ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

ISMAIL IQBAL
Securities (Pvt.) Ltd.
Corporate Member Pakistan Stock Exchange Ltd.

Director Review

The Board of Directors of Ismail Iqbal Securities (Pvt) Ltd present the Financial Statements of the Company for the period ended June 30, 2023.

Market Performance

In FY 2022-23, PSX benchmark KSE-100 Index posted a negative return of 0.2% to close at 41,453 points as compared to previous year when there was a decrease of 12.3%. The major reason for posting a negative return is higher inflation rate, PKR depreciation and delay in PAK IMF standby arrangement program which was caused the market in the range bound. However, the PAK IMF standby agreement has been made which has strength the equity market and stable the economic condition. Thus, company and overall equity market will likely to post positive returns.

Financial Performance

During the year under review, operating loss stood at Rs. 19.6 million as compared to operating loss of Rs. 5 million in the corresponding period, due to decrease in brokerage revenue by 291% to Rs. 63.89 million for FY23. Other loss stood at Rs. 9.1 million as compared to other losses of Rs. 51.94 million in the corresponding period. Due to higher dividend income of Rs. 34 million and capital loss of 42.14 million. The loss per share stood at Rs. 1.60 as compared to loss per share of Rs 2.28 in the corresponding period.

	2023	2022
	PKR in million	
Operating Revenue	(19.62)	(5.00)
Loss Before Tax	(47.98)	(70.35)
Loss After Tax	(55.51)	(78.96)
Earnings Per share -Rupees	(1.60)	(2.28)

Auditors

The retiring auditors M/s. Baker Tilly Mehmood Idrees Qamar, Chartered Accountants being eligible have offered themselves for reappointment.

Acknowledgement

The Directors are thankful to the Company's valued Customers, SECP, PSX and business partners, without whose continued support and guidance we would not be able to pursue our strategy and good performance. The dedicated contribution put in by the company employees is also sincerely appreciated.

On behalf of the Board of Directors

Ismail Iqbal Securities (Pvt) Limited K-018

Ahfaz Mustafa
Chief Executive Office

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED** (the Company), which comprise the statement of financial position as at **June 30, 2023**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement 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, 2023 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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.

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- 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 in adequate, 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 cash flow statement 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; and

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

e) The Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and section 62 of the Future Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statements of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is ***Mehmood A. Razzak.***

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Karachi

Date: *October 07, 2023*

UDIN: *AR202310151d8vNwUOQz*

ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
Non - Current Assets			
Operating assets	4	18,622,561	28,494,897
Intangible assets	5	2,500,000	2,579,046
Investment	6	7,000,000	7,000,000
Long term deposits	7	2,984,965	2,910,965
		31,107,526	40,984,908
Current Assets			
Short term investment	8	15,280,903	152,842,424
Trade debts	9	37,380,055	47,052,894
Advances, deposits, prepayments and other receivables	10	111,877,051	115,192,274
Cash and bank balances	11	126,619,789	202,365,741
		291,157,798	517,453,333
TOTAL ASSETS		**322,265,324**	**558,438,241**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE			
Authorized Share Capital			
35,000,000 (2022: 35,000,000) Ordinary shares of Rs. 10/- each		**350,000,000**	**350,000,000**
Issued, Subscribed and Paid-up Share Capital			
34,682,360 (2022: 34,682,360) Ordinary shares of Rs. 10/- each	12	346,823,600	346,823,600
Accumulated losses		(158,824,606)	(103,304,861)
Total shareholders' equity		**187,998,994**	**243,518,739**
Non - Current Liabilities			
Deferred liability - staff gratuity	13	4,988,171	5,734,274
Lease liabilities	14	1,749,271	2,085,241
		6,737,442	7,819,515
Current Liabilities			
Current portion of lease liabilities	14	501,152	339,825
Trade and other payables	15	123,350,460	229,999,836
Accrued mark-up		3,677,276	2,622,272
Short term borrowings - secured	16	-	74,138,054
		127,528,888	307,099,987
CONTINGENCIES AND COMMITMENTS	17	-	-
		322,265,324	**558,438,241**

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

Chief Executive Officer **Director**

ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Commission income	*18*	63,891,381	93,486,777
Operating expenses	*19*	(83,515,830)	(98,501,113)
Operating loss		**(19,624,449)**	**(5,014,336)**
Financial charges	*20*	(19,207,755)	(13,397,090)
Other loss - net	*21*	(9,153,171)	(51,947,161)
Loss before taxation		**(47,985,375)**	**(70,358,587)**
Taxation	*22*	(7,534,370)	(8,610,405)
Loss after taxation		**(55,519,745)**	**(78,968,992)**
Other comprehensive income		-	-
Total comprehensive loss for the year		(55,519,745)	(78,968,992)
Loss per share	*23*	(1.60)	(2.28)

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

Chief Executive Officer

Director

ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid-up share capital	Accumulated losses	Total
	------------------- Rupees	---------------------------	
Balance as at July 01, 2021	**346,823,600**	**(24,335,869)**	**322,487,731**
Loss for the year ended June 30, 2022	-	(78,968,992)	(78,968,992)
Other comprehensive income	-	-	-
Total comprehensive loss for the year ended June 30, 2022	-	(78,968,992)	(78,968,992)
Balance as at June 30, 2022	**346,823,600**	**(103,304,861)**	**243,518,739**
Loss for the year ended June 30, 2023	-	(55,519,745)	(55,519,745)
Other comprehensive income	-	-	-
Total comprehensive loss for the year ended June 30, 2023	-	(55,519,745)	(55,519,745)
Balance as at June 30, 2023	**346,823,600**	**(158,824,606)**	**187,998,994**

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

Chief Executive Officer

Director

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ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(47,985,375)	(70,358,587)
Adjustments for non cash charges and other items			
Depreciation		3,210,336	3,739,292
Amortization of intangible assets		79,046	22,234
Financial charges		19,207,755	13,397,090
Dividend income		(34,078,965)	(27,488,033)
Gratuity expense		2,626,133	2,976,582
Bad debts write-off		-	(1,054,661)
Gain on disposal of property and equipment		(1,520,700)	-
Realised loss on re-measurement of short term investments		42,148,154	30,931,892
		31,671,759	22,524,396
Operating loss before working capital changes		**(16,313,616)**	**(47,834,191)**
Decrease / (increase) in current assets			
Trade debts		9,672,839	28,522,590
Short term investments		95,413,367	(6,314,712)
Advances, deposits, prepayments and other receivables		3,114,840	31,074,047
		108,201,046	53,281,925
Decrease in current liabilities			
Trade and other payables		(106,649,376)	(43,762,778)
Cash used in operations		**(14,761,946)**	**(38,315,044)**
Taxes paid - net		(7,333,987)	(7,761,899)
Gratuity paid		(3,372,236)	(1,316,717)
Financial charges paid		(18,152,751)	(16,039,736)
Net cash used in operating activities		**(43,620,920)**	**(63,433,396)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from trading investments		34,078,965	27,488,033
Additions in operating assets		(431,900)	(2,218,619)
Proceeds from sale of property and equipment		8,614,600	-
Long term deposits		(74,000)	(123,000)
Net cash inflow from operating activities		**42,187,665**	**25,146,414**
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability - net		(174,643)	(2,856,934)
Net cash used in financing activities		**(174,643)**	**(2,856,934)**
Net decrease in cash and cash equivalents		**(1,607,898)**	**(41,143,916)**
Cash and cash equivalents at the beginning of the year		128,227,687	169,371,603
Cash and cash equivalents at the end of the year	24	**126,619,789**	**128,227,687**

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

Chief Executive Officer **Director**

ISMAIL IQBAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. STATUS AND NATURE OF BUSINESS

1.1 The company is incorporated as a private company limited by shares under the Companies Ordinance, 1984 (repealed by Companies Act, 2017) and is a holder of the Trading Right Entitlement Certificate (TREC) of the Pakistan Stock Exchange Limited. It is principally engaged in the business of brokerage of shares and securities, investment advisory services, portfolio management and securities research. The Company is geographically located in the province of Sindh situated at Bunglow no. C-132(B), KDA Scheme no.1,Main Mian Muhammad Shah Road , Karachi, Pakistan.

1.2 The Company also operates through its branch office in Pakistan Stock Exchange Building having address of Room no. 407, 4th Floor Stock Exchange Building, Stock Exchange Road, Karachi.

2. BASIS OF PREPARATION

2.1 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for short term investments in quoted securities which are stated at fair value.

These financial statements comprise statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity and notes to the financial statements and have been prepared under the accrual basis of accounting except for cash flow information.

2.2 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), provisions of and directives issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016. Where provisions of and directives issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016, shall prevail.

2.3 Changes in accounting standards and interpretations

Standards, interpretations and amendments to published approved accounting and reporting standards which became effective during the year:

There were certain amendments to accounting and reporting standards which became effective on the Company for the current year. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The company has consistently applied the following accounting policies to all the years presented in these financial statements.

3.1 Operating assets

Owned
Operating assets are stated at cost less accumulated depreciation.

Depreciation on all operating assets is charged to income using the reducing balance method in accordance with the rates specified in note 4 to these financial statements. Depreciation on additions is charged from the month the asset is available for use.

Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred; major improvements are capitalized.

Gain or loss on disposal of assets is included in statement of profit or loss.

3.2 Intangible Assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the company and that the cost of such asset can be measured reliably.

Costs directly associated with identifiable software and having probable economic benefit exceeding beyond one year are recognized as intangible assets. Direct costs include the purchase cost of software and related overhead cost. Computer software are amortized from the date such assets are put into use on straight-line basis over its useful life. Cost associated with maintaining computer software are recognized as an expense when incurred.

TREC having indefinite useful life are not amortized. It is stated at acquisition cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether they are in excess of the recoverable amounts, and where the carrying value exceed estimated recoverable amount, these are written down to their estimated recoverable amount.

3.3 Financial assets

Initial Measurement

The Company classifies its financial assets into following three categories:
- measured at amortised cost.
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI);

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, and impairment are recognized in the statement of profit or loss account. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in the statement of profit or loss.

Financial assets measured at amortised cost

Financial assets measured at these assets are subsequently measured at amortised cost using the effective amortised cost interest method. The amortised cost is reduced by impairment losses. Interest / markup income, and impairment are recognized in the statement of profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

3.4 Financial liabilities

Financial liabilities are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. The Company derecognizes the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

3.5 Off-setting of financial assets and financial liabilities

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

3.6 Lease liability against right-of-use assets

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

The lease liability is subsequently measured at amortized cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognized as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

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

3.7 Trade debtors

These are initially measured at original invoice amount, which approximates fair value, and subsequently measured at amortized cost less provision for impairment, if any. A provision for impairment is recognized when there is objective evidence that the company will not be able to collect all the amount due according to the original terms of the receivable. Trade debts are written off when considered irrecoverable.

3.8 Provisions

Provisions are recognized in accordance with the requirements of IFRS - 9 under expected credit loss method.

3.9 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at amortized cost.

3.10 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred, except to the extent that they are directly attributable to the acquisition or construction of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) in which case these are capitalized as part of cost of that asset.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand, balances with bank and short term running finances.

3.12 Staff retirement benefits

The company operates an unfunded gratuity scheme for all permanent employees based on their length of employment.

3.13 Taxation

Current
The charge of the current year taxation is based on taxable income after consideration the rebates and tax credits available, if any. The certain portion of company's revenue falls under final tax regime to the Income Tax Ordinance, 2001.

Deferred
Deferred taxation is recognized using the balance sheet liability method on all major temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3.14 Revenue recognition

Brokerage, consultancy, advisory fee, underwriting, book running fee, commission on foreign exchange dealings and debt securities etc., are recognized as and when such services are provided.

Income from reverse repurchase transactions, debt securities and bank deposits is recognized at effective yield on time proportionate basis.

Interest income on financial assets (including margin financing) is recognized on time proportionate basis taking into account effective / agreed rate of the instrument.

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

Gains / (losses) arising on sale of investments are included in the statement of profit or loss in the period in which they arise.

3.15 Transactions with related parties

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates on the same terms and conditions as third party transactions using admissible valuation models, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the company to do so.

3.16 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statement when there is a legally enforceable right to set off and the company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.17 Functional and presentation currency

These financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

4. OPERATING ASSETS

	Owned					Right-of-Use	Total
	Building	Office equipment	Computer and allied	Furniture and fixtures	Motor vehicles	Motor Vehicle	
	----- Rupees -----						
Year ended June 30, 2022							
Opening net book value	4,722,965	1,181,586	813,588	148,746	17,866,685	-	24,733,570
Additions (at cost)	-	27,800	380,900	-	865,750	6,226,169	7,500,619
Disposals							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Depreciation charge for the year	(236,148)	(179,670)	(297,610)	(22,312)	(2,770,071)	(233,481)	(3,739,292)
Net book value as at June 30, 2022	**4,486,817**	**1,029,716**	**896,878**	**126,434**	**15,962,364**	**5,992,688**	**28,494,897**
At June 30, 2022							
Cost	6,425,000	3,065,696	3,945,551	1,514,157	37,777,981	6,226,169	58,954,554
Accumulated depreciation	(1,938,183)	(2,035,980)	(3,048,673)	(1,387,723)	(21,815,617)	(233,481)	(30,459,657)
Net book value as at June 30, 2022	**4,486,817**	**1,029,716**	**896,878**	**126,434**	**15,962,364**	**5,992,688**	**28,494,897**
Year ended June 30, 2023							
Opening net book value	4,486,817	1,029,716	896,878	126,434	15,962,364	5,992,688	28,494,897
Additions (at cost)	-	24,900	184,500	-	222,500	-	431,900
Disposals							
Cost	-	-	-	-	(8,738,000)		(8,738,000)
Accumulated depreciation	-	-	-	-	1,644,100	-	1,644,100
	-	-	-	-	(7,093,900)	-	(7,093,900)
Depreciation charge for the year	(224,341)	(157,881)	(292,163)	(18,965)	(1,618,083)	(898,903)	(3,210,336)
Net book value as at June 30, 2023	**4,262,476**	**896,735**	**789,215**	**107,469**	**7,472,881**	**5,093,785**	**18,622,561**
At June 30, 2023							
Cost	6,425,000	3,090,596	4,130,051	1,514,157	29,262,481	6,226,169	50,648,454
Accumulated depreciation	(2,162,524)	(2,193,861)	(3,340,836)	(1,406,688)	(21,789,600)	(1,132,384)	(32,025,893)
Net book value as at June 30, 2023	**4,262,476**	**896,735**	**789,215**	**107,469**	**7,472,881**	**5,093,785**	**18,622,561**
Depreciation rate	5%	15%	30%	15%	15%	15%	

4.1 Disposal of operating assets

Name of purchaser	Relation with purchaser	Mode of disposal	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss) on disposal
			----- Rupees -----				
EFU Insurance	Independent	Market value	8,405,000	1,575,938	6,829,063	8,405,000	1,575,938
Noushad	Employee	As per company policy	52,000	8,450	43,550	29,700	(13,850)
Nadeem	Employee	As per company policy	62,000	17,825	44,175	46,200	2,025
Sikandar	Employee	As per company policy	52,000	8,450	43,550	33,000	(10,550)
Zahid	Employee	As per company policy	63,000	16,538	46,463	40,300	(6,163)
Salman	Employee	As per company policy	52,000	8,450	43,550	30,700	(12,850)
Irshad	Employee	As per company policy	52,000	8,450	43,550	29,700	(13,850)
June 30, 2023			**8,738,000**	**1,644,100**	**7,093,900**	**8,614,600**	**1,520,700**

5. INTANGIBLE ASSETS

	Note	2023 Rupees	2022 Rupees
Trading rights entitlement certificates	*5.1*	2,500,000	2,500,000
Software	*5.2*	-	79,046
		2,500,000	**2,579,046**

5.1 Trading rights entitlement certificates (TREC)

Cost	2,500,000	2,500,000
	2,500,000	**2,500,000**

5.2 Software

Net carrying value basis		
Opening net book value	79,046	101,280
Add: Additions during the year	-	-
Less: Amortization for the year	(79,046)	(22,234)
Closing net book value	**-**	**79,046**
Gross carrying value		
Cost	3,399,880	3,399,880
Less: Accumulated amortization	(3,399,880)	(3,320,834)
Net book value	**-**	**79,046**
Amortization rate - number of years	5	5

6. INVESTMENT

Investment at cost (unquoted - Dawood Family Takaful)	7,000,000	7,000,000
	7,000,000	**7,000,000**

6.1 This represents investment in unquoted equity securities of 700,000 shares in Dawood Family Takaful at par value of Rs. 10 each.

7. LONG TERM DEPOSITS

	2023 Rupees	2022 Rupees
Pakistan Stock Exchange Limited	150,000	150,000
Central Depository Company of Pakistan Limited	150,000	150,000
National Clearing Company of Pakistan Limited	1,400,000	1,400,000
Deposit against PSO card	585,515	435,515
Rent deposit	600,000	680,000
Other deposits	99,450	95,450
	2,984,965	**2,910,965**

8. SHORT TERM INVESTMENT

At fair value through profit or loss (quoted equity securities)	15,280,903	152,842,424
	15,280,903	**152,842,424**

9. TRADE DEBTS

	Note	2023 Rupees	2022 Rupees
Considered good:			
- Trade receivable		37,380,055	47,052,894
		37,380,055	**47,052,894**

9.1 Aging of trade debts

Outstanding 0 to 14 days	7,186,867	7,590,392
Outstanding more than 14 days	30,193,188	39,462,502
	37,380,055	**47,052,894**

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2023 Rupees	2022 Rupees
Advance to staff		2,376,489	6,063,884
Exposure deposit into NCCPL	*10.1*	71,600,212	51,557,878
Receivable from PSX/NCCPL	*10.2*	2,886,880	709,120
Income tax refundable - net		18,269,833	18,470,216
Other receivables	*10.3*	16,553,402	38,098,833
Other advances		190,235	292,343
		111,877,051	**115,192,274**

10.1 This represents deposit with NCCPL against trade in future and ready market.

10.2 This represents deposit with NCCPL against transactions in Margin Trading System and future profit held.

10.3 This represents receivable from a director Mr. Ahfaz Mustafa.

11. CASH AND BANK BALANCES

	Note	2023 Rupees	2022 Rupees
Cash in hand		92,211	5,618,375
Cash at banks:			
- Current accounts		126,510,113	196,463,603
- Saving accounts		17,465	283,763
	11.1	**126,619,789**	**202,365,741**

11.1 Customer and proprietor wise balances

Proprietary account balances including cash in hand	30,370,395	5,966,467
Client account balances	96,249,394	196,399,274
	126,619,789	**202,365,741**

12. SHARE CAPITAL

			2023 Rupees	2022 Rupees

Authorized Share Capital

Number of Shares 2023	Number of Shares 2022		2023 Rupees	2022 Rupees
35,000,000	35,000,000	Ordinary shares of Rs. 10 each	350,000,000	350,000,000

Issued, Subscribed and Paid-up Share Capital

Number of Shares 2023	Number of Shares 2022		2023 Rupees	2022 Rupees
34,682,360	34,682,360	Ordinary shares of Rs. 10 each fully paid in cash	346,823,600	346,823,600

12.1 Pattern of Shareholding

Name of Shares holders	2023 Percentage	2022 Percentage	2023 Number of Shares	2022 Number of Shares
Ahfaz Mustafa	65.23%	65.23%	22,622,660	22,622,660
Azhar Iqbal	17.39%	17.39%	6,030,100	6,030,100
Ayesha Naeem	17.39%	17.39%	6,029,590	6,029,590
Mohammad Taufiq	0.00%	0.00%	10	10
Total	**100%**	**100%**	**34,682,360**	**34,682,360**

13. DEFERRED LIABILITY - STAFF GRATUITY

	2023 Rupees	2022 Rupees
Opening balance	5,734,274	4,074,409
Provision during the year	2,626,133	2,976,582
	8,360,407	7,050,991
Paid during the year	(3,372,236)	(1,316,717)
Closing balance	**4,988,171**	**5,734,274**

14. LEASE LIABILITIES

	2023 Rupees	2022 Rupees
Opening balance	2,425,066	-
Additions during the year	-	5,282,000
Interest charge	659,360	120,522
	3,084,426	5,402,522
Payments during the year	(834,003)	(2,977,456)
	2,250,423	2,425,066
Less: Current portion of lease liability	(501,152)	(339,825)
	1,749,271	**2,085,241**

14.1 The future minimum lease payments to which the Company is committed under the lease agreements and the periods in which they will become due are as follows:

	2023			2022		
	Minimum lease payments	Financial charges allocated	Present value of lease payments	Minimum lease payments	Financial charges allocated	Present value of lease payments
	Rupees					
Not later than one year	832,688	(331,536)	501,152	781,824	(441,999)	339,825
Later than one year but not later than five years	2,191,140	(441,869)	1,749,271	2,931,840	(846,599)	2,085,241
	3,023,828	(773,405)	2,250,423	3,713,664	(1,288,598)	2,425,066

14.2 The total principal amount along with financial charges is payable in 60 monthly instalments and carries mark-up at 3 month KIBOR + 2% per annum.

15. TRADE AND OTHER PAYABLES

	Note	2023 Rupees	2022 Rupees
Creditors		1,866,703	2,686,707
Trade payables		100,311,512	198,331,872
Accrued expenses		2,513,814	5,432,761
Sales and other taxes payable		837,304	1,928,971
Other liabilities		17,821,127	21,619,525
		123,350,460	229,999,836

	Note	2023 Rupees	2022 Rupees
16. SHORT TERM BORROWINGS - SECURED	*16.1*	-	74,138,054

16.1 The company has obtained short term running finance facilities under mark-up arrangements with an aggregate limit of Rs. 550 million (2022: Rs. 650 million) from various commercial banks with variable mark-up rates ranging from 2023: 24.41% to 24.91% (2022: 8.95% to 13.39%). These are secured against pledge of marketable securities and personal guarantees of all the directors.

17. CONTINGENCIES AND COMMITMENTS

Contingencies

The company has filed a recovery suit amounting to Rs. 12.6 million against a customer. The same customer has filed a counter suit of the same amount against the company. The company based on the advice of its legal counsel is confident that the case will be decided in its favor and the amount against which the claim has been filed will be received. Hence, no provision against this receivable has been made in these financial statements.

Commitments

There has been no commitments at balance sheet date.

18. COMMISSION INCOME

	Note	2023 Rupees	2022 Rupees
Brokerage commission		63,891,381	93,486,777
		63,891,381	93,486,777

18.1 Brokerage commission

		2023 Rupees	2022 Rupees
Brokerage commission gross		78,494,268	114,609,906
Less: Sales tax		(8,904,523)	(13,263,003)
		69,589,745	101,346,903
Less: Charges collected from clients for regulator		(5,698,364)	(7,860,126)
		63,891,381	93,486,777

19. OPERATING EXPENSES

	Note	2023 Rupees	2022 Rupees
Salaries and benefits	*19.1*	50,527,127	52,755,380
Printing and stationery		188,610	200,510
Rent, rates and taxes		2,966,627	2,681,375
Vehicle running and maintenance		5,933,643	3,781,259
Repairs and maintenance		1,838,245	2,234,967
Electricity and gas charges		3,175,513	2,957,842
Legal and professional charges		1,769,256	2,056,712
Commission expenses		3,564,892	10,625,043
Travelling and conveyance		53,700	1,762,780
Insurance expenses		2,480,666	1,938,673
Entertainment		1,221,897	1,393,209
Fees and subscription		2,536,829	3,027,734
Depreciation	*4*	3,210,336	3,739,292
Amortization of intangible	*5.2*	79,046	22,234
Computer expenses		3,544,443	7,866,242
Donation and charity	*19.2*	-	33,200
Auditors' remuneration	*19.3*	425,000	370,000
Bed debt expense		-	1,054,661
		83,515,830	98,501,113

19.1 Salaries and benefits include Rs. 2,626,133 (2022: Rs. 2,976,582) in respect of staff retirement benefits.

19.2 None of the directors or their spouses had an interest in the donee's funds.

19.3 Auditors' Remuneration

	2023 Rupees	2022 Rupees
Audit fees	400,000	350,000
Out of pocket expenses	25,000	20,000
	425,000	370,000

20. FINANCIAL CHARGES

	Note	2023 Rupees	2022 Rupees
Mark-up on bank borrowings	*16.1*	18,224,566	12,662,967
Interest on lease liabilities		659,360	120,522
Bank charges		323,829	613,601
		19,207,755	**13,397,090**

21. OTHER LOSS - NET

Dividend income	34,078,965	27,488,033
Mark-up on exposure deposit	2,188,319	1,674,081
Mark-up on Bank	15,911	-
Mark-up on MF	-	292,977
Unrealized loss on measurement of investments at FVTPL	(4,808,912)	(50,470,360)
Realized loss on listed securities	(42,148,154)	(30,931,892)
Gain on disposal of property and equipment	1,520,700	-
	(9,153,171)	**(51,947,161)**

22. TAXATION

Current year	7,549,596	8,716,158
Prior year	(15,226)	(105,753)
	7,534,370	**8,610,405**

23. LOSS PER SHARE

	2023	2022
	------------- Rupees -------------	
Loss for the year	(55,519,745)	(78,968,992)
	------------- Number -------------	
Weighted average number of ordinary shares	34,682,360	34,682,360
	------------- Rupees -------------	
Loss per share	**(1.60)**	**(2.28)**

24. CASH AND CASH EQUIVALENTS

Cash and bank balances	*11*	126,619,789	202,365,741
Short term borrowings - secured	*16*	-	(74,138,054)
		126,619,789	**128,227,687**

25. PLEDGE SECURITIES WITH FINANCIAL INSTITUTION

	June 30, 2023	
	Number of Shares	Pledge Value
Pledged to financial institutions on behalf of brokerage house	-	-
Pledged to financial institutions on behalf Directors/ Sponsors/Ceo /Shareholder	20,678,000	278,946,220
Pledged to financial institutions on behalf of clients	14,860,344	3,190,595,995

26. CUSTOMERS ASSETS HELD IN CDC

The house holds approx. 112.7 millions (2022: 117.1) million securities of his clients in the clients CDC sub accounts having approx.. fair value Rs. 4,229.4 million (2022: Rs. 4,646.6 million).

27. RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, directors and key management personnel. The company continues to have a policy whereby all transactions with related parties are at contractual / agreed rates.

Name and relation with the related Party	Transactions during the year and year end balances	2023 Rupees	2022 Rupees
Mr. Ahfaz Mustafa, Chief Executive	Brokerage income earned by the Company	1,143,483	972,676
	Trade receivable / (payable) at year end	949,566	296,764
	Other receivables at year end	16,553,402	-

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executives	
	2023	2022	2023	2022
	------------------------------ Rupees ------------------------------			
Managerial remuneration	3,801,900	3,801,900	16,342,975	14,704,237
Allowances	1,898,100	1,898,100	8,049,525	7,341,096
Bonus	-	-	369,977	334,182
Total	5,700,000	5,700,000	24,762,477	22,379,515
Number of persons	1	1	9	8

28.1 The company also provided the company maintained car to chief executive and executive

29. CAPITAL RISK MANAGEMENT

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern so that it can provide benefits to all stakeholders.

In order to maintain the balance of its capital structure the company may consider injecting further equity or issuing fresh debt. The company monitors its capital on the basis of its gearing ratio. Debt is calculated as total borrowings including both long term and short term borrowings. The gearing ratio as at June 30, 2023 and 2022 was as follows:

	2023 Rupees	2022 Rupees
Total borrowings	2,250,423	76,563,120
Paid-up capital	346,823,600	346,823,600
Accumulated losses	(158,824,606)	(103,304,861)
	187,998,994	243,518,739
Gearing ratio	1%	24%

30. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

i) Financial instruments by category

	2023 Rupees	2022 Rupees
Financial assets		
At cost		
Long term Investment	7,000,000	7,000,000
At amortized cost		
Long term deposits	2,984,965	2,910,965
Trade debts	37,380,055	47,052,894
Advances, deposits and other receivables	22,007,006	45,164,180
Cash and bank balances	126,619,789	202,365,741
At fair value through profit or loss		
Short term investments	15,280,903	152,842,424
Total financial assets	**211,272,718**	**457,336,204**
Financial liabilities		
Lease liabilities	2,250,423	2,425,066
Deferred liability - staff gratuity	4,988,171	5,734,274
Trade and other payables	123,350,460	229,999,836
Accrued mark-up on borrowings	3,677,276	2,622,272
Short term borrowings	-	74,138,054
Total financial liabilities	**134,266,330**	**314,919,502**

ii) Financial risk management objectives and policies

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

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks namely interest rate risk, currency risk and other price risk. The company is exposed to interest rate risk and other price risk only.

	2023 Rupees	2022 Rupees
Long term investment	7,000,000	7,000,000
Short term investments	15,280,903	152,842,424
	22,280,903	**159,842,424**

b) Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted. Credit risk arises from deposit with banks, trade debts, loans, advances, deposits and other receivables. The maximum exposure to credit risk (which is the carrying value of financial assets) at the balance sheet date is as follows:

	2023 Rupees	2022 Rupees
Long term deposits	2,984,965	2,910,965
Trade debts	37,380,055	47,052,894
Advances, deposits and other receivables	111,877,051	115,192,274
Bank balances	126,510,113	196,463,603
	278,752,184	361,619,736

To reduce the exposure to credit risk, the company has developed a formal approval process whereby credit limits are applied to its customers. The company is doing its utmost to recover the amount outstanding from its customers and is confident that the amount would be recovered based on the past experience and the recovery efforts being carried out by the company.

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

No impairment has been recognized in respect of these debts as the custody of equity securities against the same is considered to be adequate.

c) Liquidity risk

Liquidity risk represents the risk that the company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date.

	2023					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	Rupees					
Financial liabilities						
Lease liabilities	2,250,423	2,250,423	199,040	217,969	499,146	1,334,268
Trade and other payables	123,350,460	123,350,460	-	123,350,460	-	-
Accrued mark-up	3,677,276	3,677,276	3,677,276	-	-	-
Short term borrowings - secured	-	-	-	-	-	-
	129,278,159	129,278,159	3,876,316	123,568,429	499,146	1,334,268

	2022					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	Rupees					
Financial liabilities						
Lease liabilities	2,425,066	2,425,066	161,493	178,332	414,389	1,670,852
Trade and other payables	229,999,836	229,999,836	-	229,999,836	-	-
Accrued mark-up	2,622,272	2,622,272	2,622,272	-	-	-
Short term borrowings - secured	74,138,054	74,138,054	74,138,054	-	-	-
	309,185,228	309,185,228	76,921,819	230,178,168	414,389	1,670,852

iii) Fair value of financial assets and liabilities

The carrying value of all financial assets and financial liabilities reflected in the financial statements approximate their fair values.

The fair value measurement hierarchy of the financial instruments carried at fair value is as follows:

Level 1 - quoted market prices
Level 2 - valuation techniques (market observable)
Level 3 - valuation techniques (non-market observable)

Fair value of investments traded in an active market are based on quoted market prices under the level 1 valuation method. Since investment in Pakistan Stock Exchange Limited (PSX) is not listed on any stock exchange, a quoted market price is not available and the fair value of such investment can not be determined with reasonable accuracy.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	2023			
	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Investment	-	-	7,000,000	7,000,000
Short term investment	15,280,903	-	-	15,280,903
	15,280,903	**-**	**7,000,000**	**22,280,903**

	2022			
	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Investment	-	-	7,000,000	7,000,000
Short term investment	152,842,424	-	-	152,842,424
	152,842,424	**-**	**7,000,000**	**159,842,424**

31. NUMBER OF EMPLOYEES

	2023	2022
Total number of employees at the end of the year	**27**	**33**
Average number of employees during the year	**29**	**33**

32. CAPITAL ADEQUACY LEVEL

	2023 Rupees	2022 Rupees
Total assets	322,265,324	558,438,241
Less: Total liabilities	(134,266,330)	(314,919,502)
Revaluation Reserves (Created upon revaluation of fixed assets)	-	-
	187,998,994	**243,518,739**

Capital Adequacy Level

32.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by the Company as at year ended June 30, 2023 as determined by Pakistan Stock Exchange has been considered.

33. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	18,622,561	100%	-
1.2	Intangible Assets	2,500,000	100%	-
1.3	Investment in Goverment Securities: (Haircut applied on the basis of Difference between book value and sale value on the date on the basis of PKRV published by NIFT)	-	-	-
1.4	**Investment in Debt Securities**			
	If listed then:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.5%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10%	-
	If unlisted then:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.5%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15%	-
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.	15,280,903	13,111,623	2,169,280
	ii. If unlisted, 100% of carrying value.	7,000,000	100%	-
	iii.Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker.	-	-	-
	iv.100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	-	100%	-
1.6	Investment in subsidiaries	-	100%	-
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,700,000	100%	-
1.9	Margin deposits with exchange and clearing house.	56,600,212	0%	56,600,212
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	0%	-
1.11	Other deposits and prepayments	19,745,034	100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	0%	-
	100% haircut to be applied in respect of markup accrued on loans to directors, subsidiaries and other related parties	16,553,402	100%	-
1.13	Dividends receivable.	-	-	-
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.)***			
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 repayment within 12 months	2,376,489	100%	-
	ii. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation		0%	-
	iii. In all other cases, 100% of net value	15,000,000	100%	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	2,886,880	2,886,880	2,886,880

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***		-	-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***		5%	-
	iii. Incase receivalbes are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haricut***		-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	5,445,877	0%	5,445,877
	v. Incase 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***	30,984,612	5,356,816	5,356,816
	vi. 100% haircut in the case of amount receivable form related parties.	949,566	100%	-
1.18	Cash and Bank balances			
	I. Bank Balance-proprietory accounts	30,278,184	0%	30,278,184
	ii. Bank balance-customer accounts	96,249,394	0%	96,249,394
	iii. Cash in hand	92,211	0%	92,211
1.19	Subscription money against investment in IPO/ offer for sale (asset)		0%	-
1.20	Total Assets	322,265,324		199,078,853

2. Liabilities

2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-	0%	-
	ii. Payable against leveraged market products	-	0%	-
	iii. Payable to customers	100,311,512	0%	100,311,512
2.2	Current Liabilities			
	i. Statutory and regulatory dues	837,304	0%	837,304
	ii. Accruals and other payables	25,878,921	0%	25,878,921
	iii. Short-term borrowings	-	0%	-
	iv. Current portion of subordinated loans	-	0%	-
	v. Current portion of long term liabilities	501,152	0%	501,152
	vi. Deferred Liabilities	-	0%	-
	vii. Provision for taxation	-	0%	-
	viii. Other liabilities as per accounting principles and included in the financial statements	-	0%	-
2.3	Non-Current Liabilities	1,749,271	100%	-
	i. Long-Term financing	4,988,171	0%	4,988,171
	ii. Staff retirement benefits			
	iii. Other liabilities as per accounting principles and included in the financial statements	-	0%	-
2.4	Subordinated Loans	-	100%	-
	100% of Subordinated loans which fulfill 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: (i) The existing authorized share capital allows the proposed enhanced share capital (ii) Board of Directors of the company has approved the increase in capital (iii) Relevant Regulatory approvals have been obtained (iv) 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	-	100%	-
2.6	Total Liabilites	134,266,330		132,517,059

3. Ranking Liabilities Relating to :

3.1	Concentration in Margin Financing The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-

by

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.2	**Concentration in securites lending and borrowing** The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	**Net underwriting Commitments** (a) In the case of right issuse : if the market value of securites 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 issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	**Negative equity of subsidiary** The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions** 5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	**Repo adjustment** **In the case of financier/purchaser** the total amount receivable under Repo less the 110% of the market value of underlying securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received, less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	**Concentrated proprietary positions** If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security	-	-	80,269
3.9	**Opening Positions in futures and options** i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral / pledged with securities exchange after applying VaR haircuts	-	-	1,549,776
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	**Short sell positions** i. Incase 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. Incase of proprietory 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.	-	-	-
		-	-	1,630,045
3.11	**Total Ranking Liabilites**	187,998,994	**Liquid Capital**	64,931,749

Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	199,078,853
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(132,517,059)
(iii) Less: Total ranking liabilities (serial number 3.11)	(1,630,045)
	64,931,749

CamScanner

34. **DATE OF AUTHORIZATION**

These financial statements were authorized for issue by the Board of Directors in their meeting held on 07 OCT 2023.

35. **CORRESPONDING FIGURES**

Corresponding figures' have been re-classified, wherever necessary for the purposes of comparison

36. **GENERAL**

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Director