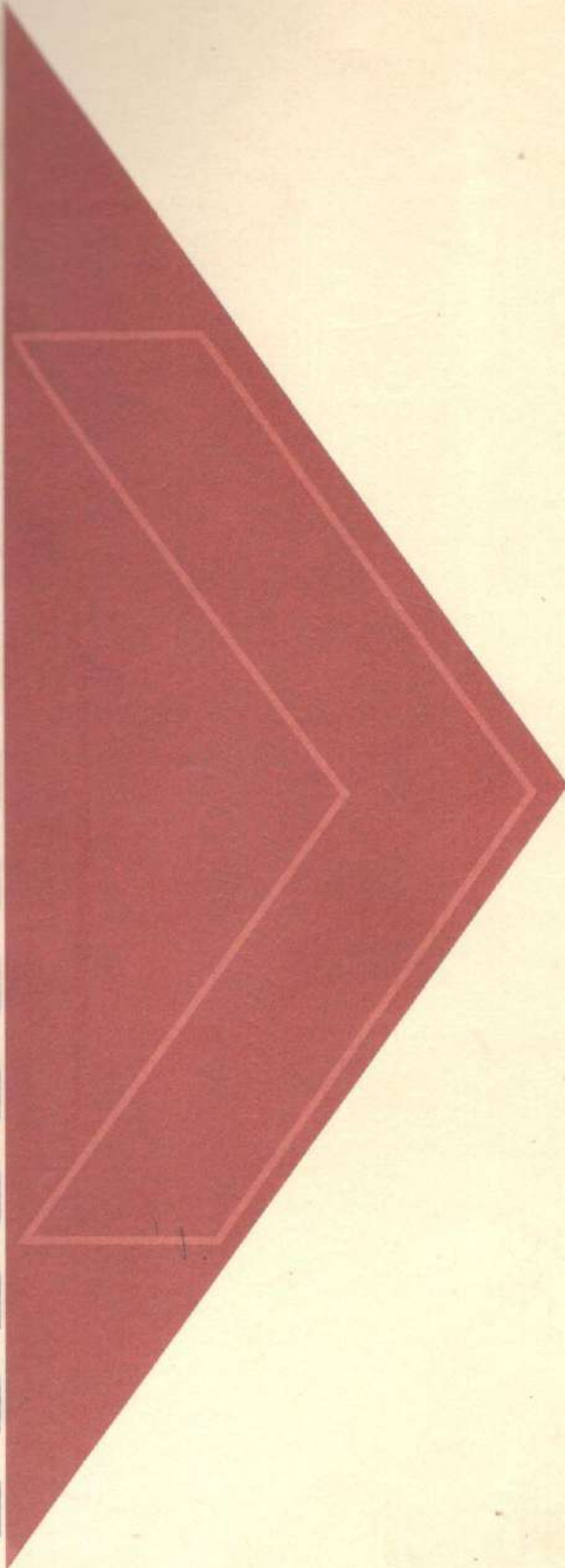




NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants



Bawany Securities (Private) Limited
Financial Statements
For the year ended June 30, 2024

DIRECTORS' REPORT

On behalf of the Board of Directors of the Company, I am pleased to present our report together with the audited financial statement of the Company for the year June 30, 2024.

Performance Overview

The following depicts the Company's performance in the current year.

	Rupees
Operating revenue	73,451,545
Operating expenses	<u>(15,761,741)</u>
Operating profit	57,689,804
Other charges	(551,766)
Finance cost	(681,302)
Other income	<u>17,883,525</u>
Profit before levies and income tax	74,340,261
Levies	<u>(84,063)</u>
Profit before income tax	74,256,198
Income tax	<u>(15,717,592)</u>
Profit after income tax	58,538,607

Capital Market Review & Outlook

In Financial Year 2024, the Pakistan Equity Market performed exceptionally well, experiencing improvement in both trading value and volume compared to FY23. Despite anticipated economic difficulties and political instability, the market's performance exceeded expectations. This positive momentum, reflected in the KSE-100 Index trading at a reasonable Price to Earnings ratio, gradually drew investors back into the market. Those who had previously exited found renewed confidence in the market's performance, leading to a partial resurgence in trading activity.

Dividend:


The Directors do not recommended any dividend during the year due to cash flow requirement during next financial year.

External Auditors

The retiring auditors, M/s. Nasir Javaid Maqsood Imran., Chartered Accountants, being eligible, have offered themselves for reappointment

Dated:

25 OCT 2024



Director



Chief Executive





INDEPENDENT AUDITOR'S REPORT

To the members of Bawany Securities (Private) Limited
Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- c) 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;
- e) The Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and/or 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.

The engagement partner on the audit resulting in this independent auditor's report is **Mohammad Javaid Qasim**.




Nasir Javaid Maqsood Imran
Chartered Accountants

Place: Karachi

Date: 25 OCT 2024

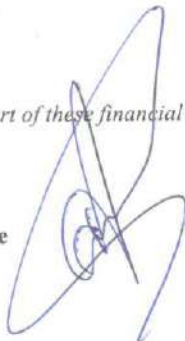
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BAWANY SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Rupees 2024	Rupees 2023
ASSETS		
NON-CURRENT ASSETS		
Property & equipment	7,702,991	8,905,738
Intangible assets	3,328,289	3,361,842
Deferred taxation - net	-	3,016,267
Long term advances & deposits	4,400,000	4,150,000
	15,431,280	19,433,847
CURRENT ASSETS		
Trade receivables	24,208,714	12,207,585
Advances, deposits & other receivables	17,502,216	13,082,023
Short term investment	218,790,582	51,246,017
Bank balances	53,526,241	1,225,491
	314,027,753	77,761,116
TOTAL ASSETS	329,459,033	97,194,963
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorized Capital	100,000,000	100,000,000
10,000,000 (2023: 10,000,000) ordinary shares of Rs. 10/- each		
Issued, subscribed and paid-up capital	96,150,000	96,150,000
Unappropriated profit / (loss)	39,984,917	(18,553,690)
	136,134,917	77,596,310
LIABILITIES		
NON-CURRENT LIABILITIES		
Subordinated loan	15,420,000	15,420,000
Deferred taxation - net	5,036,779	-
	20,456,779	15,420,000
CURRENT LIABILITIES		
Short term borrowings	-	-
Trade payables	1,773,318	662,762
Accrued expenses & other liabilities	165,939,188	3,515,891
Taxation - net	5,154,831	-
	172,867,337	4,178,653
CONTINGENCIES AND COMMITMENTS		
	-	-
TOTAL EQUITY AND LIABILITIES	329,459,033	97,194,963

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive



Director

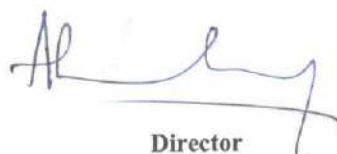


BAWANY SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

Note	(Restated)	
	Rupees 2024	Rupees 2023
REVENUE		
Operating revenue	21,546,002	12,477,579
Capital gain / (loss) on sale of securities	11,713,569	(7,385,428)
Unrealised gain / (loss) on remeasurement of investment at fair value	40,191,974	(14,073,530)
	73,451,545	(8,981,379)
Administrative expenses	(15,761,741)	(20,173,065)
Other charges	(551,766)	(31,769)
Finance cost	(681,302)	(1,203,320)
	(16,994,808)	(21,408,155)
Profit / (loss) from operations	56,456,736	(30,389,534)
Other income	17,883,525	4,746,585
Profit / (loss) before levies and income tax	74,340,261	(25,642,949)
Levies	(84,063)	(571,883)
Profit / (loss) before income tax	74,256,198	(26,214,832)
Income Tax	(15,717,592)	3,016,267
Profit / (loss) after income tax	58,538,607	(23,198,565)

The annexed notes from 1 to 29 form an integral part of these financial statements.


Chief Executive


Director

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

Note	Rupees 2024	Rupees 2023
Profit / (loss) after income tax	58,538,607	(23,198,565)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year	58,538,607	(23,198,565)

The annexed notes from 1 to 29 form an integral part of these financial statements.


Chief Executive


Director



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

Note	Rupees 2024	Rupees 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before levies and income tax	74,340,261	(25,642,949)
Add / (less) : Items not involved in movement of fund:		
Depreciation of property and equipment	1,202,747	1,418,442
Amortization of software	33,553	47,932
Capital (gain) / loss on sale of securities	(11,713,569)	7,385,428
Unrealised (gain) / loss on remeasurement of investment at fair value	(40,191,974)	14,073,530
Profit on investment in treasury bills	(7,902,888)	-
Reversal of allowance for expected credit loss	-	(2,436,114)
Allowance for expected credit loss	415,034	-
Receivables written off	136,732	31,769
Finance cost	681,302	1,203,320
	(57,339,063)	21,724,307
Cash generated from / (used in) operating activities before working capital changes	17,001,198	(3,918,641)
Net change in working capital	(a) 152,678,951	(7,291,078)
Finance costs paid	169,680,149	(11,209,719)
Income tax and levies paid	(681,302)	(1,203,320)
	(809,075)	(592,074)
Net cash generated from / (used in) operating activities	168,189,772	(13,005,113)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property and equipment	-	(122,990)
Deposit against Base Minimum Capital requirement	(250,000)	-
Investment in treasury bills	(62,826,360)	-
Investment in securities of public companies	(52,812,662)	(5,890,453)
Net cash used in investing activities	(115,889,022)	(6,013,443)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan received from sponsor	-	15,420,000
Net cash generated from financing activities	-	15,420,000
Net increase / (decrease) in cash and cash equivalents	52,300,750	(3,598,556)
Cash and cash equivalent at beginning of the year	1,225,491	4,824,047
Cash and cash equivalent at end of the year	24 53,526,241	1,225,491
(a) Statement of change in working capital		
(Increase) / decrease in current assets		
Trade receivables	(12,552,895)	7,241,736
Receivables against margin financing	-	6,324,041
Advances, deposits, pre-payments & other receivables	1,697,993	303,451
	(10,854,902)	13,869,228
Increase / (decrease) in current liabilities		
Trade payables	1,110,556	(360,061)
Accrued expenses & other liabilities	162,423,297	(20,800,245)
	163,533,853	(21,160,306)
Net change in working capital	152,678,951	(7,291,078)

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive

Director



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

	Issued, subscribed & paid up capital	Unappropriated profit	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Balance as at June 30, 2022	96,150,000	4,644,875	100,794,875
Loss for the year	-	(23,198,565)	(23,198,565)
Balance as at June 30, 2023	96,150,000	(18,553,690)	77,596,310
Profit for the year	-	58,538,607	58,538,607
Balance as at June 30, 2024	96,150,000	39,984,917	136,134,917

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive




Director

