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INDEPENDENT AUDITOR'S REPORT

To the members of Punjab Capital Securities (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Punjab Capital Securities (Private) Limited (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including 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, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes 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 December 31, 2023 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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

Management is responsible for the other information. The other information comprises the information included in 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.

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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.

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Report on Other Legal and Regulatory Requirements

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

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) the Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and section 62 of the Futures Market Act, 2016, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared;

(d) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(e) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Hammad Ali Ahmad.

A. F. Ferguson & Co.,
Chartered Accountants

Lahore

Date: April 9, 2024

UDIN: AR202310092kOljtG6CY

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		2023	**2022**
ASSETS	**Note**	**Rupees**	
Non-current assets			
Property and equipment	4	2,303,606	1,816,515
Intangible assets	5	7,140,225	7,140,225
Long term security deposits	6	9,742,027	8,292,027
Long term investment	7	7,121,931	23,879,429
Deferred tax asset - net	12	576,045	-
		26,883,834	41,128,196
Current assets			
Trade debts	8	11,206,495	7,556,938
Advances, deposits, prepayments and other receivables	9	58,232,020	20,472,939
Tax refund due from Government		2,926,153	2,182,958
Cash and bank balances	10	46,760,077	35,759,397
		119,124,745	65,972,232
TOTAL ASSETS		146,008,579	107,100,428
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 20,000,000 ordinary shares of Rs. 10 each (2022: 20,000,000 ordinary shares of Rs. 10 each)		200,000,000	200,000,000
Issued, subscribed and paid-up share capital	11	101,500,000	76,500,000
Fair value reserve		(8,207,020)	6,711,221
Accumulated profit / (loss)		4,098,961	(2,517,000)
Total equity		97,391,941	80,694,221
Non-current liabilities			
Deferred tax liability - net	12	-	632,246
		-	632,246
Current liabilities			
Trade and other payables	13	45,651,488	25,235,708
Provision for taxation		2,965,150	538,253
		48,616,638	25,773,961
TOTAL EQUITY AND LIABILITIES		146,008,579	107,100,428
CONTINGENCIES AND COMMITMENTS	14		

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
		Rupees	
Brokerage income	15	31,788,721	18,562,312
Administrative and operating expenses	16	(31,336,194)	(21,873,490)
Operating profit / (loss)		452,527	(3,311,178)
Bank charges		(8,965)	(29,054)
		443,562	(3,340,232)
Other income	17	10,710,775	6,506,425
Profit before taxation		11,154,337	3,166,193
Taxation	18	(4,538,376)	(1,670,602)
Profit after taxation		6,615,961	1,495,591
Earnings per share - basic and dilluted	19	0.79	0.18
Other Comprehensive Income			
Items that will not be re-classified subsequently to profit or loss			
(Deficit) / surplus on re-measurement of investments at fair value through other comprehensive income - net of tax		(14,918,241)	1,136,721
Other comprehensive (loss) / income for the year		(14,918,241)	1,136,721
Total comprehensive (loss) / income		(8,302,280)	2,632,312

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	Issued, subscribed and paid-up share capital	Capital Reserve Fair Value Reserve	Revenue Reserve Accumulated profit / (loss)	Total
	Rupees			
Balance as at January 1, 2022	76,500,000	5,574,500	306,796	82,381,296
Total comprehensive income for the year				
Profit for the year	-	-	1,495,591	1,495,591
Other comprehensive income for the year	-	1,136,721	-	1,136,721
	-	1,136,721	1,495,591	2,632,312
Transaction with owners				
Dividend paid during the year	-	-	(4,319,387)	(4,319,387)
	-	-	(4,319,387)	(4,319,387)
Balance as at December 31, 2022	76,500,000	6,711,221	(2,517,000)	80,694,221
Total comprehensive income for the year				
Profit for the year	-	-	6,615,961	6,615,961
Other comprehensive loss for the year	-	(14,918,241)	-	(14,918,241)
	-	(14,918,241)	6,615,961	(8,302,280)
Transaction with owners				
Issuance of shares	25,000,000	-	-	25,000,000
	25,000,000	-	-	25,000,000
Balance as at December 31, 2023	101,500,000	(8,207,020)	4,098,961	97,391,941

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023	2022
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation for the year		11,154,337	3,165,193
Adjustments for:			
Depreciation on property and equipment	16	466,297	257,243
Markup on margin financing, margin trading and deposits maintained with Pakistan Stock Exchange Limited (PSX) and National Clearing Company of Pakistan Limited (NCCPL)		(10,053,283)	(5,214,639)
Dividend income		(589,968)	(1,223,764)
Cash generated from / (used in) operating activities before working capital changes		977,383	(3,014,967)
Effect on cash flow due to working capital changes			
(Increase) / Decrease in current assets			
Advances, deposits, prepayments and other receivables		(37,030,000)	11,192,213
Trade debts		(3,649,557)	221,657
Increase in current liabilities			
Trade and other payables		20,415,780	3,832,621
Cash flows from operations		(19,286,394)	12,231,524
Income tax paid		(2,223,708)	(1,646,452)
Markup income received on margin financing, margin trading and deposits maintained with Pakistan Stock Exchange Limited (PSX) and National Clearing Company of Pakistan Limited (NCCPL)		9,324,202	4,486,289
Net cash (used in) / generated from operating activities		(12 185,900)	15,071,361
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	4	(953,388)	(949,126)
Payment against right offer of shares	7	-	(3,375,900)
Security deposit paid		(1 450,000)	(100,000)
Dividend income received		589,968	1,223,764
Net cash used in investing activities		(1,813,420)	(3,201,262)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued during the year		25,000,000	-
Dividend paid during the year		-	(4,319,387)
Net cash generated from / (used in) financing activities		25,000,000	(4,319,387)
Net increase in cash and cash equivalents		11,000,680	7,550,712
Cash and cash equivalents at the beginning of the year		35,759,397	28,208,685
Cash and cash equivalents at the end of the year	10	46,760 077	35,759,397

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1 GENERAL INFORMATION

The Punjab Capital Securities (Private) Limited ("the Company") is incorporated in Pakistan under the repealed Companies Ordinance, 1984 ("the Ordinance") which has now been replaced by the Companies Act 2017 (the Act), as a company limited by shares on November 29, 2016. The Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The Company is mainly engaged in business of brokerage services, portfolio management and consultancy services. The registered office of the Company is situated at Room No 319, 3rd Floor, Lahore Stock Exchange (LSE) Building, Lahore.

During the year, the Board of directors of The Bank of Punjab approved the acquisition of the company from First Punjab Modaraba. After approval from State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP), the acquisition completed and the company has become wholly-owned subsidiary of The Bank of Punjab ("the Parent") by virtue of 100% holding of the Parent.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) 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 Standards, 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 for long term investment in LSE Venture Limited and LSE Proptech Limited which are carried at the fair value.

2.3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates, judgments and assumptions that affect the reported amount of assets and liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience and other factors involving a higher degree of expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- Useful lives, residual values and depreciation method of property and equipment - (note 3.1 and 4)
- Useful lives, residual values and amortization method of intangibles - (note 3.3 and 5)
- Impairment of financial assets - (note 3.5.1.2, 6, 7, 8,9 and 10)
- Estimation of provisions - (note 3.6 and 13)
- Provision for current and deferred taxation - (note 3.13 and 18)

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2.4 Functional and presentation currency

These financial statements are presented in Pakistan rupees, which is the functional and presentation currency for the Company. The figures have been rounded-off to nearest rupees, unless otherwise stated

2.5 Standards, amendments and interpretations to accounting and reporting standards that are effective in the current year

There are certain standards, amendments and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

2.6 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

The following standards amendments and interpretations of approved accounting standards will be effective from the dates mentioned against the respective amendment:

Description	Effective date (accounting period beginning on or after)
Amendment to IFRS 16 – Leases on sale and leaseback	January 1, 2024
Amendment to IAS 1 – Non current liabilities with covenants	January 1, 2024
Amendment to IAS 7 and IFRS 7 – Supplier finance	January 1, 2024
Amendment to IAS 21 – Lack of exchangeability	January 1, 2025

The Company is in the process of assessing the impact of these standards, interpretations and amendments on the financial statements of the Company.

There are certain other new standards, amendments and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2024. However, these will not have any significant impact on the Company's financial reporting and therefore have not been detailed in these financial statements.

3 Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from January 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements. The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy Information that user need to understand other information in the financial statements. The material accounting policies set out below have been applied consistently to all periods presented in these financial statements

3.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of acquisition and other directly attributable costs of bringing the assets to working condition for its intended use. Depreciation is charged to the profit or loss by applying the reducing balance method at the rates specified in note 4. Depreciation is charged on additions from the day the asset is put to into use and on disposals, up to the day the asset has been in use.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values, useful lives and methods is recognized prospectively as a change of accounting estimate.

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

Maintenance and normal repairs are charged to profit or loss as and when incurred. Subsequent cost are included in the assets' carrying amount or recognizes as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will follow to the entity and its cost can be reliably measured. The carrying amount of the asset replaced is de-recognized.

3.2 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at the amortized cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand, balance with banks on current and deposit accounts.

3.3 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is charged to profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is charged in the profit or loss.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the company. An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are charged in the profit or loss when the asset is derecognized.

3.3.1 Trading Right Entitlement Certificate (TREC)

TREC is classified as intangible asset (with transferable rights), having a perpetual useful life and it is classified as intangible asset with indefinite useful life. Impairment assessment is made at the end of each reporting period. Further, TREC is accounted for as per the accounting policy note 3.3 stated above.

3.3.2 Lease Rights

It 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.

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3.4 **Right-of-use assets and their related lease liability**

3.4.1 Right-of-use assets

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenure

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which leases are entered into. No depreciation is charged in month in which the leases mature or are terminated.

3.4.2 **Lease liability against right-of-use assets**

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also measured to reflect any remeasurement or change in lease terms. These remeasurement of lease liabilities are recognised as an adjustment to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to profit or loss as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company has elected to apply the practical expedient of not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

3.5 **Financial instruments**

3.5.1 **Financial assets**

The Company's financial assets include long term security deposits, long term investments, trade debts, deposits and other receivables and bank balances.

3.5.1.1 **Classification and subsequent measurement**

The Company classifies its financial assets in the following measurement categories in accordance with the requirements of IFRS 9:

- at amortized cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

The classification requirements for debt and equity instruments are described below:

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-ended mutual funds.

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Classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments in one of the following three measurement categories:

a) At amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured as described in note 3.5.1.2.

b) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses recognized and measured as described in note 3.5.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income (OCI) is reclassified from surplus on remeasurement of financial assets to profit or loss.

c) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for classification at amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which it arises.

(ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the statement of financial position at fair value, with gains and losses recognized in the profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The fair value of investments is determined based on the rate of securities as quoted on the Pakistan Stock Exchange Limited.

The dividend income for equity securities classified under FVOCI are to be recognized in the profit or loss. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognized in other comprehensive income and is not recycled to the profit or loss on derecognition.

3.5.1.2 Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortized cost and FVOCI and trade debts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes:

- The time value of money, and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

Trade debts of the Company are collateralized against the custody of shares of the customers and therefore, there is no impact of expected credit loss on these receivables.

3.5.1.3 Derecognition

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

(i) the Company transfers substantially all the risks and rewards of ownership; or

(ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

3.5.1.4 Regular way contracts

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 the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.5.2 Financial liabilities

The Company's financial liabilities include trade and other payables. Financial liabilities are initially recognized at fair value plus transaction costs and are subsequently measured at amortized cost except for financial liabilities at fair value through profit and loss.

3.5.2.1 Derecognition

Financial liabilities are derecognized at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the profit or loss.

3.6 Provisions, contingent assets and contingent liabilities

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

Contingent assets are disclosed when there is a possible asset that arises from past events and 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. Contingent assets are not recognized until the inflow of economic benefits is virtually

Contingent liabilities are disclosed when:

- there is a possible obligation that arises from past events and 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

- there is a present 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.

3.7 Revenue from contract with customers

The Company recognizes revenue when the performance obligations are fulfilled. The obligations are fulfilled when the services have been rendered to the customer. Therefore, the Company recognizes revenue at the fair value of the consideration received or receivable on the following basis:

a) Brokerage revenue arising from sales / purchase of securities on client's behalf is recognized on the date of execution of the transaction by the Company i.e. on trade date basis;

b) Interest income on margin financing and margin trading is recognized on outstanding balance at the rate of KIBOR plus margin at each day of the margin financing and trading outstands; and

c) Income from bank balance and exposure deposits is recognised on accrual basis

3.8 Defined contribution plan

The Company operates a recognized contributory provident fund for all the permanent employees. Equal monthly contributions are made both by the Company and the employees at the rate of 8.33% of the basic salary. The Company has no further payment obligations once the contributions have been paid. The contributions made by the Company are recognized as employee benefit expense when they are due.

3.9 Dividend Income

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

3.10 Proposed dividend and transfer between reserves

Dividends declared and transfers between reserves, except appropriations which are required by law, made subsequent to the reporting date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends and transfers are approved

3.11 Earning per share (EPS)

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 the 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 the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.12 Commitments

Commitments are disclosed in the financial statements at committed amounts.

3.13 Taxation

3.13.1 Current

Provision for current taxation is based on taxability of certain Income streams of the Company under minimum tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under normal tax regime after taking into account tax credits and rebates available, if any, or on turnover at the specified rate or Alternate Corporate Tax as defined in section 113C of Income Tax Ordinance, 2001, whichever is higher. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the current year

3.13.2 Deferred

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

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss, except in the case of items credited or charged to equity in which case it is included in

4 Property and equipment

	Furniture and fixtures	Computers and related accessories	Office equipment	Total
		Rupees		
Net book value basis				
Year ended December 31, 2023				
Opening net book value	668,374	303,747	844,394	1,816,515
Additions (at cost)	599,170	171,568	182,650	953,388
Depreciation for the year	(189,719)	(122,100)	(154,478)	(466,297)
Closing net book value	1,077,825	353,215	872,566	2,303,606
Gross book value basis				
As at December 31, 2023				
Cost	1,745,101	1,554,248	1,539,282	4,838,631
Accumulated depreciation	(667,276)	(1,201,033)	(666,716)	(2,535,025)
Net book value	1,077,825	353,215	872,566	2,303,606
Depreciation rate % per annum	15%	30%	15%	
Net book value basis				
Year ended December 31, 2022				
Opening net book value	343,419	244,685	536,528	1,124,632
Additions (at cost)	396,946	141,700	410,480	949,126
Depreciation for the period	(71,991)	(82,638)	(102,614)	(257,243)
Closing net book value	668,374	303,747	844,394	1,816,515
Gross book value basis				
As at December 31, 2022				
Cost	1,145,931	1,382,680	1,356,632	3,885,243
Accumulated depreciation	(477,557)	(1,078,933)	(512,238)	(2,068,726)
Net book value	668,374	303,747	844,394	1,816,515
Depreciation rate % per annum	15%	30%	15%	

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		Note	2023	2022
5	**Intangible assets**		Rupees	
	Lahore Stock Exchange Proptech Limited - Lease rights	5.1	4,640,225	4,640,225
	Trading Right Entitlement Certificate (TREC)	5.2	2,500,000	2,500,000
			7,140,225	7,140,225

5.1 This represents the cost of the lease rights given by the LSE Proptech Limited to the Company with the indefinite useful life. These are considered to be indefinite as there is no foreseeable limit on the period during which the Company expects to consume the future economic benefits.

		Note	2023	2022
5.2	**Trading Right Entitlement Certificate (TREC)**		Rupees	
	Cost	5.2.1	5,000,000	5,000,000
	Accumulated Impairment	5.2.2	(2,500,000)	(2,500,000)
			2,500,000	2,500,000

5.2.1 This represents the TREC received by the company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 as amended by the Stock Exchanges (Corporatization, Demutualization and Integration) (Amendment) Act, 2015. These have been carried at cost less accumulated impairment losses. These lease rights are purchased from LSE for indefinite period hence no amortization is charged on the lease rights on LSE room.

5.2.2 PSX vide notice no. PSX/N-255 dated February 16, 2021 have notified the notional fees of Trading Entitlement Certificates which amounts to Rs 2.5 million.

		Note	2023	2022
6	**Long term security deposits**		Rupees	
	Deposits placed with National Clearing Company of Pakistan Limited			
	Initial security deposit		200,000	200,000
	Basic deposit for trading in regular market		200,000	200,000
	Basic deposit for trading in future market		1,000,000	1,000,000
	Deposit against Murabaha shariah financing		100,000	100,000
	Deposits placed with Central Depository Company of Pakistan Limited			
	Initial security deposit		100,000	100,000
	Deposits placed with Pakistan Stock Exchange Limited			
	Deposit against Base Minimum Capital	6.1	7,940,527	6,490,527
	Other security deposits			
	Others	6.2	201,500	201,500
			9,742,027	8,292,027

6.1 This represents the amount deposited with the Pakistan Stock Exchange (PSX) on account of the Base Minimum Capital (BMC) prescribed under regulation 19.2 of PSX Rule Book.

6.2 This includes the deposit of Rs 100,000 made to Chief Executive Officer of the Company, Mr. Muhammad Imran Butt against the office rented by the Company in Lahore Stock Exchange (LSE) Building, Lahore.

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7 Long term Investment

Financial assets at fair value through other comprehensive income

	Note	2023	2022
		Number of shares	
Investment in LSE Financial Services Limited (LSEFS)			
Opening number of shares		1,181,565	843,975
Less: Impact of de-merger scheme	7.1	(1,181,565)	-
Add: Right issue exercised during the year	7.2	-	337,590
		-	1,181,565
Investment in LSE Ventures Limited (LSEVL)			
Opening number of shares		-	-
Add: Impact of de-merger scheme	7.1	1,179,935	-
		1,179,935	-
Investment in LSE Proptech Limited (LSEPL)			
Opening number of shares		-	-
Add: Impact of de-merger scheme	7.1	413,751	-
		413,751	-

	Note	2023	2022
		Rupees	
Opening balance (revalued amount)		23,879,429	20,466,394
Impact of de-merger scheme	7.1	(7,942,569)	-
Right issue exercised during the year (at right price of Rs. 10)	7.2	-	3,375,900
Revaluation (loss) / gain during the year		(8,814,929)	37,135
		7,121,931	23,879,429

7.1 After demerger scheme of LSEFS, shares of LSEFS have been converted into LSE Proptech Ltd (LSEPL) and LSE Venture Ltd (LSEVL) with ratio 35.017% and 99.86 % respectively. Under the scheme 1,181,565 shares of LSEFS converted into 1,179,935 shares of LSEVL and 413,751 shares of LSEPL.

The demerger and reverse merger scheme of LSEFS was approved by the honorable Lahore High Court. As a result, LSEVL became the new parent company of LSE acquiring all investments and assets, whereas the real assets of the company were placed into another company named as LSEPL.

7.2 Board of Directors of the LSE Financial Services Limited in their meeting held on March 25, 2022 had offered the right issue of 40% to the existing shareholders at right price of Rs. 10. The Company exercised the right offer by making payment of Rs 3,375,900 on May 11, 2022 to LSE Financial Services Limited.

7.3 1,179,935 shares of LSEVL and 413,751 shares of LSEPL (2022: 843,975 shares of LSEFS) are pledged in favor of Pakistan Stock Exchange (PSX) on account of Base Minimum Capital (BMC) prescribed under regulation 19.2 of PSX Rule Book.

8 Trade debts

	Note	2023	2022
		Rupees	
Receivable from customers	8.1	2,000,652	4,568,058
Receivable against margin financing		-	2,383,665
Receivable against margin trading		2,800,046	-
Receivable from National Clearing Company of Pakistan Limited		6,405,797	605,215
		11,206,495	7,556,938
Considered good		11,206,495	7,556,938

8.1 This includes the receivable against the marketable securities and brokerage commission receivable

8.1.1 Aging Analysis

	Note	2023	2022
		Rupees	
Upto 5 days		559,999	4,131,928
Above 5 days		1,440,653	436,130
		2,000,652	4,568,058

8.2 Due from Related parties

	Note	2023	2022
The Bank of Punjab	8.2.1	857,908	124,192

8.2.1 The aging of trade debts from related parties as at reporting date is as follows:

	2023	2022
Past due 1 - 30 days	857,908	124,192
Past due 31 - 60 days	-	-
Past due 61 - 90 days	-	-
More than 90 days	-	-
	857,908	124,192

8.3 Customer assets

	2023	2022
Central Depository System	702,651,496	299,935,314

		Note	2023	2022
			Rupees	
9	**Advances, deposits, prepayments & other receivables**			
	Advances to suppliers		-	720,000
	Prepayments		1,425	1,425
	Deposits	9.1	56,650,000	18,900,000
	Accrued markup on deposits maintained with Pakistan Stock Exchange Limited and National Clearing Company of Pakistan Limited		1,580,595	851,514
			58,232,020	20,472,939

9.1 This represents deposits maintained with the National Clearing Company of Pakistan Limited against exposure arising out of the trading in securities in accordance with the regulations of the National Clearing Company of Pakistan Limited.

		Note	2023	2022
			Rupees	
10	**Cash and bank balances**			
	Cash in hand		-	-
	Balance with Bank			
	Current accounts	10.1	46,317,000	35,277,681
	Saving accounts	10.2	443,077	481,716
			46,760,077	35,759,397

10.1 The bank balance include customer's bank balance held in designated bank accounts amounting to Rs 44.66 million (December 2022: Rs 24.54 million).

10.2 The balance in the saving accounts bear mark-up at the rate of 7.25% to 10.25% (2022: 4.4% to 7.25%).

		Note	2023	2022
11	**Issued, subscribed and paid up share capital**		Rupees	
	10,150,000 ordinary shares of Rs.10 each paid in cash (2022: 7,650,000 ordinary shares of Rs. 10 each paid in cash)		101,500,000	76,500,000
	Opening balance (7,650,000 ordinary shares of Rs. 10 each paid in cash)		76,500,000	76,500,000
	2,500,000 ordinary shares of Rs.10 each paid in cash issued during the year		25,000,000	-
	Closing balance (10,150,000 ordinary shares of Rs.10 each paid in cash)		101,500,000	76,500,000

During the year, the Board of directors of The Bank of Punjab approved the acquisition of the company from First Punjab Modaraba. After approval from State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP), the acquisition completed and the company has become wholly-owned subsidiary of The Bank of Punjab ("the Parent") by virtue of 100% holding of the Parent.

12 Deferred tax (asset) / liability - net

	Note	2023	2022
		Rupees	
Deferred tax (asset) / liability - net	12.1	(576,045)	632,246

12.1 Taxable temporary differences arising in respect of:

	At January 1, 2023	Recognized in Profit and Loss	Recognized in Other comprehensive Income	At December 31, 2023
	Rupees			
Taxable temporary differences arising in respect of:				
- Accelerated depreciation on property and equipment	151,496	(22,222)	-	129,274
- Accelerated depreciation on intangible assets	505,093	111,826	-	616,919
- Accelerated depreciation on Investment	517,019	-	(517,019)	-
	1,173,608	89,604	(517,019)	746,193
Deductible temporary differences arising in respect of:				
- Brought forward depreciation expense	(478,896)	478,896	-	-
- Alternate corporate tax	(62,466)	62,466	-	-
- Accelerated depreciation on Investment	-	-	(1,322,238)	(1,322,238)
	(541,362)	541,362	(1,322,238)	(1,322,238)
	632,246	630,966	(1,839,257)	(576,045)

13 Trade and other payables

	Note	2023	2022
		Rupees	
Trade payables	13.1	36,244,289	19,379,547
Payable to NCCPL		4,273,563	4,083,042
Provident fund payable		154,262	-
Other payables	13.3	4,979,374	1,773,119
		45,651,488	25,235,708

13.1 The above balance of Rs. 36.24 million (December 2022: Rs.19.38 million) has been reported under trade date basis while the balance under settlement date basis amounts to Rs. 42.86 million (December 2022: Rs. 19.41 million).

13.2 The following amounts are payable to related parties:

	2023	2022
First Punjab Modaraba	5,689	8,189
Chief Executive Officer	28,017	2,471
Compliance Officer	17,562	909
Head of Risk	432	26,468
Head of Internal Audit	-	59
	51,700	38,096

13.3 This includes penalty imposed by the Securities and Exchange Commission of Pakistan (the SECP) amounting to Rs 275,000. In 2020, the SECP issued a Show Cause Notice No. 2 (256) SMD /ADJ-I /2020 /427 (the Show Cause Notice) dated November 10, 2020 to the Company in violation of Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018. An Order No. 2 (256) SMD /ADJ-I /2020 /653 was passed on January 6, 2021 imposing the aforementioned penalty on the Company. The Company on February 6, 2021, being aggrieved by the Order, filed a review application under section 33 of the SECP Act, 1997 to the Learned Executive Director, HOD Adjudication Division (AD-1) and appealed to the Commission to reduce / waive off the penalty amount. The appeal is still pending adjudication.

14 Contingencies and commitments

There are no material contingencies and commitments at the balance sheet date.(2022: Nil).

		Note	2023	2022
			Rupees	
15	**Brokerage income**			
	Gross Brokerage Income		37,843,715	22,097,990
	Less: Federal Excise Duty		6,054,994	3,535,678
			31,788,721	18,562,312
15.1	**Major revenue streams**			
	Retail clients		23,098,029	13,161,156
	Institutional clients		8,690,692	5,401,156
			31,788,721	18,562,312
	Geographical region:			
	Pakistan		31,788,721	18,562,312
	Timing of provision of service			
	Service provided to customer at point in time		31,788,721	18,562,312
16	**Administrative and operating expenses**			
	Salaries, allowances and other benefits	16.1	16,814,331	12,990,385
	Sales reward allowance		5,890,062	2,568,879
	Shariah advisor fee		300,000	600,000
	Rent, rates and taxes		991,828	639,298
	Repairs and maintenance		934,144	911,845
	Utilities		1,103,717	767,383
	Fees and subscription		553,850	439,088
	PSX, clearing house and CDC charges		1,781,714	1,063,892
	Travelling and conveyance		63,616	89,172
	Depreciation		466,297	257,243
	Communication, printing and stationery		366,570	224,812
	Legal and professional charges		469,505	359,445
	Marketing expenses		278,250	252,000
	Worker welfare fund		286,411	-
	Entertainment		435,322	283,083
	Auditors' remuneration	16.2	596,500	400,000
	Other expenses		4,077	6,965
			31,336,194	21,873,490

16.1 Salaries, allowances and other benefits include Rs. 574,239 (2022: Rs. 480,525) in respect of the provident fund contribution by the Company.

		Note	2023	2022
16.2	**Auditors' remuneration**		**Rupees**	
	Statutory audit		375,000	300,000
	Special certifications and other services		146,500	50,000
	Out of pocket expenses		75,000	50,000
			596,500	400,000

17 Other income

Income from financial assets		
Profit on bank deposit	66,796	61,507
Dividend income	589,968	1,223,764
Markup income on margin financing	99,537	1,476,948
Markup income on margin trading	2,763,240	-
Markup income on exposure deposit maintained with NCCPL	5,900,630	2,765,092
Markup income on exposure deposit maintained with PSX for BMC	1,289,876	972,599
Miscellaneous income	728	6,515
	10,710,775	6,506,425

18 Taxation

Current tax		
- Current year	2,965,150	538,253
- Prior year	942,260	-
	3,907,410	538,253
Deferred tax	630,966	1,132,349
	4,538,376	1,670,602

18.1 Relationship between tax and accounting profit

	Note	2023	2022
Accounting profit before tax		11,154,337	3,166,193
Enacted tax rate (%)		29%	29%
Tax at applicable rate - 29% (2022: 17%)	18.2	3,234,758	538,253
Others		1,303,618	1,132,349
		4,538,376	1,670,602

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18.2 As per the requirements of the Income Tax Ordinance 2001, the tax expense has been charged at the higher of the tax liability computed under Minimum Tax Regime, Normal Tax Regime and the tax liability computed as the Alternate Corporate Tax at the rate of 17% of the Accounting profit.

The Company has charged the tax expense at Normal Tax Regime at the rate of 29% of taxable income. Tax expense for 2022 was charged at Alternate Corporate Tax at the rate of 17% of the Accounting profit.

	2023	2022
	Rupees	
19 Earnings per share - basic and diluted		
Profit after taxation for the year	6,615,961	1,495,591
	Number	
		Restated
Weighted average number of ordinary shares outstanding	8,403,425	8,403,425
Earnings per share (Rs per share)	0.79	0.18

19.1 There were no convertible dilutive potential ordinary shares in issue as at December 31, 2023 and December 31, 2022

20 Remuneration of Chief Executive, Director and Executives

The aggregate amounts charged in the financial statements for remuneration, including all benefits, to the Chief Executive, Director and Executives of the Company are as follows:

	Note	Chief Executive 2023	Chief Executive 2022
		Rupees	
Managerial remuneration		4,379,604	3,808,356
Other benefits	20.1	1,248,000	1,203,879
Performance bonus		198,352	172,480
Provident fund		228,012	198,276
		6,053,968	5,382,991
No. of persons		1	1

20.1 Other benefits includes the reimbursement of expenses incurred by the Chief Executive in respect of fuel consumption and mobile bills.

20.2 No remuneration is paid to any Director other than Chief Executive. Furthermore, other than Chief Executive of the Company, no other personnel of the Company meets the definition of the Executives as mentioned in the Fourth Schedule of the Companies Act 2017.

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21 Related party transactions

The related parties comprise of parent, associates, directors and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties at mutually agreed terms and conditions. Amounts due from and to related parties are shown under respective notes of these financial statements. Other significant transactions with related parties are as follows:

Relationship with the Company	Aggregate % of shareholding	Nature of transactions	2023	2022
			Rupees	
Parent Company				
The Bank of Punjab	100%	Brokerage Commission charged by the Company	8,676,429	4,567,491
Associated Company				
First Punjab Modaraba	-	Brokerage Commission charged by the Company	-	15,013
Provident Fund				
Punjab Capital Securities (Private) Limited - Employees Provident Fund Trust	-	Transfer of funds at formation of Trust	-	3,106,574
	-	Contribution made to provident fund	574,239	-
Key management personnel				
Chief Executive Officer	-	Brokerage Commission charged by the Company	607,650	949,946
	-	Security deposit paid by the Company	-	100,000
	-	Rent paid by the Company	381,000	180,000
Compliance Officer	-	Brokerage Commission charged by the Company	15,343	9,206
Senior Risk Manager	-	Brokerage Commission charged by the Company	303	1,161
Head of Internal Audit	-	Brokerage Commission charged by the Company	2,040	6,002

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22 Financial instruments and related disclosures

22.1 Maturities of financial assets and liabilities

	2023								
	Mark-up bearing maturity				Non-mark-up bearing maturity				
	Upto one year	Over one year and upto five years	Over five years	Sub-total	Upto one year	Over one year and upto five years	Over five years	Sub-total	Total
Financial assets									
Long term security deposits	-	-	7,940,527	7,940,527	-	-	1,801,500	1,801,500	9,742,027
Trade debts	2,800,046	-	-	2,800,046	8,406,449	-	-	8,406,449	11,206,495
Advances, deposits, prepayments and other receivables	56,650,000	-	-	56,650,000	1,582,020	-	-	1,582,020	58,232,020
Long term investment	-	-	-	-	-	-	7,121,931	7,121,931	7,121,931
Cash and bank balances	443,077	-	-	443,077	46,317,000	-	-	46,317,000	46,760,077
	59,893,123	-	7,940,527	67,833,650	56,305,469	-	8,923,431	65,228,900	133,062,550
Financial liabilities									
On balance sheet									
Trade and other payables	-	-	-	-	45,651,488	-	-	45,651,488	45,651,488
	-	-	-	-	45,651,488	-	-	45,651,488	45,651,488
Off balance sheet	-	-	-	-	-	-	-	-	-
	-	-	-	-	45,651,488	-	-	45,651,488	45,651,488

	2022								
	Mark-up bearing maturity				Non-mark-up bearing maturity				
	Upto one year	Over one year and upto five years	Over five years	Sub-total	Upto one year	Over one year and upto five years	Over five years	Sub-total	Total
Financial assets									
Long term security deposits	-	-	6,490,527	6,490,527	-	-	1,801,500	1,801,500	8,292,027
Trade debts	2,383,665	-	-	2,383,665	5,173,273			5,173,273	7,556,938
Advances, deposits, prepayments and other receivables	18,900,000	-	-	18,900,000	1,572,939	-	-	1,572,939	20,472,939
Long term investment	-	-	-	-	-	-	23,879,429	23,879,429	23,879,429
Cash and bank balances	481,716	-	-	481,716	35,277,681	-	-	35,277,681	35,759,397
	21,765,381	-	6,490,527	28,255,908	42,023,893	-	25,680,929	67,704,822	95,960,730
Financial liabilities									
On balance sheet									
Trade and other payables	-	-	-	-	25,235,708	-	-	25,235,708	25,235,708
	-	-	-	-	25,235,708	-	-	25,235,708	25,235,708
Off balance sheet	-	-	-	-	-	-	-	-	-
	-	-	-	-	25,235,708	-	-	25,235,708	25,235,708

22.2 Financial instruments by category

	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	2023			
	Rupees			
Financial assets				
Non-current assets				
Long term security deposits	9,742,027	-	-	9,742,027
Long term investment	-	-	7,121,931	7,121,931
Current assets				
Trade debts	11,206,495	-	-	11,206,495
Deposits and other receivables	58,230,595	-	-	58,230,595
Bank balances	46,760,077	-	-	46,760,077
	125,939,194	-	7,121,931	133,061,125
Financial liabilities				
Trade and other payables	45,651,488	-	-	45,651,488
	45,651,488	-	-	45,651,488

Financial instruments by category

	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	2022			
	Rupees			
Financial assets				
Non-current assets				
Long term security deposits	8,292,027	-	-	8,292,027
Long term investment	-	-	23,879,429	23,879,429
Current assets				
Trade debts	7,556,938	-	-	7,556,938
Deposits and other receivables	19,751,514	-	-	19,751,514
Bank balances	35,759,397	-	-	35,759,397
	71,359,876	-	23,879,429	95,239,305
Financial liabilities				
Trade and other payables	25,235,708	-	-	25,235,708
	25,235,708	-	-	25,235,708

22.3 Financial Risk Management

The company's operations expose it to a variety of risk factors. This includes risk factors such as market risk, liquidity risk, credit risk and operational risk. These risks need to be mitigated and managed in order for the company to be able to provide a return to it's shareholders. Risk management is carried out by the company's risk manager. The exposure to risk has been minimized. We have analysed the various forms of risk that the company faces and the possible impacts that such risks would have.

22.4 Market risk

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

22.4.1 Currency risk

Currency risk is the risk that the future fair value of cash flows of a financial instrument will fluctuate due to exchange rate differentials. Since the Company does not deal in foreign currencies, no currency risks exist at the moment.

22.4.2 Interest / mark-up rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company is not exposed to any short term borrowing arrangements having variable rate pricing. However the company does have a few financial assets and liabilities, on which the exposure has been estimated below:

	2023	2022
	Rupees	
Financial assets		
Deposit against Base Minimum Capital	7,940,527	6,490,527
Receivable against margin financing	-	2,383,665
Receviable against margin trading	2,800,046	-
Deposits maintained with National Clearing Company of Pakistan Limited		
- against exposure arising out of the trading in securities	56,650,000	18,900,000
Cash and bank balances - savings accounts	443,077	481,716
	67,833,650	28,255,908
Financial liabilities		
Trade and other payables	-	-
	-	-
	67,833,650	28,255,908

The management of the Company estimates that a 1% decrease in the market interest rate, with all factors remaining constant, would decrease the Company's profit before tax by Rs. 676,794 (2022: Rs. 282,559) and a 1% increase would result in an increase in the Company's profit before tax by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

	Increase/ decrease In basis points	Effect of profit/(loss) before tax	Effect on equity
		Rupees	
2023	+1%	678,336	481,619
	-1%	(678,336)	(481,619)
2022	+1%	282,559	200,617
	-1%	(282,559)	(200,617)

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22.4.3 Price risk

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

The Company is exposed to price risks because of investments held by the Company in shares of LSE Proptech Limited and LSE Venture Limited (carried at Level 1). Previously, the company was exposed to price risks because of investment in LSE Financial Services Limited (carried at Level 3). In case of 1% increase / decrease in the market price of the shares held, the other comprehensive income before tax of the Company would be higher / lower by Rs. 71,219 (2022 Rs. 238,794).

22.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash & cash equivalents and marketable securities and the ability to close out market positions due to dynamic nature of the business. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cashflow	Less than one year	Between one to five years	More than five years
			Rupees		
2023					
Trade and other payables	45,651,488	45,651,488	45,651,488	-	-
2022					
Trade and other payables	25,235,708	25,235,708	25,235,708	-	-

22.6 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company believes that it is not exposed to major concentration of credit risk as more than 90% of trade debts balance pertains to the individuals. To manage exposure to credit risk, the Company applies credit limits and deal with credit worthy parties. It makes full provision against those balances considered doubtful and at the reporting period end there is no provision recognized in the financial statements. The Company is not materially exposed to credit risk.

The management estimates the recoverability of trade debts on the basis of financial position and past history of customers based on the objective evidence that it shall not receive the amount due from the particular customer. The Company considers that default has occurred when there is any objective evidence that the financial asset is impaired or a trade debt is more than 360 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate. The table below shows the bank balances held with some major counterparties at the balance sheet date:

	Rating			2023	2022
	Short term	Long term	Agency	Rupees	
Banks					
Bank Alfalah Limited	A1+	AA+	PACRA	18,367,916	32,068,752
Bank Al Habib Limited	A1+	AAA	PACRA	23,743,662	1,314,644
MCB Bank Limited	A1+	AAA	PACRA	4,648,499	2,376,001
				46,760,077	35,759,397

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The maximum exposure to credit risk is equal to the carrying amount of financial assets. The maximum exposure to credit risk at reporting date is as follows:

	2023	2022
	Rupees	
Trade debts	11,206,495	7,556,938
Deposits	64,590,527	25,390,527
Bank balances	46,760,077	35,759,397
	122,557,099	68,706,862

22.7 Operational risk

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

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

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

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;

- requirements for the reconciliation and monitoring of transactions;

- compliance with regulatory and other legal requirements;

- documentation of controls and procedures;

- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;

- ethical and business standards; and

- risk mitigation, including insurance where this is effective.

22.8 Fair values of financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values

International Financial Reporting Standard 13. 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

Following de-merger scheme of unlisted shares of LSE Financial Services limited into listed shares of LSE Proptech Limited and LSE Venture Limited. the price risk carried at Level 3 has been transferred to Level 1 since quoted prices are available for listed shares.

22.8.1 Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value at		Unobservable inputs	Range of inputs (Fair value per share)	
	2023	2022		2023	2022
	Rupees			Rupees	
Unlisted equity securities	-	23,879,429	Net assets value	-	20.21

Net asset value determined approximates the fair value of shares of LSE Financial Services Limited as majority of the assets held by LSE Financial Services Limited are carried at revaluation / fair value model

As at December 31 2023 and December 31, 2022, the Company held the following financial instruments measured at fair values.

	Level 1	Level 2	Level 3
2023			
Financial assets			
- at fair value through other comprehensive income	7,121,931	-	-
	7,121,931	-	-
2022			
Financial assets			
- at fair value through other comprehensive income	-	-	23,879,429
	-	-	23,879,429

22.9 Net Capital Balance (as per the requirements of the Securities Brokers (Licensing and Operation) Regulations, 2016)

Description	Valuation	Note	2023	2022
			Rupees	
Current Assets				
Cash in hand or in bank	As per Book Value	22.9.2	46,760,077	35,759,397
Deposits against exposure		9.1	56,650,000	18,900,000
Trade Receivables	Book Value less those overdue for more than 14	22.9.3	10,153,401	7,214,994
Investment in listed securities in the name of broker	Securities on the exposure list marked to market less 15% discount		6,053,641	-
Securities purchased for customers	Securities purchased for the customer and held by the broker where the payment has not been received within 14 days		83,908	213,261
Listed TFCs/Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to market less 10% discount		-	-
FIBs	Marked to market less 5% discount		-	-
Treasury Bill	At market value		-	-
Any other current asset specified by the Commission	As per the valuation basis determined by the Commission		-	-
			119,701,027	62,087,652
Current liabilities				
Trade Payables	Book value less those overdue for more than 30 days	22.9.4	32,100,989	16,562,161
Other Liabilities	As classified under the generally accepted accounting principles	22.9.5	16,515,649	9,211,800
			48,616,638	25,773,961
Net Capital Balance			71,084,389	36,313,691

22.9.1 Basis of accounting

This statement of Net Capital balance has been prepared in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP), read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities & Exchange Commission of Pakistan (SECP).

	Note	2023	2022
		Rupees	
22.9.2 Cash in hand or in bank			
Cash in hand		-	-
Bank balance			
- pertaining to house account		2,095,308	11,222,079
- pertaining to client account		44,664,769	24,537,318
		46,760,077	35,759,397
22.9.3 Trade receivables			
Receivable against margin financing		-	2,383,665
Receivable against margin trading		2,800,046	-
Other trade receivables		8,406,449	5,173,273
		11,206,495	7,556,938
Less: over due for more than 14 days		(1,053,094)	(341,944)
		10,153,401	7,214,994
22.9.4 Trade payables			
Trade payables	13	40,517,852	23,462,589
Less: more than 30 days payable		(8,416,863)	(6,900,428)
		32,100,989	16,562,161
22.9.5 Other liabilities			
Trade payables for more than 30 days		8,416,863	6,900,428
Provident fund payable		154,262	-
Other payables		4,979,374	1,773,119
Provision for income tax		2,965,150	538,253
		16,515,649	9,211,800

22.10 Liquid Capital Statement (as per the requirements of the Securities Brokers (Licensing and Operation) Regulations, 2016)

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1	**Assets**		Rupees	
1.1	Property & Equipment	2,303,606	2,303,606	-
1.2	Intangible Assets	7,140,225	7,140,225	-
1.3	Investment in Govt. securities (Difference between book value and sale value on the date on the basis of PKRV published by NIFT)	-	-	-
1.4	Investment in debt. securities			-
	If listed than			
	i. 5% of the balance sheet value in the case of tenure up to 1 year	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than			
	i. 10% of the balance sheet value in the case of tenure up to 1 year	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years	-	-	-
1.5	Investment in equity securities			-
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirenment, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital)	7,121,931	7,121,931	-
	ii. If unlisted, 100% of carrying value	-	-	-
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking			-
	i. If listed 20% or VaR of each security as computed by the Securities Exchange for respective securities whichever is higher	-	-	-
	ii. If unlisted, 100% of net value	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. (100% of net value, however any excess amount of cash deposit with securities exchange to comply with rquirement of base minimum capital may be taken in calculation of LC)	9,540,527	9,540,527	-
1.9	Margin deposits with exchange and clearing house	56,650,000	-	56,650,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB	-	-	-
1.11	Other deposits and prepayments	202,925	202,925	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	1,580,595	-	1,580,595
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables			-
1.14	Amount receivable against Repo financing. (Amount paid as purchaser under the REPO agreement. Securities purchased under repo arrangement shall not be included in the investments)	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments Rupees	Net Adjusted Value
1.15	Advances and Receivables other than trade receivables			
	1. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	-	-	-
	2. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	2,926,153	2,965,150	-
	3. In all other cases 100% of net value	-	-	-
1.16	Receivables from clearing house or securities exchange(s)			-
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains	6,405,797	-	6,405,797
1.17	Receivables from customers			-
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. (Lower of net balance sheet value or value determined through adjustments.	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value (Net amount after deducting haircut)	2,800,046	140,002	2,660,044
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, (Net amount after deducting haircut)	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value (Balance sheet value)	559,999	-	559,999
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts. (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts (Lower of net balance sheet value or value determined through adjustments)	582,745	471,467	471,467
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner: (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. (Lower of net balance sheet value or value determined through adjustments)	857,908	857,908	-
1.18	Cash and bank balances			
	i. Bank balance-Proprietary accounts	2,095,308	-	2,095,308
	ii. Bank balance-Customer accounts	44,664,769	-	44,664,769
	iii. Cash in hand	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
			Rupees	
1.19	Subscription money against investment in IPO/Offer			
	(i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker. (ii) In case of investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities. (iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on right shares. (Balances sheet value or net value after deducting hair cuts.	-	-	-
1.20	**Total Assets**	145,432,534	30,743,741	115,087,979
2.1	Trade payables			
	i. Payable to exchanges and clearing house	4,273,563	-	4,273,563
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	36,244,289	-	36,244,289
2.2	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	4,979,374	-	4,979,374
	iii. Short-term borrowings	-	-	-
	iv. current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for Taxation	2,965,150	-	2,965,150
	ix. other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	Non-current Liabilities			-
	i. Long-term financing (100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases)	-	-	-
	ii. Staff retirement benefits (Nil)			-
	iii. other liabilities as per accounting principles and included in the financial statements (Nil)	-	-	-
2.4	Subordinated Loans			-
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
2.5	i. 100% haircut may be allowed in respect of advance against shares if: (a) The existing authorized share capital allows the proposed enhanced share capital (b) Boad of Directors of the company has approved the increase in capital (c) Relevant Regulatory approvals have been obtained (d) There is no unreasonable delay in issue of shares against advance increase in paid up capital have been completed. (e) Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	**Total Liabilities**	48,462,376	-	48,462,376

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3	Ranking Liabilities Relating to :		Rupees	
3.1	Concentration in margin financing			
	The amount calculated on client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees. "Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs. 5 million". Note: only amount exceeding by 10 % of each financee from aggregate amount shall be included in the ranking liabilities.	-	-	-
3.2	Concentration in securities lending and borrowing			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed. Note: only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities	-	-	-
3.3	Net underwriting Commitments			
	(a) in the case of right issues: if the market value of securities is less than or equal to the subscription price the aggregate of (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitment exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment	-	-	-
	(b) in any other case: 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount payable under REPO	-	-	-
3.7	Repo adjustment			
	In the case of financier/ purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/ seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser	-	-	-
3.8	Concentrated proprietary positions			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
			Rupees	
3.9	Opening Positions in futures and options			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	Short sell positions			
	i. In case of customer positions, The market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts	-	-	-
3.11	Total Ranking Liabilities	-	-	-

Total Liquid Capital 66,625,603

22.10.1 Basis of preparation

This Statement of Liquid Capital has been prepared in accordance with the requirements of the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP) and guidelines / clarifications issued by the Securities & Exchange Commission of Pakistan (SECP).

23 Capital risk management

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital. Currently, the Company has zero borrowing at balance sheet thus minimizing the gearing ratio.

24 Capital adequacy level	Note	2023	2022
		Rupees	
Total assets	24.1	146,008,579	107,100,428
Less: Total liabilities		48,616,638	26,406,207
Less: Revaluation reserves (created upon revaluation of fixed assets)		-	-
		48,616,638	26,406,207
Capital adequacy level		97,391,941	80,694,221

24.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by the Company at the year ended December 31, 2023 as determined by Pakistan Stock Exchange has been considered.

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25 Provident fund and related disclosures

	2023	2022
	Rupees	
Size of the fund	3,574,196	3,729,804
Percentage of investments made	34%	91%
Fair value of investments	1,200,000	3,400,000
Cost of investments made	1,200,000	3,400,000

The investments out of the provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and rules formulated for this purpose.

26 No. of employees

	2023	2022
	Number	
Number of employees	19	14
Average number of employees	18	13

27 Date of authorization

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

09 APR 2024

28 General

28.1 Figures have been rounded off to the nearest rupees.

28.2 Comparative information has been reclassified or rearranged in these financial statements for the purpose of better financial statements. However, there were no material reclassifications during the year.

CHIEF EXECUTIVE OFFICER

DIRECTOR