KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants

Habib Metropolitan Financial Services Limited

Financial Statements

For the year ended 31 December 2024

KPMG Taseer Hadi & Co.
Chartered Accountants
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Karachi 75530 Pakistan
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INDEPENDENT AUDITOR'S REPORT

To the members of Habib Metropolitan Financial Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Habib Metropolitan Financial Services Limited** ("the Company"), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of the loss, 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 (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 Annual 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 the fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

e) the Company was in compliance with the 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.

KPMG Taseer Hadi & Co.

The engagement partner on the audit resulting in this independent auditor's report is Zeeshan Rashid.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 08 April 2025

Karachi

UDIN: AR202410188so0TVJd7R

Habib Metropolitan Financial Services Limited
Directors' Report to the Shareholders

On behalf of the Board of Directors of Habib Metropolitan Financial Services Limited (HMFS). We are pleased to present the audited financial statements of the Company for the year ended 31 December 2024.

Economic Review

CY24 marked a critical shift for Pakistan's economy, transitioning from acute vulnerabilities to cautious stabilization. The year began with record-high policy rates of 22%, inflation surpassing 27%, and political uncertainty restraining investor confidence which subsided post-elections.

Key regulatory interventions, including stricter foreign exchange oversight by the SBP, curbed grey-market activity and stabilized the PKR/USD exchange rate. With easing global commodity prices, inflation moderated, enabling a 150bps policy rate cut to 20.5% by mid-year. Strengthened fiscal discipline and IMF-mandated reforms attracted renewed foreign inflows, reducing Pakistan's Country Risk Premium from 14.13% in mid-2023 to 4.36% by October 2024.

A key milestone was securing a 37-month ~USD 7bn Extended Fund Facility (EFF) with the IMF, unlocking multilateral and bilateral funding and bolstering external reserves. The current account deficit narrowed to USD 681mn in FY24 from USD 3.3bn in FY23. By year-end, with inflation easing, the SBP reduced the policy rate to 13%, signaling a pro-growth stance. However, revenue collection challenges persisted, with a PKR 386bn shortfall in 1HFY25, posing risks to fiscal targets and future IMF disbursements.

Structural reforms have progressed, particularly in energy and privatization. The Special Investment Facilitation Council (SIFC) boosted foreign investment through its one window platform, it also launched track and trace systems to prevent smuggling of various commodities such as cement, tobacco, fertilizer, and sugar. While privatization efforts failed to materialize in FY 2024, going-forward, the government remains committed to offloading key assets, including airports and power distribution companies. In the energy sector, early termination of Power Purchase Agreements (PPAs) and the transition of Independent Power Producers (IPPs) to hybrid 'take and pay' model aimed to achieve long-term fiscal savings of PKR 411bn.

Equity Market Review

In 2024, the Pakistan Stock Exchange (PSX) demonstrated remarkable strength and resilience, surpassing the historic 100,000 milestone and reinforcing its position as a key player in the regional equity markets. Despite early volatility, including a low of 59,191.85 on February 19, the market rebounded significantly, driven by improving macroeconomic indicators and robust corporate performance. The KSE-100 index reached an all-time high of 117,039.17 on December 17 and closed the year at 115,126.90, delivering an outstanding 84.35% y/y return, outpacing all other asset classes. Marking its second consecutive year of positive momentum, PSX's performance underscored its ability to navigate challenges while delivering substantial returns. In

USD terms, the index surged ~86%, marking its strongest annual gain in 21 years and securing its position as the second-best performing market globally.

The significant growth in the KSE100 index was driven by strong performances across key sectors. Pharmaceuticals led with a 196% return, followed by E&P (115%), Fertilizer (113%), Technology & Communication (68.5%), Cement (65%), and Banking (64.5%). Moreover, the stock market experienced a revival in listings, as four companies went public. This momentum was further reinforced by major corporate mergers and acquisitions in key sectors, which bolstered market confidence and liquidity, positioning PSX for sustained growth, adding a combined post-issue paid-up capital of PKR 9.5bn

Principal Risks & Uncertainties

HMFS's profitability is linked to the overall performance of the capital markets of the country, which in turn, are influenced by the overall macroeconomic and political environment of Pakistan. Global economic performance, geo-political environment, commodities prices, and movements in exchange rates also impact the performance of the capital markets and hence the profitability of HMFS.

Financial Performance

HMFS has posted a loss after tax of Rs.3.61mn for FY 2024 (FY 2023: Loss after tax of Rs. 20.29mn) which translates into an EPS of negative Rs. 0.12 (FY 2023: EPS of negative Rs. 0.68). During the year, brokerage revenue clocked in at Rs. 79.27mn, an increase of Rs. 45.32mn (133.51%) year on year. Markup on treasury bills amounted to Rs. 18.64mn, a decrease of Rs. 1.27mn (6.37%) and other income which includes markup on bank balance and exposure deposits amounted to Rs. 21.14mn, a decrease of Rs. 5.88mn (21.77%) year on year, mainly due to a decrease in interest rates. Administrative expenses amounted to Rs. 115.67mn an increase of Rs. 19.10mn (19.78%) from last year.
The total comprehensive income for FY 2024, including surplus on revaluation of investments, amounted to Rs. 25.36mn an increase of Rs. 42.45mn (248.42%). This resulted in an increase in net equity of HMFS as at the balance sheet date to Rs. 333.87mn (as compared to equity of Rs. 308.51mn for FY 2023) which translates into a book value per share of Rs. 11.13 (as compared to book value per share of Rs.10.28 for FY 2023).

Corporate Governance

The Directors are pleased to state as follows:

a) The financial statements, prepared by the management of HMFS present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
b) Proper books of accounts have been maintained by HMFS.
c) Appropriate accounting policies have been consistently applied in preparation of financial statements, and financial estimates are based on reasonable and prudent judgement.
d) International Financial Reporting Standards (IFRS), as applicable in Pakistan have been followed in preparation of the financial statements and any departures therefrom has been adequately disclosed and explained.
e) The system of internal controls is sound in design and has been effectively implemented and monitored.
f) There are no significant doubts upon HMFS's ability to continue as a going concern.

g) HMFS keeps effective and efficient internal financial controls system which remain active through consistent innovation and monitoring. The compliance function of HMFS evaluates the financial controls and ensures that there is an effective control environment throughout the company.

h) The Statement of compliance with the code of corporate governance by HMFS has been considered and issued.

Meetings of the Directors

During the year five meetings of the Board of Directors were held, the attendance of each director for these meetings is as follows:

Name	Meetings Attended
Syed Ather Ahmed	05
Syed Hasnain Haider Rizvi	05
Mr. Ather Ali Khan	05

Auditors

The retiring auditors M/s. KPMG Taseer Hadi & Co., Chartered Accountants, have offered themselves for reappointment on mutually agreed remuneration.

Shareholding

A statement showing pattern of shareholding in HMFS is enclosed with the Annual Audited Financial Statements of HMFS.

Future Outlook

In 2025, the KSE-100 Index is set to sustain its upward momentum, driven by easing inflation leading to further policy rate reductions, which in turn facilitates revised valuations due to a declining risk-free rate. An expected 13% growth in corporate earnings, stable exchange rate, lower country risk premium, and shifting capital from fixed-income to equities are expected to boost market capitalization by 35%-50%, with an estimated ~8% dividend yield enhancing returns. Key sectors—E&Ps, autos, and cement — are poised for growth. The continuation of the IMF program will provide fiscal discipline, supporting macroeconomic stability.

Improved external stability, a stronger CDS (Credit Default Swaps) position, and expected improvement in Pakistan's sovereign credit rating will facilitate Eurobond and Panda Bond issuances, further bolstering forex reserves and supporting exchange rate stability. However, risks remain from global commodity price volatility and external debt repayments, which could necessitate further IMF support.

Acknowledgement

The Directors wish to record their gratitude to HMFS's valued clients, shareholders, and other stakeholders for their continued trust that they reposed in HMFS. The Board would also like to record their appreciation to the employees of HMFS for their commitment and dedication.

On behalf of the Board of Directors

Ather Husain Medina Chief Executive	Syed Ather Ahmed Chairman

March 26, 2025

Habib Metropolitan Financial Services Limited

Statement of Compliance with the Code of Corporate Governance
For the year ended 31 December 2024

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 16 (1) (f) of the Securities Brokers (Licensing and Operations) Regulations, 2016 for the purpose of establishing as framework of good governance.

The Company has applied the principles contained in the CCG in the following manner:

1. HMFS has established an effective Board of Directors (the Board) with the requisite skills, competence, knowledge, and experience responsible for ensuring long-term success and for monitoring and evaluating the management's performance.

   At present the Board includes:

Category	Names
Directors	Syed Ather Ahmed (Chairman)
	Syed Hasnain Haider Rizvi
	Mr. Ather Ali Khan
Chief Executive Officer (CEO)	Mr. Ather Husain Medina

2. The Board has set the strategic objectives and ensured that the necessary financial and human- resources are in place to meet those objectives. The Board has further ensured that significant policies have been formulated on the following issues, among others:

   a) governance, risk management and compliance issues.
   b) customer relations including customer awareness and a mechanism and timeline for handling/resolving their complaints/grievances; and
   c) segregation of customer assets from securities brokers' assets.

3. The Board has formulated and ensured adoption of a code of conduct/code of ethics to promote integrity of its business, its board, and its employees with special emphasis on measures for curbing any market manipulative activities such as front running, insider trading and other market abuse.

4. The Board has devised an effective whistle-blower mechanism enabling all stakeholders including employees to freely communicate their concerns about any illegal or unethical practices. The Board has also ensured that the interest of a whistle-blower is not prejudicially affected.

5. No casual vacancy occurred on the Board during the year.

6. During the year five meetings of the Board were held and the Board has ensured that the minutes of meetings of the Board are appropriately recorded.

7. HMFS has confirmed that it has an appropriate and suitably qualified management team commensurate with the size and complexity of its business.

8. HMFS has made efforts to familiarize its directors with the CCG, other applicable laws, and their duties and responsibilities.

9. HMFS has reappointed KPMG Taseer Hadi & Co., Chartered Accountants, as its statutory auditors enlisted within Category "A" of the State Bank of Pakistan's Panel of Auditors.

10. The quarterly and annual financial statements including the details of all related party transactions have been approved by the Board and CEO after review.

11. HMFS has ensured preparation and circulation of an Annual Report to PSX and SECP. The Annual Report contained the following:

    a) Annual audited financial statements.
    b) Directors' Report.
    c) A statement by the CEO that there are no transactions entered into by the broker during the year, which are fraudulent, illegal or in violation of any securities market laws.
    d) Statement of compliance with CCG.

On behalf of the Board of Directors

Ather Husain Medina Chief Executive	Syed Ather Ahmed Chairman

March 26, 2025

Habib Metropolitan Financial Services Limited

A Statement by the Chief Executive Officer

"That there are no transactions entered into by Habib Metropolitan Financial Services Limited during the year ended 31 December 2024, which are fraudulent, illegal or in violation of any securities market laws".

Ather Husain Medina
Chief Executive Officer

March 26, 2025

Habib Metropolitan Financial Services Limited
Statement of Financial Position
As at 31 December 2024

	Note	2024	2023
		(Rupees)	
ASSETS			
Non-current assets			
Property and equipment	4	**14,112,765**	17,444,045
Right of use asset	5	**2,428,495**	4,142,727
Intangible assets	6	**2,046,543**	3,435,360
Long term investment	7	**44,481,946**	16,173,796
		63,069,749	41,195,928
Current assets			
Trade debts - net	8	**162,976,302**	102,069,211
Loans to employees	9	**1,794,006**	2,389,219
Deposits and prepayments	10	**135,641,737**	80,405,128
Short term investments	11	**97,944,858**	95,539,733
Accrued profit	12	**3,478,178**	3,570,968
Other receivables	13	**216,850**	141,890
Advance taxation - net		**42,308,092**	40,351,141
Cash and bank balances	14	**95,875,110**	140,251,593
		540,235,133	464,718,883
Total assets		**603,304,882**	505,914,811
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
30,000,000 (31 December 2023: 30,000,000) ordinary shares of Rs. 10 each		**300,000,000**	300,000,000
Issued, subscribed and paid up share capital			
30,000,000 (31 December 2023: 30,000,000) ordinary shares of Rs. 10 each fully paid in cash	15	**300,000,000**	300,000,000
Unappropriated profit		**2,619,312**	6,232,009
Surplus on revaluation of investments - net of tax	16	**31,250,432**	2,276,750
		333,869,744	308,508,759
Non-current liabilities			
Deferred tax liabilities - net	17	**542,669**	721,631
Liability against right of use asset - non-current portion	18	**1,049,448**	3,359,036
		1,592,117	4,080,667
Current liabilities			
Liability against right of use asset - current portion	18	**2,309,588**	1,991,048
Trade and other payables	19	**208,369,589**	191,334,337
Short term borrowing - secured	20	**57,163,844**	-
		267,843,021	193,325,385
Total equity and liabilities		**603,304,882**	505,914,811
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive Officer **Director**

Habib Metropolitan Financial Services Limited
Statement of Profit or Loss
For the year ended 31 December 2024

	Note	2024	2023
		---------------- (Rupees)	----------------
Brokerage income	22	**79,273,684**	33,948,994
Income from investments			
- Amortisation income on Market Treasury Bills		**18,639,856**	19,907,718
- Dividend income		**1,602,953**	-
Administrative expenses	23	**(115,673,682)**	(96,570,155)
Finance cost	24	**(788,013)**	(725,487)
Provision for Sindh Workers' Welfare Fund		**(175,466)**	-
(Charge) / reversal of loss allowance for expected credit loss (ECL)	8.2	**(554,924)**	59,619
		(117,192,085)	(97,236,023)
Other income	25	**21,143,940**	27,027,097
Profit / (loss) before income tax, minimum tax differential and final tax		**3,468,348**	(16,352,214)
Minimum tax differential	27.2	**(4,747,143)**	(2,869,996)
Final tax	27.2	**(240,443)**	-
Loss before income tax		**(1,519,238)**	(19,222,210)
Provision for taxation			
- Current	27	**(2,544,258)**	-
- Prior		**-**	(356,339)
- Deferred	17	**450,799**	(708,095)
		(2,093,459)	(1,064,434)
Loss after taxation		**(3,612,697)**	(20,286,644)
Earnings per share - basic and diluted	28	**(0.12)**	(0.68)

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive Officer

Director

Habib Metropolitan Financial Services Limited
Statement of Comprehensive Income
For the year ended 31 December 2024

	Note	2024	2023
		---------------- (Rupees) ----------------	
Loss after taxation		**(3,612,697)**	(20,286,644)
Other comprehensive income:			
Items to be reclassified to Statement of Profit or Loss in subsequent periods			
- Surplus / (deficit) on revaluation of debt investments carried at fair value	*16*	**937,369**	(31,548)
- Related deferred tax	*17*	**(271,837)**	9,149
		665,532	(22,399)
Items not to be reclassified to Statement of Profit or Loss in subsequent periods			
- Surplus on revaluation of equity shares investments carried at fair value	*16*	**28,308,150**	3,221,936
Total comprehensive income / (loss)		**25,360,985**	(17,087,107)

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive Officer

Director

Habib Metropolitan Financial Services Limited
Statement of Changes in Equity
For the year ended 31 December 2024

	Issued, subscribed and paid up share capital	Unappropriated profit	Surplus on revaluation of investments - net of tax	Total
	(Rupees)			
Balance as at 1 January 2023	300,000,000	26,518,653	(922,787)	325,595,866
Total comprehensive income for the year				
Loss after taxation	-	(20,286,644)	-	(20,286,644)
Other comprehensive income - surplus on revaluation of investments - net of tax	-	-	3,199,537	3,199,537
	-	(20,286,644)	3,199,537	(17,087,107)
Balance as at 31 December 2023	300,000,000	6,232,009	2,276,750	308,508,759
Total comprehensive income for the year				
Loss after taxation	-	**(3,612,697)**	-	**(3,612,697)**
Other comprehensive income - surplus on revaluation of investments - net of tax	-	-	**28,973,682**	**28,973,682**
	-	(3,612,697)	28,973,682	25,360,985
Balance as at 31 December 2024	**300,000,000**	**2,619,312**	**31,250,432**	**333,869,744**

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive Officer

Director

Habib Metropolitan Financial Services Limited
Statement of Cash Flows
For the year ended 31 December 2024

	Note	2024	2023
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before income tax, minimum tax differential and final tax		**3,468,348**	(16,352,214)
Adjustments for:			
Amortisation income on Market Treasury Bills		**(18,639,856)**	(19,907,718)
Dividend income		**(1,602,953)**	-
(Charge) / reversal of loss allowance for expected credit loss (ECL)	8.2	**554,924**	(59,619)
Provisi expected credit loss (ECL)		**175,466**	-
Interest on lease liability against right of use asset	18	**396,496**	567,741
Depreciation on property and equiment	4	**4,188,740**	2,871,458
Depreciation on right of use asset	5	**1,714,232**	1,714,232
Amortisation of intangible assets	6	**1,388,817**	941,387
Gain on sale of property and equipment		**-**	(1,996,000)
		(11,824,134)	(15,868,519)
(Increase) / decrease in current assets:			
Receivables from customers		**(61,462,015)**	3,334,002
Loans to employees		**595,213**	(976,124)
Deposits and prepayments		**(55,236,609)**	(11,553)
Accrued profit		**92,790**	(752,205)
Other receivables		**(74,960)**	(78,717)
		(116,085,581)	1,515,403
Increase / (decrease) in current liabilities:			
Trade and other payables		**16,859,786**	36,802,686
		(107,581,581)	6,097,356
Income taxes paid		**(9,488,795)**	(8,818,168)
Net cash used in operating activities		**(117,070,376)**	(2,720,812)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the maturity of investments		**300,000,000**	500,000,000
Purchase of investments		**(282,827,900)**	(476,691,700)
Dividend received		**1,602,953**	-
Purchase of property and equipment	4.1	**(857,460)**	(17,337,100)
Proceeds from sale of property and equipment		**-**	1,996,000
Purchase of intangible assets		**-**	(3,647,490)
Net cash generated from investing activities		**17,917,593**	4,319,710
CASH FLOW FROM FINANCING ACTIVITIES			
Lease rentals paid	18	**(2,387,544)**	(2,273,851)
Net cash used in financing activities		**(2,387,544)**	(2,273,851)
Decrease in cash and cash equivalents		**(101,540,327)**	(674,953)
Cash and cash equivalents at the beginning of the year		**140,251,593**	140,926,546
Cash and cash equivalents at the end of the year		**38,711,266**	140,251,593
CASH AND CASH EQUIVALENTS			
Cash and bank balances	14	**95,875,110**	140,251,593
Short term borrowing - secured	20	**(57,163,844)**	-
		38,711,266	140,251,593

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive Officer

Director

1 STATUS AND NATURE OF BUSINESS

Habib Metropolitan Financial Services Limited (the Company) was incorporated in Pakistan on 28 September 2007 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is a wholly owned subsidiary of Habib Metropolitan Bank Limited (the Holding Company). The Ultimate Parent Company is Habib Bank AG Zurich (the Ultimate Parent Company), which is incorporated in Switzerland. The Company is engaged in the business of stock brokerage. The Company holds a Trading Rights Entitlement (TRE) Certificate from Pakistan Stock Exchange Limited (PSX). The registered office of the Company is located at 1st Floor, GPC 2, Block 5, Kehkashan Clifton, Karachi. The Company commenced its operations on 6 March 2008.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is also the functional currency of the Company and rounded off to the nearest Rupee.

2.3 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision. Areas where judgements and estimates made by the management that may have a significant effect on the amounts recognised in the financial statements are included in the following notes.

- Residual value and useful lives of property and equipment (note 3.1 & 4)
- Residual value and useful lives of intangible assets (note 3.2 & 6)
- Provision for impairment of financial assets (note 3.7 & 8)
- Valuation and impairment of investments (note 3.4.1 & 3.7)
- Provision for compensated absences (note 3.6)
- Income taxes (note 3.9)
- Provision for impairment of non-financial assets (note 3.7)

2.4 BASIS OF MEASURMENT

Accounting convention

These financial statements have been prepared under the historical cost convention, except that investments are carried at fair value, obligation in respect of lease liability which have been carried at present values and right-of use asset which is initially measured at an amount equal to the corresponding lease liability (adjusted for any lease payments and certain specified costs) and depreciated over the lease term.

2.5 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan which became effective in the current year

There are new and amended standards and interpretations that are mandatory for accounting periods beginning on 1 January 2024, but are considered not to be relevant or do not have any material effect on the Company's financial position, except for the following:

The Institute of Chartered Accountants of Pakistan (ICAP), through Circular No. 07/2024 dated 15 May 2024, issued guidance on the accounting treatment of minimum taxes and final taxes in compliance with the requirements of IFRS Accounting Standards. According to this guidance, income taxes include those taxes which are based on taxable profits while levies are defined as those whose calculation uses data such as the gross amount of revenue, assets or liabilities that and so do not meet the definition of income taxes provided in IAS 12. Accordingly, final taxes and minimum taxes chargeable under various sections of Income Tax Ordinance 2001, are to be classified as a 'levy' rather than as income tax in the statement of profit or loss. Further, the circular also provides two approaches for the bifurcation of minimum taxes, offering the Company the option to select and consistently apply one approach. Each approach has distinct implications for current and deferred tax.

The Company has opted to designate the amount calculated on taxable income using the notified tax rates as income tax within the scope of IAS 12 'Income Taxes' and to recognise this amount as a current income tax expense. Any excess amount beyond the designated income tax will be recognized as a levy, in accordance with IFRIC 21/IAS 37. As a result, calculation of deferred tax would be recorded at the enacted income tax rate as the effective rate of income tax is equal to the enacted rate of income tax.

Refer to Note 27.3 for the effect of this. Pursuant to the Income Tax Ordinance 2001, the Company is subject to the minimum tax regime as stipulated under section 233 and the final tax regime as stipulated under section 5. Since the tax liability under the aforesaid mentioned sections exceeded the tax liability under the normal tax regime (income subject to tax at the notified tax rate), the excess amount is recorded as a levy.

2.6 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

- Lack of Exchangeability (amendments to IAS 21) clarify:

  a) when a currency is exchangeable into another currency; and
  b) how a company estimates a spot rate when a currency lacks exchangeability.

  Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

  c) the nature and financial impacts of the currency not being exchangeable;
  d) the spot exchange rate used;
  e) the estimation process; and
  f) risks to the company because the currency is not exchangeable.

  The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

- Amendments to the Classification and Measurements of Financial Instruments - Amendments to the IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure the amendments apply for reporting periods beginning on or after 1 January 2026. Early application is permitted.

  The above amendments are effective for annual period beginning on or after 1 January 2025 and are not likely to have an impact on the Company's Financial Statements.

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. Further, accounting policies related to material class of transactions and accounts doesn't necessarily means it is material. These policies have been consistently applied to all the years presented.

3.1 Property and equipment

3.1.1 Owned

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

Depreciation is charged on a straight line basis, and recognised in the Statement of Profit or Loss, over the estimated useful life of the asset at the rates specified in note 4.1. Depreciation on additions is charged from the date of addition. In case of disposals during the year, the depreciation is charged up till the date of disposal.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit or Loss.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of asset is recognised in the Statement of Profit or Loss in the year the asset is derecognised. The residual values, useful lives and depreciation methods are reviewed and changes, if any, are treated as change in accounting estimates at each reporting date.

3.2 Leases

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company primarily leases property for its operations.

3.2.1 Right of use asset

At the lease commencement date, the Company recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received. Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of its useful life or the end of the lease term. The estimated useful lives of assets are determined on the same basis as for owned assets. Additionally, the right-of-use asset is reduced by impairment losses, if any.

3.2.2 Liability against right of use asset

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, 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 measured at amortised cost under the effective interest method. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

3.3 Intangible assets

These represent computer softwares. Computer softwares are recognised in the financial statements, if and only if, it is probable that the future economic benefits that are attributable to the assets will flow to the Company; and the cost of the intangible asset can be measured reliably. These are carried at cost less accumulated amortisation and impairment, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit or Loss as incurred. Amortisation of computer software is charged to Statement of Profit or Loss for the year on a straight line basis at the rates specified in note 6. The amortisation period and the amortisation method for intangible assets with finite useful life are reviewed, and adjusted if appropriate, at each reporting date.

3.4 Financial Assets

3.4.1 Non-derivative financial assets

Initial recognition and measurement

Financial assets are initially recognised at the time when the Company becomes a party to the contractual provision of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification

On initial recognition a financial asset is classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVOCI) - Debt investment
- fair value through other comprehensive income (FVOCI) - Equity investment, and
- fair value through profit and loss (FVTPL).

The classification depends on the Company's business model for managing financial assets and the contractual terms of the financial assets cash flows.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI - Debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVOCI - Equity investment

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI.

FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL.

Financial assets - Business model assessment:

A financial asset is classified as either Held to collect, Held to collect and sale and Others based on Business model assessment. The company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to the management. The assessment requires judgement based on facts and circumstances on the date of assessment. The assessment considers the policies and objectives for the portfolio of financial assets, risk affecting, performance evaluation, business manager's compensation and historical sales information.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cashflows nor held both to collect contractual cashflows and to sell financial assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest:

The Company assesses whether contractual cash flows meet the solely payments of principal and interest (SPPI) criterion by considers the instrument's terms. This includes evaluating factors that may alter cash flow timing or amount, such as contingent events, variable-rate features, prepayment or extension options and limitations on claims to cash flows (e.g., non-recourse features).

A prepayment feature meets the solely payments of principal and interest (SPPI) criterion if the prepayment amount primarily includes unpaid principal, interest, and reasonable early termination compensation. For discounted or premium financial assets, prepayment at contractual par plus accrued interest (with possible early termination compensation) also meets the criterion if its fair value is insignificant at initial recognition.

Subsequent measurement and derecognition

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.

Debt investments classified as FVOCI are subsequently measured at fair value. Interest income calculated using effective method, foreign exchange gain and losses and impairment are recognised in statement of profit or loss. Other net gains and losses are recognised in the statement of comprehensive income. On de-recognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss.

Equity investments classified as FVOCI are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, when the Company's right to receive payments is established. This category only includes equity instruments, which the Company intends to hold for the foreseeable future. On derecognition, there is no reclassification of fair value gains and losses to statement of profit or loss. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9.

The financial assets classified at FVTPL are subsequently measured at fair value and net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss. Net gains and losses (unrealised and realised), including any interest or dividend income, are recognized in statement of profit or loss.

In case of subsidised staff loan where, the fair value of the amount disbursed, on initial recognition, is lower than the amount so disbursed, the difference is recognised in the Statement of Profit or Loss. Markup on these loans are then recognised under the effective interest rate method.

3.4.2 Cash and cash equivalents

Cash at bank, cash in hand and short term borrowings that are repayable on demand, form an integral part of the Company's cash management and, are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3.4.3 Fair Value through Other Comprehensive Income (FVOCI)

Currently, investments are classified as FVOCI, and these are measured at the fair value.

Equity securities

Equity investments classified as FVOCI are designated under an irrevocable election to present subsequent changes in fair value in the Statement of Comprehensive Income without recycling to the Statement of Profit or Loss. The business model of the Company is to hold to collect and sell. Dividends are recognised as income in the Statement of Profit or Loss. However, equity instruments at FVOCI are not subject to impairment assessment.

Debt securities - Market Treasury Bills

Market Treasury Bills are subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in the Statement of Comprehensive Income. A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income and other gains or losses are recognised in the Statement of Profit or Loss. On derecognition, gains and losses accumulated in other comprehensive income are recycled to the Statement of Profit or Loss.

Regular way purchase and sale

Investments are recognised on the trade date, i.e. the date on which commitment to purchase / sale is made by the Company. Regular way purchases or sales of investment require delivery of securities within two days of transaction date as required by stock exchange regulations.

3.5 Non-derivative financial liabilities

Financial liabilities are initially recognised at the time when the Company becomes party to the contractual provisions of the instruments. All financial liabilities are recognised initially at fair value minus directly attributable transactions costs, if any, and are subsequently measured at amortised cost using effective interest rate.

At the year-end, all the financial liabilities are classified as at amortised cost.

3.5.1 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the Statement of Financial Position when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.6 Compensated absences

Employees' entitlement to annual leave is recognised when these are due. A provision is made for liability for annual leaves as a result of services rendered by the employees against un-availed leaves, as per terms of service contract, up to the reporting date.

3.7 Impairment

Financial assets

The Company recognises loss allowance for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost (i.e. trade receivables and cash and cash equivalents) debt instruments measured at FVOCI but not investments in equity instruments. ECLs are a probability-weighted estimate of credit losses, based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Management uses actual historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

For other debt financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECL's that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due and a financial asset in default when contractual payment are 180 days past due or the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The ECL has impact on the assets of the Company which are exposed to credit risk. No loss allowance for ECLs has been recorded on certain assets, which include loans to employees, deposits, short term investments, (government securities backed by Government of Pakistan), other receivables and bank deposits and accrued profit thereon, as these assets carry minimal credit risk due to high credit quality counterparties and secured repayment mechanisms.

Write-off

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 assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in the Statement of Profit or Loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Provisions

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

3.9 Taxation

Provision for taxation expense comprises of current and deferred tax. Current and deferred tax is recognised in Statement of Profit or Loss except to the extent that it relates to items recognised in equity and other comprehensive income. In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current

Provision for current taxation is the expected tax payable on taxable income for the period and is based on the tax payable under normal tax regime at current rate of taxation after considering the effects of minimum taxes, final taxes, available tax credits and rebates.

Deferred

Deferred taxation is recognised, using the balance sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax base. The amount of deferred tax recognised is based on expected manner of realisation or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is also recognised in surplus on revaluation of investments by debiting that account (recognised in equity).

3.10 Foreign currency transactions

Foreign currency transactions are translated into functional currency i.e., Pak Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date. Exchange differences, if any, are taken to Statement of Profit or Loss.

3.11 Revenue and other income

3.11.1 Revenue

Type of Income	Nature and timing of satisfaction of performance obligation including significant payment terms	Revenue recognition policy
Brokerage Income	Performance obligation is satisfied when services related to brokerage activites is provided.	Revenue is recognised at point in time when services are rendered.

3.11.2 Other Income

- Dividend income is recognised when the Company's right to receive the dividend is established.
- Gains / (losses) on sale of investments are included in the Statement of Profit or Loss in the year in which they arise.
- Interest income is recognised as it accrues in the Statement of Profit or Loss using the Effective Interest Rate method.
- Other income is recognised on accrual basis.
- Amortisation income is recognised as it accrues over interest free loans provided to employees.

3.12 Dividend and appropriation of reserves

Dividend and appropriation to reserves are recognised in the year in which they are approved.

3.13 Earnings per share (EPS)

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

				Note	2024	2023
4	**PROPERTY AND EQUIPMENT**					
					(Rupees)	
	Operating assets			4.1	14,112,765	17,444,045

4.1 Operating assets

	2024									
	Cost				Depreciation				Written down	Rate
	At 1 January 2024	Additions	Disposals	At 31 December 2024	At 1 January 2024	Reversal on disposals for the year	Charge for the year	At 31 December 2024	value as at 31 December 2024	
	(Rupees)									
Owned										
Office equipment	4,016,278	-	-	4,016,278	1,342,780	-	501,959	1,844,739	2,171,539	15%
Furniture and fixtures	4,000,551	-	-	4,000,551	640,831	-	585,823	1,226,654	2,773,897	15%
Computer equipment	7,861,869	857,460	-	8,719,329	3,103,020	-	1,546,556	4,649,576	4,069,753	25%
Motor vehicle	7,786,270	-	-	7,786,270	1,134,292	-	1,554,402	2,688,694	5,097,576	20%
	23,664,968	857,460	-	24,522,428	6,220,923	-	4,188,740	10,409,663	14,112,765	

	2023									
	Cost				Depreciation				Written down	Rate
	At 1 January 2023	Additions	Disposals	At 31 December 2023	At 1 January 2023	Reversal on disposals for the year	Charge for the year	At 31 December 2023	value as at 31 December 2023	
	(Rupees)									
Owned										
Office equipment	1,632,432	2,471,346	(87,500)	4,016,278	1,055,874	(87,500)	374,406	1,342,780	2,673,498	15%
Furniture and fixtures	334,816	3,665,735	-	4,000,551	175,669	-	465,162	640,831	3,359,720	15%
Computer equipment	2,933,850	4,928,019	-	7,861,869	2,191,152	-	911,868	3,103,020	4,758,849	25%
Motor vehicle	34,795	7,772,000	(20,525)	7,786,270	34,795	(20,525)	1,120,022	1,134,292	6,651,978	20%
	4,935,893	18,837,100	(108,025)	23,664,968	3,457,490	(108,025)	2,871,458	6,220,923	17,444,045	

4.1.1 Cost of fully depreciated assets which are still in use as at 31 December 2024 amount to Rs. 3.16 million (2023: Rs. 2.30 million).

		Note	2024	2023
5	**Right of use asset**			
			(Rupees)	
	Balance as on 1 January		4,142,727	5,856,959
	Depreciation of right of use asset	5.1	(1,714,232)	(1,714,232)
	Closing balance		2,428,495	4,142,727

5.1 These are being depreciated over the period up to 31 May 2026.

		2024	2023
6	**INTANGIBLE ASSETS**		
		(Rupees)	
	Operating intangible assets	2,046,543	3,435,360

		2024							
		Cost			Amortisation			Written down	
	Note	At 1 January 2024	Additions	At 31 December 2024	At 1 January 2024	Charge for the year	At 31 December 2024	value as at 31 December 2024	Rate
		(Rupees)							
Online trading software		1,070,000	-	1,070,000	1,070,000	-	1,070,000	-	30%
PSX gateway application for online trading		551,500	-	551,500	551,500	-	551,500	-	30%
TRE Certificate	6.1	-	-	-	-	-	-	-	-
Softwares		4,932,347	-	4,932,347	1,496,987	1,388,817	2,885,804	2,046,543	30%
		6,553,847	-	6,553,847	3,118,487	1,388,817	4,507,304	2,046,543	

		2023							
		Cost			Amortisation			Written down	Rate
	Note	At 1 January 2023	Additions	At 31 December 2023	At 1 January 2023	Charge for the year	At 31 December 2023	value as at 31 December 2023	
		(Rupees)							
Online trading software		1,070,000	-	1,070,000	1,070,000	-	1,070,000	-	30%
PSX gateway application for online trading		551,500	-	551,500	551,500	-	551,500	-	30%
TRE Certificate	6.1	-	-	-	-	-	-	-	-
Softwares		1,284,857	3,647,490	4,932,347	555,600	941,387	1,496,987	3,435,360	30%
		2,906,357	3,647,490	6,553,847	2,177,100	941,387	3,118,487	3,435,360	

6.1 Represents the TRE (Trading Rights Entitlement) Certificate.

6.2 Cost of fully amortised assets which are still in use as at 31 December 2024 amount to Rs. 2.29 million (2023: Rs. 1.79 million).

7 LONG TERM INVESTMENT - at fair value through Other Comprehensive Income (OCI)

2024	2023		Note	2024	2023
-----(Number of shares)-----				---- (Rupees) ----	
1,602,953	1,602,953	Cost of investment		**13,900,000**	13,900,000
-	-	Surplus on revaluation of investment		**30,581,946**	2,273,796
1,602,953	1,602,953	Closing balance	*7.1*	**44,481,946**	16,173,796

7.1 This represents ordinary shares of Pakistan Stock Exchange Limited (PSX) having face value of Rs.10 each and are carried at the market value. These shares are pledged in favour of PSX.

7.2 In compliance with chapter 19 of Pakistan Stock Exchange Limited Regulations governing risk management, every TRE Certificate holder shall maintain Base Minimum Capital (BMC), as per the slabs provided in that chapter, with PSX which shall be determined based on the Assets Under Custody (AUC).

Required BMC amounted to Rs. 32.46 million. Accordingly, the Company has complied with the said requirement in the following manner:

i) Transferable TRE Certificate lien marked with irrevocable authority in favour of PSX;
ii) Cash deposited with PSX amounting to Rs. 18.5 million to fulfil the BMC requirement; and
iii) Shares of PSX (1,602,953 shares) pledged in favour of PSX.

8 TRADE DEBTS - NET

	Note	2024	2023
		---- (Rupees) ----	
Trade receivables from customers	*8.1*	**116,928,212**	102,809,886
Less: provision for loss allowance for Expected Credit Loss (ECL)	*8.2*	**(3,297,816)**	(2,742,892)
		113,630,396	100,066,994
Receivables from National Clearing Company of Pakistan Limited			
- ready market		**48,807,872**	-
- future market		**538,034**	2,002,217
		162,976,302	102,069,211

8.1 Details of the maximum aggregate amount due from the related parties outstanding at any time during the year (month-end balances) are as under:

	2024	2023
	---- (Rupees) ----	
Habib Metropolitan Bank Limited (the Holding Company)	**1,337,835**	572,561
First Habib Modaraba	**67**	67
Habib Metropolitan Modaraba Management Company (Private) Limited	**7,069**	7,069

8.2 Provision for impairment on trade debts

	2024	2023
	---- (Rupees) ----	
Opening balance	**2,742,892**	2,802,511
Charge / (reversal) for the year	**554,924**	(59,619)
Closing balance	**3,297,816**	2,742,892

8.3 Ageing analysis

The ageing analysis of trade receivables from customers relating to purchase of shares is as follows:

	Note	31 December 2024	
		Amount	**Custody value**
		---- (Rupees) ----	
Less than five days	*8.3.1*	**97,919,737**	**1,280,944,364**
Five days or more	*8.3.1*	**19,008,475**	**1,658,134,398**
		116,928,212	**2,939,078,762**

8.3.1 These custody values are shown at values on the basis of Value at Risk (VaR) notified by National Clearing Company of Pakistan Limited (NCCPL).

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9 LOANS TO EMPLOYEES

	Note	2024	2023
Unsecured and considered good		(Rupees)	
Loans to key management personnel	9.2	**1,362,464**	1,478,249
Loans to other employees		**431,542**	910,970
		1,794,006	2,389,219

9.1 Above are unsecured, interest free and are adjustable against the monthly salaries of the employees.

9.2 Loans to key management personnel

	2024	2023
	(Rupees)	
Opening balance	**1,478,249**	369,867
Loans granted during the year	**3,555,280**	3,599,015
Adjustment	**176,736**	(210,282)
Repayment of loans during the year	**(3,847,801)**	(2,280,351)
Closing balance	**1,362,464**	1,478,249

10 DEPOSITS AND PREPAYMENTS

	Note	2024	2023
		(Rupees)	
Deposit with:			
- NCCPL against the exposure	10.1	**114,916,627**	59,916,627
- PSX under BMC requirement	10.2	**18,500,000**	18,500,000
- NCCPL for deliverable future contracts, ready contracts and initial deposit	10.3	**1,400,000**	1,400,000
- Central Depository Company of Pakistan Limited	10.4	**100,000**	100,000
- K-Electric Limited		**34,390**	34,390
- Pakistan Beverage Limited		**6,000**	6,000
		134,957,017	79,957,017
Prepayments		**684,720**	448,111
		135,641,737	80,405,128

10.1 This represents margin deposit with NCCPL in accordance with the provisions of the Securities Act, 2015. This deposit carries mark-up at the rate of 14.65% (2023:19.04%) per annum.

10.2 Following are the details of deposit of cash with PSX under BMC requirement:

	Note	2024	2023
		(Rupees)	
Closing balance	10.2.1	**18,500,000**	18,500,000

10.2.1 This represents deposit with PSX to fulfil the Base Minimum Capital requirement. This deposit carries mark-up at the rate of 13.60% (2023: 19.66%) per annum.

10.3 This represents amount of Rs. 1 million (2023: Rs. 1 million) on account of basic deposit for deliverable future contracts market, Rs. 0.2 million (2023: Rs. 0.2 million) for ready market and Rs. 0.2 million (2023: Rs. 0.2 million) as initial deposit.

10.4 This represents amount of Rs.100,000 (2023: Rs.100,000) on account of deposit with Central Depository Company of Pakistan Limited (CDC) at the commencement of brokerage business.

11 SHORT TERM INVESTMENTS - at fair value through OCI

	2024	2023
	(Rupees)	
Market Treasury Bills		
Amortised cost	**97,003,328**	95,535,572
Surplus arising on revaluation for the year	**941,530**	4,161
Market value	**97,944,858**	95,539,733

11.1 Government securities

Name of security	Maturity date	Yield (IRR) %	As at 1 January 2024	Purchased during the year	Matured during the year	As at 31 December 2024	Carrying value as at 31 December 2024 (before revaluation)	Market value as at 31 December 2024 (carrying value after revaluation)
			(Units)				(Rupees)	
Market Treasury Bills - 6 months (face value of Rs 5,000)	6 March 2025	17.62%	20,000	60,000	60,000	20,000	97,003,328	97,944,858

11.2 Total face value of the above instruments is Rs.100 million. These are pledged with NCCPL against the exposure margin.

12 ACCRUED PROFIT

	2024	2023
	(Rupees)	
Accrued profit on bank balances	39,988	578,043
Accrued profit on deposit with NCCPL against the exposure	1,882,619	1,919,966
Accrued profit on deposit with PSX under BMC requirement	1,555,571	1,072,959
	3,478,178	3,570,968

13 OTHER RECEIVABLES

	2024	2023
	(Rupees)	
Receivable from customers against CDC and NCCPL charges	216,850	124,184
Others	-	17,706
	216,850	141,890

14 CASH AND BANK BALANCES

	Note	2024	2023
		(Rupees)	
Cash in hand		25,000	25,000
Profit and loss sharing accounts:			
- Habib Metropolitan Bank Limited - the Holding Company	14.1	50,000	50,001
- Habib Bank Limited	14.1	613,370	1,443,218
- Meezan Bank Limited	14.2	8,518	6,670
		671,888	1,499,889
Current accounts:			
- Habib Metropolitan Bank Limited - the Holding Company	14.3	93,623,856	106,125,931
- MCB Bank Limited		1,554,366	32,600,773
		95,178,222	138,726,704
		95,875,110	140,251,593

14.1 These represent balances maintained in profit and loss sharing accounts, carries mark-up ranging from 13.50% to 20.50% per annum (2023: 14.50% to 20.50%) per annum.

14.2 This represents balance maintained in a profit and loss sharing account, carries mark-up ranging from 5.87% to 11.01% per annum (2023: 7.51% to 11.01%) per annum.

		2024	2023
		(Rupees)	
14.3	Customers' assets held in the designated bank accounts	93,623,856	90,534,517
14.4	Customers' assets held in the CDC account	6,083,542,950	5,495,272,472
14.5	Customers' securities pledged with financial institutions	83,360,612	72,327,997

15 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

As of the reporting date, 29,999,997 (2023: 29,999,997) shares were held by the Holding Company and 3 (2023: 3) shares were held by directors of the Company, as the nominees of the Holding Company.

16 SURPLUS ON REVALUATION OF INVESTMENTS - NET OF TAX

	Note	2024	2023
		(Rupees)	
Short term investments			
Opening balance		4,161	35,709
Surplus for the year arising on revaluation - Market Treasury Bills		937,369	(31,548)
Closing balance	11	941,530	4,161
Long term investment			
Opening balance		2,273,796	(948,140)
Surplus for the year arising on revaluation		28,308,150	3,221,936
Closing balance	7	30,581,946	2,273,796
		31,523,476	2,277,957
Related deferred tax:			
Opening balance		(1,207)	(10,356)
On revaluation during the year		(271,837)	9,149
Closing balance	17	(273,044)	(1,207)
		31,250,432	2,276,750

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17 DEFERRED TAX ASSETS / (LIABILITIES) - NET

Deferred tax assets / (liabilities) comprises of temporary differences in respect of the following:

	Balance as at 1 January 2023	Recognised in Statement of Profit or Loss	Recognised in Statement of Comprehensive Income	Balance as at 31 December 2023	Recognised in Statement of Profit or Loss	Recognised in Statement of Comprehensive Income	Balance as at 31 December 2024
	(Rupees)						
Taxable temporary differences:							
Property and equipment	-	(677,724)	-	(677,724)	472,388	-	(205,336)
Intangible assets	(12,329)	(30,371)	-	(42,700)	(21,589)	-	(64,289)
(Surplus) / deficit on revaluation of investments - net	(10,356)	-	9,149	(1,207)	-	(271,837)	(273,044)
	(22,685)	(708,095)	9,149	(721,631)	450,799	(271,837)	(542,669)
* **Deductible temporary differences:**							
Provision for compensated absences	-	-	-	-	-	-	-
Liability against right of use asset - net	-	-	-	-	-	-	-
Provision against receivables from customers	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	(22,685)	(708,095)	9,149	(721,631)	450,799	(271,837)	(542,669)

* The Company, as a measure of prudence, has not recognised deferred tax asset of Rs. 1.67 million on above deductible temporary differences.

18 LIABILITY AGAINST RIGHT OF USE ASSET

	Note	2024	2023
		(Rupees)	
Maturity of liability against right of use asset (office premises) is as follows:			
Current (within one year)	*18.1*	**2,309,588**	1,991,048
Non-current (more than one year)	*18.1*	**1,049,448**	3,359,036
		3,359,036	5,350,084
Movement in lease liability against right of use asset (office premises) is as follows:			
Opening balance		**5,350,084**	7,056,194
Interest on lease liability against right of use asset		**396,496**	567,741
Lease rentals paid		**(2,387,544)**	(2,273,851)
Closing balance		**3,359,036**	5,350,084

18.1 Liability against right of use asset is payable as follows:

	2024		
	Total		
	Minimum lease payments	Future finance cost	Present value of minimum lease payments
	(Rupees)		
Not later than one year	2,506,921	197,333	2,309,588
Later than one year but not later than five years	1,065,695	16,247	1,049,448
Later than five years	-	-	-
	3,572,616	213,580	3,359,036
Financial charges allocated to future periods	(213,580)		-
	3,359,036		3,359,036
Less: Current maturity	(2,309,588)		(2,309,588)
	1,049,448		1,049,448

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	2023 Total		
	Minimum lease payments	Future finance cost	Present value of minimum lease payments
	---------- (Rupees) ----------		
Not later than one year	2,387,544	396,496	1,991,048
Later than one year but not later than five years	3,572,616	213,580	3,359,036
Later than five years	-	-	-
	5,960,160	610,076	5,350,084
Financial charges allocated to future periods	(610,076)		-
	5,350,084		5,350,084
Less: Current maturity	(1,991,048)		(1,991,048)
	3,359,036		3,359,036

Above liability has been discounted at 9.29% (2023: 9.29%) per annum.

19 TRADE AND OTHER PAYABLES

	Note	2024	2023
		---- (Rupees) ----	
Due to customers in respect of securities transactions		**192,174,433**	131,902,523
Payable to NCCPL		**-**	48,266,670
Payable to Sindh Workers' Welfare Fund	*19.1*	**2,736,523**	2,561,057
Accrued expenses and other payables		**13,370,957**	8,604,087
Provision for penalty			-
Sindh sales tax payable - net		**87,676**	-
		208,369,589	191,334,337

19.1 The Finance Act 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the different High Courts. The Company is of the view that it is not liable to pay this liability. However, the management has made provision for WWF for the years from 2008 to 2014 amounting to Rs. 1.79 million as a matter of abundant caution.

The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

The management, as a matter of abundant caution, has decided to maintain the provision of WWF till the decision of Supreme Court in respect of Civil Review Petition.

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on 21 May 2015, requires every industrial establishment located in the province of Sindh and having total income of Rs. 0.5 million or more in any year of account commencing on or after the date of closing of account on or after 31 December 2013, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the banking or financial institution in the definition of "industrial undertaking" but does not define financial institution. From 2015 to the date, the Company has created provision of SWWF amounting to Rs.2.74 million.

20 SHORT TERM BORROWING - SECURED

	Note	2024	2023
		---- (Rupees) ----	
Habib Metropolitan Bank Limited - the Holding Company	*20.1*	**57,163,844**	-

20.1 The Company has obtained running finance facility from the Holding Company having credit limit up to Rs. 350 million (2023: Rs. 350 million). This carries mark up at the rate of 3 months KIBOR plus 2% per annum (2023: 3 months KIBOR plus 2% per annum) payable quarterly. This facility will mature on 30 June 2025 and is renewable. It is secured by first hypothecation charge on the receivables of the Company, registered with Securities and Exchange Commission of Pakistan (SECP), duly insured in the Holding Company's favour amounting up to Rs. 667 million.

21 CONTINGENCIES AND COMMITMENTS

21.1 There were no contingencies as at 31 December 2024, except as otherwise disclosed in the financial statements.

21.2 Capital commitment as at the year end was Rs. 0.3 million (2023: Rs. 0.3 million).

22 BROKERAGE INCOME

	Note	2024	2023
		---- (Rupees) ----	
Brokerage income	*22.1 & 22.2*	**79,273,684**	33,948,994

22.1 Disaggregation of brokerage income

Below, revenue is disaggregated by type of customers:

	2024	2023
- Corporate customers	**48,159,384**	22,750,087
- Individual customers	**31,114,300**	11,198,907
	79,273,684	33,948,994

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22.2 This includes brokerage income from related parties amounting to Rs. 3.45 million (2023: Rs. 2.07 million).

22.3 Brokerage income includes Rs. 6.70 million (2023: Rs. 3.01 million) from customers outside the country.

23 ADMINISTRATIVE EXPENSES

	Note	2024	2023
		(Rupees)	
Salaries and benefits	23.1	**69,621,905**	64,239,150
Pakistan Stock Exchange (PSX) clearing house, CDC and NCCPL charges		**7,054,582**	3,002,438
Communication		**6,979,498**	6,191,344
Repairs and maintenance		**6,828,486**	4,745,998
Depreciation on property and equipment	4	**4,188,740**	2,871,458
Utilities and office general expenses		**2,939,655**	2,247,877
Insurance		**2,582,529**	2,455,756
Auditors' remuneration	23.2	**2,135,052**	1,789,588
Fees and subscription		**1,765,736**	1,897,496
Depreciation on right of use asset	5	**1,714,232**	1,714,232
Amortisation of intangible assets	6	**1,388,817**	941,387
Legal and professional charges		**1,237,230**	1,997,430
Entertainment and business promotions		**1,118,532**	1,189,700
Security expenses		**483,900**	433,100
Travelling and conveyance		**324,276**	203,981
Printing and stationery		**262,885**	206,880
Professional tax		**127,500**	55,500
Rent		**-**	132,007
Others		**4,920,127**	254,833
		115,673,682	96,570,155

23.1 This includes remuneration of the Chief Executive Officer and Executives as follows:

	Chief Executive Officer for the year ended 31 December		Executives for the year ended 31 December	
	2024	2023	2024	2023
	(Rupees)		(Rupees)	
Managerial remuneration	**15,891,192**	15,929,147	**25,155,907**	18,921,522
Bonus	**1,875,000**	1,875,000	**2,647,431**	2,125,122
	17,766,192	17,804,147	**27,803,338**	21,046,644
Number of persons	**1**	1	**7**	5

In addition to the above, the Chief Executive Officer is entitled to Company maintained car in accordance with the Company's HR policy.

23.2 Auditors' remuneration

	2024	2023
	(Rupees)	
Annual audit	**750,000**	600,000
Half yearly review	**350,000**	300,000
Certifications	**450,000**	375,000
Sales tax	**148,800**	122,400
Out of pocket expenses	**436,252**	392,188
	2,135,052	1,789,588

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24 FINANCE COST

	Note	2024	2023
		------------------ (Rupees) ------------------	
Interest on lease liability against right of use asset	18	**396,496**	567,741
Mark-up on finance facility		**268,496**	2,689
Bank charges		**123,021**	155,057
		788,013	725,487

25 OTHER INCOME

	Note	2024	2023
		------------------ (Rupees) ------------------	
Return on NCCPL exposure margin		**11,061,713**	10,356,926
Mark-up on bank balances		**5,675,991**	10,570,560
Return on PSX BMC deposit		**3,441,958**	3,633,352
IPO / book building brokerage income		**4,181**	215
Physical shares transfer		**812**	1,789
Gain on sale of property and equipment		**-**	1,996,000
Unwinding of interest on loans to employees	25.1	**252,295**	410,995
Others		**706,990**	57,260
		21,143,940	27,027,097

25.1 This includes Rs. 0.25 million in respect of unwinding of interest on loans to employees carried at amortised cost.

26 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprises of the Holding Company including the Ultimate Parent Company, associated companies, directors of the Company and key management personnel. Remuneration of key management personnel are in accordance with their terms of employment. Other transactions with related parties are at agreed terms.

26.1 Details of transactions during the year, other than those which have been disclosed else where in these financial statements, are as follows:

	2024	2023
	------------------ (Rupees) ------------------	
Habib Metropolitan Bank Limited - the Holding Company		
- Mark-up on bank balance	**5,583,831**	10,317,262
- Equity brokerage commission	**3,194,128**	1,778,923
- Rent / Repayment of lease obligation against right of use asset	**2,387,544**	2,273,851
- Finance cost	**787,185**	155,914
Key management personnel		
- Salaries and benefits	**47,452,234**	41,450,949
- Equity brokerage commission	**62,097**	200,085
- Sale of property and equipment having nil book value.	**-**	1,975,000
Habib Bank AG Zurich - the Ultimate Parent Company		
Equity brokerage commission	**198,359**	44,636
Associated entities - equity brokerage commission		
First Habib Modaraba - (subsidiary of the Holding Company)	**-**	-
Habib Metropolitan Modaraba Management Company (Private) Limited (HMMMCL) - (subsidiary of the Holding Company)	**-**	-
HMMMCL - Employee Provident Fund (Post employment benefit plan of subsidiary of the Holding 'Company)	**119,691**	1,050

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26.2 Details of the balances with the related parties are as follows:

	2024	2023
	---- (Rupees) ----	
Habib Metropolitan Bank Limited - the Holding Company		
- Bank balances	**93,673,856**	106,175,932
- Accrued profit on bank balances	**39,988**	578,043
- Receivable in respect of securities transactions - net	**280,039**	351,047
- Payable in respect of rent	**-**	-
- Short term borrowing	**57,163,844**	-
Key management personnel		
- Loans to key management personnel	**1,362,464**	1,478,249
- Payable in respect of securities transactions - net	**(261,539)**	(939,822)
Associated entities		
First Habib Modaraba		
- Receivable in respect of securities transactions - net	**67**	67
Habib Metropolitan Modaraba Management Company (Private) Limited		
- Receivable in respect of securities transactions - net	**7,096**	7,096
Habib Metropolitan Modaraba Management - Employee Provident Fund		
- Receivable / (payable) in respect of securities transactions - net	**379,352**	(18,061)
Director of the Holding Company		
- Payable in respect of securities transactions	**(448,826)**	(352,202)

26.3 Number of employees

	---- (Number of employees) ----	
Number of employees as at the year end	**26**	26
Average number of employees as at the year end	**26**	25

27 TAXATION

	Note	2024	2023
		---- (Rupees) ----	
Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:			
Current tax liability for the year as per applicable tax laws		**7,531,844**	2,869,996
Portion of current tax liability as per tax laws, representing income tax under IAS 12		**(2,544,258)**	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	27.2	**(4,987,586)**	(2,869,996)
		-	-

27.1 The Company has filed returns of total income for the tax years up to 2024 (up to financial year ended 31 December 2023) which are deemed to have been assessed under the Income Tax Ordinance (ITO), 2001 unless selected by the taxation authorities for audit purposes.

27.2 This represents portion of minimum tax and final tax under section 233 and under section 5 of the Income Tax Ordinance (ITO), 2001 amounting to Rs. 4.74 million and Rs. 0.24 million, respectively, representing levy in terms of requirements of IFRIC 21 / IAS 37.

27.3 Reconciliation of the tax charge for the year to accounting profit:

	2024	2023
	---- (Rupees) ----	
Profit / (loss) before income tax, minimum tax differential and final tax	**3,468,348**	(16,352,214)
Tax at the applicable tax rate of 29% (2023: 29%)	**1,005,821**	-
Tax effect of non deductible expenses and exempt income	**1,282,660**	-
Tax effect of prior year charges	**-**	356,339
Others	**(195,021)**	708,095
	2,093,459	1,064,434

28 EARNINGS PER SHARE BASIC - AND DILUTED

	2024	2023
	---- (Rupees) ----	
Loss after taxation	**(3,612,697)**	(20,286,644)
	---- (Number) ----	
Weighted average ordinary shares during year	**30,000,000**	30,000,000
	---- (Rupees) ----	
Earnings per share - basic and diluted	**(0.12)**	(0.68)

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29 **DISCLOSURE UNDER REGULATION 5(4) OF RESEARCH ANALYST REGULATIONS, 2015**

At present the Company has seven members in its research department (including the Head of Research, three junior analysts, two graduate trainees and one data administrator). All members report to the Head of Research who in turn reports to Chief Executive Officer.

Compensation structure of research analysts is flat and is subject to qualification, experience and skill set of the person. However, the compensation of anyone employed in the research department does not in anyway depend on the content / outcome of the research report.

During the year ended December 31, 2024, the personnel employed in the research department have drawn an aggregate salary and benefits amounting to Rs. 8.25 million (2023: Rs. 7.06 million) which comprises of basic salary, medical allowance, other benefits and bonuses as per the Company's policy.

30 **RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES**

	Liabilities		Equity			
	Liability against right of use asset	Trade and other payables	Issued, subscribed and paid up capital	Unappropriated profit	Unrealised gain on revaluation of investments	Total
	(Rupees)					
Balance as at 1 January 2024	5,350,084	191,334,337	300,000,000	6,232,009	2,276,750	505,193,180
Changes from financing cashflows						
Liability - related						
Changes during the year	(1,991,048)	17,035,252	-	-	-	15,044,204
Loss for the year	-	-	-	(3,612,697)	-	(3,612,697)
Gain on revaluation of investments - net of deferred tax	-	-	-	-	28,973,682	28,973,682
	(1,991,048)	17,035,252	-	(3,612,697)	28,973,682	40,405,189
Balance as at 31 December 2024	**3,359,036**	**208,369,589**	**300,000,000**	**2,619,312**	**31,250,432**	**545,598,369**

31 **FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

Financial risk management

The Board of Directors (the Board) of the Company have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities. The Company, through its training and management's standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

31.1 **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of the credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

Credit risk arises when changes in economic or industry factors similarly affect Company's or counter parties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. Credit risk of the Company arises principally from the receivables from customers and regulators, deposits, loans to employees, accrued profit and other receivables.

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

	2024	2023
	(Rupees)	
Secured:		
Receivable from customers	**113,630,396**	100,066,994
Unsecured:		
Receivable from National Clearing Company Limited (NCCPL)	**49,345,906**	2,002,217
Loans to employees	**1,794,006**	2,389,219
Deposits	**134,957,017**	79,957,017
Other receivables	**216,850**	124,184
Accrued Profit	**3,478,178**	3,570,968
Bank balances	**95,875,110**	140,251,593
Financial Instruments exposed to credit risk	**399,297,463**	328,362,192

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Past due balances and impairment losses

The maximum exposure to credit risk for trade debts at the balance sheet date are as follows:

	2024		2023	
	Gross	**Impairment**	Gross	Impairment
	(Rupees)			
Past due 1-14 days	**98,339,878**	**-**	93,933,156	-
Past due 15-90 days	**14,417,289**	**-**	5,375,364	-
Past due 91-180 days	**1,517,010**	**(643,781)**	1,116,853	(457,084)
Past due 181-365 days	**480,445**	**(480,445)**	335,849	(335,849)
More than 365 days	**2,173,590**	**(2,173,590)**	2,048,664	(1,949,959)
	116,928,212	**(3,297,816)**	102,809,886	(2,742,892)

Bank balances

The credit quality of the Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating		**Rating**
	Short Term	**Long Term**	**Agency**
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
MCB Bank Limited	A-1+	AAA	PACRA
Habib Bank Limited	A-1+	AAA	JCR-VIS
Meezan Bank Limited	A-1+	AAA	JCR-VIS

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affects groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into, with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Details of the industrial sector analysis of the financial assets are as follows:

	2024		2023	
	(Rupees)	**%**	(Rupees)	%
Banks	**100,497,895**	**25.17%**	141,724,562	43.16%
Mutual funds	**10,391,236**	**2.60%**	5,362,345	1.63%
Other financial institutions	**190,535,662**	**47.72%**	89,808,663	27.35%
Individuals and others	**97,872,670**	**24.51%**	91,466,622	27.86%
	399,297,463	**100.00%**	328,362,192	100.00%

31.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements. The following are the contractual maturities of financial liabilities:

	2024			
	Carrying amount	**Contractual cash flows**	**Six months or less**	**Above six months**
	(Rupees)			
Financial liabilities				
Trade and other payables	**205,545,390**	**205,545,390**	**205,545,390**	**-**
Short term borrowing	**57,163,844**	**57,163,844**	**57,163,844**	**-**
Liabilities against right of use asset	**3,359,036**	**3,572,616**	**1,228,087**	**2,344,529**
	266,068,270	**266,281,850**	**263,937,321**	**2,344,529**

	2023			
	Carrying amount	Contractual cash flows	Six months or less	Above six months
	(Rupees)			
Financial liabilities				
Trade and other payables	188,773,280	188,773,280	188,773,280	-
Short term borrowing	-	-	-	-
Liabilities against right of use asset	5,350,084	5,960,160	1,169,607	4,790,553
	194,123,364	194,733,440	189,942,887	4,790,553

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31.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to interest rate risk and other price risk only.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of the Company's interest- bearing financial instrument was as follows:

	Carrying amount	
	2024	2023
	(Rupees)	
Fixed rate investments		
- Deposit with NCCPL against the exposure	**114,916,627**	59,916,627
- Deposit with PSX under BMC requirement	**18,500,000**	18,500,000
- Investment in Market Treasury Bills	**97,944,858**	95,539,733
- Bank balance in profit and loss sharing account	**671,888**	1,499,889

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial instrument at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not have effected the profit / loss after taxation of the Company.

Cashflow sensitivity analysis for variable rate instruments

The Company is not exposed to variable rate risk.

Interest rate sensitivity analysis

A summary of the Company's interest rate gap position, categorised by the earlier of contractual re-pricing or maturity dates, as at the year end is as follows:

	2024			
	Effective rate of mark-up / return (%)	**Exposed to interest rate risk - up to three months**	**Not exposed to interest rate risk**	**Total**
		(Rupees)		
Financial assets				
Long term investment		-	**44,481,946**	**44,481,946**
Trade debts - net		-	**162,976,302**	**162,976,302**
Loans to employees		-	**1,794,006**	**1,794,006**
Short term investments	**17.62%**	**97,944,858**	-	**97,944,858**
Deposits	**13.60% - 14.65%**	**133,416,627**	**1,540,390**	**134,957,017**
Accrued profit		-	**3,478,178**	**3,478,178**
Other receivables		-	**216,850**	**216,850**
Bank balances	**13.50%**	**671,888**	**95,203,222**	**95,875,110**
		232,033,373	**309,690,894**	**541,724,267**
Financial liabilities				
Trade and other payables		-	**(205,545,390)**	**(205,545,390)**
Liability against right of use asset		-	**(3,359,036)**	**(3,359,036)**
Short term borrowing	**18.13%**	**(57,163,844)**	-	**(57,163,844)**
On-balance sheet gap		**174,869,529**	**100,786,468**	**275,655,997**

	2023			
	Effective rate of mark-up / return (%)	Exposed to interest rate risk - up to three months	Not exposed to interest rate risk	Total
		(Rupees)		
Financial assets				
Long term investment		-	16,173,796	16,173,796
Trade debts - net		-	102,069,211	102,069,211
Loans to employees		-	2,389,219	2,389,219
Short term investments	21.32%	95,539,733	-	95,539,733
Deposits	19.04% -19.66%	78,416,627	1,540,390	79,957,017
Accrued profit		-	3,570,968	3,570,968
Other receivables		-	124,184	124,184
Bank balances	20.50%	1,499,889	138,751,704	140,251,593
		175,456,249	264,619,472	440,075,721
Financial liabilities				
Trade and other payables including lease		-	(188,773,280)	(188,773,280)
Liability against right of use asset		-	(5,350,084)	(5,350,084)
Short term borrowing		-	-	-
On-balance sheet gap		175,456,249	70,496,108	245,952,357

Other price risk

Other 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 it's issuer, or factors affecting all similar financial instrument traded in the market.

Presently, the Company holds no equity instruments other than as described in Note 6, details of the valuation of which are also discussed therein.

The table below summarises the Company's equity price risk as at 31 December 2024 and shows the effects of a hypothetical 5% increase and a 5% decrease in market prices as at the year end.

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in price	Hypothetical increase / (decrease) in OCI	Hypothetical increase / (decrease) in shareholders' equity
	---- (Rupees) ----		---------- (Rupees)	----------	
31 December 2024	**44,481,946**	**5% increase**	**46,706,043**	**2,224,097**	**2,224,097**
		5% decrease	**42,257,849**	**(2,224,097)**	**(2,224,097)**
31 December 2023	16,173,796	5% increase	16,982,486	808,690	808,690
		5% decrease	15,365,106	(808,690)	(808,690)

The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios.

31.4 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 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;
- risk mitigation, including insurance where this is effective.

Senior management ensures that the Company's staff have adequate training and experience and fosters effective communication related to operational risk management.

32 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market prices used for financial assets held by the Company are current bid prices.

A financial instrument is regarded as quoted in an active market if quoted prices are readily available and regularly available from an exchange, dealer, broker, industry group, pricing services, or regulatory agency, and these prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements 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:

The different levels (methods) have been:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using 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).

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

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Fair value of the financial assets that are traded in active markets are based on quoted market prices.

On balance sheet financial instruments	Note	Carrying value				Fair value			
		Fair value through Other Comprehensive Income	Fair value through Profit or Loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees)							
As at 31 December 2024									
Financial assets measured at fair value									
- Short term investments									
- Market Treasury Bills		97,944,858	-	-	97,944,858	-	97,944,858	-	97,944,858
- Long term investment									
- Investment in shares of Pakistan Stock Exchange Limited		44,481,946	-	-	44,481,946	44,481,946	-	-	44,481,946
		142,426,804	-	-	142,426,804	44,481,946	97,944,858	-	142,426,804
Financial assets not measured at fair value	32.2								
- Trade debts - net		-	-	162,976,302	162,976,302				
- Loans to employees		-	-	1,794,006	1,794,006				
- Deposits		-	-	134,957,017	134,957,017				
- Other receivables		-	-	216,850	216,850				
- Accrued profit		-	-	3,478,178	3,478,178				
- Bank balances		-	-	95,875,110	95,875,110				
		-	-	399,297,463	399,297,463				
Financial liabilities not measured at fair value	32.2								
- Trade and other payables		-	-	(205,545,390)	(205,545,390)				
- Liability against right of use asset		-	-	(3,359,036)	(3,359,036)				
- Short term borrowing		-	-	(57,163,844)	(57,163,844)				
		-	-	(266,068,270)	(266,068,270)				

On balance sheet financial instruments		Carrying value				Fair value			
		Fair value through Other Comprehensive Income	Fair value through Profit or Loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees)							
As at 31 December 2023	*Note*								
Financial assets measured at fair value									
- Short term investments									
- Market Treasury Bills		95,539,733	-	-	95,539,733	-	95,539,733	-	95,539,733
- Long term investments									
- Investment in shares of Pakistan Stock Exchange Limited		16,173,796	-	-	16,173,796	16,173,796	-	-	16,173,796
		111,713,529	-	-	111,713,529	16,173,796	95,539,733	-	111,713,529
Financial assets not measured at fair value	*32.2*								
- Trade debts - net		-	-	102,069,211	102,069,211				
- Loans to employees		-	-	2,389,219	2,389,219				
- Deposits		-	-	79,957,017	79,957,017				
- Other receivables		-	-	141,890	141,890				
- Accrued profit		-	-	3,570,968	3,570,968				
- Bank balances		-	-	140,251,593	140,251,593				
		-	-	328,379,898	328,379,898				
Financial liabilities not measured at fair value	*32.2*								
- Trade and other payables		-	-	(188,773,280)	(188,773,280)				
- Liability against right of use asset		-	-	(5,350,084)	(5,350,084)				
- Short term borrowing		-	-	-	-				
		-	-	(194,123,364)	(194,123,364)				

32.1 Valuation techniques used in determination of fair values within level 2:

Investments in Market Treasury Bills are valued on the basis of the Pakistan revalutaion (PKRV) rate announced by the Mutual Funds Association of Pakistan (MUFAP).

32.2 Fair value of these financial instruments have not been disclosed as these are either short term in nature or repriced frequently. As such their carrying value are reasonable approximation of their fair value.

32.3 Financial instruments not measured at fair value are stated at amortised cost.

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33 CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximising shareholder's value, for tapping potential investment opportunities and to reduce cost to safeguard the Company's ability to continue as a going concern.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. Furthermore, the Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

33.1 Base Minimum Capital

Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (the Act), all Trading Rights Entitlement (TRE) Certificate holders of Pakistan Stock Exchange Limited (PSX), in compliance with regulation 19.2: Risk Management Regulations of the Pakistan Stock Exchange Limited Regulation, are required to maintain a Base Minimum Capital (BMC). As at 31 December 2024 and as per slabs given under the above mentioned regulations, the Company is required to maintain a BMC of Rs. 32.46 million with PSX. The Company is in compliance with the aforementioned requirement as at 31 December 2024.

33.2 In addition, the Company is required to have a minimum liquid capital of Rs.10 million. Company's liquid capital was more than the above mentioned requirements. Refer note 34 for details.

34 STATEMENT OF LIQUID CAPITAL

The below statement of liquid capital has been prepared in accordance with the requirements of regulation 6(3) of the Securities Brokers (Licensing and Operations) Regulations, 2016 issued by the Securities & Exchange Commission of Pakistan (SECP).

S. No.	Head of Account	Value	Hair Cut / Adjustments	Net Adjusted Value
			(Rupees)	
1. Assets				
1.1	Property & equipment	14,112,765	100.00%	-
1.2	Intangible assets	2,046,543	100.00%	-
1.3	Investment in government securities	97,944,858	-	97,944,858
1.4	**Investment in debt securities**			
	If listed then:			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
	If unlisted then:			
	i. 10% of the balance sheet value in the case of tenure up to 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15.00%	-
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 requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.)	44,481,946	44,481,946	-
	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 securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100.00%	-
1.8	**Statutory or regulatory deposits / basic deposits with the exchanges, clearing house or central depository or any other entity.** (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of Base Minimum Capital may be taken in the calculation of liquid capital.	20,000,000	2,817,327	17,182,673
1.9	Margin deposits with exchange and clearing house.	114,916,627	-	114,916,627
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	725,110	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(nil)	3,478,178	-	3,478,178
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against repo financing. Amount paid as purchaser under the repo agreement. (***Securities purchased under repo arrangement shall not be included in the investments.)***	-	-	-

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S. No.	Head of Account	Value	Hair Cut / Adjustments	Net Adjusted Value
		---------- (Rupees) ----------		
1.15	**Advances and receivables other than trade receivables**			
	(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	-	-	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	42,308,092	42,308,092	-
	(iii) In all other cases 100% of net value	2,010,856	100%	-
1.16	**Receivables from clearing house or securities exchange**			
	i.100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	49,345,906	538,034	48,807,872
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VaR based Haircut, (ii) cash deposited as collateral by the finance (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. 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. ***ii. Net amount after deducting haircut***	-	5.00%	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haircut***	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	97,723,949	-	97,723,949
	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. ***v. Lower of net balance sheet value or value determined through adjustments***	18,914,333	1,462,668	1,462,668
	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 up to 90 days, values determined after applying 50% or VaR based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. **vi. Lower of net balance sheet value or value determined through adjustments**	289,930	289,930	-
1.18	**Cash and bank balances**			
	i. Bank balance - proprietary accounts	2,226,254	-	2,226,254
	ii. Bank balance - customer accounts	93,623,856	-	93,623,856
	iii. Cash in hand	25,000	-	25,000
1.19	**Subscription money against investment in IPO / offer for sale (asset)**			
	(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.	-	-	-
1.20	**Total assets**	**604,174,203**		**477,391,935**

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2. Liabilities

S. No.	Head of Account	Value	Hair Cut / Adjustments	Net Adjusted Value
		----------	(Rupees)	----------
2.1	**Trade payables**			
	i. Payable to exchange and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	192,174,433	-	192,174,433
2.2	**Current liabilities**			
	i. Statutory and regulatory dues	3,957,237	-	3,957,237
	ii. Accruals and other payables	12,237,919	-	12,237,919
	iii. Short term borrowing	57,163,844	-	57,163,844
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	2,309,588	-	2,309,588
	vi. Deferred liabilities	542,669	-	542,669
	vii. Provision for taxation	-	-	-
	viii. Provision for bad debts	3,297,816	-	3,297,816
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	**Non-current liabilities**			-
	i. Long term financing	1,049,448	-	1,049,448
	ii. Other long term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases			
2.4	**Subordinated loans**	-	-	-
	i. 100% of subordinated loans which fulfil the conditions specified by SECP are allowed to be deducted:	-	-	-
2.5	**Advance against shares for Increase in capital of securities broker**			
	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. Board 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 and all regulatory requirements relating to the 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**	**272,732,954**		**272,732,954**

3. Ranking liabilities relating to :

S. No.	Head of Account	Value	Hair Cut / Adjustments	Net Adjusted Value
3.1	**Concentration in margin financing** The amount calculated client-to-client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivables against margin financing does not exceed Rs. 5 million) Note: Only amount exceeding by 10% of each finance 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 (I) 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 commitments 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	-	-	-

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S. No.	Head of Account	Value	Hair Cut / Adjustments	Net Adjusted Value
			(Rupees)	
	Negative equity of subsidiary			
3.4	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary.	-	-	-
	Foreign exchange agreements and foreign currency positions			
3.5	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	-	-	-
	Repo adjustment			
3.7	**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.	-	-	-
	Concentrated proprietary positions			
3.8	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.	-	-	-
	Opening positions in futures and options			
3.9	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.	-	-	-
	Short sell positions			
3.10	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**	-		-
	Liquid capital	**331,441,249**		**204,658,981**

34.1 Summary of liquid capital

	31 December 2024
	---- (Rupees) ----
(i) Adjusted value of assets (Serial number 1.20)	477,391,935
(ii) Less: Adjusted value of liabilities (Serial number 2.6)	272,732,954
(iii) Less: Total ranking liabilities (Serial number 3.11)	-
	204,658,981

35 CORRESPONDING FIGURES

Comparative figures have been re-arranged and reclassified wherever necessary for the purpose of comparison and better presentation. There have been no significant rearrangements and reclassifications in these financial statements.

36 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on 26 March 2025.

Chief Executive Officer

Director

Habib Metropolitan Financial Services Limited
Pattern of Shareholding
As on 31 December 2024

S. No.	Name of Shareholder	Category of Shareholder	Number of Shares Held
1	Habib Metropolitan Bank Limited	the Holding Company	= 29,999,997 =
2	Syed Ather Ahmed	Director	= 1 =
3	Syed Hasnain Haider Rizvi	Director	= 1 =
4	Ather Ali Khan	Director	= 1 =
		Total	**= 30,000,000 =**