,014,158**	2,172,094
	1,015,139	2,172,623

18. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

		2024	2023
Advances to staff - secured		**16,288,971**	14,819,672
Trade deposit	18.1	**56,458,684**	39,195,451
Prepayments		**516,738**	692,110
Other deposits and receivables		**8,973,536**	6,471,774
		82,237,929	61,179,007

18.1 This represent deposit with National Clearing Company Pakistan Limited against the exposure margin in respect of trade in future and ready market. These deposits carry profits at rates ranging from 4.5% to 15% (2023: 4.5% to 15%)

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		Note	2024	2023
			-------- (Rupees) --------	
19.	**CASH AND BANK BALANCES**			
	Cash in hand		**2,818,482**	1,662,472
	At banks:			
	- Client accounts current		**153,716,290**	88,121,087
	- House Current accounts		**3,876,114**	2,415,471
	- House Saving accounts	19.1	**815,531**	1,483,462
			161,226,417	93,682,492

19.1 The interest rates on saving accounts range from 6% to 20% per annum (2023: 6% to 20%).

19.2 Detail of customer assets held in designated bank accounts and CDC are as follows:

	2024	2023
	---------- (Rupees) ----------	
Customers assets held in the designated bank accounts	**153,716,290**	88,121,087
Customers assets held in the CDC (in numbers)	**759,567,204**	789,235,230
Customers assets held in the CDC (in rupees)	**3,356,727,237**	2,842,790,570

		Note	2024	2023
20.	**OPERATING REVENUE**			
	Equity Brokerage commission		**155,681,735**	105,917,845
	Inter-bank brokerage commission		**26,712,145**	16,997,023
	Sales tax on income		**(20,983,367)**	(15,978,933)
			161,410,513	106,935,935
21.	**ADMINISTRATIVE AND OPERATING EXPENSE**			
	Salaries, benefits and other allowa	21.1	**77,618,519**	81,703,870
	Fee for directors meetings		**-**	225,000
	Insurance		**1,028,087**	986,419
	Utilities		**4,309,943**	3,634,352
	Printing and stationery		**1,172,018**	1,061,215
	Entertainment		**2,416,209**	2,019,964
	Communication		**8,541,714**	6,166,690
	Vehicle running		**6,124,863**	5,032,241
	Repairs and maintenance		**7,920,189**	4,546,442
	Travelling and conveyance		**1,238,322**	936,040
	Depreciation on right-of-use asset		**1,878,065**	1,766,295
	Legal and professional charges		**14,626,971**	18,783,307
	Fee and subscriptions		**3,381,083**	2,629,102
	Auditors' remuneration	21.2	**743,084**	646,160
	Rent, rates and taxes		**5,862,359**	6,948,284
	Depreciation		**3,675,613**	4,273,585
	Transaction and settlement cost		**14,873,941**	9,154,735
	Business promotion		**2,749,145**	5,060,795
	Miscellaneous		**-**	3,667,531
			158,160,124	159,242,027

21.1 This include remuneration to Chief Executive Officer amounting to Rs 2,720,000 (2023: Rs. 2,520,000).

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		2024	2023
		-------- (Rupees) --------	
21.2	**Auditors' remuneration**		
	Statutory audit fee	**634,800**	552,000
	Sindh sales tax @ 8% (2023: 8%)	**50,784**	44,160
	Out-of-pocket expenses	**57,500**	50,000
		743,084	646,160

21.3 Donations do not include any donee in whom any director or his spouse has any interest.

		2024	2023
22.	**FINANCE COST**	-------- (Rupees) --------	
	Markup on short term borrowings	**300,080,886**	240,441,908
	Markup on lease liability	**238,296**	191,740
	Bank charges	**858,671**	495,847
		301,177,853	241,129,495
23.	**OTHER INCOME**		
	Income from financial assets		
	Return on short term investment	**73,449**	21,756
	Return on margin financing & MTS	**7,720,689**	5,247,714
	Dividend income	**2,938,008**	11,720,480
	Return on cash margins with PSX & PMEX	**9,474,319**	5,089,351
	Profit from profit and loss sharing account	**206,394**	161,077
		20,412,859	22,240,378
	Income from non-financial assets		
	Gain on disposal of fixed assets	**5,803,599**	1,711,866
		26,216,458	23,952,244
24.	**TAXATION**		
	- Current	**(5,704,379)**	(11,188,293)
	- Prior years	**(372,948)**	(1,174,395)
	- Deferred	**3,689,156**	5,439,733
		(2,388,171)	(6,922,955)

24.1 The Company has filed income tax return for the tax year 2023 (financial year ended June 30, 2023) which is deemed to have been assessed under the Income Tax Ordinance, 2001 unless selected by the taxation authorities for audit purposes.

24.2 The relationship between tax expense and accounting profit has not been presented in these financial statements as the total income falls under minimum tax regime of the Income Tax Ordinance, 2001.

25. EARNINGS PER SHARE - BASIC AND DILUTED

		2024	2023
Profit after taxation for the year	Rupees	**(9,817,631)**	21,684,304
Weighted average number of ordinary shares	Number of shares	**14,413,600**	14,413,600
Earning per share	Rupees	**(0.68)**	1.50

25.1 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Company, since there are no convertible instruments in issue as at June 30, 2024 and June 30, 2023 which would have any effect on the earnings per share.

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26. REMUNERATION OF THE CHIEF EXECUTIVE AND DIRECTORS

The aggregate amounts charged in these financial statements in respect of remuneration including benefits applicable to the Chief Executive, Directors and Executives of the Company are given below:

	2024			2023		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	---------- (Rupees) ----------					
Managerial remuneration	2,720,000	-	23,692,783	2,520,000	-	29,167,994
Fee for attending meetings	25,000	50,000	-	50,000	175,000	-
	2,745,000	50,000	23,692,783	2,570,000	175,000	29,167,994

26.1 The Chief Executive Officer is provided with the Company maintained car, in accordance with the Company's policy.

27 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

- Credit risk
- Liquidiy risk
- Market risk
- Operational risk

27.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placement or other arrangements to fulfill their obligations. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

Exposure to credit risk

Credit risk of the Company arises principally from trade debts, loans and advances, trade deposits, bank balances and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits accordingly to their worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

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The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk as disclosed in note 17.3 which ultimately affects the recoverability of trade debts. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The maximum exposure to credit risk at the reporting date is as follows:

	Note	Carrying amount 2024	Carrying amount 2023
		(Rupees)	
Long term deposits		**17,507,979**	17,907,979
Short term investment		**202,412,863**	187,018,436
Receivable against Margin Financing Transactions		**40,801,293**	11,215,526
Trade debts		**1,487,657,584**	1,660,112,895
Advances, deposits and other receivables		**82,237,929**	61,179,007
Bank balances		**158,407,935**	92,020,020
		1,989,025,583	2,029,453,863

27.1.1 The aging of trade debts has been disclosed in note 17.3 to the financial statements. No impairment has been recognized except as disclosed in respect of these debts as the security against the same is adequate or counter parties have sound financial standing.

All balances are denominated in local currency.

27.1.2 Bank balances

The credit quality of the Company's cash and cash equivalents, held with various commercial banks and financial institutions is assessed with reference to external credit ratings thereof, ranging from AAA+ to A+ assigned by reputable credit rating agencies.

Credit rating and Collaterals

Bank balances are only held with reputable banks having sound credit ratings.The credit quality of company's bank balances can be assessed with reference to external credit rating aoencies are as follows:

	Rating Agency	Long Term Rating	Short Term Rating	Rupees	%
Askari Bank Limited	PACRA	AA+	A1+	93,605,399	65.49%
Bank Al Falah	PACRA	AAA	A1+	6,750,918	4.72%
Bank Al Habib	PACRA	AAA	A1+	280,441	0.20%
Bank Islami Limited	PACRA	AA-	A1	242,297	0.17%
Bank Of Khyber	PACRA	A+	A1	151,516	0.11%
Dubai Islamic Bank	VIS	AA	A-1+	5,271,476	3.69%
Faysal Bank Limited	PACRA	AA	A1+	3,003,120	2.10%
Habib Bank Limited	VIS	AAA	A-1+	8,813,709	6.17%
Habib Metropolitant Bank	PACRA	AA+	A1+	7,548,101	5.28%
JS Bank Limited	PACRA	AA	A1+	630,133	0.44%
MCB Bank Limited	PACRA	AAA	A1+	5,368,453	3.76%
Meezan Bank Limited	VIS	AAA	A-1+	11,264,745	7.88%

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27.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulties 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 the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities:

	2024					
Financial liabilities	**Carrying amount**	**Contractual cash flows**	**Less than six months**	**Up to one year**	**One to five years**	**More than five years**
	---Rupees---					
Staff retirement benefits	40,911,493	40,911,493	-	-	40,911,493	-
Trade creditors, accrued and other	443,866,254	443,866,254	443,866,254	-	-	-
Accrued mark-up	106,205,652	106,205,652	106,205,652	-	-	-
Short term borrowings	1,255,774,951	1,255,774,951	1,255,774,951	-	-	-
Lease liability	838,738	838,738	838,738	-	938,909	-
	1,847,597,088	1,847,597,088	1,806,685,595	-	41,850,402	-

	2023					
Financial Liabilities	Carrying amount	Contractual cash flows	Less than six months	Up to one year	One to five years	More than five years
	---Rupees---					
Staff retirement benefits	33,706,000	33,706,000	-	-	33,706,000	-
Trade creditors, accrued and other	353,061,393	353,061,393	353,061,393	-	-	-
Accrued mark-up	69,570,789	69,570,789	69,570,789	-	-	-
Short term borrowings	1,403,578,497	1,403,578,497	1,403,578,497	-	-	-
Lease Liability	1,898,987	1,898,987	1,898,987	-	505,518	-
	1,861,815,666	1,861,815,666	1,828,109,666	-	34,211,518	-

27.3 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 a change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company manage market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines. The Company is exposed to interest rate risk and other price risk only.

27.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was as follows:

	Carrying amount	
	2024	**2023**
Variable Rate Investment	(Rupees)	
- Bank balances in saving accounts	**815,531**	**1,483,462**

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Sensitivity analysis

The Company does not have any variable rate financial instrument at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect the profit or loss.

A summary of the Company's interest rate gap position, categorized by the earlier of contractual re-pricing or maturity dates as at the year end was as follows:

	Rate		Carrying values	
	2024	2023	**2024**	2023
			---------- (Rupees) ----------	
Financial assets				
Receivable against margin financing	16% to 31%	10% to 18%	**40,801,293**	11,215,526
Bank balances	6% to 20%	6% to 20%	**815,531**	1,483,462
			41,616,824	12,698,988
Financial liabilities				
Short term borrowing	21% to 26%	16% to 26%	**1,255,774,951**	1,403,578,497
			1,255,774,951	1,403,578,497
Cumulative gap			**(1,214,158,127)**	(1,390,879,509)

27.3.2 Price risk

Other price risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market prices (other than 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's investments in listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities.The Company manages the risk through portfolio diversification, as per recommendation of Investment Committee of the Company. The Committee regularly monitors the performance of investees and assess their financial performance on an on-going basis.

27.3.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company, at present, is not exposed to currency risk as all transactions are carried out in Pak Rupees.

27.4 Operational risk

Operational risk is the risk of direct and indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risk arise from all of the Company's activities.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles
- requirement for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirement for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

27.5 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.
The carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value.
The Company measures fair value of its financial and non-financial assets that are measured at fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:
Level 1: Quoted market price (unadjusted) in an active market.
Level 2: Valuation techniques based on observable inputs
Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of assets that are traded in active markets are based on quoted market prices.

The following table shows fair value of financial assets and financial liabilities, including their levels in the fair value heirarchy.These financial assets and financial liabilities except, short term investments, long term investments and gratuity provision are carried at carrying value and their fair value is approximate to carrying value.

	June 30, 2024				Fair Value		
Balance Sheet Financial Instruments	Assets at fair value through profit or loss	Assets at fair value through other comprehensive income	Assets at amortised cost	Total	Level 1	Level 2	Level 3
	(Rupees)						
Financial Assets							
Long term deposits	-	-	17,507,979	17,507,979			
Short term investments	15,272,400	187,140,463	-	202,412,863	15,272,400	-	-
Receivable against margin finance transactions	-	-	40,801,293	40,801,293			
Trade debts	-	-	1,487,657,584	1,487,657,584	-	-	-
Advances, deposits, prepayments and other receivables	-	-	82,237,929	82,237,929	-	-	-
Cash and bank balances	-	-	161,226,417	161,226,417	-	-	-
	15,272,400	187,140,463	1,789,431,202	1,991,844,065	15,272,400	-	-

Financial liabilities							
Staff retirement benefits	-	-	40,911,493	40,911,493	-	-	-
Trade creditors, accrued and other liabilities	-	-	443,866,254	443,866,254	-	-	-
Accrued markup	-	-	106,205,652	106,205,652	-	-	-
Short term borrowings	-	-	1,255,774,951	1,255,774,951	-	-	-
Current portion of lease liability			838,738	838,738	-	-	-
	-	-	1,847,597,088	1,847,597,088	-	-	-

	June 30, 2023				Fair Value		
Balance Sheet Financial Instruments	Assets at fair value through profit or loss	Assets at fair value through other comprehensive income	Assets at amortised cost	Total	Level 1	Level 2	Level 3
	(Rupees)						
Financial Assets							
Long term deposits	-	-	18,837,975	18,837,975	-	-	-
Short term investments	2,897,574	187,018,436	-	189,916,010	2,897,574	-	-
Receivable against margin finance transactions	-	-	24,109,686	24,109,686	-	-	-
Trade debts	-	-	1,224,765,094	1,224,765,094	-	-	-
Advances, deposits, prepayments and other receivables	-	-	28,270,626	28,270,626	-	-	-
Cash and bank balances	-	-	97,913,513	97,913,513	-	-	-
	2,897,574	187,018,436	1,393,896,898	1,583,812,908	2,897,574	-	-
Financial Liabilities							
Staff retirement benefits	-	-	32,706,000	32,706,000	-	-	-
Trade creditors, accrued and other liabilities	-	-	551,153,630	551,153,630	-	-	-
Accrued markup	-	-	48,810,576	48,810,576	-	-	-
Short term borrowings	-	-	1,170,647,291	1,170,647,291	-	-	-
Current portion of liability against leased assets	-	-	1,716,346	1,716,346	-	-	-
	-	-	1,797,034,443	1,797,034,443	-	-	-

28. CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios and optimal capital structures in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Furthermore, the Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

Net capital requirements of the Company are set and regulated by PSX. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities. The Company manages its net capital requirements by assessing its capital structure against required capital level on a regular basis.

29. BASE MINIMUM CAPITAL

In compliance with the Regulation 19.3 of the Rule Book of Pakistan Stock Exchange Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker under Securities Brokers (Licensing and Operations) Regulations, 2016 is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). As per the said regulation, as at 30 June 2024, the Company is required to maintain BMC of Rs. 27.73 million.

The notional value of TREC, cash deposit and breakup value of shares for the purpose of BMC is determined by PSX as under:

		2024	2023
		(Rupees)	
Trading Right Entitlement		-	2,500,000
Cash Deposit	15.1	**11,655,979**	12,055,979
Securitized PSX Shares		**17,146,083**	15,394,695
		28,802,062	**29,950,674**

		2024	2023
		(Rupees)	
30. Capital Adequacy Level			
Total assets	30.1	**2,072,636,240**	2,106,774,544
Total liabilities		**(1,848,535,997)**	(1,865,018,925)
		224,100,243	241,755,618

30.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by Pearl securities limited as at year ended 30 June 2024 as determined by Pakistan Stock Exchange has been considered.

31 LIQUID CAPITAL BALANCE

The liquid capital statement has been prepared in accordance with regulation 6(3) and schedulle III of the Securities Broker (Liscensing and Operations) Regulation, 2016.

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STATEMENT OF LIQUID CAPITAL WITH THE COMMISSION AND THE SECURITIES EXCHANGE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	40,655,724	40,655,724	-
1.2	Intangible Assets	2,750,000	2,750,000	-
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. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	202,412,863	67,478,470	134,934,393
	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 Securites Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	**Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.** (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC	16,405,979	15,334,853	1,071,126
1.9	Margin deposits with exchange and clearing house.	56,458,684		56,458,684
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	45,149,973	45,149,973	-
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.	-	-	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation . (iii) In all other cases 100% of net value	19,117,722	-	16,288,971
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.	-	-	-
1.17	**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. ***i. Lower of net balance sheet value or value determined through adjustments.***	40,801,293	7,161,381	33,639,912
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***	-	-	-
	iii. Incase receivalbes are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haricut***	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	1,435,281,488	-	1,435,281,488
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. ***v. Lower of net balance sheet value or value determined through adjustments***	74,096,900	8,338,889	65,758,011
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. ***vi. Lower of net balance sheet value or value determined through adjustments***		-	-

1.18	**Cash and Bank balances**			
	i. Bank Balance-proprietary accounts	4,691,645	-	4,691,645
	ii. Bank balance-customer accounts	153,716,290	-	153,716,290
	iii. Cash in hand	2,818,482	-	2,818,482
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 alloted or are not included in the investments of securities broker.	-	-	-
1.20	**Total Assets**	2,094,357,044	186,869,290	1,904,659,002
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	-	-	-
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	138,377,292	-	138,377,292
	ii. Accruals and other payables		-	
	iii. Short-term borrowings	285,938,593	-	285,938,593
	iv. Current portion of subordinated loans	19,550,369	-	19,550,369
	v. Current portion of long term liabilities	1,361,980,603	-	1,361,980,603
	vi. Deferred Liabilities		-	-
	vii. Provision for taxation	838,738	-	838,738
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	**Non-Current Liabilities**			
	i. Long-Term financing	-	-	-
	ii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	iii. Staff retirement benefits	-	-	-
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nill in all other cases	40,911,493	40,911,493	-
2.4	**Subordinated Loans**			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	46,000,000	46,000,000	-
2.5	**Advance against shares for Increase in Capital of Securities broker:** 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	**Total Liabilites**	1,893,597,088	86,911,493	1,806,685,595
3. Ranking Liabilities Relating to :				
3.1	**Concentration in Margin Financing** The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total finances. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities			18,431,502
3.2	**Concentration in securites lending and borrowing** 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 (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)	-	-	-
3.3	**Net underwriting Commitments** **(a) in the case of right issuse :** if the market value of securites 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 issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment **(b) in any other case :** 17.5% of the net underwriting commitments	-	-	-
3.4	**Negative equity of subsidiary** The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions** 5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-

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	Repo adjustment			
3.7	**In the case of financier/purchaser** the total amount receivable under Repo less the 110% of the market value of underlying securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
	Concentrated proprietary positions			
3.8	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	-	-	4,615,958
	Opening Positions in futures and options			
3.9	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
	Short sell positions			
3.10	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietory positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilites**	-		23,049,459

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	1,904,655,002
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(1,806,685,595)
(iii) Less: Total ranking liabilities (series number 3.11)	(23,049,459)
	74,923,947

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32. SHARES OF CLIENTS APPEARING IN CDC HOUSE ACCOUNT

	2024		
	Shares appearing in CDC House A/C	**Shares of the Company**	**Shares of the clients held by the Company**
	No. of shares		
AKD Hospitality Limited *(formerly AKD Capital Ltd)*	**200,000**	**-**	**200,000**
Bank Makrammah Limited	**66,822,946**	**-**	**66,822,946**
TRG Pakistan Limited	**524,930**	**523,374**	**1,556**
	67,547,876	**523,374**	**67,024,502**

	2023		
	Shares appearing in CDC House A/C	Shares of the Company	Shares of the clients held by the Company
	No. of shares		
AKD Hospitality Limited *(formerly AKD Capital Ltd)*	200,000	-	200,000
Bank Makrammah Limited	66,822,946	-	66,822,946
TRG Pakistan Limited	539,930	538,374	1,556
	67,562,876	538,374	67,024,502

33. BALANCES WITH RELATED PARTIES

Related parties comprise directors and their close family members, major shareholders of the Company, key management personnel and other companies under common management. Transactions with related parties are on arm's length. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Remuneration of chief executive, directors and executives are disclosed in note 26 to these financial statements. Other transactions with related parties are as follows:

Commission charged during the year	**Relationship**	**2024**	2023
		----- Rupees -----	
Mr. Pervez Mirza Chaghtai	Director	**-**	-
Mr. M. Naeem Mehmood Shahid	Director	**998**	13,518
Safeer Ahmed	Director	**9,734**	3,565

Balance as at 30-June	**Relationship**	**2024**	2023
		----- Rupees -----	
Mr. Pervez Mirza Chaghtai	Director	**981**	529
Mr. M. Naeem Mehmood Shahid	Director	**1,014,158**	2,172,094
Safeer Ahmed	Director	**(116)**	195

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34. OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker.

The Chief operating decision maker is responsible for allocating resources and assessing performance of operating segments.

The internal reporting provided to chief operating decision maker relating to company's assets, liabilities and performance is prepared on a consistant basis with the measurement and recognition principles of approved accounting standarads as applicable in Pakistan.

There were no changes in the reportable segments during the year.

All non-current assets of the Company as at June 30, 2024 are located in Pakistan.

35. DISCLOSURE UNDER REGULATION 5(4) OF RESEARCH ANALYST REGULATIONS, 2015

At present,the company employs 3 membes (2023: 4) in its research department including one Head of Research, one Analysts and one Database Officer. All members report to Head of Research who in turn reports to CEO.

Compensation structure of research analyts is flat and is subject to qualfication, experience and skillset of the person. However, the compensation of anyone employed in the research department does not in any way depend on the contents / outcome of research report.

During the year ended 30 June 2024, the personnel employed in the Research Department have drawn an aggregate salary and benefits amounting to Rs. 2.29 million (2023: Rs. 5.42 million), which comprises basic salary, medical allowances, gratuity and other benefits as per Company policy.

36. NUMBER OF EMPLOYEES

	2024	2023
	----- Number -----	
Total number of employees at the June 30	60	62
Average number of employees during the year	61	64

37. GENERAL

The corresponding figures have been rearranged / reclassified, wherever necessary, for better presentation.

Reclassified from	Reclassified from	Amount
Taxation	Levies	1,758,072

38. AUTHORIZATION FOR ISSUANCE

These financial statements have been authorized for issue by the Board of Directors of the Company on 31 OCT 2024.

CHIEF EXECUTIVE OFFICER ____________ DIRECTOR ____________