

October 12, 2024  
81/2024

The Board of Directors,  
CMA SECURITIES (PVT)LIMITED,  
6-A, Block-IT, Ground Floor,  
Gulberg Heights, Gulberg-II,  
Lahore.

Dear Sirs,

**FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024**

We enclose two copies of the financial statements together with our initialed report to the members for the purpose of identification. We shall be pleased to sign our report in the present or amended form after:

- (a) The financial statements have been approved by the Board and signed by the Chief Executive and another designated director.
- (b) We have received management representation letter on the lines of the draft furnished to the Chief Financial Officer;and
- (c) Minutes of meeting of board of directors wherein these financial statements have been approved and director's report.

We wish to place on record our appreciation for the courtesy and cooperation extended to us by the company's personnel during the course of our audit.

Yours faithfully,

  
CHARTERED ACCOUNTANTS

### Opinion

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

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

### Basis for Opinion

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of 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;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the company was in compliance with the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 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 Muhammad Daoud.



CHARTERED ACCOUNTANTS

Lahore:

23 OCT 2024

UDIN: AR202410082etfdI1KSD

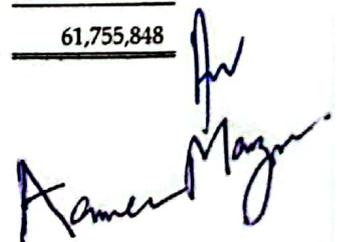
**CMA SECURITIES (PVT.) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	4	221,435	264,614
Intangible assets	5	2,536,480	2,545,600
Long term investment	6	31,590,217	42,757,556
Long term deposits	7	205,000	605,000
		34,553,132	46,172,770
<b>CURRENT ASSETS</b>			
Investment at fair value through profit or loss	8	22,584,056	14,396,250
Trade deposits, short term prepayments and current account balance with statutory authorities	9	236,656	-
Tax deducted at source/advance income tax	10	942,588	944,677
Cash and bank balances	11	2,827,991	242,151
		26,591,291	15,583,078
		61,144,423	61,755,848
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Share capital	12	35,000,000	35,000,000
Revenue reserve			
Un-appropriated profit		13,898,219	3,574,331
Capital reserve			
Fair value adjustment reserve		3,609,691	16,251,410
		52,507,910	54,825,741
Long term loan from director	13	5,000,000	5,000,000
		57,507,910	59,825,741
<b>NON CURRENT LIABILITIES</b>			
Deferred taxation	14	1,474,381	-
<b>CURRENT LIABILITIES</b>			
Deposits, accrued liabilities and advances	15	132,838	125,640
Trade and other payables	16	427,110	202,283
Loan from related party	17	1,602,184	1,602,184
Provision for taxation and levies	18	-	-
		2,162,132	1,930,107
<b>CONTINGENCIES AND COMMITMENTS</b>	19	-	-
		61,144,423	61,755,848

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

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

**CMA SECURITIES (PVT.) LIMITED  
STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees (Restated)
Commission income	20	41,976	-
Dividend income		6,165,644	2,906,269
Un-realised gain on remeasurement of investment		5,257,100	-
Capital gain on investment in listed securities		2,565,943	-
		<u>14,030,663</u>	<u>2,906,269</u>
Direct expenses	21	<u>(272,136)</u>	<u>(50,519)</u>
		13,758,527	2,855,750
Operating expenses	22	<u>(2,292,258)</u>	<u>(2,624,856)</u>
Other operating expenses	23	<u>(224,827)</u>	<u>(2,302,757)</u>
		<u>(2,517,085)</u>	<u>(4,927,613)</u>
<b>OPERATING PROFIT/ (LOSS)</b>		<u>11,241,442</u>	<u>(2,071,863)</u>
Finance cost	24	<u>(90)</u>	<u>(1,725)</u>
<b>PROFIT/ (LOSS) BEFORE LEVIES AND INCOME TAX</b>		11,241,352	(2,073,588)
Levies	25	(920,242)	(435,940)
<b>PROFIT/ (LOSS) BEFORE INCOME TAX</b>		<u>10,321,110</u>	<u>(2,509,528)</u>
Income tax	26	<u>2,778</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<u>10,323,888</u>	<u>(2,509,528)</u>
Earnings per share-basic and diluted	27	<u>29.50</u>	<u>(7.17)</u>

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

*Sanjiv Kumar*  
CHIEF EXECUTIVE



*Ankur Manoj*  
DIRECTOR

CMA SECURITIES (PVT.) LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before taxation and levies		11,241,352	(2,073,588)
<b>Adjustments of items not involving movements of cash:</b>			
Depreciation	4	43,180	37,471
Amortization	5.2	9,120	11,400
Dividend income		(6,165,644)	(2,906,269)
Unrealised gain on remeasurement of investment		(5,257,100)	-
Capital gain on sale of investment		(2,565,943)	-
Unrealised loss on remeasurement of investment	23	-	2,302,757
		<u>(13,936,387)</u>	<u>(554,641)</u>
<b>Operating cash Flows Before Working capital changes</b>		<b>(2,695,035)</b>	<b>(2,628,229)</b>
<b>(Increase) / Decrease in Working Capital</b>			
<b>(Increase) / decrease in current assets</b>			
Trade deposits, short term prepayments		(236,656)	-
<b>Increase / (decrease) in current liabilities</b>			
Deposits, accrued liabilities and advances		7,198	20,701
Trade and other payables		224,827	(15)
		<u>(4,631)</u>	<u>20,686</u>
<b>Cash used in from Operations</b>		<b>(2,699,666)</b>	<b>(2,607,543)</b>
Taxes/levies paid		(915,375)	(443,856)
Dividend received		6,165,644	2,906,269
		<u>2,550,603</u>	<u>(145,130)</u>
<b>Net Cash Generated From/(Used In) Operating Activities</b>		<b>2,550,603</b>	<b>(145,130)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		-	(100,950)
Investment at fair value acquired		(122,826,915)	-
Proceeds from sale of investment at fair value		122,462,152	-
Security deposit refunded		400,000	-
		<u>35,237</u>	<u>(100,950)</u>
<b>Net Cash Generated From/(Used In) Investing Activities</b>		<b>35,237</b>	<b>(100,950)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>2,585,840</b>	<b>(246,080)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>242,151</b>	<b>488,231</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	A	<b>2,827,991</b>	<b>242,151</b>
<b>A - Cash and Cash Equivalents</b>			
Cash and bank balances	11	2,827,991	242,151
		<u>2,827,991</u>	<u>242,151</u>

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

  
CHIEF EXECUTIVE



  
DIRECTOR

**CMA SECURITIES (PVT.) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2024**

	2024 Rupees	2023 Rupees
Profit/(loss) for the year	10,323,888	(2,509,528)
<b>Items that will not be reclassified subsequently to profit or loss account</b>	-	-
<b>Items that may be reclassified subsequently to profit or loss account</b>		
(Loss)/gain on available for sale investment	(11,167,339)	515,882
Less: Related deferred tax	(1,474,381)	-
Other comprehensive (loss)/income for the year	(12,641,720)	515,882
Total comprehensive loss for the year	(2,317,832)	(1,993,646)

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

*hooaherni*  
CHIEF EXECUTIVE



*Aamir Manzoor*  
DIRECTOR

**CMA SECURITIES (PVT.) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Paid up capital	Un-appropriated profit	Fair value adjustment reserve	Subtotal	Long term loan	Total
	----- (R u p e e s) -----					
Balance as at June 30, 2022	35,000,000	6,083,859	15,735,528	56,819,387	5,000,000	61,819,387
Loss after taxation	-	(2,509,528)	-	(2,509,528)	-	(2,509,528)
Other comprehensive income	-	-	515,882	515,882	-	515,882
Total comprehensive loss for the year	-	(2,509,528)	515,882	(1,993,646)	-	(1,993,646)
Balance as at June 30, 2023	35,000,000	3,574,331	16,251,410	54,825,741	5,000,000	59,825,741
Profit after taxation	-	10,323,888	-	10,323,888	-	10,323,888
Other comprehensive loss	-	-	(12,641,720)	(12,641,720)	-	(12,641,720)
Total comprehensive loss for the year	-	10,323,888	(12,641,720)	(2,317,832)	-	(2,317,832)
Balance as at June 30, 2024	35,000,000	13,898,219	3,609,691	52,507,910	5,000,000	57,507,910

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

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

**CMA SECURITIES (PVT.) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**1 COMPANY AND ITS OPERATION**

- 1.1 CMA Securities is a (Private) Limited company incorporated on May 25, 2006 under the repealed Companies Ordinance, 1984. It is engaged in the business of stock brokerage, investment counseling and register services. It is corporate TRE certificate holder of Islamabad Stock Exchange Limited. Registered office is situated at 6-A, Block-IT, Ground Floor, Gulberg Heights, Gulberg-II, Lahore. The company is holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange.

The company is holder of Trading Right Entitlement Certificate-TREC (Trade Only) of Pakistan Stock Exchange.

**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 Standard for Small and Medium Sized Entities (IFRS for SMEs) 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 for SMEs, 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 the historical cost convention except as disclosed in the accounting policy notes.

**2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

**2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires 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 and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.



judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

- Useful lives, residual values and depreciation method of property and equipment
- Useful lives, residual values and amortization method of intangible assets
- Impairment loss of non- financial assets other than inventories
- Valuation of investment in ordinary shares of ISE Financial Services Limited
- Provision for doubtful account receivables
- Estimation of provisions
- Estimation of contingent liabilities
- Current income tax expense, provision for current tax and recognition of deferred tax asset

### 3 MATERIAL ACCOUNTING POLICY INFORMATION

#### 3.1 PROPERTY AND EQUIPMENT

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

Depreciation is charged on reducing balance method at the rates mentioned in the relevant notes to the financial statements. Depreciation on additions is charged for the day in which an asset is ready to use while no depreciation is charged for the day in which an asset is disposed off. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Gain or loss on disposal of property and equipment, if any is taken to profit or loss.

#### 3.2 INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

##### 3.2.1 Membership card and offices

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

##### 3.2.2 Computer Software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method.

Amortization is charged when asset is available for use until asset is disposed off.

#### 3 METHOD OF PREPARATION OF CASH FLOW STATEMENT

The cash flow statement is prepared using indirect method.

#### 3.3 FINANCIAL ASSETS

Financial assets are classified in the following categories: Held-to-maturity, at fair value through profit or loss, available-for-sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

### 3.1 Held to Maturity

The investments with fixed maturity, if any, that the company has to positive intent and ability to hold to maturity. Held to maturity investments are initially measured at fair value plus transaction costs and are subsequently stated at amortized cost using the effective interest rate method less impairment, if any. These are classified as current and non-current assets in accordance with nature of investment.

### 3.3.2 At fair value through profit or loss

Investments classified as held for trading are included in the category of financial assets at fair value through profit or loss. These are listed securities that are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.

All investments are initially recognized at cost, being the fair value of the consideration given excluding acquisition charges with the investment. After initial recognition, investments are measured at their fair values. Unrealized gains and losses on investments are recognized in profit or loss of the period.

Fair values of these securities representing listed equity and debt securities are determined by reference to stock exchange quoted market prices at the close of the business on reporting date.

### 3.3.3 Available-for-sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial recognition at cost, these are premeasured at fair value. The Company uses latest stock exchange quotations to determine the fair value of its quoted investments whereas fair value of investments in un-quoted companies is determined by applying the appropriate valuation techniques. Gains or losses on available-for-sale investments are recognized directly in other comprehensive income until the investments are sold or disposed-off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously recognized in other comprehensive income, is re-classified from equity to profit or loss as re-classification adjustment.

### 3.3.3 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the statement of financial position.

## 3.4 FINANCIAL LIABILITIES

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

## 3.5 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 3.6 TRADE DEBTS AND OTHER RECEIVABLES

Trade and other receivables are recognised and carried at transaction price less an allowance for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

## PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

### 3.12 CONTINGENT LIABILITIES

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

### 3.13 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions denominated in foreign currencies are translated to Pakistan Rupees at the exchanges rate ruling at the date of transaction.

Monetary assets and liabilities in foreign currencies at reporting date are translated into Pakistan Rupees at exchange rates ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

### 3.14 IMPAIRMENT OF NON-FINANCIAL ASSETS

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the 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, consultancy and advisory fee, commission etc. are recognized as and when such services are provided.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains/(losses) arising on sale of investments are included in the profit or loss in the period in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as at financial assets at fair value through profit or loss are included in profit or loss for the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Other revenues are recorded, as and when due, on accrual basis.

### 3.16 BASIC AND DILUTED EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

### 3.17 RELATED PARTY TRANSACTIONS

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements.

### 3.18 TRADE DATE ACCOUNTING

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

### 3.19 CHANGE IN ACCOUNTING POLICY

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 and issued guidance - "Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of applicable reporting framework. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change except the following effect on statement of profit or loss:

	2024			2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy

#### Effect on statement of profit or loss

Profit/ (loss) before income tax	11,241,352	(920,242)	10,321,110	(2,073,588)	(435,940)	(2,509,528)
Levies	-	(920,242)	(920,242)	-	(435,940)	(435,940)
Income tax expense	(917,464)	920,242	2,778	(435,940)	435,940	-

**PROPERTY AND EQUIPMENT**

Particulars	Cost		Depreciation			WDV As at June 30, 2024		
	As at June 30, 2023	Additions	As at June 30, 2024	Rate %	As at June 30, 2023		Charge for the year	As at June 30, 2024
OWNED								
Furniture and fixtures	184,425	-	184,425	10	146,454	3,797	150,251	34,175
Office equipments	430,601	-	430,601	10	296,618	13,398	310,016	120,585
Computer Equipment	100,950	-	100,950	30	17,357	25,078	42,435	58,515
Electric installation	44,040	-	44,040	10	34,973	907	35,880	8,160
	<b>760,016</b>	<b>-</b>	<b>760,016</b>		<b>495,402</b>	<b>43,180</b>	<b>538,582</b>	<b>221,435</b>

**4.1 PROPERTY AND EQUIPMENT**

Particulars	Cost		Depreciation			WDV As at June 30, 2023		
	As at June 30, 2022	Additions	As at June 30, 2023	Rate %	As at June 30, 2022		Charge for the year	As at June 30, 2023
OWNED								
Furniture and fixtures	184,425	-	184,425	10	142,235	4,219	146,454	37,971
Office equipments	430,601	-	430,601	10	281,731	14,887	296,618	133,983
Computer Equipment	-	100,950	100,950	30	-	17,357	17,357	83,593
Electric installation	44,040	-	44,040	10	33,965	1,008	34,973	9,067
	<b>659,066</b>	<b>100,950</b>	<b>760,016</b>		<b>457,931</b>	<b>37,471</b>	<b>495,402</b>	<b>264,614</b>

**4.2 Allocation of Depreciation:**

Operating expenses

**22**

Note

Rupees  
**2024**

Rupees  
**2023**

**43,180**

**37,471**

	Note	2024 Rupees	2023 Rupees
<b>5 INTANGIBLE ASSETS</b>			
Trading right entitlement certificate (TREC)	5.1	2,500,000	2,500,000
Computer software	5.2	36,480	45,600
		<u>2,536,480</u>	<u>2,545,600</u>

5.1 It represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited without any additional payment, in lieu of TREC issued by the Islamabad Stock Exchange Limited, surrendered on, January 10, 2016 on the consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. This is carried at cost less accumulated Impairment.

	Note	2024 Rupees	2023 Rupees
<b>5.2 Computer software</b>			
<b>Cost:</b>			
Balance as at July 01,		75,000	75,000
Additions during the year		-	-
Balance as at June 30,		75,000	75,000
<b>Amortization:</b>			
Balance as at July 01,		29,400	18,000
Charge for the year		9,120	11,400
Balance as at June 30,		38,520	29,400
<b>Net book value</b>		<u>36,480</u>	<u>45,600</u>
<b>Rate of amortization</b>		<u>20%</u>	<u>20%</u>

## 6 LONG TERM INVESTMENT

### Unquoted shares- ISE Towers REIT Management Company Limited

Available for sale

Cost as at July 01,	6.1	26,506,146	26,506,146
Fair value adjustment	6.2	5,084,071	16,251,410
		<u>31,590,217</u>	<u>42,757,556</u>
<b>6.1 Particulars of investment</b>			
Cost		26,506,146	26,506,146
Opening balance		-	-
Disposal during the year		-	-
		26,506,146	26,506,146
<b>6.2 Fair value adjustment</b>			
Opening balance		16,251,410	15,735,528
Unrealized loss for the year		(11,167,339)	(515,882)
		5,084,071	16,251,410
		<u>31,590,217</u>	<u>42,757,556</u>

- 6.3 Pursuant to the promulgation of the Stock Exchanges (Corporation, Demutualization and Integration) Act, 2012 (The Act), The Islamabad Stock Exchange Limited, now ISE Towers REIT Management Company Limited allotted 3,034,603 shares of the face value of Rs. 10 each to the TREC holder. The divestment of the same will be made in accordance with the requirements of the Act within one year from the date of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. The Company has pledged 2,931,650 shares amounting Rs.30.52 million of ISE Towers REIT Management Company Limited with the Pakistan Stock Exchange to fulfill the Base Minimum Capital requirement.

The Company, as per its policy, carried out the valuation of the aforementioned investments. In this connection, the valuation technique used was Discounted Cash Flow of Earnings method. Assumptions and inputs used in the valuation are post-tax earnings, historic growth rate of earning, rate of return on equity, risk premium. Principal assumptions used in the valuation of above unquoted investments are based on current market/industry conditions in respect of discount rate and growth rate. Business net cash flow forecast over an indefinite (infinity) has been assumed after projection period of 5 years.

	Note	2024 Rupees	2023 Rupees
<b>7 LONG TERM DEPOSITS</b>			
Deposits with:			
Central Depository Company of Pakistan Ltd.		100,000	100,000
National Clearing Company of Pakistan Ltd.		-	400,000
Office building	7.1	105,000	105,000
		<u>205,000</u>	<u>605,000</u>

- 7.1 This represents security deposit with Mr. Azfar Manzoor - CEO having 35.86% shareholding of the company against free usage of the office building.

	Note	2024 Rupees	2023 Rupees
<b>8 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
Investment - listed securities			
Carrying value	8.1	23,341,121	24,666,581
Loss on remeasurement of fair value of investment as at June 30,	8.2	(757,065)	(10,270,331)
		<u>22,584,056</u>	<u>14,396,250</u>

8.1 Movement in cost of investment

Opening balance	24,666,581	24,666,581
Addition during the year	122,826,915	-
Redemption during the year	(124,152,375)	-
	<u>23,341,121</u>	<u>24,666,581</u>

8.2 Movement in fair value reserve:

Opening balance	(10,270,331)	(7,967,574)
Deficit on re-measurement of investment	-	(2,302,757)
Unrealized gain on remeasurement	5,257,100	-
Unrealized gain transferred on disposal	4,256,165	-
	<u>(757,066)</u>	<u>(10,270,331)</u>

8.1 This includes share with carrying value of Rs. 6,802,000 (2023: Rs. 3,044,000) which has been pledged with National Clearing Company of Pakistan Limited against exposure margins.

Note	2024 Rupees	2023 Rupees
<b>9 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES</b>		
EClear Services Limited	176,753	-
Sales tax receivable	59,903	-
	<u>236,656</u>	<u>-</u>
<b>10 TAX DEDUCTED AT SOURCE/ADVANCE INCOME TAX</b>		
Opening balance	944,677	936,760
Adjusted against prior year taxation	2,778	-
Deducted during the year		
Income taxes	-	-
Levies	915,375	443,857
	<u>915,375</u>	<u>443,857</u>
Adjustment made during the year		
Income taxes	-	-
Levies	(920,242)	(435,940)
	<u>(920,242)</u>	<u>(435,940)</u>
	<u>942,588</u>	<u>944,677</u>
<b>11 CASH AND BANK BALANCES</b>		
These were held as under:		
In hand	3,317	-
Cash at bank		
Current Accounts		
Pertaining to brokerage house	2,792,079	209,556
Pertaining to clients	32,595	32,595
	<u>2,824,674</u>	<u>242,151</u>
	<u>2,827,991</u>	<u>242,151</u>

	Note	2024 Rupees	2023 Rupees
<b>12 SHARE CAPITAL</b>			
<b>Authorized</b>			
350,000 (2023: 350,000) ordinary shares of Rs. 100 each		<u>35,000,000</u>	<u>35,000,000</u>
<b>Issued, subscribed and paid up</b>			
350,000 (2023: 350,000) ordinary shares of Rs. 100 each fully paid in cash		<u>35,000,000</u>	<u>35,000,000</u>

**12.1 Pattern of Shareholding:**

Categories of shareholders	Number of shares held		Number of shares held	
	2024	2023	2024	2023
<b>Chief Executive</b>				
Mr. Azfar Manzoor	36%	36%	125,522	125,522
<b>Director</b>				
Mr. Aamer Manzoor	36%	36%	125,520	125,520
<b>Shareholder</b>				
Mrs. Qaiser Sultana	28%	28%	98,958	98,958
	<u>100%</u>	<u>100%</u>	<u>350,000</u>	<u>350,000</u>

	Note	2024 Rupees	2023 Rupees
<b>13 LONG TERM LOAN FROM DIRECTOR</b>			
<b>From related party:</b>			
Mrs. Qaiser Sultana-Director	13.1	<u>5,000,000</u>	<u>5,000,000</u>
13.1 This represents interest free and un-secured loan obtained from the Director of the company. The loan is sub-ordinated to all other debts of the company. The loan is repayable at the discretion of the company.			

	Note	2024 Rupees	2023 Rupees
<b>14 DEFERRED TAXATION</b>			
<b>Deferred tax liabilities/(assets) arising due to:</b>			
Accelerated tax depreciation		120	-
Accelerated tax amortization		9	-
Taxable losses		(1,421,331)	-
Provincial workers' welfare fund		(337)	-
Alternative corporate taxes paid		(4,867)	-
Capital losses (quoted)		(146,021)	-
Unrealized loss on short term investments		(113,560)	(1,540,550)
Unrealized gain on long term investments		1,474,381	-
Deferred tax asset not recognised		<u>1,685,987</u>	<u>1,540,550</u>
		<u>1,474,381</u>	<u>-</u>
Balance as at July 01,		-	-
Add: Charge for the year in profit or loss		-	-
Add: Charge for the year in OCI		<u>1,474,381</u>	<u>-</u>
		<u>1,474,381</u>	<u>-</u>

14.1 At the year end, deductible temporary differences in respect of unrealised losses resulted in a net deferred tax asset of Rs. 1.68 million (2023: Rs. 1.54 million). However, deferred tax asset has not been recognized in the financial statements being prudent. Management is of the view to reassess the recognition of deferred tax asset as at June 30, 2025.

14.2 Business losses would expire as follows:

Accounting year to which business loss relates	Amount of business losses (Rupees)	Accounting year in which business loss will expire
2023	4,901,141	2029

14.3 Capital losses (quoted) would expire as follows:

Accounting year to which capital loss relates	Amount (Rupees)	Accounting year in which capital loss will expire
2024	973,472	2027

14.4 Alternate corporate tax would expire as follows:

Accounting year to which alternate corporate tax relates	Amount (Rupees)	Accounting year in which credits will expire
2024	4,867	2034

**15 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES**

Accrued expenses

	2024 Rupees	2023 Rupees
	132,838	125,640

**16 TRADE AND OTHER PAYABLES**

Creditors for sale of shares on behalf of clients  
Punjab worker's welfare fund payable

16.1

	2024 Rupees	2023 Rupees
	31,614	31,614
	395,496	170,669
	427,110	202,283

16.1 Creditors for sale of shares on behalf of clients include the following amount due to related parties having shareholding as disclosed in note 12.1.

Name of related party	Basis of relationship	Note	2024 Rupees	2023 Rupees
Mr. Azfar Manzoor	Chief Executive		24,663	24,663
Mr. Aamer Manzoor	Director		5,497	5,497
			30,160	30,160

	Note	2024 Rupees	2023 Rupees
<b>17 LOAN FROM RELATED PARTY</b>			
Unsecured			
Loan from Mr. Aamer Manzoor- Director	17.1	<u>1,602,184</u>	<u>1,602,184</u>
Balance as at July 01,		1,602,184	1,602,184
Add: Loan received during the year		<u>-</u>	<u>-</u>
		<u>1,602,184</u>	<u>1,602,184</u>
17.1 This represents interest free and un-secured loan obtained from director of the company to meet the working capital requirements of the company and has been utilised for the same purpose. The loan is payable on demand of the lender.			
	Note	2024 Rupees	2023 Rupees
<b>18 PROVISION FOR TAXATION AND LEVIES</b>			
Opening balance		-	-
Provision for the year in respect of income taxes and levies	26.1	920,242	435,940
Adjustment made during the year	10	<u>(920,242)</u>	<u>(435,940)</u>
		<u>-</u>	<u>-</u>
<b>19 CONTINGENCIES AND COMMITMENTS</b>			
<b>19.1 Contingencies</b>			
19.1.1 The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 8.00 million to Pakistan Stock Exchange (PSX) on behalf of the company to meet the Base Minimum Capital requirements.			
<b>19.2 Commitments</b>			
Contingencies and commitments are Rs.nil (2023: Rs.nil)			
		2024 Rupees	2023 Rupees
<b>20 BROKERAGE AND COMMISSION</b>			
Brokerage and commission - gross		48,693	-
Less: Sales tax		<u>(6,716)</u>	<u>-</u>
		<u>41,976</u>	<u>-</u>
	Note	2024 Rupees	2023 Rupees
<b>21 DIRECT EXPENSES</b>			
Central Depository Company of Pakistan Ltd.		2,847	32,094
EClear Services Limited		70,000	-
Psx charges		198,385	-
National Clearing Company of Pakistan Limited		<u>904</u>	<u>18,425</u>
		<u>272,136</u>	<u>50,519</u>

22 OPERATING EXPENSES	Note	2024 Rupees	2023 Rupees
Salaries and other benefits		1,050,000	1,110,000
Postage, telephone and telegram		169,994	173,560
Utility bills		393,306	324,629
Traveling and conveyance		24,090	23,440
Office expenses		118,997	186,161
Printing and stationery		10,650	84,973
Software maintenance		127,203	96,316
Legal and professional	22.1	215,725	373,234
Fee and subscription		95,550	88,720
Entertainment		34,443	114,951
Depreciation	4	43,180	37,471
Amortisation	9	9,120	11,400
		<u>2,292,258</u>	<u>2,624,856</u>

22.1 The audit fee and remuneration for other services included in the financial statements is as follows:

Amin, Mudassar & Co. Chartered Accountants	Note	2024 Rupees	2023 Rupees
Statutory audit		90,000	72,000
Certification fee		15,750	137,000
		<u>105,750</u>	<u>209,000</u>

23 OTHER OPERATING EXPENSES	Note	2024 Rupees	2023 Rupees
Unrealized loss on remeasurement of investment at fair value through profit or loss		-	2,302,757
Punjab workers' welfare fund		224,827	-
		<u>224,827</u>	<u>2,302,757</u>

24 FINANCE COST	Note	2024 Rupees	2023 Rupees
Bank charges		90	1,725

25 LEVIES	Note	2024 Rupees	2023 Rupees (Restated)
Alternative corporate tax		4,867	-
Final tax		915,375	435,940
		<u>920,242</u>	<u>435,940</u>

25.1 This represents portion of minimum taxes/alternative/final taxes paid under the provision of Income Tax Ordinance, 2001, representing levies in the financial statements.

26 TAXATION	2024 Rupees	2023 Rupees (Restated)
Income tax:		
-Current	-	-
-Prior	-	-
-Deferred	(2,778)	-
	<u>-</u>	<u>-</u>
	<u>(2,778)</u>	<u>-</u>

26.1 Reconciliation between current tax charged under applicable income tax law and its categorization as 'Income Tax' and 'Levies' is as follows:

Classified as:	Note	2024 Rupees	2023 Rupees (Restated)
Income tax	26	-	-
Levies	25	920,242	435,940
		<u>920,242</u>	<u>435,940</u>

26.2 No numeric tax rate reconciliation is presented in these financial statements for the current and prior year as the company is either liable to pay tax under final tax regime or alternate corporate tax under the Income Tax Ordinance, 2001.

27 EARNINGS PER SHARE-BASIC AND DILUTED	2024	2023
Profit/(loss) for the year-Rupees	<u>10,323,888</u>	<u>(2,509,528)</u>
Weighted average number of ordinary shares outstanding during the year-Numbers	<u>350,000</u>	<u>350,000</u>
Earnings per share-Rupees	<u>29.50</u>	<u>(7.17)</u>

28 NUMBER OF EMPLOYEES	2024	2023
	( N u m b e r )	
Total number of employees at the end of year	<u>3</u>	<u>3</u>
Average number of employees during the year	<u>3</u>	<u>3</u>

29 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Financial assets

Financial asset - available for sale

Long term investment

	2024 Rupees	2023 Rupees
Long term investment	<u>31,590,217</u>	<u>42,757,556</u>

Financial asset - at fair value through profit or loss

Investment at fair value through profit or loss

Investment at fair value through profit or loss	<u>22,584,056</u>	<u>14,396,250</u>
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Loans and receivables

Long term deposits

Trade deposits and short term prepayments

Cash and bank balances

Long term deposits	205,000	605,000
Trade deposits and short term prepayments	176,753	-
Cash and bank balances	<u>2,827,991</u>	<u>242,151</u>
	<u>3,209,744</u>	<u>847,151</u>

Financial liabilities

Financial liabilities at amortized cost

Deposits, accrued liabilities and advances

Trade and other payables

Loan from related party

Deposits, accrued liabilities and advances	132,838	125,640
Trade and other payables	31,614	31,614
Loan from related party	<u>1,602,184</u>	<u>1,602,184</u>
	<u>1,766,636</u>	<u>1,759,438</u>

30 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and better presentation. However, there is no major reclassification to report except as disclosed in note 3.19 to the financial statements.

31 GENERAL

Figures have been rounded off to the nearest of rupee.

32 DATE OF AUTHORISATION FOR ISSUE

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

*Koonharan*  
CHIEF EXECUTIVE



*Aamer Mangom*  
DIRECTOR