

DIRECTORS' REPORT

The Directors take pleasure in presenting their report together with audited financial statements of the Company for the financial year ended June 30, 2023. The working results of the company for the said financial year are given as under:

Operating revenue	8,690,316
Capital Gain / (loss) on sale of investment – net	43,455
Unrealised loss on remeasurement of Investments at fair value through profit or loss	(8,392,717)
Administrative expenses	(10,189,537)
Other Expenses	(645,793)
Other Income	800,605
Loss before taxation	(6,444,057)
Taxation	(215,676)
Loss after taxation	(9,992,733)

Equity Market Review:


KSE100 Index closed relatively flat during FY23, with the index falling cumulatively by 179ppts to end at 41,453 points, decline of 0.21%YoY during the period. The index remained relatively volatile during the period, with highs and lows stayed between 43,677 (17th Aug'22) and 38,342 points (17th Jan'23). Average traded volume for the bourse during FY23 stood at 274mn shares per day, marking a decline of 33%YoY vs. the year before. The year was characterized by a combination of economic, political, and exogenous challenges. Overall, market capitalization of the KSE100 index fell by 8.6%/34.5% in rupee/US\$ terms, to presently stand at PkR6.36tn and US\$22.24bn, respectively. On the currency front, PkR closed at PkR286/US\$, reflecting a downgrade of 39.6%YoY from PkR204.8/US\$ from June'22 end.

Future Prospects:

The future prospects of the Company are thoroughly promising on account of the Management's efforts towards continuing to increasing the Company's market share and through wider participation in all its business segments. The Company is striving to yield better volumes from its existing clientele as well as prospective foreign and domestic clients by expanding and growing relationships with them through the Company's premium suite of services.

Appointment of External Auditors:

The retiring auditor's M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, retire and being eligible have offered themselves for reappointment for the financial year ended June 30, 2024, subject to approval by the members in the forthcoming annual general meeting.


SHEIKH KAISER
Chief Executive Officer


SHAIKH UMER
Director

Dated: October 06, 2023

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Apex Capital Securities (Pvt) Limited
TREC- Holder Pakistan Stock Exchange Ltd.

Corporate Office: No. 439-440 Pakistan Stock Exchange Building,
11 Chundrigar Road, Karachi

www.apexcapitalsec.com



**AUDITED FINANCIAL STATEMENTS
OF
APEX CAPITAL SECURITIES
(PRIVATE) LIMITED
FOR THE YEAR ENDED
JUNE 30, 2023**

**Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
KARACHI, LAHORE & ISLAMABAD**

INDEPENDENT AUDITORS' REPORT

To the members of APEX Capital Securities (Private) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of M/s. **APEX Capital Securities (Private) Limited** (the Company), which comprise the statement of financial position as at **June 30, 2023**, and 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 a summary of significant accounting policies and other explanatory information ('the financial statements'), 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, 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 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 the 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.

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

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

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, 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 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 (XVIII of 1980); and
- e) the Company was in compliance with the requirement of section 78 of the Securities Act, 2015 and section 62 of the Futures Market Act, 2016, and the relevant requirements of the Securities Brokers (Licencing and Operations) Regulations, 2016 and Futures Brokers (Licensing and Operations) Regulations, 2018 as at the date on which the statement of financial position was prepared.

Other Matter

As reported in note 7 to the financial statements, during the year ended June 30, 2023, the Company obtained loan from the director amounting to Rs. 11 million to meet the working capital requirements of the Company which has also been repaid in full along with the prior year outstanding balance (Rs. 9.1 million). As on June 30, 2023, the outstanding balance in relation to the said loan amounted to Rs. Nil. The said loan arrangements has been executed without the formal subordination agreement between the Director and the Company and its onward submission to the Securities Exchange Commission of Pakistan (SECP).

In our view, this represents the non-compliance with the requirement of sub-clause (a) of clause 1 of Circular No. 12 of 2019 dated August 23, 2019 as issued by the Securities and Exchange Commission of Pakistan (in exercise of the powers conferred to it under sub-clause (iv) of clause (ka) of sub-regulation (2) of regulation 16 of the Securities Brokers (Licensing and Operations) Regulations, 2016). Our Opinion is not modified in respect of this matter.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Rafiq Dosani**.


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: **October 06, 2023**

UDIN: **AR202310210DNei3tSv8**


Apex Capital Securities (Private) Limited

Statement of Financial Position

As at June 30, 2023

EQUITY AND LIABILITIES	Note	2023 Rupees	2022 Rupees
Share capital and reserves			
Authorized capital	5	75,000,000	75,000,000
Issued, subscribed and paid up capital	5	59,500,000	59,500,000
<i>Revenue reserves</i>			
Unappropriated profit		(2,948,332)	7,044,401
<i>Capital reserve</i>			
Capital contribution from the chief executive	6	16,609,500	16,609,500
		<u>73,161,168</u>	<u>83,153,901</u>
Current liabilities			
Trade and other payables	7	7,050,227	24,085,108
Contingencies and commitments			
	8	-	-
Total equity and liabilities		<u><u>80,211,395</u></u>	<u><u>107,239,009</u></u>
ASSETS			
Non-current assets			
Property and equipment	9	8,253,356	9,732,656
Intangible asset	10	2,500,000	2,500,000
Long term deposits	11	1,500,000	1,500,000
		<u>12,253,356</u>	<u>13,732,656</u>
Current assets			
Short term investments	12	31,228,183	37,126,225
Trade debts	13	18,535,618	31,865,109
Advance, deposit and other receivables	14	5,606,620	5,292,710
Taxation - net		8,243,798	8,331,653
Cash and bank balances	15	4,343,820	10,890,656
		<u>67,958,039</u>	<u>93,506,353</u>
Total assets		<u><u>80,211,395</u></u>	<u><u>107,239,009</u></u>

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


Chief Executive


Director

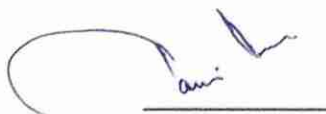
Apex Capital Securities (Private) Limited

Statement of Profit or Loss

For the year ended June 30, 2023

		2023	2022
	Note	Rupees	
Operating revenue	16	8,690,316	16,144,821
Capital gain realized on disposal of investments - net		43,455	174,941
Loss on re-measurement of investments carried at fair value through profit or loss - net		(8,392,717)	(30,057,926)
Administrative expenses	17	(10,189,537)	(21,587,153)
Operating profit		(9,848,483)	(35,325,318)
Financial charges	18	(83,386)	(112,735)
Other expenses	19	(645,793)	(9,090,454)
Other income	20	800,605	443,451
Loss before taxation		(9,777,057)	(44,085,056)
Provision for taxation	21	(215,676)	(201,541)
Loss after taxation		(9,992,733)	(44,286,597)

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



Chief Executive



Director

Apex Capital Securities (Private) Limited

Statement of Comprehensive Income

For the year ended June 30, 2023

	2023	2022
	Rupees	
Loss after taxation	(9,992,733)	(44,286,597)
Total comprehensive loss for the year	<u>(9,992,733)</u>	<u>(44,286,597)</u>

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



Chief Executive



Director

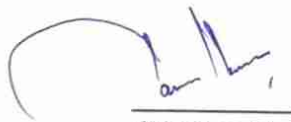
Apex Capital Securities (Private) Limited

Statement of Changes in Equity

For the year ended June 30, 2023

	Issued, subscribed and paid up capital	Revenue reserve Unappropriated profit	Capital reserve Capital contribution from the Chief Executive	Total reserve	Total equity
Balance as at June 30, 2021	59,500,000	51,330,998	16,609,500	67,940,498	127,440,498
<i>Total comprehensive income for the year ended June 30, 2022</i>					
- Loss after taxation	-	(44,286,597)	-	(44,286,597)	(44,286,597)
- Other comprehensive income	-	-	-	-	-
	-	(44,286,597)	-	(44,286,597)	(44,286,597)
Balance as at June 30, 2022	59,500,000	7,044,401	16,609,500	23,653,901	83,153,901
<i>Total comprehensive income for the year ended June 30, 2022</i>					
- Loss after taxation	-	(9,992,733)	-	(9,992,733)	(9,992,733)
- Other comprehensive income	-	-	-	-	-
	-	(9,992,733)	-	(9,992,733)	(9,992,733)
Balance as at June 30, 2023	59,500,000	(2,948,332)	16,609,500	13,661,168	73,161,168

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



Chief Executive



Director

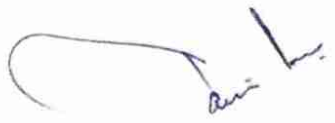
Apex Capital Securities (Private) Limited


Statement of Cash Flows

For the year ended June 30, 2023

	2023	2022
Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(9,777,057)	(44,085,056)
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property & equipments	9 1,497,560	1,777,645
Loss on re-measurement of investments	8,392,717	30,057,926
Capital gain realized on disposal of investments	(43,455)	(174,941)
Financial charges	18 83,386	112,735
	<u>9,930,208</u>	<u>31,773,365</u>
Operating profit/(loss) before working capital changes	153,151	(12,311,691)
<i>Changes in working capital:</i>		
<i>(Increase) / Decrease in current assets</i>		
Short term investments - net	(2,451,220)	2,446,155
Trade debts	13,329,492	(11,033,804)
Advance, deposit and other receivables	(313,910)	22,842,811
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	(17,034,881)	(1,329,957)
	<u>(6,470,520)</u>	<u>12,925,205</u>
Cash (used in) /generated from operations	(6,317,369)	613,515
Financial charges paid	(83,386)	(112,735)
Tax paid	(127,821)	(177,375)
Net cash (used in)/ generated from operating activities	<u>(6,528,576)</u>	<u>323,405</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	9 (18,260)	(25,800)
Net used in investing activities	(18,260)	(25,800)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings paid	-	(4,543,187)
Net cash used in financing activities	-	(4,543,187)
Net decrease in cash and cash equivalents	(6,546,836)	(4,245,580)
Cash and cash equivalents at beginning of the year	<u>10,890,656</u>	<u>15,136,236</u>
	<u><u>4,343,820</u></u>	<u><u>10,890,656</u></u>

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


 Chief Executive


 Director

Apex Capital Securities (Private) Limited

Notes to the Financial Statements

For the year ended June 30, 2023

1. STATUS AND NATURE OF BUSINESS

1.1 Apex Capital Securities (Private) Limited ('the Company') was incorporated in Pakistan on February 24, 2004 as a private limited company under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced by Companies Act, 2017 ('the Act'). The Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company are investments, share brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services. Company's registered office is situated at Room No. 439-440, 4th Floor, Stock Exchange Building, Pakistan Stock Exchange Road, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investments in listed equity securities classified and 'fair value through profit and loss ("FVTPL")' which are carried at fair value.

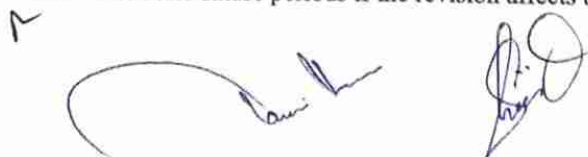
2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



Following are some significant areas where management used estimates and judgements other than those which have been disclosed elsewhere in these financial statements.

	<i>Note</i>
- Useful lives and residual values of property and equipment.	4.1
- Useful lives and residual values of intangible assets.	4.2
- Provision for expected credit losses	4.4.4
- Provision for taxation	4.11

3. New accounting pronouncements

3.1 *New and amended standards and interpretations mandatory for the first time for the financial year beginning July 01, 2022:*

(a) IAS 37 -Onerous contracts

Effective date:
January 01, 2022

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

(b) IAS 16 - Proceeds before an asset's intended use

Effective date:
January 01, 2022

Amendment to IAS 16 'Property, Plant and Equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 01, 2022 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3.2 *New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective*

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 01, 2022 and have not been early adopted by the Company:

(a) IAS 1 - Disclosure of accounting policies

Effective date:
January 01, 2023

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.



(b) IAS 8 - Definition of accounting estimates

Effective date:
January 01, 2023

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(c) IAS 12 - Deferred tax

Effective date:
January 01, 2023

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

(d) IAS 1 - Classification of liabilities as current or non current

Effective date:
January 01, 2024

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendment, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

(e) IFRS 16 - Sale and leaseback transaction

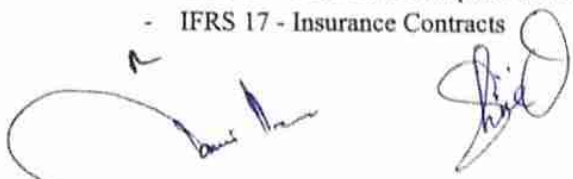
Effective date:
January 01, 2024

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of Financial Reporting Standards
- IFRS 17 - Insurance Contracts



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

4.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 10. Depreciation is charged when the asset is available for use till the asset is disposed off.

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

The assets' residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2022 did not require any adjustment.

4.2 Intangible asset - Trading Rights Entitlement Certificate

This is stated at cost less impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

4.3 Impairment of non-financial assets

Non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

4.4 Financial instruments

4.4.1 Initial Recognition

Purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of purchase transaction take place.

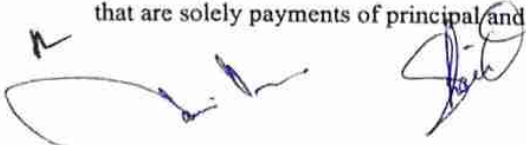
4.4.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at amortised cost.
- at fair value through other comprehensive income ("FVTOCI"), or
- at fair value through profit and loss ("FVTPL"),

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.



Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when 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.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

4.4.3 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

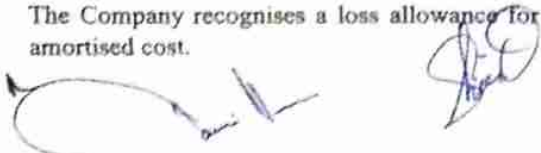
(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

4.4.4 Impairment

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.



For trade debts and receivables from margin financing, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in statement of profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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

4.4.5 *De-recognition*

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

4.5 **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

4.6 **Offsetting of financial assets and financial liabilities**

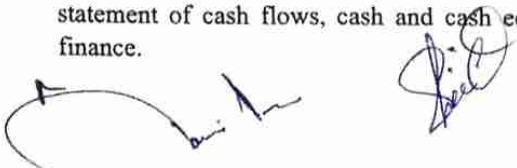
Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

4.7 **Trade debts**

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized on the settlement date as this is the point in time that the payment of the consideration by the customer becomes due.

4.8 **Cash and cash equivalents**

Cash and cash equivalent are carried in the statement of financial position at amortized cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances and short term running finance.



4.9 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

4.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method.

These are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

4.11 Taxation

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

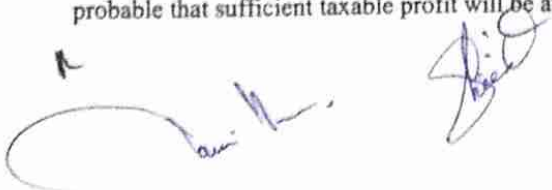
Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.



Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.12 Provisions

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingent liabilities

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

4.13 Operating revenue

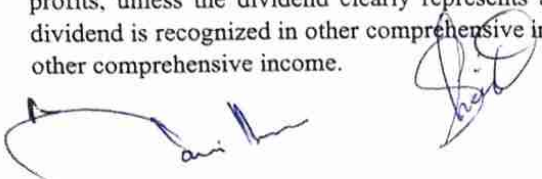
Revenue from trading activities - brokerage commission

Commission revenue arising from sales / purchase of securities on clients' behalf is recognized on the date of settlement of the transaction by the clearing house.

The Company does not expect to have contracts where the period between the services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.



Mark up / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

5. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022		2023	2022
-----Number of shares-----			----- Rupees-----	
<u>7,500,000</u>	<u>7,500,000</u>	Authorized: Ordinary shares of Rs. 10/- each	<u>75,000,000</u>	<u>75,000,000</u>
<u>5,950,000</u>	<u>5,950,000</u>	Issued, subscribed and paid-up : Ordinary shares of Rs. 10/- each issued as fully paid in cash	<u>59,500,000</u>	<u>59,500,000</u>

5.1 Shareholders holding more than 5% of the shares are as follows:

	2023		2022	
	Number of shares	% shareholding	Number of shares	% shareholding
Mouhammad Amin	297,500	5%	297,500	5%
Shahzeen Kaiser	595,000	10%	595,000	10%
Naveed Godil	714,000	12%	714,000	12%
Shaikh Umer	773,360	13%	773,360	13%
Khalida Zafar	773,640	13%	773,640	13%
Sheikh Moiz	952,000	16%	952,000	16%
Sheikh Kaiser	<u>1,844,500</u>	<u>31%</u>	<u>1,844,500</u>	<u>31%</u>
	<u>5,950,000</u>	<u>100%</u>	<u>5,950,000</u>	<u>100%</u>

5.2 There is no agreement with shareholders with respect to voting rights, board selection, rights of first refusal and block voting.

6. CAPITAL CONTRIBUTION FROM THE CHIEF EXECUTIVE

This represents the difference between the nominal value and present value (at the disbursement date) of long term loan received from the Chief Executive of the Company in March 2016. Since the loan is interest-free and had to be repaid after 3 years from the disbursement date, it had been discounted at the Company's borrowing rate with the effect of discounting credited to equity in accordance with the requirements of Technical Release 32 *Accounting Directors' Loan* issued by the Institute of Chartered Accountants of Pakistan. Subsequently, the said loan had been repaid to the CEO on June 28, 2019.

7. TRADE AND OTHER PAYABLES	Note	2023	2022
		----- Rupees-----	
Creditors		3,977,453	10,273,448
Accrued liabilities		1,265,684	3,546,550
Loan from director		-	9,100,000
Client future profit withheld	28.2	728,585	180,110
Others		1,078,504	985,000
		<u>7,050,227</u>	<u>24,085,108</u>



8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

In the previous years, the income tax authorities had issued Show Cause Notices to various members of the Pakistan Stock Exchange Limited, including the Company, to amend original assessment order under section 122(9) read with section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2017. In this regard, in 2018, the PSX Stock Brokers Association filed a Constitutional Petition before the Sindh High Court (SHC), Karachi and the Company became a party with them. SHC granted stay order in favour of the Petitioners. As at reporting date, the case is still pending for adjudication. However, the management based on legal advise is confident that the eventual outcome of the matter will be decided in favour of the Company, therefore, no provision has been made in this regard.

8.2 Commitments

Bank guarantee in favour of NCCPL against

- Exposure margin in Ready Market
- Exposure margin in Future Market

	2023	2022
	Rupees	
	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>

9. PROPERTY AND EQUIPMENT

	Building	Furniture & fixture	Vehicles	Office equipment	Computers	Total
	Rupees					
<i>As at June 30, 2021</i>						
Cost	9,208,860	788,780	8,540,900	921,935	2,248,835	21,709,310
Accumulated depreciation	(4,584,164)	(608,994)	(2,467,927)	(631,449)	(1,932,275)	(10,224,809)
Net book value	<u>4,624,696</u>	<u>179,786</u>	<u>6,072,973</u>	<u>290,486</u>	<u>316,560</u>	<u>11,484,501</u>
<i>Movement during the year ended</i>						
<i>June 30, 2022</i>						
Opening net book value	4,624,696	179,786	6,072,973	290,486	316,560	11,484,501
Additions during the year	-	-	-	-	25,800	25,800
Depreciation for the year	(693,704)	(26,968)	(910,946)	(43,573)	(102,454)	(1,777,645)
Closing net book value	<u>3,930,992</u>	<u>152,818</u>	<u>5,162,027</u>	<u>246,913</u>	<u>239,906</u>	<u>9,732,656</u>
<i>As at June 30, 2022</i>						
Cost	9,208,860	788,780	8,540,900	921,935	2,274,635	21,735,110
Accumulated depreciation	(5,277,868)	(635,962)	(3,378,873)	(675,022)	(2,034,729)	(12,002,454)
Net book value	<u>3,930,992</u>	<u>152,818</u>	<u>5,162,027</u>	<u>246,913</u>	<u>239,906</u>	<u>9,732,656</u>
<i>Movement during the year ended</i>						
<i>June 30, 2023</i>						
Opening net book value	3,930,992	152,818	5,162,027	246,913	239,906	9,732,656
Additions during the year	-	-	-	-	18,260	18,260
Depreciation for the year	(589,649)	(22,923)	(774,304)	(37,037)	(73,647)	(1,497,560)
Closing net book value	<u>3,341,343</u>	<u>129,895</u>	<u>4,387,723</u>	<u>209,876</u>	<u>184,519</u>	<u>8,253,356</u>
<i>As at June 30, 2023</i>						
Cost	9,208,860	788,780	8,540,900	921,935	2,292,895	21,753,370
Accumulated depreciation	(5,867,517)	(658,885)	(4,153,177)	(712,059)	(2,108,376)	(13,500,014)
Net book value	<u>3,341,343</u>	<u>129,895</u>	<u>4,387,723</u>	<u>209,876</u>	<u>184,519</u>	<u>8,253,356</u>
Rate of depreciation	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>30%</u>	

10.	INTANGIBLE ASSET	Note	2023	2022
			Rupees	
	Trading Rights Entitlement (TRE) Certificate			
	Cost	10.1	2,500,000	2,500,000
	Less: provision for impairment		-	-
			<u>2,500,000</u>	<u>2,500,000</u>

10.1 Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 ('the Act'), the Company has received a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of PSX. The right has been carried at cost less impairment.

11.	LONG TERM DEPOSITS - considered good	Note	2023	2022
			Rupees	
	With Central Depository Company of Pakistan Limited in respect of basic deposit		100,000	100,000
	With National Clearing Company of Pakistan Limited			
	- in respect of security deposit - DFC		1,000,000	1,000,000
	- in respect of security deposit - Ready		200,000	200,000
	- in respect of basic deposit		200,000	200,000
			<u>1,500,000</u>	<u>1,500,000</u>

12. SHORT TERM INVESTMENT

Fair value through profit or loss

- Investment in quoted securities	12.1	30,148,331	37,126,225
- Investment in Units of Mutual Funds	12.2	1,079,851	-
		<u>31,228,183</u>	<u>37,126,225</u>

12.1 Investment in quoted securities

2023	2022		Note	2023	2022
-- (Number of shares) --		Scrip name		Fair value	Fair value
5,000	5,000	Adamjee Insurance Company Limited		113,150	157,800
5,000	5,000	Amreli Steels Limited		76,750	117,200
477,250	415,000	Askari Bank Limited		6,185,160	7,233,450
12,500	12,500	Attock Refinery Limited		2,145,375	2,197,250
-	10,000	Beema-Pakistan Company Limited -	12.1.1	-	-
213,750	190,000	Fauji Cement Company Limited		2,513,700	2,692,300
11,000	11,000	Frieslandcampina Engro Pakistan Limited		649,330	751,080
144	120	Ferozsons Laboratories Limited		19,706	32,269
10,000	10,000	Fauji Fertilizer Company Limited		984,400	1,102,200
16,200	-	Ghandhara Tyres & Rubber Company Limited		330,642	-
-	16,200	The General Tyre & Rubber		-	550,962
210	210	Habib Bank Limited		15,378	19,181
100	-	Lucky Core Industries Limited		60,414	-
-	100	ICI Pakistan Limited		-	72,455
2	2	Nishat Mills Limited		114	148
-	40,000	Norrie Textile Mills Limited	12.1.1	-	-
6,000	6,000	National Refinery Limited		900,000	1,515,420
500,000	500,000	Pakistan International Bulk Terminal Limited		2,055,000	3,010,000
30,000	-	Pakistan Refinery Limited		406,800	-
24,000	24,000	Seervice Global Footwear Limited		669,120	964,320
500,000	500,000	Summit Bank Limited		875,000	1,120,000
27,000	27,000	Treet Corporation Limited		427,410	787,860
1,446,953	1,446,953	Pakistan Stock Exchange Limited		10,707,452	14,802,329
11,000	-	Trg Pakistan Limited - Class 'A'		1,013,430	-
<u>3,296,109</u>	<u>3,219,085</u>			<u>30,148,331</u>	<u>37,126,225</u>

12.1.1 These securities are non-traded therefore have been assigned Nil value.

12.1.2 As of the reporting date, the total value of pledged securities was as follows:

<i>Pledged with Financial Institutions</i>	Note	2023	2022
		Rupees	
Clients		-	-
Brokerage house		9,050,229	11,317,677
		<u>9,050,229</u>	<u>11,317,677</u>
<i>Pledged with PSX / NCCPL</i>			
Clients		22,653,866	26,063,133
Brokerage house		17,988,947	24,659,102
		<u>40,642,813</u>	<u>50,722,235</u>

12.2 Investment in Units of Mutual Fund

2023	2022	Fund name	2023	2022
-- (Number of units) --			Fair value	Fair value
108,205	-	NBP Money Market Fund	1,079,851	-
<u>108,205</u>	<u>-</u>		<u>1,079,851</u>	<u>-</u>

13. TRADE DEBTS

Considered good- secured		18,535,618	31,865,109
Considered doubtful- unsecured		1,995,006	1,995,006
		<u>20,530,624</u>	<u>33,860,115</u>
Less: Provision for expected credit losses	13.1	(1,995,006)	(1,995,006)
		<u>18,535,618</u>	<u>31,865,109</u>

13.1 Movement in provision for expected credit losses

Balance at the beginning of the year	1,995,006	3,354,933
Add: (Reversed) during the year	-	(1,359,927)
Balance at the end of the year	<u>1,995,006</u>	<u>1,995,006</u>

13.2 The company held equity securities having fair value of Rs. 158.93 million (2022: Rs. 263.05 million) owned by its client, as collateral against trade debt.

14. ADVANCE, DEPOSIT AND OTHER RECEIVABLES - Considered good

	2023	2022
	Rupees	
Advances to employees - unsecured	236,000	48,000
<i>Deposits placed with NCCPL in respect of:</i>		
- Exposure margin on ready market	2,800,000	2,000,000
- Exposure margin on DFCs	2,175,753	2,880,388
- Loss on DFCs (net of demand)	-	-
	<u>4,975,753</u>	<u>4,880,388</u>
Receivable from NCCPL in respect of future retained profit	394,867	364,322
	<u>5,606,620</u>	<u>5,292,710</u>

15. CASH AND BANK BALANCES

Cash in hand	5,955	11,636
Cash at bank		
- Saving account	21,328	21,328
- Current account	4,316,538	10,857,692
	<u>4,337,865</u>	<u>10,879,020</u>
	<u>4,343,820</u>	<u>10,890,656</u>

15.1 This includes a balance of Rs. 3.98 million (2022: Rs. 10.27 million) held in a separate bank account designated to clients.

		2023	2022
		Rupees	
16. OPERATING REVENUE	<i>Note</i>		
Brokerage commission income - gross	28.2	8,927,778	17,170,502
Less: Sales tax		(819,095)	(1,618,960)
		8,108,683	15,551,542
Dividend income		581,633	593,279
		8,690,316	16,144,821
17. ADMINISTRATIVE EXPENSES			
Salaries, benefits and allowances		2,093,400	3,171,033
Commission expense		3,031,808	8,002,017
Directors' remuneration	22	-	3,936,000
Office maintenance charges		333,848	300,000
Printing and stationery		20,680	34,523
Communication expenses	28.2	178,509	192,954
Software charges	28.2	505,800	814,550
Auditors' remuneration		550,000	550,000
Legal and professional charges		345,425	153,680
Fees and subscription		33,540	687,455
Electricity charges		325,365	255,747
Entertainment expense		92,500	77,180
Repair and maintenance		-	250,813
Depreciation	9	1,497,560	1,777,645
Provision for doubtful debt	13.1	-	-
NCCPL charges		460,660	438,743
CDC charges		241,680	364,095
Others		478,762	580,719
		10,189,537	21,587,153
18. FINANCIAL CHARGES			
Bank markup on short term running finance		5,272	22,054
Bank charges		78,114	90,681
		83,386	112,735
19. OTHER EXPENSES			
Parking fee		26,000	68,000
Kits charges		541,993	502,596
Misc Expense		77,800	8,519,858
		645,793	9,090,454
20. OTHER INCOME			
Interest income		-	1,569
Profit on margin deposits		800,605	441,882
		800,605	443,451
21. TAXATION			
Current		215,368	210,771
Prior		308	(9,230)
		215,676	201,541

21.1 Reconciliation between tax charge based on accounting profit and tax expense

As the income of the Company for the tax years 2023 and 2022 is subject to taxation under minimum and final tax regimes, a reconciliation between the tax charge based on accounting profit and tax expense recognized in the financial statements has not been presented.

22. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

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

	Chief Executive		Directors		Total	
	2023	2022	2023	2022	2023	2022
	Rupees					
Managerial remuneration	-	3,000,000	-	936,000	-	3,936,000
Number of persons	1	1	3	2	4	3

22.1 Presently, the Company has no 'executives' as defined in the Fifth Schedule to the Companies Act, 2017.

23. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprises of directors, key management personnel and their close family members. Remuneration to key management personnel are in accordance with their terms of employment.

Details of transactions and balances at period end with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Balance outstanding at year end	Relationship	2023	2022
		Rupees	
<i>Nature</i>			
Receivable from Sheikh Kaiser	Chief Executive	-	4,475,650
Receivable from Sheikh Umer	Close family member	<u>8,451,993</u>	<u>13,522,336</u>
Receivable from Sana Umer	Close family member	<u>126,957</u>	<u>126,342</u>

23.1 The Company has a practice of not charging any commission from its directors and their spouses / children in respect of trading in securities carried out on their behalf.

24. FINANCIAL INSTRUMENTS

24.1 Financial risk analysis

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest/mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

a) Market risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risks: foreign currency risk, price risk and interest rate risk. The market risks associated with the Company's business activities are discussed as under:

i) *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Company was not exposed to currency risk since there were no foreign currency transactions and balances at the reporting date.

ii) *Price risk*

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 10%. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. The Company manages price risk by monitoring the exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Company to incur significant mark to market and credit losses. The Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 31.23 million (2022: 37.12 million) and also the Company holds collaterals in the form of equity securities against their debtor balances at the reporting date.

The carrying value of investments subject to equity price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of securities in particular sector of the market.

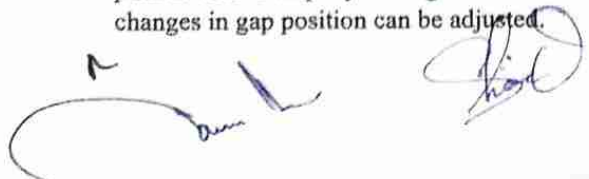
Sensitivity analysis

The table below summarizes Company's equity price risk as of June 30, 2023 and 2022 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Company's equity investment portfolio.

		Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders'	Hypothetical increase / (decrease) in profit / (loss) after tax
June 30, 2023	Rupees	31,228,183	10% increase	34,351,001	2,732,466	2,732,466
			10% decrease	28,105,364	(2,732,466)	(2,732,466)
June 30, 2022	Rupees	37,126,225	10% increase	40,838,847	3,248,545	3,248,545
			10% decrease	33,413,602	(3,248,545)	(3,248,545)

iii) *Interest rate risk*

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.



At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2023	2022	2023	2022
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - pls account	-	5% to 12%	<u>21,328</u>	<u>21,328</u>

b) **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 economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, short term loans, deposits, receivable / payable against sale of securities and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk which ultimately affects the recoverability of debts. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors.

The carrying amount of financial assets represent the maximum credit exposure at the reporting date, which are detailed hereunder as follows:

	2023	2022
	Rupees	
Long term deposits	1,500,000	1,500,000
Trade debts	18,535,618	31,865,109
Advance, deposit and other receivables	5,606,620	5,292,710
Bank balances	4,337,865	10,879,020
	<u>29,980,103</u>	<u>49,536,839</u>

The maximum exposure to credit risk for trade debts is due from local clients.

Due to the company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the company. Accordingly, the credit risk is minimal and the Company has provided for customers not having collaterals.

The credit quality of Company's liquid funds can be assessed with reference to external credit ratings as follows:

Banks	Short term rating	Credit rating agency	2023	2022
			Rupees	
Bank Al-Falah Limited	A-1+	PACRA	4,271,093	10,812,248
MCB Bank Limited	A-1+	PACRA	7,876	7,876
Bank of Khyber Limited	A-1	PACRA	53,896	53,896
Summit Bank Limited	-	-	5,000	5,000
			<u>4,337,865</u>	<u>10,879,020</u>

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, 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. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. As of the reporting date, the Company was exposed to the following concentrations of credit risk:

	June 30, 2023			June 30, 2022		
	Total exposure-Gross	Concentration	% of total exposure	Total exposure-Gross	Concentration	% of total exposure
	Rupees					
Trade debts	20,530,624	12,682,709	61.77%	31,865,109	26,742,920	83.93%
Bank balances	4,337,865	4,271,093	98.46%	10,879,020	10,812,247	99.39%
		<u>16,953,802</u>			<u>37,555,167</u>	

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	June 30, 2023			
	Carrying amount	Contractual cash flows	Upto three months	Three months to one year
Financial liabilities				
Trade and other payables	7,050,227	7,050,227	7,050,227	-
	June 30, 2022			
	Carrying amount	Contractual cash flows	Upto three months	Three months to one year
Financial liabilities				
Trade and other payables	24,085,108	24,085,108	24,085,108	-

25. FAIR VALUE OF ASSETS AND LIABILITIES

In case of equity instruments, the Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

The table below analyses equity 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:

June 30, 2023	Level 1	Level 2	Level 3	Total
	Amount in Rupees			
<i>Financial assets measured at fair value</i>				
Equity Securities	30,148,331	-	1,079,851	31,228,183
June 30, 2022	Level 1	Level 2	Level 3	Total
	Amount in Rupees			
<i>Financial assets measured at fair value</i>				
Equity Securities	37,126,225	-	-	37,126,225

26. Financial instruments by categories

As at June 30, 2023	Asset at fair value through other comprehensive income	Asset at fair value through profit or loss	Ammortized cost	Total
	Rupees			
<i>Financial assets</i>				
Long term deposits	-	-	1,500,000	1,500,000
Short term investments	-	31,228,183	-	31,228,183
Trade debts	-	-	20,530,624	20,530,624
Deposit and other receivables	-	-	5,370,620	5,370,620
Bank balances	-	-	4,337,865	4,337,865
	-	31,228,183	31,739,109	62,967,292
As at June 30, 2023				Financial liabilities at amortized cost
<i>Financial liabilities</i>				Rupees
Trade and other payables				7,050,227
				7,050,227
As at June 30, 2022	Asset at fair value through other comprehensive income	Asset at fair value through profit or loss	Ammortized cost	Total
	Rupees			
<i>Financial assets</i>				
Short term investments	-	37,126,225	-	37,126,225
Trade debts	-	-	33,860,115	33,860,115
Advance, deposit and other receivables	-	-	5,244,710	5,244,710
Bank balances	-	-	10,879,020	10,879,020
	-	37,126,225	51,483,845	88,610,070
As at June 30, 2022				Financial liabilities at amortized cost
<i>Financial liabilities</i>				Rupees
Trade and other payables				24,085,108

27. CAPITAL

27.1 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

27.2 The Capital adequacy level as required by CDC is calculated as follows;

	2023	2022
	Rupees	
Total assets	80,211,395	107,239,009
Less: Total liabilities	7,050,227	24,085,108
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-	-
Capital Adequacy Level	73,161,168	83,153,901

27.3 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate as at year ended as determined by Pakistan Stock Exchange has been considered.

27.4 Liquid Capital Balance

The Liquid Capital Balance as required under Third Schedule of Securities Brokers (Licensing and Operations) Regulation 2016, read with SECP guidelines is calculated as follows;

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.1	Property & Equipment	8,253,356	8,253,356	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
	Investment in Debt Securities	-	-	-
	If listed than:	-	-	-
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:	-	-	-
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	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.	14,481,849	2,327,848	12,154,001
	ii) (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	15,666,482	15,666,482	-
	iii. If unlisted, 100% of carrying value.	1,079,851	1,079,851	-
1.6	Investment in subsidiaries	-	-	-
	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.	-	-	-
	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 LC	1,500,000	1,500,000	-
1.9	Margin deposits with exchange and clearing house.	4,975,753	-	4,975,753
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	-	-	-
	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
	Amounts receivable against Repo financing.	-	-	-
	Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
	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.	236,000	236,000	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	8,243,798	8,243,798	-
	(iii) In all other cases 100% of net value	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Receivables from clearing house or securities exchange(s)	-	-	-
1.16	i) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	ii) claims on account of entitlements against trading of securities in all markets including MtM gains.	394,867	-	394,867
	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 financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. <i>i. Lower of net balance sheet value or value determined through adjustments.</i>	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>	-	-	-
1.17	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	1,673,304	-	1,673,304
	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. <i>v. Lower of net balance sheet value or value determined through adjustments</i>	8,283,366	2,643,542	5,639,824
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. <i>vi. Lower of net balance sheet value or value determined through adjustments</i>	8,578,947	1,816,015	6,762,932
	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	360,412	-	360,412
	ii. Bank balance-customer accounts	3,977,453	-	3,977,453
	iii. Cash in hand	5,955	-	5,955
	Subscription money against investment in IPO/ offer for sale (asset)	-	-	-
1.19	(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	80,211,395	44,266,893	35,944,502
	2. Liabilities			
	Trade Payables	-	-	-
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	3,977,453	-	3,977,453

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
	Current Liabilities	-	-	-
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	3,072,774	-	3,072,774
	iii. Short-term borrowings	-	-	-
2.2	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	Non-Current Liabilities	-	-	-
	i. Long-Term financing	-	-	-
	ii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	iii. 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	-	-	-
	Subordinated Loans	-	-	-
2.4	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	-	-	-
	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.			
2.5		-	-	-
2.6	Total Liabilities	7,050,227	-	7,050,227

3. Ranking Liabilities Relating to :

	Concentration in Margin Financing			
3.1	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. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities	-	-	-
	Concentration in securities lending and borrowing			
3.2	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)	-	-	-
	Net underwriting Commitments			
3.3	(a) in the case of right issue : 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	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
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 cuurency 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 securites 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	-	-	535,373
Short sell positions				
3.9	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 applyiong VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	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 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 Liabilites	-	-	535,373

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	80,211,395	44,266,893	35,944,502
(ii) Less: Adjusted value of liabilities (serial number 2.6)	7,050,227	-	7,050,227
(iii) Less: Total ranking liabilities (series number 3.11)	-	-	535,373
	<u>87,261,622</u>	<u>44,266,893</u>	<u>43,530,102</u>

28. GENERAL

28.1 Client assets held in Central Depository System

No. of shares as at reporting period

Amount of shares as at reporting period

	2023	2022
	Rupees	
No. of shares as at reporting period	<u>45,622,174</u>	<u>44,489,839</u>
Amount of shares as at reporting period	<u>409,920,758</u>	<u>470,004,111</u>

[Handwritten signatures]

28.2 Corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purpose of comparison and better presentation. Following reclassifications have been made in the financial statements.

Reclassified from component	Reclassified to component	Amount (Rupees)
Others <i>(Trade and other payable)</i>	Client future profit withheld <i>(Trade and other payable)</i>	<u>180,110</u>
Brokerage commission income <i>(Operating revenue)</i>	Commission expense <i>(Administrative expenses)</i>	<u>8,002,017</u>
Communication expense <i>(Administrative expenses)</i>	Software charges <i>(Administrative expenses)</i>	<u>814,550</u>

28.3 Number of employees

The total number of employees at year end and average number of employees during the year, respectively, are as follows:

	2023 —— (Number) ——	2022 —— (Number) ——
Total number of employees at year end	<u>7</u>	<u>9</u>
Average number of employees during the year	<u>7</u>	<u>8</u>

28.4 Date of authorization for issue

These financial statements were approved by the board of directors and authorized for issue on

06 OCT 2023



Chief Executive



Director