

JAVED IQBAL SECURITIES (PVT) LIMITED

Projected Financial Statements

For the Year Ended June 30, 2024

JAVED IQBAL SECURITIES (PVT) LIMITED
Statement of Financial Position (Projected)
As at June 30, 2024

		(Projected)	
		Jun-24	Jun-23
ASSETS	Note	Rupees	Rupees
Non-current assets			
Property and equipment	5	1,291,576	1,589,096
Intangible assets	6	24,500,000	24,500,000
Long term investments	7	9,006,813	9,006,813
Long term deposits	8	500,000	500,000
		35,298,389	35,595,909
Current assets			
Trade debts - net	9	558,372	300,072
Advances, prepayments and other receivables	10	4,489,469	3,613,519
Short term investments	11	18,693,486	13,985,296
Cash and bank balances	12	1,611,911	6,871,870
		25,353,239	24,770,757
		60,651,628	60,366,667
EQUITY & LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	13	49,800,000	49,800,000
Unappropriated profit/(loss)		(18,255,347)	(25,732,998)
Revaluation Surplus Capital Reserve	14	22,818,784	22,818,784
Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI		2,183,054	2,183,054
Total equity		56,546,491	49,068,840
Current liabilities			
Trade and other payables	15	3,686,948	11,062,168
Provision for taxation	16	418,189	235,658
		4,105,137	11,297,826
Contingencies and commitments	17		
		60,651,628	60,366,667

The annexed notes from 1 to 34 form an integral part of these financial statements.

Chief Executive Officer




Director



JAVED IQBAL SECURITIES (PVT) LIMITED**Statement of Profit or (loss) (Projected)***For the year ended June 30, 2024*

		<i>Projected</i>	
	<i>Note</i>	Jun-24	Jun-23
		Rupees	Rupees
Operating revenue	18	7,736,036	4,725,090
Gain/(loss) on sale of short term investments		1,855,290	(624,641)
Unrealized gain/(loss) on remeasurement of investments classified at FVTPL		2,852,900	(6,123,277)
		12,444,226	(2,022,828)
Operating and administrative expenses	19	(11,019,820)	(11,611,542)
Operating profit / (loss)		1,424,406	(13,634,370)
Financial charges	20	(383,626)	(333,601)
Other income /(losses)	21	6,855,059	5,470,864
Profit / (loss) before taxation		7,895,839	(8,497,107)
Taxation	22	(418,189)	(235,658)
Profit/(loss) for the year		7,477,651	(8,732,765)
Earnings/(loss) per share - basic	23	15.02	(17.54)

The annexed notes from 1 to 34 form an integral part of these financial statements.

Chief Executive Officer

Director

JAVED IQBAL SECURITIES (PVT) LIMITED**Statement of Comprehensive Income (Projected)***For the year ended June 30, 2024*

	(Projected)	
	Jun-24	Jun-23
	Rupees	Rupees
Profit/(loss) for the year	7,477,651	(8,732,765)
Other comprehensive income/(loss)		
Items that will not be reclassified subsequently to profit or (loss)		
Unrealized gain / (loss) during the period in the market value of investments measured at FVOCI		(7,400,061)
Total comprehensive income/(loss) for the year	<u>7,477,651</u>	<u>(16,132,826)</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

Chief Executive Officer

Director

JAVED IQBAL SECURITIES (PVT) LIMITED
Statement of Cash Flows (Projected)
For the year ended June 30, 2024

		(Projected)	
	Note	Jun-24 Rupees	Jun-23 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		7,895,839	(8,497,107)
Adjustments:			
Depreciation and impairment	5	297,520	379,850
Realized loss / (gain) on sale of short-term investments	11	(1,855,290)	624,641
Unrealized loss / (gain) on short-term investments	11	(2,852,900)	6,123,277
Dividend income	18	(1,855,812)	(996,612)
Interest income	21	(4,197,144)	(3,164,825)
Finance charges	20	383,626	333,601
		<u>(10,080,000)</u>	<u>3,299,932</u>
Operating profit/(loss) before working capital changes		(2,184,161)	(5,197,175)
(Increase)/decrease in current assets			
Trade debts - net	9	(258,300)	(153,674)
Advances, prepayments and other receivables	10	(917,716)	(917,716)
Increase/(decrease) in current liabilities			
Trade and other payables	15	(7,375,220)	(70,726,300)
		<u>(8,551,237)</u>	<u>(71,797,690)</u>
Cash generated from / (used in) operations		<u>(10,735,397)</u>	<u>(76,994,865)</u>
Proceeds from net sales of / (acquisition of) short-term investments	11	682,058	(4,018,255)
Finance charges	20	(383,626)	(333,601)
Dividends received	18	1,855,812	996,612
Interest received	21	4,197,144	3,164,825
Taxes paid	10	(875,950)	(579,216)
		<u>5,475,438</u>	<u>(769,634)</u>
Net cash from/(used in) operating activities		<u>(5,259,959)</u>	<u>(77,764,499)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	5		
Net cash generated from / (used in) investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares/ repayment of loan			(8,074)
Increase in share capital	13		5,100,000
Net cash generated from / (used in) financing activities		-	<u>5,091,926</u>
Net (decrease)/increase in cash and cash equivalents		<u>(5,259,959)</u>	<u>(72,672,573)</u>
Cash and cash equivalents at the beginning of the year		<u>6,871,870</u>	<u>79,544,443</u>
Cash and cash equivalents at the end of the year	12	<u>1,611,911</u>	<u>6,871,870</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.


 Chief Executive Officer


 Director

JAVED IQBAL SECURITIES (PVT) LIMITED
Statement of Changes in Equity (Projected)
For the year ended June 30, 2024

	Issued, subscribed and paid-up capital	Unappropriated profit/ (loss)	Revaluation Surplus Capital Reserve	Unrealized surplus / (deficit) on re- measurement of investments measured at FVOCI	Total
	Rupees.....				
Balance as at July 1, 2022	44,700,000	(17,000,233)	22,818,784	9,583,115	60,101,666
Total comprehensive income/(loss) for the year					
Share Capital Issued	5,100,000	-	-	-	5,100,000
Profit / (loss) for the year	-	(8,732,765)	-	-	(8,732,765)
Other comprehensive income/(loss)	-	-	-	(7,400,061)	(7,400,061)
	5,100,000	(8,732,765)	-	(7,400,061)	(11,032,826)
Balance as at June 30, 2023	49,800,000	(25,732,998)	22,818,784	2,183,054	49,068,840
Total comprehensive income/(loss) for the year					
Share Capital Issued	-	-	-	-	-
Profit / (loss) for the year	-	7,477,651	-	-	7,477,651
Other comprehensive income/(loss)	-	-	-	-	-
	-	7,477,651	-	-	7,477,651
Balance as at June 30, 2024	49,800,000	(18,255,347)	22,818,784	2,183,054	56,546,491

The annexed notes from 1 to 34 form an integral part of these financial statements.



Chief Executive Officer

Director

JAVED IQBAL SECURITIES (PVT) LIMITED
PROJECTED NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

JAVED IQBAL SECURITIES (PVT) LIMITED (the "Company") was incorporated in Pakistan on **February 20, 2001** as a private limited company, limited by shares, under the Companies Ordinance 1984 (Now Companies Act, 2017). The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited.

The Company is principally engaged in brokerage of shares, stocks, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

2. The geographical location of Company's offices are as follows:

Registered Office: Room No. M-7& 8, Mezzanine Floor, LSE Building, 19 Khayaban-e-Aiwan-e-Iqbal, Lahore.

Corporate Office: Room No. M-7& 8, Mezzanine Floor, LSE Building, 19 Khayaban-e-Aiwan-e-Iqbal, Lahore

3. BASIS OF PREPARATION

3.1 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 as applicable in Pakistan comprises of:

- 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, and relevant provisions of the 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 Accounting convention

These financial statements have been prepared on settlement base under the historical cost convention, except:

- Short Term Investments in quoted equity securities (whether classified as assets at fair value through profit or loss, or at fair value through other comprehensive income), which are carried at fair value;
- Investments in unquoted equities, measured at fair value through other comprehensive income;
- Investments in associates, which are recorded in accordance with the equity method of accounting for such investments; and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

3.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

3.4 Accounting estimates and judgments

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 continually evaluated and are based on historical experience as well as expectations of future events 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.

Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements are as follows:

- (i) Estimates of useful lives and residual values of items of property, plant and equipment (Note 5);
- (ii) Estimates of useful lives of intangible assets (Note 6);
- (iii) Allowance for credit losses (Note 4.5.4);
- (iv) Fair values of unquoted equity investments (Note 7);
- (v) Classification, recognition, measurement / valuation of financial instruments (Note 4.5); and
- (vi) Provision for taxation (Note 16);

3.5 New accounting pronouncements

3.5.1 New and amended standards and interpretations mandatory for the first time for the financial year beginning July 01, 2022:

(a) IAS 37 - Onerous contracts

Effective date
January 01, 2022

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g.

direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

(b) IAS 16 - Proceeds before an asset's intended use

Effective date
January 01, 2022

IAS 16 'Property, Plant and Equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 01, 2022 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3.5.2. New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 01, 2022 and have not been early adopted by the Company:

(a) IAS 1 - Disclosure of accounting policies

Effective date
January 01, 2023

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(b) IAS 8 - Definition of accounting estimates

Effective date
January 01, 2023

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(c) IAS 12 - Deferred tax

Effective date
January 01, 2023

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies

will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

Effective date
January 01, 2024

(d) IAS 1 - Classification of liabilities as current or non-current

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

Effective date
January 01, 2024

(e) IFRS 16 - Sale and leaseback transaction

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

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 1 - First Time Adoption of Financial Reporting Standards
- IFRS 17 - Insurance Contracts

The above amendments are not likely to affect the financial statements of the Company.

4 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.

4.1 Property 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 carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss account during the year in which they are incurred. 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 and maintenance expenditures are charged to profit or loss 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 5 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 of.

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 assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2024 did not require any adjustment.

4.2 Intangible assets

Intangible assets with indefinite useful lives, including Trading Right Entitlement Certificate ("TREC"), 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.

4.2.1 Membership cards 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.

4.3 Investment property

Investment properties are held for capital appreciation and are measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value at each reporting date. The changes in fair value are recognized in the statement of profit or loss.

4.4 Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates where the Company has significant influence are accounted for using the equity method of accounting. Under the equity method of accounting, investments in associates are initially recognized at cost and the carrying amount of investment is increased or decreased to recognize the Company's share of the associate's post-acquisition profits or losses in income, and its share of the post-acquisition movement in reserves is recognized in other comprehensive income.

4.5 Financial instruments

4.5.1. The Company classifies its financial assets in the following three categories:

- (a) Financial assets measured at amortized cost;
- (b) Financial assets measured at fair value through other comprehensive income (FVOCI); and
- (c) Financial assets measured at fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

- (i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- (ii) It is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company at

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

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

4.5.2 Initial recognition

The Company recognizes an investment when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place. However, the Company follows trade date accounting for its own (the house) investments. Trade date is the date on which the Company commits to purchase or sell its asset.

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Amounts paid under these agreements in respect of reverse repurchase transactions are recognized as a receivable. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued on a time proportion basis over the life of the reverse repo agreement.

4.5.3 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

"Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the profit and loss account.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other

comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognized in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit and loss account.

4.5.4 Impairment

Financial assets

The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortized cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance / provision for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

Where there has not been a significant decrease in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.

When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, or when a financial instrument is considered to be in default, expected credit loss is computed based on lifetime expected credit losses.

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

Forward-looking information includes reasonable and supportable forecasts of future events and economic conditions. These include macro-economic information, which may be reflected through qualitative adjustments or overlays. The estimation and application of forward looking information may require significant judgment.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Company makes this assessment on an individual asset basis, after consideration of multiple historical and forward-looking factors. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Company's processes and procedures for recovery of amounts due.

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.

For the purpose of assessing impairment, assets are grouped into cash-generating units: the lowest levels for which there are separately identifiable cash flows.

4.6 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.7 Trade debts and other receivables

Trade debts and other receivables are stated initially at amortized 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.

4.8 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.

4.9 Borrowings

Borrowings are recognized initially at fair value, net of attributable transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net

of transaction costs) and the redemption value is recognized in the statement of profit or loss account over the period of the borrowings using the effective interest method.

4.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

4.11 Staff retirement benefits

The Company did not have any retirement benefits plan.

4.12 Taxation

Income tax expense comprises current and deferred 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.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the reporting date between the tax base and carrying amount of assets and liabilities for financial reporting purposes

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carried forward unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried forward unused tax losses can be utilized. Carrying amount of all deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is charged or credited in the statement of profit or loss account, 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.

4.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.14 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.
- 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 are included in profit and loss (for assets measured at FVTPL) or OCI (for assets measured at FVOCI) during the period in which they arise.
- Income / profit on exposure deposits is recognized using the effective interest rate.

4.15 Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income. Dividends are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

4.16 Markup / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

4.17 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.

4.18 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.

4.19 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company.

4.20 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.

4.21 Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into. Subsequently, any changes in fair values arising on marking to market of these instruments are taken to the profit and loss account.

4.22 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted and recorded at rates that are not less than market.

4.23 Settlement Date Accounting

All "Regular Way" Purchases and Sales of financial assets are recognized on settlement date on which the company commits to purchase and sale of financial assets through E-clear. The Company clients and propriety settlement performed by E-clear, because company shifted its category to Trade only and no client balance and share lying with the company. All client balances and share custody shifted to E-clear. Now, all sale and Purchase recognized by E-clear.

5 PROPERTY AND EQUIPMENT

As at July 1, 2023

	Computers	Vehicles	Furniture & Fixtures	Office Equipment	Total Rupees
Cost	5,108,546	715,925	1,590,185	1,660,764	9,075,420
Accumulated Depreciation	(4,714,174)	(644,667)	(635,987)	(1,491,495)	(7,486,324)
Net book value	394,372	71,258	954,198	169,269	1,589,096

Movement during the period

Additions

Disposals

Cost

Depreciation

-	-	-	-	-
-	-	-	-	-

Depreciation charge for the period

118,311	10,689	143,130	25,390	297,520
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As at June 30, 2024

Cost	5,108,546	715,925	1,590,185	1,660,764	9,075,420
Accumulated Depreciation	(4,832,486)	(655,356)	(779,117)	(1,516,886)	(7,783,844)
Net book value	276,060	60,569	811,068	143,878	1,291,576

Depreciation rate per annum

30%	15%	15%	15%
-----	-----	-----	-----

As at July 1, 2022

	Computers	Vehicles	Furniture & Fixtures	Office Equipment	Total Rupees
Cost	5,108,546	715,925	1,590,185	1,660,764	9,075,420
Accumulated Depreciation	(4,545,158)	(632,093)	(467,599)	(1,461,624)	(7,106,474)
Net book value	563,388	83,832	1,122,586	199,140	1,968,946

Movement during the year

Additions

Disposals

Cost

Depreciation

-	-	-	-	-
-	-	-	-	-

Depreciation charge for the year

169,016	12,575	168,388	29,871	379,850
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As at June 30, 2023

Cost	5,108,546	715,925	1,590,185	1,660,764	9,075,420
Accumulated Depreciation	(4,714,174)	(644,667)	(635,987)	(1,491,495)	(7,486,324)
Net book value	394,372	71,258	954,198	169,269	1,589,096

Depreciation rate per annum

30%	15%	15%	15%
-----	-----	-----	-----

6 INTANGIBLE ASSETS

	Note	(Projected)	
		Jun-24 Rupees	Jun-23 Rupees
Trading Rights Entitlement Certificate ("TREC")	6.1	2,500,000	2,500,000
Room rights - PSX and LSE	6.2	22,000,000	22,000,000
		24,500,000	24,500,000
Impairment			
		24,500,000	24,500,000

- 6.1 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. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. PSX vide notice. PSX/N-225 dated February 16, 2021 have notified the notional fees of a Trading Right Entitlement Certificate which amounts to Rs. 2.5 million.

- 6.2 This represents the value of leases of three rooms - two from the PSX and one from the Lahore Stock Exchange. In each case, the lease period is 99 years, commencing April 1, 1992. Given the long duration of the lease term and the fact that it cannot be reliably estimated whether additional amounts will be due upon lease expiry in order to renew the leases, the room rights are treated as an intangible asset with an indefinite useful life.

7 LONG-TERM INVESTMENTS

Investments at fair value through OCI

LSE Financial Services Limited (unquoted) - at fair value	7.1	16,406,874	16,406,874
Adjustment for remeasurement to fair value		(7,400,061)	(7,400,061)
		9,006,813	9,006,813

- 7.1 During the year, M/s LSE Financial Services Limited demerged into two companies LSE PropTech Limited and LSE Ventures Limited (formerly LSE Financial Services Limited) and the Company received 295,535 of LSE PropTech Limited and 842,810 shares of LSE Ventures Limited as per the demerger scheme against 843,975 unquoted ordinary shares of LSE Financial Services Limited. The said new shares have been measured at their fair value (i.e. quoted price) at the reporting date. 295,535 shares of LSEPL and 842,810 shares of LSEVL, amounting to Rs. 1,421,523 and 7,585,290 respectively were pledged against BMC.

		(Projected)	
2024	2023	2024	2023
Number of shares		Market value in rupees	
-	-	LSEPL	LSE FINANCIAL SERVICES LIMITED
295,535	295,535	LSEPL	LSE PROPTech LIMITED
842,810	842,810	LSEVL	LSE VENTURES LIMITED
1,138,345	1,138,345	9,006,813	9,006,813

8 LONG-TERM DEPOSITS

Central Depository Company Limited	100,000	100,000
National Clearing Company of Pakistan Limited	400,000	400,000
	500,000	500,000

9 TRADE DEBTS

Considered good	2.1	558,372	300,072
Considered doubtful		209,208	209,208
		767,580	509,280
Less: Provision for doubtful debts	2.2	(209,208)	(209,208)
		558,372	300,072

- 9.1 The unsecured trade debts is amounting to Rs. 209,208/-.

Allowances for expected credit loss is calculated on the basis of ageing analysis more than 360 days and unsecured balances which ever is higher.

JAVED IQBAL SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (PROJECTED)
FOR THE YEAR ENDED JUNE 30, 2024

9.2 Movement in provision against trade debts is as under:

Opening balance (as at July 1)	
Charged to profit and loss during the year	
Amounts written off during the year	
Closing balance (as at June 30)	

Note	(Projected)	
	Jun-24 Rupees	Jun-23 Rupees
	209,208	28,544
		180,664
	209,208	209,208
	-	-
	209,208	209,208

9.3 Aging Analysis

The aging analysis of trade debts is as follows:

Upto fourteen days	158,600	57,408
More than fourteen days	608,980	451,871
	767,580	509,280

9.4 The Trade debts following amount receivable from related party:

Name of related party	Basic of relationship	Percentage of shareholding	2024	2023
Javed Iqbal	CEO	99.98%	40,842	40,842
Ali Javed	Director	0.02%	2,250	2,250

10 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Advance Income Tax	10.1	3,571,753	2,695,803
Loan to employee		408,390	408,390
Receivable from NCCPL		509,326	509,326
		4,489,469	3,613,519

10.1 ADVANCE TAX

Opening balance (as at July 1)	2,695,803	2,116,588
Add: Current year additions	875,950	579,216
	3,571,753	2,695,803
Less: Adjustment against provision for taxation	-	-
Closing balance (as at June 30)	3,571,753	2,695,803

11 SHORT TERM INVESTMENTS

Investments at fair value through profit or loss

Investments in listed securities	13,985,296	20,733,215
Realized gain/(loss)	1,855,290	(624,611)
Unrealized gain/(loss)	2,852,900	(6,123,277)
Investments in listed securities	18,693,486	13,985,296

12 CASH AND BANK BALANCES

Cash in hand

Cash at bank

- In Client Account (Current Account)	12.1	1,589,850	11,000
- In Client Account (Saving Account)	12.2	-	6,838,809
- In House Accounts		22,061	22,061
		1,611,911	6,871,870

12.1 Cash at bank includes customers' assets in the amount of PKR 1,589,850 (2023: PKR 6,849,809) held in designated bank accounts.

12.2 Saving account carries markup which ranges from 10% to 19% (2023: 10% to 19%) per annum.

13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

13.1 Authorized capital

500,000 (2023: 500,000) ordinary shares of PKR 100 each.

13.2 Issued, subscribed and paid-up share capital

498,000 (2023: 498,000) ordinary shares of PKR 100/- each, issued for cash

13.3 Pattern of shareholding

Mr. Javed Iqbal

Mr. Ali Javed

Number of Shares		Percentage	
Jun-24	Jun-23	Jun-24	Jun-23
497,925	497,925	99.98%	99.98%
75	75	0.02%	0.02%
498,000	498,000	100%	100%

Note	(Projected)	
	Jun-24 Rupees	Jun-23 Rupees
	50,000,000	50,000,000
	49,800,000	49,800,000
	49,800,000	49,800,000

14 SURPLUS ON REVALUATION OF NON-CURRENT ASSETS

Opening balance (as at July 1)	22,818,784	22,818,784
Add: Surplus arising during the year	22,818,784	22,818,784
Less: Impairment loss		
Closing balance (as at June 30)	22,818,784	22,818,784

14.1 On April 5, 2010, the Company engaged M/s Hamid Mukhtar & Co (Pvt) Ltd to perform a revaluation of the rooms held at stock exchanges, resulting a revaluation surplus of Rs. 22,831,400. Consistent with the guidance in IAS 16 to periodically revalue, the Company engaged M/s BFA (Pvt) Ltd, who performed another revaluation as at June 30, 2015. The revaluation did not result in an adjustment to the carrying value of the assets in question or to the revaluation surplus.

15 TRADE AND OTHER PAYABLES

Trade creditors

Short-term borrowing

Accrued and other payables

15.1	-	7,338,582
15.2	3,671,128	3,671,128
	15,820	52,458
	3,686,948	11,062,168

15.1 This balance include amount NIL due to related parties.

15.2 The Company has secured a running finance facility from a commercial lender, which is utilized from on as as-needed basis to fund temporary working capital requirements of the Company. The facility limit is 25 million and mark-up is payable at the end of each quarter at 3 months KIBOR + 300 basis points.

16 PROVISION FOR TAXATION

Opening balance (as at July 1)

Add: Current year provision

Less: Adjustment against current year advance tax

Closing balance (as at June 30)

418,189	235,658
418,189	235,658
418,189	235,658

17 CONTINGENCIES AND COMMITMENTS

17.1 There are no contingencies or commitments of the Company as at June 30, 2024 (2023: Nil).

MAHMOOD IQBAL SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (PROJECTED)
FOR THE YEAR ENDED JUNE 30, 2024

18 OPERATING REVENUE

Brokerage income
Less: Sales tax on services
Net Brokerage Commission excluding sales tax on services
Less: Commission Paid
Net Brokerage Commission
Dividend income

Note	(Projected)	
	Jun-24 Rupees	Jun-23 Rupees
	6,938,664	4,438,664
	(1,058,440)	(710,186)
	5,880,224	3,728,478
	5,880,224	3,728,478
	1,855,812	996,612
	7,736,036	4,725,090

19 OPERATING & ADMINISTRATIVE EXPENSES

Directors' Salaries
Staff Salaries & Other Benefits
Electricity, Water & Gas
Communication
Travelling/ Conveyance/ Vehicle Running/ Maintenance
Repair & Maintenance
Stationery, Printing, Photocopies & Office Supplies
Regulatory charges
Auditors Remuneration
Rates, Taxes & Cess
Legal & Professional Charges
Provision for / (reversal of provision for) doubtful debts
Other Expenses
Depreciation

19

8

1,179,750	1,072,500
2,964,540	2,695,036
1,451,160	1,319,236
1,499,874	1,363,522
1,045,486	950,442
616,912	560,829
223,845	203,495
658,778	1,317,556
250,000	250,000
139,086	126,442
9,900	9,000
	180,664
682,970	1,182,970
297,520	179,850
11,019,820	11,611,542
19.1 Auditor's remuneration	
Statutory audit	225,000
Certifications and other charges	25,000
	250,000

20 FINANCIAL CHARGES

Mark-up on interest-bearing loans
Bank and other charges

348,168	298,143
35,458	35,458
383,626	333,601

21 OTHER INCOME / (LOSSES)

Income from financial assets / (liabilities)

Mark up on bank balances

3,797,144	2,864,835
3,797,144	2,864,835

Income from non-financial assets / (liabilities)

Expenses charged to clients
Rental Income

2,667,915	2,906,099
800,000	900,000
6,855,059	5,470,964

22 TAXATION

Current tax expense / (income)

for the year
prior years

418,180	235,658
418,180	235,658

The tax provision made in the financial statements is considered sufficient.

MAHMOOD IQBAL SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (PROJECTED)
FOR THE YEAR ENDED JUNE 30, 2024

18 OPERATING REVENUE

Brokerage income
Less: Sales tax on services
Net Brokerage Commission excluding sales tax on services
Less: Commission Paid
Net Brokerage Commission
Dividend income

Note	(Projected)	
	Jun-24 Rupees	Jun-23 Rupees
	6,938,664	4,438,664
	(1,058,440)	(710,186)
	5,880,224	3,728,478
	-	-
	5,880,224	3,728,478
	1,855,812	996,612
	7,736,036	4,725,090

19 OPERATING & ADMINISTRATIVE EXPENSES

Directors' Salaries
Staff Salaries & Other Benefits
Electricity, Water & Gas
Communication
Travelling/ Conveyance/ Vehicle Running/ Maintenance
Repair & Maintenance
Stationery, Printing, Photocopies & Office Supplies
Regulatory charges
Auditors Remuneration
Rates, Taxes & Cess
Legal & Professional Charges
Provision for / (reversal of provision for) doubtful debts
Other Expenses
Depreciation

19

5

1,179,750	1,072,500
2,964,540	2,695,036
1,451,160	1,319,236
1,499,874	1,363,522
1,045,486	950,442
616,912	560,829
223,845	203,495
658,778	1,317,556
250,000	250,000
139,086	126,442
9,900	9,000
-	180,664
682,970	1,182,970
297,520	379,850
11,019,820	11,611,542

19.1 Auditor's remuneration

Statutory audit
Certifications and other charges

225,000	225,000
25,000	25,000
250,000	250,000

20 FINANCIAL CHARGES

Mark-up on interest-bearing loans
Bank and other charges

348,168	298,143
35,458	35,458
383,626	333,601

21 OTHER INCOME / (LOSSES)

Income from financial assets / (liabilities)

Mark up on bank balances

3,797,144	2,864,825
3,797,144	2,864,825

Income from non-financial assets / (liabilities)

Expenses charged to clients
Rental Income

2,657,915	2,306,039
400,000	300,000
6,855,059	5,470,864

22 TAXATION

Current tax expense / (income)

for the year
prior years

418,189	235,658
418,189	235,658

The tax provision made in the financial statements is considered sufficient.

23 EARNINGS/(LOSS) PER SHARE

Basic earnings per share is calculated by dividing profit/(loss) after tax for the year by the weighted average number of shares outstanding during the period, as follows:

	(Projected)	
	Jun-24 Rupees	Jun-23 Rupees
Profit / (loss) after taxation, attributable to ordinary shareholders	7,477,651	(8,732,765)
Weighted average number of ordinary shares in issue during the year	498,000	498,000
Earnings / (loss) per share	15.02	(17.54)

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments carrying options which would have an impact on earnings per share when exercised. However, consistent with guidance with respect to bonus shares in IAS 33, earnings per share have been calculated assuming that all bonus shares were issued at the beginning of the earliest comparative period presented, in order to improve comparability.

24 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The aggregate amounts charged in the financial statements for remuneration, including benefits, to the chief executive, directors and executives of the Company as per the terms of their employment are as follows:

	Projected June-24		Jun-23	
	Remuneration	# of persons	Remuneration	# of persons
Chief Executive Officer	672,500	1	672,500	1
Directors	400,000	1	400,000	1

FINANCIAL INSTRUMENTS BY CATEGORY

June-2024			
Amortized cost	FVOCI	FVTPL	Total
Rupees			

ASSETS**Non-current assets**

Long term deposits	500,000		500,000
Long term investment	-	9,006,813	9,006,813

Current assets

Short-term investments	-	-	18,693,486	18,693,486
Trade debts - net	558,372	-	-	558,372
Advances, prepayments and other receivables	4,489,469	-	-	4,489,469
Cash and bank balances	1,611,911	-	-	1,611,911

LIABILITIES**Current liabilities**

Trade and other payables	3,686,948		3,686,948
--------------------------	-----------	--	-----------

June-2023			
Amortized cost	FVOCI	FVTPL	Total
Rupees			

ASSETS**Non-current assets**

Long term deposits	500,000		500,000
Long term investment		9,006,813	9,006,813

Current assets

Short-term investments			13,985,296	13,985,296
Trade debts - net	300,072			300,072
Trade deposits and prepayments	3,613,519			3,613,519
Cash and bank balances	6,871,870			6,871,870

LIABILITIES**Current liabilities**

Trade and other payables	11,062,168		11,062,168
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FINANCIAL RISK MANAGEMENT

26.1 Risk management framework

The Director / Chief Executive has overall responsibility for the establishment and oversight of the Company's risk management framework. He is also responsible for developing and monitoring the Company's risk management policies, which are monitored and assessed for effectiveness throughout the year. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to establish internal control over risk. Through its training and management standards and procedures, the Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Company has established adequate procedures to manage each of these risks as explained below.

26.2 Market risk

Market risk is the risk that the value of financial instruments may fluctuate as a result of changes in market interest rates, changes in the credit rating of the issuer of the instruments, change in market sentiments, speculative activities, supply and demand of securities and/or changes in liquidity in the market.

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

26.2.1 Currency risk

Currency risk mainly arises where receivables and payables exist due to transactions with foreign undertakings. The Company is not exposed to major foreign exchange risk in this respect.

26.2.2 Interest rate risk

Yield risk is the risk of decline in earnings due to adverse movements of the yield curve. Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in market interest rates. Sensitivity to interest / mark-up rate risk arises from mismatches or gaps in the amounts of interest / mark up based assets and liabilities that mature or reprice in a given period. The Company manages this risk by matching the maturity / repricing of financial assets and liabilities through appropriate policies.

26.2.3 Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices, whether such changes are due to factors specific to individual financial instruments (including factors specific to issuers of such instruments) or due to macroeconomic or other factor affecting similar financial instruments being traded in the market.

The Company is exposed to price risk in respect of investments carried at fair value (whether as available for sale investments or as instruments at fair value through profit or loss). Such price risk comprises both the risk that price of individual equity investments will fluctuate and the risk that there will be an index wide movement in prices. Measures taken by the Company to monitor, manage and mitigate price risk include daily monitoring of movements in stock indexes (such as the KSE 100 index) as well as of the correlation between the Company's investment portfolio with stock indexes.

26.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, loans and advances, investments and other receivables. The carrying amount of financial assets represents the maximum credit exposure, although this maximum is a theoretical formulation as the Company frequently holds collateral against potential credit losses.

	Jun-24	Jun-23
Long-term investments	9,006,813	9,006,813
Short-term investments	18,603,496	13,985,796
Long-term deposits	500,000	500,000
Advances, Prepayments and Other Receivables	4,489,469	3,613,519
Trade debts (net)	558,372	300,112
	33,248,141	27,405,701

26.4 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations, settled by delivering cash or another financial asset, as they fall due. Prudent liquidity risk management requires the maintenance of sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to the dynamic nature of the business and the industry it operates in. The Company finances its operations through equity and, as and when necessary, borrowings, with a view to maintaining an appropriate mix between various sources of financing.

The table below classifies the Company's financial liabilities into relevant maturity groupings based on the time to contractual maturity date, as at the balance sheet date. The amounts in the table are contractual undiscounted cash flows.

Financial liabilities	As at June 30, 2024		
	Carrying amount	Within one year	More than one year
Short-term financing	-	-	-
Trade and other payables	3,686,948	3,686,948	-
Total	3,686,948	3,686,948	-

Financial liabilities	As at June 30, 2023		
	Carrying amount	Within one year	More than one year
Short-term financing	-	-	-
Trade and other payables	11,062,168	11,062,168	-
Total	11,062,168	11,062,168	-

The Company does not expect that the timing or quantum of cash flows outlined in the table above will change significantly, and as a result expects to be able to fulfill its obligations as they come due.

27 CAPITAL RISK MANAGEMENT

The Company's objective in managing capital is to ensure that the Company is able to continue as a going concern so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. As well, the Company has to comply with capital requirements as specified under the Securities Brokers (Licensing and Operations) Regulations, 2016 (as well as other relevant directives from regulating bodies issued from time to time).

Consistent with industry practice, the Company manages its capital risk by monitoring its debt levels and liquid assets, keeping in view future investment requirements.

28 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount that would be received on the sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operations or to undertake a transaction on adverse terms.

Various judgments and estimates are made in determining the fair value of financial instruments that are recognized and measured at fair value in the Company's financial statements. To provide an indication about the reliability of inputs used in determining fair value, financial instruments have been classified into three levels, as prescribed under accounting standards. An explanation of each level follows the table.

Recurring FV Measurement - June 30, 2024	Level I	Level II	Level III	Total
Long-term investment - at FVOCI	-	-	9,006,813	9,006,813
Short-term investments - at FVTPL	18,693,486	-	-	18,693,486
Recurring FV Measurement - June 30, 2023	Level I	Level II	Level III	Total
Long-term investment - available-for-sale	-	-	9,006,813	9,006,813
Short-term investments - at FVTPL	13,985,296	-	-	13,985,296

In the fair value hierarchy in the preceding table, inputs and valuation techniques are as follows:

- Level 1: Quoted market price (unadjusted) in an active market
- Level 2: Valuation techniques based on observable inputs
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

There were no transfers into or out of Level 1 measurements.

CAPITAL MANAGEMENT

29

29.1 The Company objectives when managing capital are to safeguard the company's ability as a going concern. In order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

30.2.1 While determining the value of the total assets of the TREC Holder, Notional value of the TREC Certificate held by JAVED IQBAL SECURITIES (PVT) LIMITED as at year ended June 30, 2024 as determined by Pakistan Stock Exchange has been considered.

30 RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of shareholders/ directors, key management personnel, entities with common shareholding, entities over which the directors are able to exercise influence and entities under common directorship. Transactions with related parties and the balances outstanding at year end are disclosed in the respective notes to the financial statements.

31 EVENTS AFTER REPORTING PERIOD

No events occurred after the reporting period that would require adjustment or disclosure in the financial statements.

32 NUMBER OF EMPLOYEES

The total no of employees and average number of employees at year end and during the year respectively are as follows:

	Jun-24	Jun-23
Total no. of employees as at	6	6
Average number of employees during the year	6	6

33 RE-CLASSIFICATION AND RE-ARRANGEMENTS

Corresponding figures have been reclassified and re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison, and in order to improve compliance with disclosure requirements.

34 GENERAL

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



Chief Executive

Director