Interactive Securities (Private) Limited

Financial Statements

For The Year Ended June 30, 2023

INTERACTIVE SECURITIES (PVT) LIMITED

Room # 81, Second Floor, Stock Exchange Building, I.I. Chundrigar Road, Karachi-74000.
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Trading Right Entitlement Certificate Holder of Pakistan Stock Exchange Limited
(Formerly: Karachi Stock Exchange Limited)

DIRECTORS REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED JUNE 30, 2023

Your Directors are pleased to place before you Annual Report along with the audited accounts of the company for the year ended June 30, 2023. The working results of the company for the said financial year are given as under:

Total Income	Rs. 15,212,180
Operating expenses	Rs (8,405,640)
Profit before taxation	Rs . 6,806,540
Taxation	Rs. (923,703)
Profit after taxation	Rs. 5,882,837

Dividend:

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

Earnings Per Share:

Earning per share for the year ended 30th June 2023 was Rs. 0.59

Auditors:

The auditors of the company Baker Tilly Mehmood Idrees Qamar chartered Accountants have retired and offer their services for the ensuring year.

On behalf of the board
For: Interactive Securities (Pvt.) Ltd.

Chief Executive Officer
Muhammad Adnan

Director
Shahid Imran

Karachi
October 07TH, 2023

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Baker Tilly Mehmood Idrees Qamar
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INTERACTIVE SECURITIES (PRIVATE) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of INTERACTIVE SECURITIES (PRIVATE) LIMITED (the Company), which comprise the statement of financial position as at **June 30, 2023**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the 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, 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 profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report On Other Legal And Regulatory Requirements

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

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

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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; and

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

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

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

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Karachi

Date: *October 07, 2023*

UDIN: *AR2023101514QHfzUJC6*

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

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
12,000,000 (2022: 8,000,000) Ordinary shares of Rs. 10/- each		120,000,000	80,000,000
Issued, Subscribed and Paid-up Share Capital			
10,000,000 (2022: 6,000,000) Ordinary shares of Rs. 10/- each	4	100,000,000	60,000,000
Subordinated loan	5	-	80,000,000
Unappropriated profit		30,102,812	64,219,975
		130,102,812	204,219,975
Current Liabilities			
Creditors, accrued and other liabilities	6	1,148,228	759,943
Bank overdraft	13.1	-	19,990,000
		1,148,228	20,749,943
		131,251,040	224,969,918
ASSETS			
Non - Current Assets			
Property and equipment	7	347,059	307,607
Intangible assets	8	5,000,000	5,000,000
Long term deposits	9	2,000,000	2,000,000
		7,347,059	7,307,607
Current Assets			
Trade debts	10	-	17,135,404
Advances, deposits, prepayments and other receivables	11	7,147,291	35,863,874
Short term investment	12	112,241,624	141,413,051
Cash and bank balances	13	4,515,066	23,249,982
		123,903,981	217,662,311
		131,251,040	224,969,918

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

Chief Executive Officer

Director

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

	Note	2023 Rupees	2022 Rupees
Commission income	14	10,717,591	2,367,415
Operating expenses	15	(7,799,180)	(10,691,392)
Operating profit / (loss)		**2,918,411**	**(8,323,977)**
Financial and other charges	16	(606,460)	(413,698)
Other income	17	4,494,589	22,557,461
Profit before taxation		**6,806,540**	**13,819,786**
Taxation	18	(923,703)	(308,836)
Profit for the year		**5,882,837**	**13,510,950**
Other comprehensive income		-	-
Total comprehensive income		**5,882,837**	**13,510,950**
			Restated
Earnings per share	19	0.59	1.35

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

Chief Executive Officer

Director

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

	Issued, subscribed and paid up share capital	Subordinated loan	Unappropriated profit	Total
	-----	Rupees	-----	
Balance as at July 01, 2021	60,000,000	-	50,709,025	110,709,025
Subordinated loan	-	80,000,000	-	80,000,000
Profit for the year ended June 30, 2022	-	-	13,510,950	13,510,950
Other comprehensive income	-	-		-
Total comprehensive income	-	80,000,000	13,510,950	93,510,950
Balance as at June 30, 2022	60,000,000	80,000,000	64,219,975	204,219,975
Issuance of bonus shares	40,000,000	-	(40,000,000)	-
Payment of subordinated loan	-	(80,000,000)	-	(80,000,000)
Profit for the year ended June 30, 2023	-	-	5,882,837	5,882,837
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	5,882,837	5,882,837
Balance as at June 30, 2023	100,000,000	-	30,102,812	130,102,812

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

Chief Executive Officer

Director

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

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		6,806,540	13,819,786
Adjustments for non cash items and other charges :			
Depreciation		68,449	66,952
Unrealized gain on revaluation of investment at FVTPL		(4,781,851)	(3,988,879)
Dividend income		(40,555)	(698,073)
Operating profit before working capital changes		**2,052,583**	**9,199,786**
Decrease / (increase) in current assets:			
Trade debts		17,135,404	(17,125,516)
Advances, deposits, prepayments and other receivables		28,300,352	29,802,872
Short term investment		33,953,278	7,014,903
		79,389,035	19,692,259
Increase / (decrease) in current liabilities:			
Creditors, accrued and other liabilities		373,683	(1,708,586)
Short term loan from directors		-	(14,000,000)
		373,683	(15,708,586)
Taxes paid		(492,871)	(567,395)
Net cash inflow from operating activities		**81,322,429**	**12,616,064**
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(107,900)	-
Net cash used in investing activities		**(107,900)**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of subordinated loan		(80,000,000)	-
Dividend received		40,555	698,923
Net cash (used in) / inflow from financing activities		**(79,959,445)**	**698,923**
Net increase in cash and cash equivalents		**1,255,084**	**13,314,987**
Cash and cash equivalents at beginning of the year		3,259,982	(10,055,005)
Cash and cash equivalents at end of the year	20	**4,515,066**	**3,259,982**

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

Chief Executive Officer

Director

1. NATURE OF BUSINESS AND OPERATIONS

1.1 The Company was incorporated in Pakistan on March 30, 2012 as a Private Company limited by shares under the Companies Ordinance, 1984 (repealed by Companies Act, 2017). The Company geographically located in the province of Sindh and the registered office of the Company is situated at Room No. 81, 2nd Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi. The company also operates through its branch office at Room no. 77, 2nd Floor, PSX Building, Karachi. The principal activities of the company is to carry on the business of stock, brokerage, underwriting and investment etc.

2. BASIS OF PREPARATION

2.1 Accounting Convention

These financial statements have been prepared under the ' **historical cost convention'.**

The preparation of these financial statements are in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The estimates / judgments and associated assumptions used in the preparation are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates / judgements / assumptions will, by definition, seldom equal the related actual results. The estimates / judgements and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in period of revision and future periods if the revision affects both current and future periods.

2.2 The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2.3 Statement of Compliance

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

2.4 Changes in accounting standards and interpretations

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and Equipment

Owned

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to the statement of profit or loss as and when incurred.

Depreciation is charged to income applying the reducing balance method whereby the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged from the month in which the asset is put to use and on disposals upto the month the asset is in use.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the statement of profit or loss.

3.2 Intangible Assets

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

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

3.3 Taxation

Current

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

3.4 Trade and other Debts

Trade and other debts are carried at original invoice amount. Debts considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

3.5 Trade and Other Payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.6 Provisions

Provisions are 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 the obligation.

3.7 Cash and Cash Equivalents

Cash and cash equivalents comprises cash balances and bank deposits. Cash and cash equivalents are carried in the balance sheet at cost.

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3.8 Revenue Recognition

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

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

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

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

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

3.9 Financial assets

Initial Measurement

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

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

Subsequent measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, and impairment are recognised in the statement of profit or loss account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the statement of profit or loss.
Financial assets measured at amortised cost	Financial assets measured at these assets are subsequently measured at amortised cost using the effective amortised cost interest method. The amortised cost is reduced by impairment losses. Interest / markup income, and impairment are recognised in the statement of profit or loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss.

Impairment of financial assets

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

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

3.10 Financial liabilities

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

3.11 Impairment

The carrying amount of the assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of any assets or group assets. If any such indication exists, the recoverable amount of such asset is estimated and impairment loss is recognized in the profit or loss.

3.12 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include holding company, associated companies with or without common directors, directors and major shareholders and their close family members, key management personnel and staff and retirement benefit funds.

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4. SHARE CAPITAL

			Note	2023 Rupees	2022 Rupees
Authorized Share Capital					
Number of Shares 2023	2022				
12,000,000	8,000,000	Ordinary shares of Rs.10/- each		120,000,000	80,000,000

Issued, Subscribed and Paid-up Share Capital

Number of Shares 2023	2022	Note	2023 Rupees	2022 Rupees
6,000,000	6,000,000	*4.1*	60,000,000	60,000,000
4,000,000	-	*4.2*	40,000,000	-
10,000,000	6,000,000		100,000,000	60,000,000

4.1 Ordinary shares of Rs.10/- each fully paid in cash

4.2 Bonus shares issued of Rs. 10/- each.

4.3 **Pattern of shareholding**

Name of shares holder	2023 Percentage	2022 Percentage	2023 Number of Shares	2022 Number of Shares
Muhammad Adnan	99.998%	51.000%	9,999,833	3,060,000
Muhammad Iqbal	0.000%	0.005%	-	300
Muhammad Shahid	0.000%	8.995%	-	539,700
Mrs. Anila Kashaf	0.000%	40.000%	-	2,400,000
Shahid Imran	0.002%	0.000%	167	-
	100%	100%	10,000,000	6,000,000

5. SUBORDINATED LOAN

	2023 Rupees	2022 Rupees
Mohammad Shahid	-	40,000,000
Mohammad Adnan	-	20,000,000
Mohammad Iqbal	-	20,000,000
	-	80,000,000

5.1 This represents an interest free subordinated loan received from directors / shareholders of the company, which was payable on discretion of company.

6. CREDITORS, ACCRUED AND OTHER LIABILITIES

	2023 Rupees	2022 Rupees
Creditors	698,588	-
Accrued expenses	433,314	738,242
Other Liabilities:		
- Withholding tax	1,724	21,701
- Tax provision	14,602	-
	1,148,228	759,943

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7. PROPERTY AND EQUIPMENT

	Furniture	Computer	Office equipment	Total
	----------------	Rupees	----------------	
Year ended June 30, 2022				
Opening net book value	65,672	108,886	200,000	374,559
Additions (at cost)	-	-	-	-
Depreciation charge for the year	(15,416)	(21,536)	(30,000)	(66,952)
Net Book Value as at June 30, 2022	50,256	87,350	170,000	307,607
As at June 30, 2022				
Cost	99,700	259,550	288,800	648,050
Accumulated depreciation	(49,444)	(172,200)	(118,800)	(340,443)
Net Book Value as at June 30, 2022	50,256	87,350	170,000	307,607
Year ended June 30, 2023				
Opening net book value	50,256	87,350	170,000	307,607
Additions (at cost)	-	107,900	-	107,900
Depreciation charge for the year	(13,103)	(29,845)	(25,500)	(68,449)
Net Book Value as at June 30, 2023	37,153	165,405	144,500	347,059
At June 30, 2023				
Cost	99,700	367,450	288,800	755,950
Accumulated depreciation	(62,547)	(202,045)	(144,300)	(408,891)
Net Book Value as at June 30, 2023	37,153	165,405	144,500	347,059
Depreciation rate	15%	30%	15%	

8. INTANGIBLE ASSETS

	Note	2023 Rupees	2022 Rupees
Trading rights entitlement certificates	*8.1*	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange		2,500,000	2,500,000
		5,000,000	5,000,000

8.1 Pakistan Stock Exchange Limited vide their letter dated August 8, 2017 has determined value of Pakistan Stock Exchange Limited Trading Rights Entitlement Certificate for base minimum capital purpose amounting to Rs. 2.5 million.

9. LONG TERM DEPOSITS

	2023 Rupees	2022 Rupees
CDC deposit	200,000	200,000
NCCPL deposit	1,100,000	1,100,000
PSX deposit	200,000	200,000
Pakistan Mercantile Exchange Limited	500,000	500,000
	2,000,000	2,000,000

10. TRADE DEBTS

	2023 Rupees	2022 Rupees
Debtors unsecured - considered good	-	17,135,404
	-	17,135,404

10.1 Aging of trade debts

	2023 Rupees	2022 Rupees
Less than 14 days	-	4,708,753
Above 14 days	-	12,426,651
	-	17,135,404

11. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2023 Rupees	2022 Rupees
Advance tax	-	416,230
Advance to employees	58,000	93,000
Deposit	47,013	46,431
S.S.T receivable	9,424	213,146
Receivable from PSX/NCCPL	7,032,854	35,095,067
	7,147,291	35,863,874

12. SHORT TERM INVESTMENT

	2023 Rupees	2022 Rupees
Investment in listed securities	95,048,920	90,475,371
Investment in margin finance	17,192,704	40,937,680
Investment in Alfalah GHP	-	10,000,000
	112,241,624	141,413,051

13. CASH AND BANK BALANCES

	2023 Rupees	2022 Rupees
Cash in hand	-	-
Cash at banks:		
- Current accounts	306,772	114,749
- Saving accounts	4,208,294	23,135,233
	4,515,066	23,249,982
	4,515,066	23,249,982

	2023 Rupees	2022 Rupees
13.1 Bank Overdraft	-	19,990,000

13.2 Customer and proprietor wise balances

	2023 Rupees	2022 Rupees
- Proprietary account balances including cash in hand	3,703,034	23,142,450
- Client account balances	812,032	107,532
	4,515,066	23,249,982

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14. COMMISSION INCOME	Note	2023 Rupees	2022 Rupees
Brokerage commission		10,717,591	1,450,802
IPO commission		-	916,614
		10,717,591	2,367,415

14.1 Brokerage Commission

		2023 Rupees	2022 Rupees
Gross commission		12,110,878	2,666,612
Less: Sales tax and FED		(1,393,287)	(299,197)
		10,717,591	2,367,415

15. OPERATING EXPENSES

	Note	2023 Rupees	2022 Rupees
Salaries, wages and benefits		4,807,448	8,284,950
Repair and maintenance		100,896	6,000
Travelling and conveyance		320,150	107,000
Printing and stationary		-	83
Depreciation	*7*	68,449	66,952
Professional charges		637,230	423,030
Computer and software expenses		1,331,846	1,569,276
Auditors' remuneration	*15.1*	200,000	150,000
Fee and subscription		4,100	14,100
Entertainment		22,500	-
Donation		-	60,000
Service and transaction charges		203,561	-
Miscellaneous		103,000	10,001
		7,799,180	10,691,392

15.1 Auditors' Remuneration

		2023 Rupees	2022 Rupees
Audit services			
Audit fee		190,000	140,000
Out of pocket expenses		10,000	10,000
		200,000	150,000

16. FINANCIAL AND OTHER CHARGES

		2023 Rupees	2022 Rupees
Bank charges		394,806	382,138
Mark-up on bank overdraft		211,654	31,560
		606,460	413,698

17. OTHER INCOME	Note	2023 Rupees	2022 Rupees
Realized (loss) / gain on investment in shares		(4,014,566)	12,606,663
Unrealized gain on revaluation of investment at FVTPL		4,781,851	3,988,879
Interest on bank deposits		995,005	1,086,142
Dividend income		40,555	693,073
Gain on future exposure		2,067,189	1,220,975
Gain on BMC		175	-
Premium on margin finance		-	1,967,028
Gain on Al-Falah GHP fund		91,646	139,835
Gain on Faysal cash fund		203,196	-
Return on mutual fund units		329,538	400,863
Others		-	449,002
		4,494,589	22,557,461

18. TAXATION	2023	2022
Current tax	989,160	308,836
Prior tax	(65,457)	-
	923,703	308,836

19. EARNINGS PER SHARE	2023	2022
	---------------- Rupees	----------------
Profit after taxation	5,882,837	13,510,950
	2023	2022
	------ Number of shares	------
Weighted average number of ordinary shares	10,000,000	6,000,000
Bonus shares for adjusted EPS	-	4,000,000
	10,000,000	10,000,000
		Restated
	2023	2022
	---------------- Rupees	----------------
Earnings per share	0.59	1.35

20. CASH AND CASH EQUIVILENT	Note	2023	2022
Cash and bank balances	*13*	4,515,066	23,249,982
Bank overdraft	*13.1*	-	(19,990,000)
		4,515,066	3,259,982

21. **PLEDGE SECURITIES**

	June 30, 2023	
	No. of Securities	Value
Pledged to financial institutions on behalf of brokerage house	-	-
Pledged to financial institutions on behalf of Directors/Sponsors/CEO/Shareholder	-	-
Pledged to financial institutions on behalf of Clients	-	-
	-	-

22. **CUSTOMER ASSETS HELD IN CDC**

The house holds approx. 25,156 securities of his client in the clients CDC sub accounts having approx. fair value Rs. 417,590.

23. **REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVE**

	DIRECTOR	
	2023	2022
	------------ Rupees ------------	
Managerial remuneration	2,400,000	1,200,000
	2,400,000	1,200,000
Number of person	1	1

23.1 No remuneration was paid to chief executive officer of the company through out the year.

24. **RELATED PARTY TRANSATIONS**

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

Name and relation with the related Party	Percentage Shareholding	Transactions during the year and year end balances	2023 Rupees	2022 Rupees
		Subordinated Loan		
Muhammad Shahid	0.00%	Loan due at the year end	-	40,000,000
Member		Loan repaid during the year	40,000,000	-
		Subordinated Loan		
Muhammad Iqbal	0.00%	Loan due at the year end	-	20,000,000
Chief Executive		Loan repaid during the year	20,000,000	-
		Short term		
		Loan repaid during the year	-	13,500,000
		Subordinated Loan		
Muhammad Adnan	100.00%	Long term loan due at the year end	-	20,000,000
Secretary		Loan repaid during the year	20,000,000	-
		Salary paid during the year	2,400,000	1,200,000
		Short term		
		Loan repaid during the year	-	500,000
Mehwish Adnan Close family member of director		Remuneration	-	1,100,000

25. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

	2023			
	Assets at fair value through OCI	Assets at fair value through profit & loss	Amortized cost	Total
	Rupees			
Financial instruments by category				
Long term deposits	-	-	2,000,000	2,000,000
Advances, deposits and other receivables	-	-	7,137,867	7,137,867
Short term investment	-	112,241,624	-	112,241,624
Cash and bank balances	-	-	4,515,066	4,515,066
	-	112,241,624	13,652,933	125,894,557

	2022			
	Assets at fair value through OCI	Assets at fair value through profit & loss	Amortized cost	Total
	Rupees			
Financial instruments by category				
Long term deposits	-	-	2,000,000	2,000,000
Trade debts			17,135,404	17,135,404
Short term investment	-	-	35,234,498	35,234,498
Advances, deposits and other receivables	-	141,413,051	-	141,413,051
Cash and bank balances	-	-	23,249,982	23,249,982
	-	141,413,051	77,619,884	219,032,935

	Amortised cost	
	2023	2022
	Rupees	
Financial liabilities		
Subordinated loan	-	80,000,000
Creditors, accrued and other liabilities	433,314	738,242
Bank overdraft	-	19,990,000
	433,314	100,728,242

26. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks: market risk (comprising interest rate risk, and other price risk), liquidity risk and credit risk that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

26.1 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 price 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 and investment policies and guidelines. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

a) Interest rate risk exposure

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

The Company has financial instruments with both fixed and floating interest rates as specifically disclosed in the respective notes. The Company while dealing in financial instruments negotiates attractive interest rates, which reduces the interest rate price risk.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's net investments in foreign subsidiaries and to foreign exchange bank accounts. During the year the Company does not have any exposure to foreign currency risk.

c) Equity price risk

Equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company maintains a portfolio of equity securities and any change in the price of securities upto 10% would increase / decrease the value of equity by Rs. 1,124,162.

26.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet comments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market options due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities.

	2023					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	----------------	----------------	----------------	Rupees	----------------	----------------
Financial liabilities						
Creditors, accrued and other liabilities	1,148,228	1,148,228	1,724	1,146,504	-	-
	1,148,228	1,148,228	1,724	1,146,504	-	-

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	2022					
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
	Rupees					
Financial liabilities						
Creditors, accrued and other liabilities	759,943	759,943	21,701	738,242	-	-
Bank overdraft	19,990,000	19,990,000	19,990,000	-	-	-
	20,749,943	20,749,943	20,011,701	738,242	-	-

26.3 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. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the credit worthiness of the same.

26.4 Fair value of financial assets

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

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

	2023			
	Level 1	Level 2	Level 3	Total
	Rupees			
Short term investment	112,241,624	-	-	112,241,624
	112,241,624	-	-	112,241,624

	2022			
	Level 1	Level 2	Level 3	Total
	Rupees			
Short term investment	141,413,051	-	-	141,413,051
	141,413,051	-	-	141,413,051

27. **CAPITAL RISK MANAGEMENT**

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

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

	2023 Rupees	2022 Rupees
Total borrowings	-	99,990,000
Paid up capital	100,000,000	60,000,000
Unappropriated profit	30,102,812	64,219,975
	130,102,812	124,219,975
Gearing ratio	0%	45%

28. **CAPITAL ADEQUACY LEVEL**

	2023	2022
Total assets	131,251,040	224,969,918
Less: Total liabilities	(1,148,228)	(100,749,943)
Revaluation reserves (created upon revaluation of fixed assets)	-	-
Capital adequacy level	130,102,812	124,219,975

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

29. **NUMBER OF EMPLOYEES**

	2023	2022
	---------------- Numbers -------------	
Total number of employees at the end of the year	5	9
Average number of employees during the year	5	9

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30. COMPUTATION OF LIQUID CAPITAL

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1	Assets			
1.1	Property & Equipment	347,059	100%	-
1.2	Intangible Assets	5,000,000	100%	-
1.3	Investment in Goverment Securities: (Haircut applied on the basis of Difference between book value and sale value on the date on the basis of PKRV published by NIFT)	-	-	-
1.4	Investment in Debt Securities			
	If listed then:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.5%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10%	-
	If unlisted then:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.5%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15%	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	95,048,920	14,496,165	80,552,755
	ii. If unlisted, 100% of carrying value.	-	100%	-
	iii.Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker.	-	-	-
	iv.100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	-	100%	-
1.6	Investment in subsidiaries	-	100%	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	2,000,000	100%	-
1.9	Margin deposits with exchange and clearing house.	4,100,000	0%	4,100,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	0%	-
1.11	Other deposits and prepayments	114,437	100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	0%	-
	100% haircut to be applied in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100%	-
1.13	Dividends receivable.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (*Securities purchased under repo arrangement shall not be included in the investments.)*	-	-	-
1.15	Advances and Receivables other than trade receivables			
	i. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	-	0%	-
	ii. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	-	0%	-
	iii. In all other cases, 100% of net value	-	100%	-
1.16	Receivables from clearing house or securities exchange(s)			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	2,932,854	0%	2,932,854
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.*	17,192,704	17,192,704	17,192,704
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. *ii. Net amount after deducting haircut*	-	5%	-
	iii. Incase receivalbes are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, *iii. Net amount after deducting haricut*	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. *iv. Balance sheet value*		0%	-
	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*			-
	vi. 100% haircut in the case of amount receivable form related parties.		100%	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.18	Cash and Bank balances			
	i. Bank Balance-proprietory accounts	3,703,034	0%	3,703,034
	ii. Bank balance-customer accounts	812,032	0%	812,032
	iii. Cash in hand		0%	-
1.19	Subscription money against investment in IPO/ offer for sale (asset)	-	0%	-
1.20	**Total Assets**	**131,251,040**		**109,293,379**
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	0%	-
	ii. Payable against leveraged market products	-	0%	-
	iii. Payable to customers	698,588	0%	698,588
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	1,724	0%	1,724
	ii. Accruals and other payables	433,314	0%	433,314
	iii. Short-term borrowings	-	0%	-
	iv. Current portion of subordinated loans	-	0%	-
	v. Current portion of long term liabilities	-	0%	-
	vi. Deferred Liabilities	-	0%	-
	vii. Provision for taxation	14,602	0%	14,602
	viii. Other liabilities as per accounting principles and included in the financial statements	-	0%	-
2.3	**Non-Current Liabilities**			
	i. Long-Term financing	-	100%	-
	ii. Staff retirement benefits	-	0%	-
	iii. Other liabilities as per accounting principles and included in the financial statements	-	0%	-
2.4	**Subordinated Loans**			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	100%	-
2.5	Advance against shares for increase in capital of securities broker	-	-	-
	100% Haircut may be allowed in respect of advance against shares if: (i) The existing authorized share capital allows the proposed enhanced share capital (ii) Board of Directors of the company has approved the increase in capital (iii) Relevant Regulatory approvals have been obtained (iv) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed (v) Auditor is satisfied that such advance is against the increase of capital.	-	100%	-
2.6	**Total Liabilites**	**1,148,228**		**1,148,228**
3. Ranking Liabilities Relating to :				
3.1	**Concentration in Margin Financing**			
	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	11,916,800	11,916,800
3.2	**Concentration in securites lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	**Net underwriting Commitments**			
	(a) In the case of right issuse : If the market value of securites is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) In any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	**Negative equity of subsidiary**			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions**			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	**Repo adjustment**			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received, less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	**Concentrated proprietary positions**			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security	-	9,305,130	9,305,130
3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral / pledged with securities exchange after applying VaR haircuts	-	3,716,912	3,716,912
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.10	Short sell positions			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietory positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilites	-	24,938,842	24,938,842
		130,102,812	Liquid Capital	83,206,309

Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	109,293,379
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(1,148,228)
(iii) Less: Total ranking liabilities (serial number 3.11)	(24,938,842)
	83,206,309

31. **DATE OF AUTHORIZATION**

These Financial statements were authorized on 07 OCT 2023 by the Board of Directors of the Company.

32. **CORRESPONDING FIGURES**

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

33. **GENERAL**

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Director