



INDEPENDENT AUDITOR'S REPORT

To the members of UNEX SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, 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 June 30, 2024 and of the profit and other comprehensive income, 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 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 Director's 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 is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss 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 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 Imran UI Haq.

Place: Islamabad
Date: 03 October, 2024

UDIN: AR202410163hBUI4DwOo



Nasir Javaid Maqsood Imran
Chartered Accountants



UNEX SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	4	268,720	-
Intangibles	5	2,500,000	2,500,000
Long term deposits	6	15,095,986	100,000
		17,864,706	2,600,000
CURRENT ASSETS			
Short term investment	7	19,620,463	19,136,467
Taxation net	8	588,000	270,974
Interest receivables		459,554	-
Cash and bank balances	9	11,186,979	4,627,895
		31,854,997	24,035,336
TOTAL ASSETS		49,719,703	26,635,336
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	10	20,000,000	5,000,000
Accumulated profit - revenue reserve		8,131,822	6,699,022
		28,131,822	11,699,022
Share application money	11	21,496,623	14,820,373
CURRENT LIABILITIES			
Accrued and other liabilities	12	91,258	115,941
TOTAL EQUITY AND LIABILITIES		49,719,703	26,635,336
CONTINGENCIES AND COMMITMENTS	13	-	-

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



Chief Executive Officer


Director

UNEX SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Brokerage commission		391,117	-
Realised (Loss) on sale of investment		-	(6,284,646)
Operating and administrative expenses	14	(3,089,476)	(922,519)
(Loss) from operations		(2,698,359)	(7,207,165)
Unrealised gain on remeasurement of Investment		483,996	3,261,957
Financial charges		(5,831)	(3,590)
Other income	15	3,843,570	1,222,480
Profit/(Loss) before taxation		1,623,376	(2,726,318)
Taxation	16	(190,576)	(180,266)
Profit/(Loss) after taxation for the year		1,432,800	(2,906,584)

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

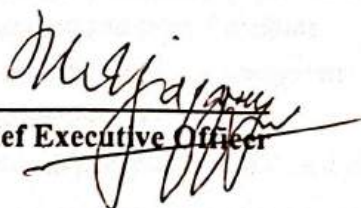

 Chief Executive Officer


 Director

**UNEX SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
Profit/(Loss) for the year after taxation		1,432,800	(2,906,584)
Other Comprehensive Income		-	-
Total comprehensive Income/(loss) for the year		<u>1,432,800</u>	<u>(2,906,584)</u>

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



Chief Executive Officer

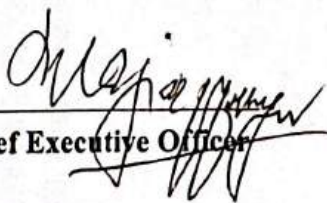


Director

UNEX SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		1,623,376	(2,726,317)
Depreciation		5,980	12,601
Bad debt written off		-	304,760
Reversal of unrealized loss/(gains) on investments		(483,996)	3,022,689
Operating profit before working capital changes		<u>1,145,360</u>	<u>613,732</u>
Changes in working capital:			
(Increase) / decrease in current assets			
Other receivables		(459,554)	26,761
Increase / (decrease) in current liabilities			
Accrued and other liabilities		(24,683)	20,000
Cash generated from operations		<u>661,123</u>	<u>660,493</u>
Income tax paid		(507,602)	(184,010)
Net cash generated from / (used in) from operating activities		<u>153,520</u>	<u>476,483</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal/Addition during the year in fixed assets		(274,700)	57,666
Sale of SSS software license		-	200,000
Deposits		(14,995,986)	-
Sale of investment		-	9,633,904
Net cash generated from / (used in) from investing activities		<u>(15,270,686)</u>	<u>9,891,570</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance against issue of shares - Net		21,676,250	(5,969,101)
Net cash generated from / (used in) from financing activities		<u>21,676,250</u>	<u>(5,969,101)</u>
Net Increase / (decrease) in cash and cash equivalents		6,559,084	4,398,952
Cash and cash equivalents at the beginning of the year		4,627,895	228,943
Cash and cash equivalents at the end of the Year	9	<u>11,186,979</u>	<u>4,627,895</u>

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


 Chief Executive Officer


 Director

**UNEX SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024**

	Share Capital	Accumulated Profit	Total
	----- Rupees -----		
Balance as at July 01, 2022	5,000,000	9,605,606	14,605,606
Profit/(Loss) after tax for the year	-	(2,906,584)	(2,906,584)
Balance as at June 30, 2023	5,000,000	6,699,022	11,699,022
Shares issued	15,000,000	-	15,000,000
Profit/(Loss) after tax for the year	-	1,432,800	1,432,800
Balance as at June 30, 2024	20,000,000	8,131,822	28,131,822

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


Chief Executive Officer


Director

**UNEX SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 CORPORATE AND GENERAL INFORMATION

1.1 LEGAL STATUS AND OPERATIONS

The company was incorporated in Pakistan on December 23, 2005 under the repealed Companies Ordinance, 1984 (repealed through enactment of the Companies Act, 2017) as a private limited company. On corporatization and demutualization of Islamabad Stock Exchange (G) Limited under the Stock Exchanges (Corporatization and Demutualization and Intergration) Act, 2012 in August, 2012, the company become a Trading Right Entitlement Certificate (TREC) holder of the Islamabad Stock Exchange Limited and duly registered with Securities and Exchange Commission of Pakistan (SECP). In 2016 on integration of all the three Stock Exchanges into Pakistan Stock Exchange (PSX), the company has become broker company and (TREC) holder of Pakistan Stock Exchange with effect from January 11, 2016.

The main object of the company is to carry on the business of broker in stocks, shares, securities under license or with the foreign permission or approval of any recognized association, authority, stock exchange, or other market in Pakistan or abroad. The registered office of the company is situated at Office No.1 2nd Floor , Chughtai Arcade 1 Plot No. 385, National Police Foundation , Sector O-9 Islamabad.

- 1.2 During the year the Company has been reactivated and restructured and has successfully obtained the licence from SECP to act as a broker under the category-Trading Only (TO) and has restarted its business and trading operations by nominating Eclear Services Limited as its Professional Clearing Member (PCM).

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 except for accounting and classification of available for sale investments; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention and on accrual basis of accounting except for the cash flow statement.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupee, which is the functional and presentation currency of the Company and figures are rounded off to the nearest rupee.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any;

Depreciation on operating assets is charged on reducing balance method. A full month's depreciation is charged in the month of addition and no depreciation is charged in the month of disposal;

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized;

Gain and losses on disposal of fixed assets, if any, included in statement of profit or loss currently;

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

3.2 Intangible assets

The cost of membership cards of Pakistan Stock Exchange Limited (Formerly Karachi Stock Exchange Limited in which Lahore and Islamabad stock exchanges have merged) which were surrendered to the stock exchanges under the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 and Trading Right Entitlement (TRE) Certificates were issued to members carrying the similar rights. This certificate has indefinite life until it transferred to other person.

3.3 Trade debts

Trade debts are recognized and carried at original invoiced amount which is fair value of the consideration to be received in future. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Debts considered irrecoverable are written-off.

3.4 Loans, advances and other receivables

These are recognized at cost, which is the fair value of the consideration to be received in future. An assessment is made at each statement of financial position date to determine, whether there is an indication that a financial asset, or a group of financial assets, may be impaired. If such an indication exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognized for the difference between the recoverable amount and the carrying value.



3.5 Cash and cash equivalents

For the purpose of cash flow statement cash and cash equivalents comprise cash in hand and at bank and includes short term highly liquid investments. Cash and cash equivalents are carried in the statement of financial position at cost, except for foreign currency deposits which are carried at fair value.

3.6 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investment at the time of purchase. Investment of the company are currently classified under following categories:

Available for sale investments

These are investments which do not fall under the "investment at fair value through profit and loss" or "held to maturity categories". These investments are intended to be held for any indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates and are therefore classified as available for sale investments. These are initially recognised at cost and at subsequent reporting dates measured at fair values. Gains and losses from changes in fair values are taken to the statement of comprehensive income. On disposal of the investment accumulated gains and losses are transferred to accumulated profit or loss.

Investment at fair value through profit and loss

These are investment designated as held-for-trading at the inception. Investment under this category are classified in current assets. These investment are initially recorded at fair value and are remeasured at each reporting date. Gains or losses arising from changes in the fair value are recognised in statement of profit or loss in the reporting period in which they arise. Gains or losses on disinvestment are also recognised in statement of profit or loss.

3.7 Revenue recognition

The Company recognises revenue when control of the securities is transferred. Capital gain or loss on sale of marketable securities is taken to income in the period in which it arises. Brokerage and other income is accrued as and when due.

- Brokerage is recognized as and when sale or purchase transaction is executed by client.
- Dividend income is recognised when company's right to received dividend is establish.
- Capital gains / losses arising on sale of investments are included in the statement of profit or loss in the period in which these arise.
- Profit on pls account is recognized on accrual basis.

3.8 Related party transactions

Transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible.

3.9 Share capital

Share capital is classified as equity and recognized at the face value.

3.10 Taxation

Current taxation

The provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credit available, if any in accordance with the provisions of the Income Tax Ordinance, 2001.

3.11 Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- it is held with in a 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 the principal amount outstanding.

Impairment

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

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 expectations of recovering a financial asset in its entirety or a portion thereof.

Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.



Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

Offsetting of financial assets and financial liabilities

Financial asset and financial liability are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to set-off the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

3.12 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting future cash flows at appropriate discount rate where ever required. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

3.13 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.14 Dividend and appropriation to reserves


Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

3.15 Foreign currency translation

Transactions in foreign currencies are converted into Pak Rupees at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date. Exchange gains and losses are included in the statement of profit or loss.

3.16 Contingencies

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



4 PROPERTY, PLANT AND EQUIPMENT

The following is the statement of operating fixed assets:

Description	Furniture and fixture	Machinery and equipment	Computers	Total
----- Rupees -----				

Year ended June 30, 2024

Net carrying value basis

Opening Balance	-	-	-	-
Addition during the year	7,000	64,000	203,700	274,700
Depreciation during the year	(88)	(800.00)	(5,093)	(5,980)
Closing net book value	<u>6,913</u>	<u>63,200</u>	<u>198,608</u>	<u>268,720</u>

As at June 30, 2024

Cost	7,000	64,000	203,700	274,700
Accumulated depreciation	(88)	(800)	(5,093)	(5,980)
Net book value	<u>6,913</u>	<u>63,200</u>	<u>198,608</u>	<u>268,720</u>

Year ended June 30, 2023

Net carrying value basis

Opening Balance	28,782	27,743	13,742	70,267
Addition during the year	-	-	-	-
Depreciation during the year	(4,317)	(4,161)	(4,123)	(12,601)
Adjustment	(24,465)	(23,582)	(9,619)	(57,666)
Closing net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at June 30, 2023

Cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Annual rate of depreciation	15%	15%	30%	

4.1 Total depreciation for the year has been charged to operating and administrative expenses.

	Note	2024 Rupees	2023 Rupees
5 INTANGIBLE ASSETS			
Trading right entitlement certificate	5.1	<u>2,500,000</u>	<u>2,500,000</u>
		<u>2,500,000</u>	<u>2,500,000</u>

- 5.1 As a result of integration of three Stock Exchanges the company has become the Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange (PSX) and its value has been determined as per value of TREC recognized by PSX.

In the absence of an active market for TREC, the company had initially taken the cost of TREC at Rs. 5 million, which was the value approved by the Board of Directors of PSX and a mortgage was created at that value in favour of PSX and has been accepted by SECP which was later revalued at Rs 2.5 million during the year 2019. This fact indicates an acceptable level of value for TREC which was also used by the Stock Exchange for risk management and to safeguard the investors' interest.

	Note	2024 Rupees	2023 Rupees
6 LONG TERM DEPOSITS			
Central Depository Company	6.1	-	100,000
BMC Deposit with PSX		5,000,000	-
Deposit in Proprietary Account with Eclear		6,475,986	
Deposit with NCCPL		3,620,000	
		<u>15,095,986</u>	<u>100,000</u>

- 6.1 This represents deposit which was kept as a security with Central Depository Company to provide the custodian services in handling of the electronic shares/securities of the clients.

	Note	2024 Rupees	2023 Rupees
7 SHORT TERM INVESTMENT			
Investment at fair value			
Investment in Shares		-	-
ISE Towers REIT Management company Limited			
Opening balance		19,136,467	31,793,060
Sales of shares during the year	7.1		(15,918,550)
Gain on remeasurement of investment at fair value		483,996	3,261,957
Investment at break up value	7.2	<u>19,620,463</u>	<u>19,136,467</u>
		<u>19,620,463</u>	<u>19,136,467</u>

7.1 ISE Tower REIT Management Company Limited

Sales during the year	-	9,633,904
Loss on sale realized	-	6,284,646
	-	<u>15,918,550</u>

7.2 Pursuant to the promulgation of the Stock Exchange (Corporization, Demutualization and Integration) Act, 2012 (The Act) the ownership in a Stock Exchange has been segregated from the right to trade on the Exchange. Accordingly, the company has received equity shares of ISEL and Trading Right Entitlement Certificate (TREC) in lieu of a membership card of ISE. The company entitlement in respect of ISEL shares was determined on the basis of valuation of assets and liabilities of ISE carried in 2012 and as approved by SECP, the company was allotted 3,034,603 shares of the face value of Rs.10 each. These included 60% shares, which were held in separate CDC blocked account to restrict the sale of these shares by the members whereas stock exchange was to dispose off these shares under the provisions of the Act. However subsequently shares after maintaining the required exposure for BMC the remaining surplus shares were released and were disposed off in the previous year. Moreover during the year because of issuance of licence under Trading Only category and replacement of BMC with Cash Deposit remaining shares have also been released from the 'Blocked Status'. The breakup value of the remaining ISE Tower REIT Management Company Limited's shares considered by PSX is Rs.21.08 (2023: Rs. 20.56) per share at the close of financial year which has been considered as the fair value at which the remaining shares have been valued. The related deferred tax have not been provided on unrealized gain, since the market value taken here is breakup value as per accounts of investee and its real market value is not available.

	Note	2024 Rupees	2023 Rupees
8 TAXATION NET			
Balance brought forward		270,974	267,230
Payments/tax deducted during the year	16	507,602	184,010
Provision for the year		(190,576)	(180,266)
		<u>317,026</u>	<u>3,744</u>
		<u>588,000</u>	<u>270,974</u>
9 CASH AND BANK BALANCES			
Cash in hand		308,946	174,820
Cash at bank - current account		299,499	15,039
- saving account	9.1	10,578,533	4,438,037
		<u>10,878,033</u>	<u>4,453,075</u>
		<u>11,186,979</u>	<u>4,627,895</u>

9.1 Saving account carries mark up at the rates ranging from 19% to 22% (2023: 15% - 19%) per annum.

10 SHARE CAPITAL				
10.1	Issued, subscribed and paid up capital		2024	2023
	Number of ordinary shares of Rs. 10/- each		Rupees	Rupees
	2024			
	<u>2,000,000</u>	Fully paid in cash	<u>20,000,000</u>	<u>5,000,000</u>
10.2	Authorized share capital			
	This represents 5,000,000 (2023: 5,000,000) ordinary shares of Rs. 10/- each amounting to Rs. 50,000,000 (2023: 50,000,000).			
		Note	2024	2023
			Rupees	Rupees
11	SHARE APPLICATION MONEY			
	(From Chief Executive Officer)			
	Opening balance		14,820,373	20,789,474
	Contribution received		22,161,250	-
	Share Issued		(15,000,000)	-
	Return to director		(485,000)	-
	Receipt/Payment during the year - Net		<u>6,676,250</u>	<u>(5,969,101)</u>
	Closing balance		<u>21,496,623</u>	<u>14,820,373</u>
12	ACCRUED AND OTHER LIABILITIES			
	Accrued expenses		40,786	65,941
	Audit remuneration payable		50,000	50,000
	Withholding Tax Payable		472	-
			<u>91,258</u>	<u>115,941</u>
13	CONTINGENCIES AND COMMITMENTS			
13.1	Contingencies			
	There was no contingent liability as at the balance sheet date (2024: Nil).			
13.2	Commitments			
	There was no capital commitment as at the balance sheet date (2024: Nil).			

	Note	2024 Rupees	2023 Rupees
14 OPERATING AND ADMINSTRATIVE EXPENSES			
Staff salaries and benefits		1,596,459	120,000
Office rent		300,000	264,000
Eclear / CDC charges		47,235	26,599
Telephone and internet		85,697	49,240
Utilities		88,904	15,827
Repair & Services		59,965	-
Depreciation		5,980	12,601
Entertainment		9,206	8,000
Commission to Agents		200,000	-
Auditor Fee		50,000	50,000
Fee and subscription		284,152	71,492
Psx Terminal Charges		126,600	-
Travelling and Conveyance		24,000	-
Miscellaneous		211,277	304,760
		<u>3,089,476</u>	<u>922,519</u>
15 OTHER INCOME			
Dividend income		1,237,914	1,183,495
Profit on saving bank accounts		2,605,656	38,985
		<u>3,843,570</u>	<u>1,222,480</u>
16 TAXATION			
Current		<u>190,576</u>	<u>180,266</u>

17 FINANCIAL ASSETS AND LIABILITIES

	2024			
	Total	Interest / mark-up bearing		Non interest / mark-up bearing
		Maturity up to one year	Maturity after one year	
----- Rupees -----				
Financial assets				
At amortized cost				
Long term deposits	15,095,986	-	-	-
Other receivables	459,554	459,554	-	459,554
Cash and bank balances	11,186,979	-	-	299,499
	<u>26,742,519</u>	<u>459,554</u>	<u>-</u>	<u>459,554</u>
				<u>759,053</u>
At fair value				
Short term investments	19,620,463	-	-	-
Financial liabilities				
At amortized cost				
Accrued and other liabilities	91,258	-	-	-
	<u>91,258</u>	<u>-</u>	<u>-</u>	<u>-</u>
On balance sheet gap	<u>46,271,724</u>	<u>459,554</u>	<u>-</u>	<u>459,554</u>
Off balance sheet Items				
Financial commitments:	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Gap - 2024	<u>46,271,724</u>	<u>459,554</u>	<u>-</u>	<u>459,554</u>
				<u>759,053</u>

	2023			
	Total	Interest / mark-up bearing		Non interest / mark-up bearing
		Maturity up to one year	Maturity after one year	
----- Rupees -----				
Financial assets				
At amortized cost				
Long term deposits	100,000	-	-	100,000
Cash and bank balances	4,627,895	4,438,037	-	15,039
	<u>4,727,895</u>	<u>4,438,037</u>	<u>-</u>	<u>4,438,037</u>
				<u>115,039</u>
At fair value				
Short term investments	19,136,467	-	-	19,136,467
Financial liabilities				
At amortized cost				
Trade creditors	-	-	-	-
Accrued and other liabilities	115,941	-	-	-
	<u>115,941</u>	<u>-</u>	<u>-</u>	<u>-</u>
On balance sheet gap	<u>23,748,421</u>	<u>4,438,037</u>	<u>-</u>	<u>4,438,037</u>
Off balance sheet Items				
Financial commitments:	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Gap - 2023	<u>23,748,421</u>	<u>4,438,037</u>	<u>-</u>	<u>4,438,037</u>
				<u>19,251,506</u>

18 CAPITAL MANAGEMENT

The Company's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders through the optimization of the debt and equity balance.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of dividends paid to shareholders.

19 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated company, directors, companies with common directorship, employees retirement benefit funds and key management personnel. The transactions with related parties are entered into on an arm's length basis. All related party transactions have been disclosed in relevant notes.

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's objective in managing risks is the creation and protection of share holders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

The Company finances its operations through equity, advances from related parties and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

	2024 Rupees	2023 Rupees
21 CAPITAL ADEQUACY LEVEL		
Total Assets	49,719,703	26,635,336
Less: Total Liabilities	91,258	115,941
Less: Revaluation reserves (created upon revaluation of fixed assets)	-	-
Capital Adequacy Level	<u>49,628,445</u>	<u>26,519,395</u>

While determining the value of total assets of the TREC holder, notional value of the TRE certificate held by the Company as was determined by Pakistan Stock Exchange has been considered.

The share value of ISE Tower REIT Management Company Limited has been considered by PSX at its breakup value for determination of minimum capital balance.

22 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year.

23 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	No.	2024 Rupees	2023 Rupees
DIRECTOR	1	<u>1,080,000</u>	-
		<u>1,080,000</u>	-

No remuneration was paid to the Chief Executive during the year.

24 INFORMATION REQUIRED BY REGULATION 34 OF SECURITIES BROKER REGULATIONS 2016

	2024	2023
a) - Customer shares in block central depository system	-	119,723
- Customer's cash in bank account - PKR	-	3,625
b) Securities pledged with financial institutions	Nil	Nil
c) Pattern of shares:		
Mukhtar Hussain Jaffery	1,845,000	345,000
Syed Sarfraz Hussain	5,000	5,000
Syed Muneeb Mehdi	50,000	50,000
Syed Mughees Mehdi	50,000	50,000
Syed Muhib Mehdi	50,000	50,000
Total no. of shares	<u>2,000,000</u>	<u>500,000</u>

Changes in shareholding:

Share holding of Mr. Mukhtar Hussain Jaffery has been changed from 69% to 92.25% with corresponding decrease in share holdings of the other share holders.

- e) Trade and other receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the statement of profit or loss.
- f) **Aging analysis of amount due from customers**
- | | | |
|--------------------------------|-----|-----|
| Due not more than 5 days - PKR | Nil | Nil |
| Due more than 5 days - PKR | Nil | Nil |

25 BASE MINIMUM CAPITAL

In compliance with regulation 19.2 of the Rule Book of PSX, every TREC holder is required to maintain base minimum capital in the form as prescribed in the rule book on the basis of assets under custody (AUC). As per said regulation as at 30 June 2024, the company is required to maintain BMC of Rupees 5 million rupees for Trading Only Securities Broker.

	Note	2024 Rupees	2023 Rupees
Trading Right Entitlement Certificate	5	2,500,000	2,500,000
BMC Deposit in Cash/Shares	6	5,000,000	31,793,060
		<u>7,500,000</u>	<u>34,293,060</u>

26 NUMBER OF EMPLOYEES

Total/average number of employees during/at the end of the year are 4 (2023 : 2).

27 DATE OF AUTHORIZATION

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

28 GENERAL

Figures have been rounded off to the nearest Rupee.


Chief Executive Officer


Director

24 INFORMATION REQUIRED BY REGULATION 34 OF SECURITIES BROKER REGULATIONS 2016

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		<u>7,500,000</u>	<u>34,293,060</u>

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28 GENERAL

Figures have been rounded off to the nearest Rupee.


Chief Executive Officer


Director