

VALUE STOCK AND COMMODITIES (PVT) LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024

Value Stock and Commodities (Private) Limited
Statement of Financial Position
As at December 31, 2024

Note	(Un-Audited) December 31, 2024	(Audited) June 30, 2024
	-----Rupees -----	
8	44,319,623	20,813,895
9	3,750,000	3,750,000
	38,747,831	39,119,403
	6,244,854	7,825,001
	93,062,309	71,508,300
10	53,314,757	2,522,077
11	2,285,488	2,347,488
12	73,466,191	34,558,668
	189,568	
14	148,859,580	73,628,384
15	90,443,828	42,707,640
	368,559,412	155,764,257
	461,621,721	227,272,557
16	150,000,000	150,000,000
16	100,000,000	100,000,000
	-	-
	126,994,177	62,831,181
	226,994,177	162,831,181
	-	-
	50,000,000	13,300,000
17	18,325,000	-
	8,511,329	1,535,318
18	157,791,215	49,606,058
	184,627,544	51,141,376
	-	-
	234,627,544	64,441,376
	461,621,721	227,272,557

The annexed notes from 1 to 25 form an integral part of these financial statements

Chief Executive Officer

Director



Value Stock and Commodities (Private) Limited
Statement of Profit or Loss
For the period ended December 31, 2024

		December 31, 2024	December 31, 2023
		-----Rupees-----	
Operating revenue	19	57,037,883	17,532,636
Operating and administrative expenses	20	(35,902,417)	(13,801,758)
Operating profit / (loss)		21,135,466	3,730,878
Other operating income	21	52,425,380	24,881,713
Finance cost	22	(31,759)	(309,678)
Profit before levy and taxation		73,529,087	28,302,913
Levy			
- Minimum Tax/ ACT	23	(7,403,133)	
- Final Tax	23	(382,812)	
(Loss) / Profit before taxation		65,743,142	28,302,913
Income tax			
- Current Tax			
- For the year	23	-	-
- Prior year	23		
- Deferred Tax			
- Income/ (expense)	23	(1,580,147)	(1,632,728)
Profit/(loss) for the year		64,162,995	26,670,185

The annexed notes from 1 to 25 form an integral part of these financial statements


Chief Executive Officer


Director

Value Stock and Commodities (Private) Limited
Statement of Comprehensive Income
For the period ended December 31, 2024

<i>Note</i>	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
Profit for the year	64,162,995	26,670,185
Other comprehensive income		
<i>Items that will not be reclassified subsequently to statement of profit and loss</i>		
Unrealized appreciation during the year on remeasurement of investments classified at FVOCI- net of deferred tax	-	-
Total comprehensive profit/(loss) for the year	<u>64,162,995</u>	<u>26,670,185</u>

The annexed notes from 1 to 25 form an integral part of these financial statements


Chief Executive Officer


Director



Value Stock and Commodities (Private) Limited
Statement of Changes in Equity
For the period ended December 31, 2024

Issued, subscribed and paid up share capital	Capital reserves	Revenue reserves	Total
	Unrealized appreciation on remeasurement of investments classified at FVOCI	Accumulated profit / (losses)	

-----Rupees-----

Balance as at 01 July, 2024	100,000,000	-	10,000,608	110,000,608
Other comprehensive income for the year	-	-	-	-
Profit/(Loss) for the year	-	-	52,830,573	52,830,573
Balance as at 30 June, 2024	<u>100,000,000</u>	<u>-</u>	<u>62,831,181</u>	<u>162,831,181</u>
Balance as at 01 July, 2024	100,000,000	-	62,831,181	162,831,181
Transfer of Gain / (Loss) on disposal of equity investment at FV-OCI to Retain earnings	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Profit/(Loss) for the year	-	-	64,162,996	64,162,996
Balance as at December 31, 2024	<u>100,000,000</u>	<u>-</u>	<u>126,994,177</u>	<u>226,994,177</u>

The annexed notes from 1 to 25 form an integral part of these financial statements

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 Chief Executive Officer




 Director

Value Stock and Commodities (Private) Limited
Statement of Cash Flows
For the period ended December 31, 2024

	Note	Un-Audited December 31, 2024	Un-Audited December 31, 2023
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		73,529,087	28,302,913
Adjustments for non-cash and other items:			
Depreciation of property and equipment		-	-
Allowance for expected credit loss		-	-
Realized (gain) / loss on short term investments	21	(1,428,531)	-
Unrealized (gain) / loss on remeasurement of short term investments	21	(26,000,637)	(7,385,457)
Gain on sale of fixed assets		-	-
Loss on Sale of investment		-	-
Finance cost	22	31,759	309,678
		(27,397,409)	(7,075,779)
Operating profit / (loss) before working capital changes		46,131,678	21,227,134
Changes in working capital:			
Trade debts		(50,792,680)	518,820
Advances-considered good		62,000	(375,773)
Trade deposits and other receivables		(38,907,523)	(21,798,204)
Trade and other payables		108,185,157	29,608,295
		18,546,954	7,953,138
Cash generated from operations		64,678,632	29,180,272
Interest paid		(31,759)	(309,678)
Income taxes paid	13	(809,934)	(347,164)
		(841,693)	(656,842)
Net cash generated from operating activities		63,836,939	28,523,430
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(23,505,728)	(2,699,962)
Purchase of intangible assets		-	-
Proceeds from sale of operating fixed assets		-	-
Room rights in intangible		-	-
Purchase of securities for short term investment-net		(47,802,028)	(7,963,384)
Long-term deposits		371,572	(161,831)
Net cash (used in)/from investing activities		(70,936,184)	(10,825,177)
CASH FLOWS FROM FINANCING ACTIVITIES			
Settlement of / (obtained) finance lease		(189,568)	(6,074,964)
Obtained / (repayments) of due to related parties		18,325,000	(608,000)
Long term loan		36,700,000	-
Provided / (receipt) of due from related parties		-	7,060,000
Net cash used in financing activities		54,835,432	377,036
Net increase/ (decrease) in cash and cash equivalents		47,736,187	18,075,289
Cash and cash equivalents at the beginning of the year		42,707,640	19,514,709
Cash and cash equivalents at the end of the year	15	90,443,827	37,589,998

The annexed notes from 1 to 25 form an integral part of these financial statements


Chief Executive Officer


Director

Value Stock and Commodities (Private) Limited

Notes to the Financial Statements

For the period ended December 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

Value Stock and Commodities (Private) Limited (the "Company") was incorporated in Pakistan on March 30, 2006 as a Private Company under the repealed Companies Ordinance, 1984. The Company's registered office is situated at Office No. 200, 2nd Floor, 13/B1-B2, Value Tower, Ghalib Market, Gulberg III, Lahore.

The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited and Universal Membership Rights at Pakistan Mercantile Exchange Limited. The Company is principally engaged in the business of investment advisory, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

1.1 The geographical locations and addresses of company branches are as under:

Head Office: Office No. 200, 2nd Floor, 13/B1-B2, Value Tower, Ghalib Market, Gulberg III, Lahore.

Karachi Branch Office (PMEX): Room No. 103, Badar Commercial Street No. 1, Main 26 Street, DHA, Ext, Karachi.

Islamabad branch Office (PMEX): Office No. 3-A, Mezzanine Floor, Kashmir, Plaza, Jinnah Avenue, Blue Area, Islamabad

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

3 BASIS OF PREPARATION

3.1 Statement Of Compliance

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRS" or "IFRSs") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017, provisions of or directives issued under the Companies Act, 2017, and Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations"). In case requirements differ, the provisions or directives of the Companies Act, 2017 and/or the Regulations shall prevail.

3.2 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

Standards or Interpretations with no significant impact

Effective from annual period beginning on or after:

IAS 16 - Property plant and equipment (Amendments)	January 01, 2022
IAS 37 - Provisions, contingent liabilities and contingent assets(Amendments)	January 01, 2022
IAS 41 - Agriculture (Amendments)	January 01, 2022
IFRS 3 - Business combinations (Amendments)	January 01, 2022
IFRS 9 - Financial instruments: Classification and Measurement (Amendments)	January 01, 2022
IFRS 16 - Leases (Amendments)	January 01, 2022



New accounting standards / amendments and IFRS interpretations that are not yet effective

The following new accounting standards, interpretations and amendments to accounting and reporting standards are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments, interpretations and standards are, either not relevant to the Company's operations, or are not expected to have a significant impact on the Company's financial statements other than certain additional disclosures.

Standards or Interpretations	Effective from annual period beginning on or after:
IAS 1 - Presentation of financial statements (Amendments)	January 01, 2023
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 01, 2023
IAS 12 - Deferred tax related to assets and liabilities arising from single transaction (Amendments)	January 01, 2023
IAS 7 - Statement of Cash Flows (Amendments)	January 01, 2023
IFRS 17 - Insurance contracts (Amendments)	January 01, 2023
IFRS 7 - Financial Instruments	January 01, 2023
IFRS 16 - Leases (Amendments)	January 01, 2024

Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 17 - Insurance contracts

IFRS 1 - First Time Adoption of International Financial Reporting Standards

4 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except for the following material items:

- Investments in quoted equity securities (whether classified as financial assets measured at fair value through profit or loss, or through other comprehensive income or amortised cost), which are carried at fair value ;and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

5 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods in other cases. Judgments made by management in the application of approved accounting standards that may have a significant effect on the financial statements and estimates with significant risk of material adjustment in the next year are discussed in respective policy notes. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:



6.1 Depreciation method, rates and useful lives of property and equipment

The management of the Company reassesses useful lives, depreciation method, and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from those items.

6.2 Taxation

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

6.3 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

6.4 Expected credit losses

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

7.1 Property, plant and equipment

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair, maintenance and day-to-day servicing expenditures are charged to the profit and loss account during the year in which they are incurred.

Depreciation on all items of property and equipment is calculated using the reducing balance method, in accordance with the rates specified in Note 8 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from when the asset is available for use until the asset is disposed off.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on asset derecognition (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year in which the asset is derecognized.

The Company reviews the useful life and residual value of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on depreciation charge and impairment.

7.2 Intangible assets

Intangible assets with indefinite useful lives, including Trading Right Entitlement Certificate ("TREC") and Universal Membership Rights at Pakistan Mercantile Exchange Limited, are stated at cost less accumulated impairment losses, if any. An intangible asset is considered as having an indefinite useful life when, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, it is tested for impairment at each balance sheet date or whenever there is an indication that the asset may be impaired. Gains or losses on disposal of intangible assets, if any, are recognized in the profit and loss account during the year in which the assets are disposed of.



7.3 Financial instruments

Recognition and initial measurement

The Company, on the date of initial recognition, recognizes loans, debt securities, equity securities and deposits at the fair value of consideration paid. Regular-way purchases and sales of financial assets are recognized on the trade date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.

Classification and Measurement of Financial Assets

IFRS 9 eliminates the IAS 39 categories for financial assets (held-to-maturity, loans and receivables, held-for-trading and available-for-sale). Instead, IFRS 9 classifies financial assets into the following categories:

- Fair value through profit or loss ("FVTPL");
- Fair value through other comprehensive income ("FVOCI");
- Amortized cost;
- Elected at fair value through other comprehensive income (equities only); or
- Designated at FVTPL

Financial assets include both debt and equity instruments.

(ii) Subsequent Measurement

- **Debt Investments at FVOCI:** These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

- **Equity Investments at FVOCI:** These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

- **Financial assets at FVTPL:** These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognized in profit or loss.

- **Financial assets measured at amortized cost:** These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.



De-recognition

(i) Financial assets

The Company derecognizes 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.

(i) Financial liabilities

The Company derecognizes 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 noncash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention on the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Derivatives

Derivative instruments held by the Company comprise of future and forward contracts in the capital and money markets. These are stated at fair value at the date of statement of financial position. The fair value of the derivatives is equivalent to the unrealized gain or loss from marking the derivatives using prevailing market rates at the date of statement of financial position. The unrealized gains are included in other assets while unrealized losses are included in other liabilities in the statement of financial position. The corresponding gains and losses are included in the statement of profit or loss.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

7.4 Leases

For contracts entered into, or modified, on or after January 1, 2019; the Company assesses whether a contract contains a lease or not at the inception of a contract. The Company reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain to not to exercise that option.

The Company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of

The Company revises the lease term if there is a change in the non-cancellable period of a lease.



7.4.1 Company as a lessee

Recognition

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value as per the threshold set by the Company. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

Initial measurement

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Company under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the

Right-of-use

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

Subsequent measurement

Lease liability

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss account, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Right-of-use

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.



7.5 Impairment

7.5.1 Financial assets

The Company's financial assets that are subject to the impairment requirements of IFRS 9 are trade receivables, advisory and consultancy fee receivable.

The Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance for all above mentioned financial assets. The Company measures expected credit losses in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit and loss account, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

7.5.2 Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount - defined as the higher of the asset's fair value less costs of disposal and the asset's value-in-use (present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risk) - is estimated to determine the extent of the impairment loss.

Impairment losses recognized in prior periods are assessed at each reporting date to determine whether there are any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent of the carrying amount of the asset (or CGU) that would have been determined (net of depreciation / amortization) had no impairment loss been recognized.

7.6 Trade debts and receivables

Financial assets

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

Trade debts and other receivables

Trade debts and other receivables are stated initially 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.

7.7 Income tax

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using rates enacted or substantively enacted at the reporting date, and takes into account tax credits, exemptions and rebates available, if any. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessments framed / finalized during the year. The charge for current tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.



Deferred

Deferred tax is recognized using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated using rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized. Deferred tax is not recognized on temporary differences arising from 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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax is charged or credited to the income statement, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

The Company takes into account current income tax law and decisions taken by tax authorities. In 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 relevant amounts are disclosed as contingent liabilities.

7.8 Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, balances with banks in current and deposit accounts, stamps in hand, other short-term highly liquid investments with original maturities of less than three months and short-term running finances.

7.9 Share capital

Ordinary shares are classified as equity and recognised at their face value.

7.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. The amount recognized represents the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

7.11 Borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount unpaid at the reporting date.

7.12 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.



7.13 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

- Brokerage and commission income is recognized when brokerage services are rendered.
- Dividend income is recognized when the right to receive the dividend is established.
- Underwriting commission (if any) is recognized when the agreement is executed. Take-up commission is recognized at the time the commitment is fulfilled.
- Return on deposits is recognized using the effective interest method.
- Income on fixed term investments is recognized using the effective interest method.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from marking to market financial assets classified as financial assets at fair value through profit or loss are included in profit and loss during the period in which they arise.
- Income / profit on exposure deposits is recognized using the effective interest rate.

7.14 Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income.

7.15 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted and recorded at mutually agreed prices duly approved by the Board.



Un-audited December 31, 2024	Audited June 30, 2024
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-----Rupees-----

8 INTANGIBLE ASSETS

	Note		
PSX Trading Rights Entitlement Certificate ("TREC")	8.1	2,500,000	2,500,000
Impairment on TREC		-	-
		<u>2,500,000</u>	<u>2,500,000</u>
PMEX Trading Rights Certificate		1,250,000	1,250,000
		<u>3,750,000</u>	<u>3,750,000</u>

- 8.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. There is no active market for determination of value of TREC. TREC has been valued at notional value of Rupees 2.5 million notified in PSX Rule Book. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

9 LONG TERM DEPOSITS

	Note		
CDC membership deposit		100,000	100,000
NCCPL membership deposit		200,000	200,000
Trading deposits with PMEX		32,985,031	33,356,603
Margin deposits with PSX		157,800	157,800
Security deposit with PMEX		750,000	750,000
DFC initiation deposit		1,000,000	1,000,000
Other security deposits		3,555,000	3,555,000
		<u>38,747,831</u>	<u>39,119,403</u>

10 TRADE DEBTS

Trade receivables from customers against trading activities

Considered good	13.1	53,314,757	2,522,077
Considered doubtful	13.2	450,109	450,109
		<u>53,764,866</u>	<u>2,972,186</u>
Less: Allowance for expected credit loss	13.2	450,109	450,109
		<u>53,314,757</u>	<u>2,522,077</u>



- 10.1 The Company recognized a provision for doubtful debts after consideration of a number of factors, including (but not limited to) an analysis of historical bad debt experience, aging of the receivables portfolio, expected future write-offs, the nature and quantum of collateral held, and an assessment of specifically identifiable customer accounts considered at risk or uncollectible.

11 ADVANCES-CONSIDERED GOOD

Staff advances - unsecured	2,285,488	2,347,488
Advances & Prepayments	-	-
	<u>2,285,488</u>	<u>2,347,488</u>

12 TRADE DEPOSITS AND OTHER RECEIVABLES

Clearing House Deposits (Reg. & Future)	53,593,244	30,296,244
Margin trading system (MTS) receivable	2,147,545	747,473
N.C.H Clearing House	-	-
NCSS	17,725,402	3,514,951
Other receivable	-	-
	<u>73,466,191</u>	<u>34,558,668</u>

13 ADVANCE INCOME TAX

Opening balance	(1,535,318)	513,958
Collected / paid during the year	809,934	1,368,215
	<u>(725,384)</u>	<u>1,882,173</u>
Adjusted against tax liabilities	<u>(7,785,945)</u>	<u>(3,417,490)</u>
	<u>(8,511,329)</u>	<u>(1,535,318)</u>

- 13.1 Income tax assessments of the Company are deemed to be finalized as per tax returns filed up to tax year 2024. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities.

14 SHORT TERM INVESTMENTS

At fair value through profit or loss

Quoted securities avg. cost as at June 30, 2024	116,905,935	70,730,269
Movement in fair value	31,953,645	2,898,115
Quoted securities as at December 31, 2024	<u>148,859,581</u>	<u>73,628,384</u>

15 CASH AND BANK BALANCES

Cash in hand	24,706	6,680
Cash at banks		
Proprietary accounts	520,412	12,147,189
Client accounts	89,898,710	30,553,771
	<u>90,419,121</u>	<u>42,700,960</u>
	<u>90,443,828</u>	<u>42,707,640</u>

15.1



- 15.1 Clients' funds are segregated from the Company's own funds and held in designated bank accounts. The detail and bifurcation of cash balance at banks in current and saving accounts is as follows:

Cash at banks

Current accounts
Savings accounts

551,268	12,153,880
89,892,018	30,547,079
90,443,286	42,700,960

16 SHARE CAPITAL

16.1 Authorized capital

150,000 (2023: 150,000) ordinary shares of PKR 1,000/- each.

150,000,000	150,000,000
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16.2 Issued, subscribed and paid up share capital

100,000 (2023: 100,000) ordinary shares of PKR 1,000/- each, issued for cash

100,000,000	100,000,000
--------------------	--------------------

16.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	2024	2023	2024	2023
Mr. Kamran Gulzar	33,300	33,300	33.30%	33%
Mr. Khurram Gulzar	66,600	66,600	66.60%	66%
Mr. Muhammad Aqeel Ahmed	100	100	0.10%	1%
	100,000	100,000	100%	100%

17 DUE TO RELATED PARTIES

Mr. Kamran Gulzar
Mr. Khurram Gulzar
Mr. Aman Ullah

17.1

-	-
18,325,000	-
-	-
18,325,000	-

- 17.1 Due to related parties is short term, interest free and un-secured to meet the working capital requirements.

18 TRADE AND OTHER PAYABLES

Trade creditors
Withholding tax payable
Commission incentive payable
Accrued and other payables

149,614,631	44,935,936
6,354	9,699
808,809	380,352
7,361,420	4,280,071
157,791,215	49,606,058



19 OPERATING REVENUE

1. Brokerage income
2. Income from services

20 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, wages and benefits
Telephone, internet and other
Rent, rates and taxes
Printing and stationery
Postage and telephone
Travelling and conveyance
Legal and professional charges
Fee and subscription
Commission incentive expense
CDC / NCCPL / LSE charges
Provision for expected credit loss
Computer expenses
PMEX charges
Entertainment
Office expenses
Auditor's remuneration
Utilities
Charity & donation
Insurance
Miscellaneous expenses
Depreciation

(Un-Audited) December 31, 2024	(Un-Audited) December 31, 2023
49,902,080	14,323,492
7,135,803	3,209,143
<u>57,037,883</u>	<u>17,532,635</u>
12,293,753	6,013,698
310,573	220,607
6,566,921	1,676,829
97,607	49,823
53,836	87,586
1,381,877	378,400
897,505	268,770
400,450	205,400
3,065,227	883,998
10,702,564	1,477,415
-	-
52,000	121,900
453,777	106,513
381,401	57,892
(3,163,699)	357,514
-	-
1,075,054	76,537
1,365,000	585,000
397,784	277,327
(429,215)	956,550
-	-
<u>35,902,417</u>	<u>13,801,759</u>

8.1

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21 OTHER OPERATING INCOME / (EXPENSE)**Income from financial assets**

Dividend income	2,552,080	645,062
Profit on deposits with banks	4,637,137	1,616,121
Mark up on exposure deposits	17,730,995	-
UNREALISED LOSS ON SHORT TERM INVESTMENT	1,428,531	7,385,457
UNREALISED LOSS ON REMEASUREMENTS OF SECURITIES	-	15,287,361
REALISED GAIN ON SALE OF SECURITIES	26,000,637	-
Balances written off	-	(52,288)
Income from non-financial asset		
Profit on sale of fixed assets	-	-
Miscellaneous income	76,000	-
	52,425,380	24,881,713

22 FINANCE COST

Mark-up on lease finance facility	-	286,851
Bank charges	31,759	22,827
	31,759	309,678

23 TAXATION**Levy**

- Minimum Tax/ ACT	7,403,133
- Final Tax	382,812

Income tax**- Current Tax**

- For the year	-
- Prior year	-

- Deferred Tax

(Income) / expense	1,580,147	1,632,728
	9,366,092	1,632,728



24 General

Amounts have been rounded off to the nearest rupee, unless otherwise stated.

25 AUTHORIZATION

These financial statements were authorized for issue on _____ by the Board of Directors of the Company.



Chief Executive Officer



Director