MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Muhammad Tariq Moti 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, 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 and other 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.

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

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

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

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

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Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors 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 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.
- 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.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the unconsolidated financial statements were prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Ahsan Elahi Vohra - FCA**

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Naveed Zafar Ashfaq Jaffery &
Chartered Accountants

Karachi :
Dated : October 07, 2023

UDIN : AR202310532kAf8KGtVP

MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
Non-current assets			
Property and equipment	5	**3,247,503**	3,051,149
Intangible asset	6	**2,500,000**	2,500,000
Long term deposits	7	**600,000**	600,000
		6,347,503	6,151,149
Current assets			
Trade debts	8	**11,183,295**	11,033,336
Other receivables	9	**67,679**	67,345
Advance tax-net of provision		**8,920,201**	7,678,076
Short term investment	10	**48,448,974**	56,017,039
Bank balances	11	**4,085,011**	6,576,312
		72,705,160	81,372,108
Total assets		**79,052,663**	87,523,257
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
5,500,000 (2022: 5,500,000) ordinary shares of Rs. 10 each		**55,000,000**	55,000,000
Issued, subscribed and paid up capital	12	**55,000,000**	55,000,000
Advance against shares		**10,000**	10,000
Unappropriated profit		**18,817,606**	23,453,949
Total equity		**73,827,606**	78,463,949
Current liabilities			
Trade and other payables	13	**5,225,057**	9,059,308
Total equity and liabilities		**79,052,663**	87,523,257
Contingencies and commitments	14	-	-

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

CHIEF EXECUTIVE

DIRECTOR

MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Operating revenue	15	2,255,610	3,528,754
Capital (loss)/gain on sale of investments		(157,976)	(420,546)
(Loss)/Gain on re-measurement of investments carried at fair value through profit or loss		(2,365,679)	(2,747,880)
		(268,045)	360,328
Administrative expenses	16	(10,860,386)	(9,851,596)
Operating (loss)/profit		(11,128,431)	(9,491,268)
Finance cost	17	(339)	(678)
Other income	18	7,626,473	8,242,348
(Loss)/profit before taxation		(3,502,297)	(1,249,598)
Taxation	19	(1,134,046)	(1,335,506)
(Loss)/profit for the year		(4,636,343)	(2,585,104)
(Loss)/earning per share - basic and diluted	20	(0.08)	(0.05)

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

CHIEF EXECUTIVE

DIRECTOR

MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
(Loss)/rofit for the year	(4,636,343)	(2,585,104)
Items that will not be subseqently recognised to profit and loss		
Unrealised loss on re-measurement of 'available for sale' investments	-	-
Total comprehensive (loss)/income for the year	(4,636,343)	(2,585,104)

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

CHIEF EXECUTIVE

DIRECTOR

MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, Subscribed and paid up capital	Advance against shares	Revenue Reserve	Total
			Unappropriated Profit	
	Rupees			
Balance as at June 30, 2021	55,000,000	10,000	26,039,053	81,049,053
Other Comprehensive Income				
Loss for the year	-	-	(2,585,104)	(2,585,104)
Other Comprehensive Income	-	-	-	-
Total comprehensive loss for the year ended June 30, 2022	-	-	(2,585,104)	(2,585,104)
Balance as at June 30, 2022	**55,000,000**	**10,000**	**23,453,949**	**78,463,949**
Other Comprehensive Income				
Loss for the year	-	-	(4,636,343)	**(4,636,343)**
Other Comprehensive Income	-	-		-
Total comprehensive loss for the year ended June 30, 2023	-	-	**(4,636,343)**	**(4,636,343)**
Balance as at June 30, 2023	**55,000,000**	**10,000**	**18,817,606**	**73,827,606**

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

CHIEF EXECUTIVE **DIRECTOR**

MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,502,297)	(1,249,598)
Adjustments for:		
Depreciation	385,145	352,670
(Loss)/Gain on re-measurement of investments	2,365,679	2,747,880
Finance cost	339	678
	2,751,163	3,101,228
Operating profit before working capital changes	(751,134)	1,851,630
Working capital changes		
(Increase)/Decrease in current assets		
Trade debts - considered good	(149,959)	(968,555)
Other receivables	(334)	(3)
	(150,293)	(968,558)
(Decrease) in current liabilities		
Trade and other payables	(3,834,251)	(1,460,656)
Net cash (used in)/generated from operations	(4,735,678)	(577,584)
Financial charges paid	(339)	(678)
Taxes paid	(2,376,171)	(3,064,196)
	(2,376,510)	(3,064,874)
Net cash (used in) operating activities	(7,112,188)	(3,642,458)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(581,499)	-
Short term investment - net	5,202,386	420,546
Net cash generated from investing activities	4,620,887	420,546
Net (decrease) in cash and cash equivalents during the year	(2,491,301)	(3,221,912)
Cash and cash equivalents at the begining of the year	6,576,312	9,798,223
Cash and cash equivalents at the end of the year	4,085,011	6,576,312

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

CHIEF EXECUTIVE

DIRECTOR

MUHAMMAD TARIQ MOTI SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 STATUS AND NATURE OF BUSINESS

Muhammad Tariq Moti Securities (Private) Limited ("the Company") was incorporated under the repealed Companies Ordinance, 1984 (which has now been replaced with Companies Act, 2017 on ('the Act')) on April 9, 2013 as a private limited company. The Company is a corporate TREC holder of Pakistan Stock Exchange Limited. The registered office of the Company is located at Room # 36, 1st Floor, Stock Exchange Building, Stock Exchange Road, Karachi. The principal activities of the Company include trading and brokerage for equities, underwriting of public issues etc.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of or directives issued under the Companies Act, 2017 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for short term investment which have been stated at their fair values.

2.3 Functional and presentation currency

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

2.4 Use Of Estimates And Judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, 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 the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the 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. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

- Property and equipment and depreciation (refer note 4.1)
- Intangible assets and amortization (refer note 4.3)
- Financial Assets (refer note 4.9)
- Taxation (refer note 4.8)

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3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

3.1 Standards, amendments and interpretations to existing standards that are not yet effective

Following Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements [Amendments]	January 1, 2024
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IFRS 17	Insurance Contracts (Amendments)	January 1, 2023
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2023
IFRS 7	Financial Instruments	January 1, 2024
IFRS 16	Leases [Amendments] (Amendments)	January 1, 2024

3.2 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2022:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts
IFRIC 12	Service concession arrangements

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies and methods of computation have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Property and equipment

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

Depreciation is charged to profit and loss by applying reducing balance method on the date of purchase and on disposals upto the month immediately preceding the disposal.

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

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

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

4.2 Intangible assets

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

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Trading Right Entitiement Certificate

It is stated at cost less accumulated ammortization and accumulated impairment loss, if any. The carrying amount is reviewed at each reporting date to assess wether it is in excess of its recoverable amount and where the carrying amount exceeed estimated recoverable amount ,it is written down to its recoverable amount.

4.3 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the statement of profit or loss.

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchase and sales are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sale an asset.

The management determines the appropriate classification of the investment made by the Company in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and measurement at the time of purchase.

4.3.1 The Company classifies its investments in the following categories.

(a) financial assets measured at amortized cost.
(b) fair value through other comprehensive income (FVOCI);
(c) fair value through profit or loss (FVTPL); and

(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 either:

(a) 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; or
(b) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company to at initial recognition.

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.

Such financial assets are initially measured at fair value.

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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 account.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment. Dividends are recognised as income in statement of profit or loss. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss. On derecognition, gain and losses previously recognised in other comprehensive income are reclassified to unappropriated profit.

(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 statement of profit or loss account.

4.3.2 Impairment

The Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Impairment losses related to trade and other receivables, including contract assets, are presented seperately in the statement of profit or loss. Trade receivables are written off when there is no reasonable expectation of recovery of such receviable amonts. The Company recognises in profit and loss account, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

4.3.3 De-recognition

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

4.3.4 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 effective interest method. Any gain or loss on derecognition is recognized in 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.

4.3.5 Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

4.3.6 Offsetting of financial assets and financial liabilities

Financial assets and liabilites are offset and the net amount is reported in the financial statements only when the company has legally enforceable right to offset and the company intends to either settle on net basis, or to realise the asset and to settle the liability simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements only when permitted by accounting and reporting standards as applicable in Pakistan.

4.4 Trade debts

Trade Debts are stated at less any allowances for expected credit losses. Full provision is made against the debts considered doubtful. A receivable is recognised on the settlement date as this is the point of time that the payment for the consideration by the customer becomes due are carried on statement of financial position at amortised cost.

4.5 Trade and other payables

Trade and other payables are measured at amortised cost

4.6 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 consist of cash in hand, balances with banks, highly liquid investment that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

4.7 Provisions

A provision is recognised in the financial statement when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognised as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

4.8 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized on the following basis:

- Brokerage income is recognized as and when such services are provided.
- Interest income is recognized at effective yield on time proportion basis.
- 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 account in the period in which they arise and marked to market gains accumulated in other comprehensive income are transferred to profit and loss account in the year in which investments are disposed off.

4.9 Expenses

Expenses are recognised in statement of profit or loss on accrual basis.

4.10 Taxation

The provision for current taxation is based on taxable income at the current rates of taxation. The company does not provide for deferred taxation as the timing differences are not likely to reverse in the foreseeable future.

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5 PROPERTY AND EQUIPMENT

	Note	2023 Rupees	2022 Rupees
Property and equipment		**3,247,503**	3,051,149

5.1

	2023			
	Office Equipment	**Computer Equipment**	**Office Room**	**Total**
	---Rupees---			
COST				
As on July 1, 2022	**168,025**	**219,500**	**4,874,135**	**5,261,660**
Additions	**4,728**	**62,434**	**514,337**	**581,499**
Disposals	**-**	**-**	**-**	**-**
As at June 30, 2023	**172,753**	**281,934**	**5,388,472**	**5,843,159**
ACCUMULATED DEPRECIATION				
As at July 1, 2022	**104,977**	**189,474**	**1,916,060**	**2,210,511**
For the year	**10,166**	**27,738**	**347,241**	**385,145**
On disposals	**-**			**-**
As at June 30, 2023	**115,143**	**217,212**	**2,263,301**	**2,595,656**
Written down value as at June 30, 2023	**57,610**	**64,722**	**3,125,171**	**3,247,503**

	2022			
	Office Equipment	**Computer Equipment**	**Office Room**	**Total**
	---Rupees---			
COST				
As on July 1, 2021	168,025	219,500	4,874,135	5,261,660
Additions	-	-	-	-
Disposals	-	-	-	-
As at June 30, 2022	168,025	219,500	4,874,135	5,261,660
ACCUMULATED DEPRECIATION				
As at July 1, 2021	93,851	176,605	1,587,385	1,857,841
For the year	11,126	12,869	328,675	352,670
On disposals	-			-
As at June 30, 2022	104,977	189,474	1,916,060	2,210,511
Written down value as at June 30, 2022	63,048	30,026	2,958,075	3,051,149
Depreciation rates per annum (%)	**15%**	**30%**	**10%**	

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		Note	2023 Rupees	2022 Rupees
6	**INTANGIBLE ASSET**			
	Opening carrying value-TREC	**6.1**	**2,500,000**	2,500,000
	Impairment loss		**-**	-
			2,500,000	2,500,000

6.1 This represents TREC received by the company in according with the Stock Exchange (Corporatization, Demutualization and Integration) Act 2012, as ammended by Stock Exchange (Corporatization, Demutualization and Integration)(Ammedment) Act, 2015. The TRE Certificate is stated cost less accumulated impairment loss (if any).

PSX Vide notice no. PSX/N-225 Dated February 16, 2021 the notional value of Trading Right Entitlement Certificate which amounting to Rs. 2.5 millions.

		Note	2023 Rupees	2022 Rupees
7	**LONG TERM DEPOSITS**			
	KSE ready trading deposit		**200,000**	200,000
	Central Depositary Company - Security Deposit		**100,000**	100,000
	National Clearing Company Of Pakistan		**300,000**	300,000
			600,000	600,000
8	**TRADE DEBTS**			
	Trade debts - considered good	**8.1**	**11,183,295**	11,033,336
8.1	**Aging analysis**			
	Within 5 days		**20,015**	79,453
	Above 5 days		**11,163,280**	10,953,883
			11,183,295	11,033,336

8.2 This include Rs. 4.746 million (2022 : Rs. 4.503 million) due to related party.

		Note	2023 Rupees	2022 Rupees
8.3	**Aging analysis of related parties**			
	Not yet due		**1,238,184**	**-**
	Upto 3 months		**3,507,975**	**4,503,467**
			4,746,159	**8,536,234**

8.4 The maximum outstanding balances from related parties is amounting to Rs.4.746 million in the month of June 2023.

		Note	2023 Rupees	2022 Rupees
9	**OTHER RECEIVABLES**			
	Other receivables		**67,332**	67,332
	Receivable from NCCPL and CDC		**347**	13
			67,679	67,345

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10 **SHORT TERM INVESTMENT**

At fair value through profit or loss

Quoted equity securities	**48,448,974**	56,017,039

10.2 The details of Securities pledged with PSX and NCCPL are

	Number of Securities	Fair Value Rupees
Client & Directors	55,000	2,348,700
Brokerage House	283,000	28,958,810
	338,000	31,307,510

10.3 No securities of either house or clients have with financial institution.

	Note	2023 Rupees	2022 Rupees
11 BANK BALANCES			
Cash at bank - current accounts			
- House account		**287,366**	2,130,778
- Client account		**3,797,645**	4,445,534
		4,085,011	6,576,312

12 **ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

Number of shares 2023	2022			
5,000,000	5,000,000	Ordinary shares of Rs. 10 each fully paid (issued for consideration other than cash)	**50,000,000**	50,000,000
500,000	500,000	Ordinary shares of Rs. 10 each fully paid (issued for	**5,000,000**	5,000,000
5,500,000	**5,500,000**		**55,000,000**	55,000,000

12.1 Pattern of shareholding

	No of shares	Percentage of Holding
Muhammad Tariq Moti	**5,499,500**	**99.99%**
Muhammad Mustafa Tariq	**500**	**0.01%**
	5,500,000	**100%**

12.3 There is only one class of shares and all shares rank equally and there are no arrangements among shareholders in respect of voting right, board resolution, right of first refusal and block voting.

13 **TRADE AND OTHER PAYABLES**			
Trade payables	**13.1**	**3,797,645**	4,445,534
Auditors' remuneration		**60,000**	-
Accrued expenses		-	3,332,136
Withholding tax payable		**975,356**	95,066
Security deposit		-	105,000
Other liabilities		**392,056**	1,081,572
		5,225,057	9,059,308

13.1 This include trade payable related to amount of Rs. Nil (2022 : Rs. Nil) payable to related party.

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14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on the balance sheet date (2022: Nil).

		Note	2023 Rupees	2022 Rupees
15	**OPERATING REVENUE**			
	Brokerage income		2,255,610	3,527,757
	IPO Commission		-	997
			2,255,610	3,528,754
15.1	**Breakup of brokerage revenue**			
	- Institutional clients		-	-
	- Retail clients		2,255,610	3,528,754
			2,255,610	3,528,754

15.2 This include brokerage revenue earned from related parties amounting Rs.29,411

		Note	2023 Rupees	2022 Rupees
16	**ADMINISTRATIVE EXPENSES**			
	Director's remuneration	21	3,430,000	3,860,000
	Staff salaries and allowances		4,119,000	2,800,000
	PSX monthly charges		493,642	699,216
	Clearing house fee		172,154	187,211
	Printing and stationery and office papers		7,740	118,020
	Utilities expense		163,719	144,469
	Conveyance and courier expenses		4,550	-
	Nadra verification		2,782	-
	Computers maintenance and paper		117,390	-
	Medical allowance		35,920	-
	Entertainment		154,955	170,425
	Audit fee	16.1	271,080	256,080
	Vehicle running expenses		796,979	431,878
	Software maintenance		447,480	406,800
	CDC charges		150,597	310,000
	Brokers' association fees		50,000	50,000
	SECP charges		57,252	64,826
	Depreciation		385,146	352,671
			10,860,386	9,851,596
16.1	**Auditors' Remuneration**			
	Audit fee		60,000	60,000
	System audit fee		171,080	136,080
	Certification		40,000	60,000
			271,080	256,080
17	**FINANCE COST**			
	Bank charges		339	678
18	**OTHER INCOME**			
	Dividend		7,349,230	7,848,436
	CDC and NCCPL		219,781	49,140
	Rental income		57,462	344,772
			7,626,473	8,242,348

19 TAXATION

		2023	2022
Current		**1,134,046**	1,335,506
		1,134,046	1,335,506

20 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation	*Rupees*	**(4,636,343)**	(2,585,104)
Weighted average number of shares	*Number of shares*	**55,000,000**	55,000,000
Earning per share - basic and diluted	*Rupees*	**(0.08)**	(0.05)

21 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND DIRECTORS

	Chief Executive Officer		Directors	
	2023	**2022**	**2023**	**2022**
	Rupees			
Managerial remuneration	**2,450,000**	2,450,000	**1,410,000**	1,410,000
Bonus	-	-	-	-
	2,450,000	2,450,000	**1,410,000**	1,410,000
Number of persons	**1**	1	**1**	1

22 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk, liquidity risk and off balance sheet risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

22.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market prices of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and regulations laid down by the Pakistan Stock Exchange.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

22.2 Currency risk

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. The Company, at present is not exposed to currency risk as all the transactions of the Company are denominated in Pak Rupees.

22.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

N24

22.4 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company was exposed to listed and quoted securities price risk because of investments held by the Company and classified on the balance sheet as at fair value through profit or loss. To manage its price risk arising from investments the Company mainly invests in mutual funds and listed shares and maintains diversified portfolio.

22.5 Credit risk

The Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from trade debts, investments and deposits with banks. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating. To manage exposure to credit risk on its investments, the Company manages a portfolio of investments which consists of securities issued by the Government and reputable entities. To secure against the risk of default from debtors, the Company obtains collateral from its customers. The maximum exposure to credit risk is equal to the carrying amounts of financial assets less the amount of collaterals held.

Exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at June 30, 2022 is the carrying amount of the financial assets. The maximum exposure to credit risk at reporting date is:

	Note	2022 Rupees	2021 Rupees
Long term deposits	7	**600,000**	600,000
Trade debts	8	**11,183,295**	11,033,336
Other receivables	9	**67,679**	67,345
Short term investment	10	**48,448,974**	56,017,039
Bank balances	11	**4,085,011**	6,576,312
		64,384,959	74,294,032

22.6 Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company's liquidity management involves projecting cash flows and maintaining level of liquid assets necessary to meet these risks.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

		June 30, 2023				June 30, 2022			
	Note	Total	Upto Three Months	More Than Three months and upto One Year	More Than One Year	Total	Upto Three Months	More Than Three months and upto One Year	More Than One Year
		----------Rupees----------							
Trade and other payables	13	5,225,057	5,225,057	-	-	9,059,308	9,059,308	-	-

N21

22.7 Capital management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

23 CAPITAL ADEQUACY LEVEL

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.

Net Capital and Liquid Capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirments are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities.

The Capital adequacy level as required by CDC is calculated as follows:

	2023	2022
	Rupees	Rupees
Total assets	79,052,663	87,523,257
Less :Total liabilties	(5,225,057)	(9,059,308)
Less: Revaluation Reserves (Created upon revaluation of fixed assets)	-	-
Capital adequacy level	73,827,606	78,463,949

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 Limited has been considered.

23.1 Liquid Capital Balance As At 30th June 2023

The below statement has been prepared in accordance wilt the regulation 6(3) and schedule 3 of the Securities Broker (Licensing and Operations) Regulation, 2016.

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	3,247,503	100.00%	-
1.2	Intangible Assets	2,500,000	100.00%	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years	-	10.00%	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years	-	15.00%	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each security on the cutoff date as computed by the clearing house for respective security whichever is higher.	28,516,667	3,636,584	24,880,083
	Provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.	19,932,307	19,932,307	
	ii. If unlisted, 100% of carrying value.		100.00%	-
1.6	Investment in subsidiaries		100.00%	-
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.		100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. *1.8. Nil or any amount any excess amount of cash deposited with securities exchange to comply with requirements of Base minimum capital*	600,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	-	-	-

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1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	-	100.00%	-
1.12	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		100.00%	-
1.13	Dividends receivables.	-	-	-
1.14	**Amounts receivable against Repo financing.** Amount paid as purchaser under the REPO agreement. (***Securities purchased under repo arrangement shall not be included in the investments.)***	-	-	-
1.15	**Advances and Receivables other than trade receivables**			
	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months PLUS ii. Advance tax to the extent it is netted with provision of taxation.	-	-	-
	ii. Receivables other than trade receivables	8,920,201	100.00%	-
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.	-	-	-
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***	-	5.00%	-
	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***	19,620	-	19,620
	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***	6,417,515	1,681,580	1,681,580
	vi. In the case of amount of receivable form 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:	4,746,160		
	a. Up to 30 days, values determined after applying VaR based haircuts;	864,813	-	864,813
	b. Above 30 days but upto 90 days, values determined after applying 50% or VaR based haircuts whichever is higher;	373,371	186,686	186,685
	c. Above 90 days, 100% haircut shall be applicable. ***vi. Lower of net balance sheet values or values determined through adjustments***	3,507,976	100.00%	-
1.18	**Cash and Bank balances**			
	i. Bank Balance-proprietory accounts	287,366	-	287,366
	ii. Bank balance-customer accounts	3,797,645	-	3,797,645
	iii. Cash in hand	-	-	-
1.19	**Subscription money against investment in IPO/ offer for sale**			
	i. Amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker.			
	ii. In case of investments 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. ***1.19. Balance sheet value or Net value after deducting haircuts.***			
1.20	**Total Assets**	83,731,144		31,717,792

2. Liabilities

2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	3,797,645	-	3,797,645
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	975,356	-	975,356
	ii. Accruals and other payables	-	-	-
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	**Non-Current Liabilities**			
	i. Long-Term financing	-	-	-
	a. Long-Term financing obtained from financial instituion: Long term portion of financing obtained from a financial institution including amount due against finance lease	-	100%	-
	b. Other long-term financing		-	-
	ii. Staff retirement benefits	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.4	**Subordinated Loans**	-	-	-
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP	-	-	-
2.5	**Advance against shares for increase in capital of securities broker**			
	100% Haircut may be allowed in respect of advance against shares if: (a) The existing authorized share capital allows the proposed enhanced share capital (b) Board of Directors of the company has approved the increase in capital (c) Relevant Regulatory approvals have been obtained (d) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed (e) Auditor is satisfied that such advance is against the increase of capital. ***2.5. Net amount after deducting haircuts***			
2.6	**Total Liabilites**	4,773,001		4,773,001

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3. Ranking Liabilities Relating to :

3.1	**Concentration in Margin Financing**			
	The amount calculated on 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 included in the ranking liabilities.***	-	-	-
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 ***Note: Only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking iiabilities.***	-	-	-
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		321,615	321,615
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 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	**Short selll 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.	-	-	-
3.11	**Total Ranking Liabilites**	-	321,615	321,615

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	31,717,792
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(4,773,001)
(iii) Less: Total ranking liabilites (series number 3.11)	(321,615)
	26,623,176

24 BASE MINIMUM CAPITAL

in compliance with the Regulation 19.2 of the Rule Book of Pakistan Stock Exchnage Limited, every Trading Right Entitlement Certificate (TREC) holder registered as a broker under Broker and Agent Registration Rule, 2001, is required to maintain a Base Minimum Capital (BMC) in the amount and form as prescribed in the Rule on the basis of Assets Under Custody (AUC). As per the said regulation, as at 30 June, 2023, the company's BMC report as follows:

	2023 Rupees
Eligible margin securities	**20,575,789**
BMC Requirement	**19,932,307**
Excess	**643,482**

24.1 100,0000 shares of Engro Fertilizer Limited, 20,000 shares of Fauji Fertlizier Company limited, 65000 shares of MCB Bank Limited, 8,000 shares of Pakistan Oilfield Limited and 30,000 shares of Pakistan State Oil are pledged to maintain a Base Minimum Capital (BMC).

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25 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise subsidiaries, directors and their close family members, major shareholders of the Company, key management personnel and other companies under common management. Transactions with related parties are on arm's length. Remuneration of the chief executives and directors is disclosed in note 23 to the financial statements. Transactions with related parties during the year, other than those disclosed elswhere in these financial statements, are as follows:

	2023 Rupees	2022 Rupees
Transactions with related parties		
Key Management Personnel		
Securties purchased by director- Mustafa Tariq	**29,411**	470,700
Balances with related parties		
Receivable from director - Mustafa Tariq	**4,746,159**	4,503,467

26 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISKS

The Company purchases and sells securities as either principal or agents on behalf of its customers. If either the customer or a counterparty fails to perform, the Company may be required to discharge the obligation on behalf of the non-performing party. In such circumstances, the Company may sustain a loss if the market value of the security is different from the contracted value of the transaction less any margin deposits that the Company has on hand. Where the customer operates through institutional delivery system, the Company is not exposed to this risk.

The majority of the Company's transactions, and consequently, the concentration of its credit exposure are with the customers and other financial institutions in case of money market brokerage. The Company seeks to control its credit risk through a variety of reporting and controls procedures, including establishing credit limits based upon a review of the counterparties' financial condition. The Company monitors collateral levels on a regular basis and requests changes in collateral level as appropriate or if considered necessary.

27 NUMBER OF EMPLOYEES

The total number of employees at the balance sheet date were 8 (2022:6) and average number of employees during the year were 7 (2022:6).

28 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 05-10-2024 by the Board of Directors of the Company.

29 GENERAL

The figures have been rounded of to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR