

Independent Auditor's Report to the members of Enrichers Securities (Private) Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Enrichers Securities (Private) Limited**, which comprise the statement of financial position as at June 30, 2022, 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, 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 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, 2022 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.

Material Uncertainty relating to Going Concern

We draw attention to note 1.2 to the financial statements which indicates that the company is striving to commence its operations. During the previous year, the company has obtained license under the Securities Broker (Licensing and Operations) Regulations, 2016. These financial statements have been prepared on 'going concern' basis despite the fact that the company has not generated any revenue from its core activity. As at June 30, 2022, the accumulated losses were amounting Rs. 649,912. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, annexed financial statements have been prepared on going concern basis as explained in note 1.2 to the financial statements. Our opinion is not modified in respect of this matter.

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.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

-2-

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the company has duly complied with the requirements of Section 78 of the Securities Act, 2015, and relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at June 30, 2022.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Daoud.


CHARTERED ACCOUNTANTS
Lahore: 31 OCT 2022

UDIN: AR2022100823NnyaMB1U

ENRICHERS SECURITIES (PVT) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

| | Note | 2022 Rupees | 2021 Rupees |
|--|------|-------------------|-------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Intangible assets | 4 | 2,250,000 | 2,250,000 |
| Long term deposits | 5 | 16,500,000 | 500,000 |
| | | <u>18,750,000</u> | <u>2,750,000</u> |
| CURRENT ASSETS | | | |
| Loans and advances | 6 | 27,941,045 | 33,061,045 |
| Investment at fair value through profit or loss | 7 | 19,095 | - |
| Trade deposits, short term prepayments and current account balance with statutory authorities | 8 | 61,673 | 16,006,300 |
| Cash and bank balances | 9 | 13,690,512 | 121,190 |
| | | <u>41,712,325</u> | <u>49,188,535</u> |
| | | <u>60,462,325</u> | <u>51,938,535</u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | 10 | 60,000,000 | 52,500,000 |
| Accumulated loss | | (649,912) | (657,465) |
| | | <u>59,350,088</u> | <u>51,842,535</u> |
| Share deposit money | 11 | 1,000,000 | - |
| | | <u>60,350,088</u> | <u>51,842,535</u> |
| NON CURRENT LIABILITIES | | | |
| Deferred taxation - net | 12 | - | - |
| CURRENT LIABILITIES | | | |
| Deposits, accrued liabilities and advances | 13 | 112,237 | 96,000 |
| | | <u>112,237</u> | <u>96,000</u> |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 14 | - | - |
| | | <u>60,462,325</u> | <u>51,938,535</u> |

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


CHIEF EXECUTIVE




DIRECTOR

ENRICHERS SECURITIES (PVT) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

| | Note | 2022 Rupees | 2021 Rupees |
|---|------|------------------|------------------|
| Revenue | 15 | 365,900 | - |
| Direct cost | 16 | (115,077) | - |
| Operating expenses | 17 | <u>(215,350)</u> | <u>(106,500)</u> |
| OPERATING PRIFT/(LOSS) | | 35,473 | (106,500) |
| Finance cost | 18 | (3,048) | (1,709) |
| Other operating expense | 19 | (19,360) | - |
| | | <u>(22,408)</u> | <u>(1,709)</u> |
| PROFIT/(LOSS) BEFORE TAXATION | | <u>13,065</u> | <u>(108,209)</u> |
| Provision for taxation | 20 | <u>(5,512)</u> | <u>-</u> |
| PROFT / (LOSS) FOR THE YEAR | | <u>7,553</u> | <u>(108,209)</u> |
| EARNINGS PER SHARE - BASIC AND DILUTED | 21 | <u>0.00</u> | <u>(0.02)</u> |

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


CHIEF EXECUTIVE




DIRECTOR

ENRICHERS SECURITIES (PVT) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

| | 2022 Rupees | 2021 Rupees |
|--|----------------|------------------|
| Profit/(loss) for the year | 7,553 | (108,209) |
| Items that will not be reclassified subsequently to profit or loss | - | - |
| Items that may be reclassified subsequently to profit or loss | - | - |
| Other comprehensive income/(loss) for the year | - | - |
| Total comprehensive income/(loss) for the year | <u>7,553</u> | <u>(108,209)</u> |

for

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

[Signature]
CHIEF EXECUTIVE



[Signature]
DIRECTOR

ENRICHERS SECURITIES (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

| Paid up Capital | Accumulated loss | Total |
|--------------------|---------------------|-------|
|--------------------|---------------------|-------|

----- (R u p e e s) -----

Balance as at June 30, 2020

50,000,000 (549,256) 49,450,744

Loss after taxation

Other comprehensive loss

| | | |
|---|-----------|-----------|
| - | (108,209) | (108,209) |
| - | - | - |

Total comprehensive loss for the year

Share issued during the year

| | | |
|-----------|-----------|-----------|
| - | (108,209) | (108,209) |
| 2,500,000 | - | - |

Balance as at June 30, 2021

52,500,000 (657,465) 51,842,535

Share issued during the year

7,500,000 - 7,500,000

Profit after taxation

Other comprehensive income

| | | |
|---|-------|-------|
| - | 7,553 | 7,553 |
| - | - | - |

Total comprehensive income for the year

- 7,553 7,553

Balance as at June 30, 2022

60,000,000 (649,912) 59,350,088

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


CHIEF EXECUTIVE




DIRECTOR

ENRICHERS SECURITIES (PVT) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

| | Note | 2022 Rupees | 2021 Rupees |
|--|------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit/(loss) before taxation | | 13,065 | (108,209) |
| Adjustments Of Items Not Involving Movements of Cash | | | |
| Loss on remeasurement of investment | | 19,360 | - |
| | | 19,360 | - |
| Operating Cash Flows Before Working Capital Changes | | 32,425 | (108,209) |
| (Increase) / Decrease In Working Capital | | | |
| (Increase)/decrease in operating assets: | | | |
| Long term deposit | | (16,000,000) | (500,000) |
| Loan and advances | | (4,638,955) | (19,792,775) |
| Trade deposits | | 15,944,627 | (16,000,000) |
| Increase/(decrease) in operating liabilities: | | | |
| Deposits, accrued liabilities and advances | | 16,237 | 33,000 |
| | | (4,678,091) | (36,259,775) |
| Cash Used In From Operations | | (4,645,666) | (36,367,984) |
| Taxes paid | | (5,512) | - |
| | | (5,512) | - |
| Net Cash Used In From Operations | | (4,651,178) | (36,367,984) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Intangible assets purchased | | - | (750,000) |
| Investment at fair value through profit or loss | | (38,455) | - |
| Net Cash Flows From Investing Activities | | (38,455) | (750,000) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Due to related party | | - | (128,725) |
| Short term borrowing from related party | | 9,758,955 | - |
| Share deposit money recived during the year | | 1,000,000 | - |
| Share issued during the year | | 7,500,000 | 2,500,000 |
| Net Cash Flows From Financing Activities | | 18,258,955 | 2,371,275 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | | 13,569,322 | (34,746,709) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 121,190 | 34,867,899 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | A | 13,690,512 | 121,190 |
| A Cash and Cash Equivalents | | | |
| Cash and bank balances | | 13,690,512 | 121,190 |

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


CHIEF EXECUTIVE




DIRECTOR

ENRICHERS SECURITIES (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 COMPANY AND ITS OPERATION

- 1.1** Enrichers Securities (Pvt) Limited (The Company) is limited by shares incorporated in Pakistan on March 28, 2017. The registered office of the company is situated at Hall No. 1, 3rd Floor High Q-Tower, Jail Road Gulberg-V, Lahore, Pakistan. The principal activity of the company is to carry on the business of shares, brokerage, underwriting, investment and portfolio management.
- 1.2** The company is striving to commence its operations. During the year ended June 30, 2021, the company had obtained license under the Securities Broker (Licensing and Operations) Regulations, 2016 and the management is committed to operate the company at optimal level. Therefore, these financial statements have been prepared on 'going concern' basis despite the fact that the company has not generated any revenue from its core business of stock brokerage. Further, as at June 30, 2022, the accumulated loss stood at amounting Rs. 627,004. The matters stated above indicate a material uncertainty that may cast a significant doubt on the company's ability to continue as a going concern, and therefore, the company may not be able to realise its assets and discharge its liabilities in the normal course of business.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except as stated hereafter in the relevant accounting policies. Further accrual basis of accounting is followed in the preparation of these financial statements except for cash flow information.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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



2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 SHARE CAPITAL

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.2 Trade and other payables

Trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.3 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the profit or loss over the period of the borrowings using the effective interest method.

3.4 Taxation

Current

Charge for current taxation is based on taxable income at current rates after taking into account rebates and tax credits, if any, or minimum tax of turnover, whichever is higher, enacted or substantively enacted at the reporting date. Current taxation also includes adjustments, where necessary, relating to prior years which arise from assessment framed/finalized during the year.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary timing differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income.

Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax assets and unused tax losses can be utilized. No provision for deferred taxation for the year has been accounted for in these financial statements as the Company has no (deductible) / taxable temporary differences at the year end.



3.5 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.6 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes historical cost, borrowing cost pertaining to erection/construction period and directly attributable cost of bringing the assets to working condition. Depreciation is charged to income on reducing balance method at the rates given in the operating assets note to write off the cost of operating assets over their expected useful lives on a pro-rata basis from the month of use while depreciation on disposals during the year is charged up to the month preceding the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized only when it is probable that the future economic benefits associated with the assets will flow to the entity and the cost of renewal or improvement can be measured reliably. Gain or loss on disposal of operating assets is recognized in current year's income.

3.7 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the profit or loss account. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3.8 Related party transactions

Transactions with related parties are priced at arm's length basis, except reason disclosed in relevant note to the financial statement, if any.

3.9 Foreign currency

All monetary assets and liabilities in foreign currencies are translated into Pak rupees at the rate of exchange prevailing at the balance sheet date or at the contracted rates while foreign currency transactions are initially recorded at the rates of exchange prevailing at the transaction date or at the contracted rates. All non monetary items are translated into Pak rupees at the rates of exchange prevailing at the transaction date or on the date when fair values are determined. The Company charges all the exchange differences to profit and loss account.



3.10 INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. Amortization is charged on straight line basis. Full month depreciation is charged in the month of purchase while no depreciation is charged in the month of disposal. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount.

3.10.1 Membership card

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

3.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the statement of financial position at fair value. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances at banks in current and deposit accounts and short term running finances with bank.

3.12 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, net of any direct expenses.

3.13 BASIC AND DILUTED EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.14 FINANCIAL ASSETS

Financial assets are initially measured at cost and subsequently classified at fair value through profit or loss or at amortized cost. Management determines the classification of its financial assets at initial recognition.

3.15 FINANCIAL LIABILITIES

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

3.16 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.



3.17 LIQUID CAPITAL BALANCE

The liquid capital balance has been prepared on the basis of Securities Brokers (Licensing and Operations) Regulations, 2016 (The Regulations) issued by Securities and Exchange Commission of Pakistan.

| S. No. | Head of Account | Value in Pak Rupees | Hair Cut / Adjustments | Net Adjusted Value |
|------------------|--|---------------------|------------------------|--------------------|
| 1. Assets | | | | |
| 1.1 | Property & Equipment | - | 100.00% | - |
| 1.2 | Intangible Assets | 2,250,000 | 100.00% | - |
| 1.3 | Investment in Govt. Securities | - | - | - |
| | Investment in Debt. Securities | | | |
| | If listed than: | | | |
| | i. 5% of the balance sheet value in the case of tenure upto 1 year. | - | 5.00% | - |
| | ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years. | - | 7.50% | - |
| 1.4 | 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% | - |
| | 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. | 19,095 | 2,864 | 16,231 |
| | ii. If unlisted, 100% of carrying value. | - | 100.00% | - |
| | iii. Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker are not included in the investments of securities broker | - | - | - |
| 1.5 | 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) | - | - | - |
| 1.6 | Investment in subsidiaries | - | 100.00% | - |
| | Investment in associated companies/undertaking | | | |
| 1.7 | i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher. | - | - | - |
| | ii. If unlisted, 100% of net value. | - | 100.00% | - |
| 1.8 | Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. | 16,500,000 | 100.00% | - |
| 1.9 | Margin deposits with exchange and clearing house. | 6,000 | - | 6,000 |
| 1.10 | Deposit with authorized intermediary against borrowed securities under SLB. | - | - | - |
| 1.11 | Other deposits and prepayments | 55,673 | 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 | i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months | | | |
| | Receivables other than trade receivables | 27,941,045 | 100.00% | - |
| | Receivables from clearing house or securities exchange(s) | | | |
| 1.16 | i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains. | - | - | - |
| | ii) Receivable on entitlements against trading of securities in all markets including MTM gains. | - | - | - |



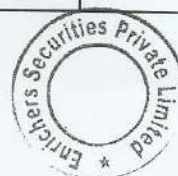
Handwritten signature or mark.

| S. No. | Head of Account | Value in Pak Rupees | Hair Cut / Adjustments | Net Adjusted Value |
|-----------------------|---|---------------------|------------------------|--------------------|
| | Receivables from customers | | | |
| | i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. <i>i. Lower of net balance sheet value or value determined through adjustments.</i> | - | - | - |
| | ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i> | - | 5.00% | - |
| 1.17 | iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i> | - | - | - |
| | iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i> | - | - | - |
| | v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. <i>v. Lower of net balance sheet value or value determined through adjustments</i> | - | - | - |
| | <i>vi. 100% haircut in the case of amount receivable from related parties.</i> | - | 100.00% | - |
| | Cash and Bank balances | | | |
| 1.18 | i. Bank Balance-proprietary accounts | 13,197,842 | - | 13,197,842 |
| | ii. Bank balance-customer accounts | 14,620 | - | 14,620 |
| | iii. Cash in hand | 478,050 | - | 478,050 |
| 1.19 | Total Assets | 60,462,325 | | 13,712,743 |
| 2. Liabilities | | | | |
| | Trade Payables | | | |
| 2.1 | i. Payable to exchanges and clearing house | - | - | - |
| | ii. Payable against leveraged market products | - | - | - |
| | iii. Payable to customers | - | - | - |
| | Current Liabilities | | | |
| | i. Statutory and regulatory dues | - | - | - |
| | ii. Accruals and other payables | 112,237 | - | 112,237 |
| 2.2 | 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 | - | - | - |
| | Non-Current Liabilities | | | |
| | i. Long-Term financing | - | - | - |
| | a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease | | | |
| | b. Other long-term financing | | | |
| | ii. Staff retirement benefits | - | - | - |
| 2.3 | iii. 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. | - | - | - |
| | iv. Other liabilities as per accounting principles and included in the financial statements | - | - | - |



Handwritten signature or mark.

| S. No. | Head of Account | Value in Pak Rupees | Hair Cut / Adjustments | Net Adjusted Value |
|---|--|---------------------|------------------------|--------------------|
| | Subordinated Loans | - | - | - |
| | 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 | | | |
| 2.4 | | | - | - |
| 2.5 | Total Liabilities | 112,237 | | 112,237 |
| 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. | - | - | - |
| 3.2 | Concentration in securities 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 issue : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting (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 currency 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 securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received less value of any securities 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 | - | 1,910 | 1,910 |
| 3.9 | Opening Positions in futures and options i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met | - | - | - |



Handwritten signature/initials

| S. No. | Head of Account | Value in Pak Rupees | Hair Cut / Adjustments | Net Adjusted Value |
|--------|--|---------------------|------------------------|--------------------|
| | Short sell positions | | | |
| 3.10 | i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts | - | - | - |
| | ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts. | - | - | - |
| 3.11 | Total Ranking Liabilites | - | 1,910 | 1,910 |
| | | 60,350,088 | | 13,598,597 |
| | Liquid Capital Balance | | | 13,600,506 |



| 4 | INTANGIBLE ASSETS | Note | 2022 Rupees | 2021 Rupees |
|---|--|------|------------------|------------------|
| | Trading right entitlement certificate (TREC) | 4.1 | 1,500,000 | 1,500,000 |
| | Software under development | | 750,000 | 750,000 |
| | | | <u>2,250,000</u> | <u>2,250,000</u> |

4.1 This represents Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The Trading Right Entitlement Certificate is pledged/mortgaged with the Pakistan Stock Exchange Limited as a collateral for running the brokerage business and to meet partly, the Base Minimum Capital Requirement.

| 5 | LONG TERM DEPOSITS | Note | 2022 Rupees | 2021 Rupees |
|---|--|---------|-------------------|----------------|
| | Deposit with: | | | |
| | National Clearing Company of Pakistan Limited | | 400,000 | 400,000 |
| | Central Depository Company of Pakistan Limited | | 100,000 | 100,000 |
| | Pakistan Stock Exchange Limited | 8 & 5.1 | 16,000,000 | - |
| | | | <u>16,500,000</u> | <u>500,000</u> |

5.1 This represents deposit with Pakistan Stock Exchange Limited against collateral to meet base minimum capital requirements.

| 6 | LOANS AND ADVANCES | Note | 2022 Rupees | 2021 Rupees |
|---|---------------------------------------|------|-------------------|-------------------|
| | Unsecured and interest free | | | |
| | Loan to Mr. Muhammad Akmal - Director | 6.1 | 241,045 | 33,061,045 |
| | Other | | 27,700,000 | - |
| | | | <u>27,941,045</u> | <u>33,061,045</u> |

6.1 This represents interest free and unsecured loan to director of the company. This is recoverable on demand of the company.

| 7 | INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS | Note | 2022 Rupees | 2021 Rupees |
|---|---|------|----------------|----------------|
| | Investment - listed Securities | | | |
| | Carrying value as on July 01, | | 38,455 | - |
| | Loss on remeasurement of investment at fair value | | (19,360) | - |
| | | | <u>19,095</u> | <u>-</u> |



Handwritten signature or mark.

| 8 | TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES | Note | 2022 Rupees | 2021 Rupees |
|---|---|------|----------------|-------------------|
| | Deposit with: | | | |
| | National Clearing Company of Pakistan Limited | | 6,000 | - |
| | Pakistan Stock Exchange Limited | 5 | - | 16,000,000 |
| | Tax deducted at source | | 55,673 | 6,300 |
| | | | <u>61,673</u> | <u>16,006,300</u> |

9 CASH AND BANK BALANCES

These were held as under:

| | | |
|----------------------------------|-------------------|----------------|
| Cash in hand | 478,050 | - |
| Cash at bank in current accounts | | |
| Pertaining to brokerage house | 13,197,842 | 120,740 |
| Pertaining to clients | 14,620 | 450 |
| | <u>13,212,462</u> | <u>121,190</u> |
| | <u>13,690,512</u> | <u>121,190</u> |

10 SHARE CAPITAL

Authorized Share Capital

7,000,000 (2021: 5,000,000) ordinary shares of Rs. 10 each

| | |
|-------------------|-------------------|
| <u>70,000,000</u> | <u>50,000,000</u> |
|-------------------|-------------------|

Issued, subscribed and paid up

6,000,000 (2021: 5,250,000) ordinary shares
of Rs.10 each fully paid in cash

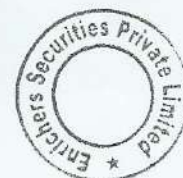
| | | |
|------|-------------------|-------------------|
| 10.1 | <u>60,000,000</u> | <u>52,500,000</u> |
|------|-------------------|-------------------|

| 10.1 | Sr. No. | Name of shareholder | Share Holding | %age |
|------|------------|--|------------------|-------------|
| | 1. | Mehmood Afzal Butt- Director/Chief Executive | 250,000 | 4.17% |
| | 2. | Naseer Ahmad - Director | 250,000 | 4.17% |
| | 3. | Muhammad Akmal - Director | 5,500,000 | 91.67% |
| | | | <u>6,000,000</u> | <u>100%</u> |

11 SHARE DEPOSIT MONEY

This represents share deposit money received from Mr. Muhammad Akmal - Director.

| 12 | DEFERRED TAXATION | Note | 2022 Rupees | 2021 Rupees |
|----|---|------|----------------|----------------|
| | Deferred credits/(debits) arising due to: | | | |
| | Taxable losses | | (21,977) | - |
| | Alternative taxes paid | | (5,512) | (31,381) |
| | Unrealised loss on short term investments | | (2,904) | - |
| | Deferred tax asset not recognised | | <u>30,393</u> | <u>31,381</u> |
| | | | <u>-</u> | <u>-</u> |
| | Balance as at July 01, | | - | - |
| | Charged during the year in profit or loss | | - | - |
| | | | <u>-</u> | <u>-</u> |



- 12.1 At the year end, net deductible temporary differences in respect of temporary differences and taxable losses and tax credits resulted in a net deferred tax asset of Rs. 28,593 (2021: Rs.31,381) which has not been recognized in these financial statements being prudent. Management is of the view that recognition of deferred tax asset shall be reassessed as at June 30, 2023. Business losses amounting Rs.75,784 relating to year ended June 30, 2021 will expire on June 30, 2027. Alternative corporate taxes paid during the year will expire on June 30, 2032.

| | Note | 2022 Rupees | 2021 Rupees |
|---|------|----------------|----------------|
| 13 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES | | | |
| Accrued expenses | | <u>112,237</u> | <u>96,000</u> |
| 14 CONTINGENCIES AND COMMITMENTS | | | |
| Contingencies and commitments are Rs. nil (2021: Rs. nil). | | | |
| | Note | 2022 Rupees | 2021 Rupees |
| 15 REVENUE | | | |
| Bank profit | | <u>365,900</u> | <u>-</u> |
| 16 Direct Cost | | | |
| Central Depositary Company of Pakistan Limited | | 6,221 | - |
| National Clearing Company Pakistan Limited | | 2,501 | - |
| Pakistan Stock Exchange Limited | | <u>106,355</u> | <u>-</u> |
| | | <u>115,077</u> | <u>-</u> |
| 17 OPERATING EXPENSES | | | |
| Legal and professional charges | 17.1 | 114,600 | 86,000 |
| Fee and subscription | | <u>100,750</u> | <u>20,500</u> |
| | | <u>215,350</u> | <u>106,500</u> |
| 17.1 This includes professional fee for statutory audit and other services as follows: | | | |
| Amin, Mudassar & Co. | | | |
| Chartered Accountants | | | |
| Statutory audit fee | | 60,000 | 50,000 |
| Certification fee | | 54,600 | 36,000 |
| | | <u>114,600</u> | <u>86,000</u> |



| | Note | 2022 Rupees | 2021 Rupees |
|--|---|-------------------|-------------------|
| 18 OTHER OPERATING EXPENSE | | | |
| Loss on remeasurement of investment | | 19,360 | - |
| | | <u>19,360</u> | <u>-</u> |
| 19 FINANCE COST | | | |
| Bank charges | | 3,048 | 1,709 |
| | | <u>3,048</u> | <u>1,709</u> |
| 20 PROVISION FOR TAXATION | | | |
| Current | | 5,512 | - |
| Deferred | | - | - |
| | | <u>5,512</u> | <u>-</u> |
| 20.1 | Income tax assessment of the Company has been finalized up to tax year 2021 on the basis of returns filed as the company did not receive any notice in this respect from Tax Authorities. | | |
| 20.2 | No numeric tax rate reconciliation is presented for the current and prior year in these financial statements as the company is either liable to pay tax under final tax regime or alternative corporate tax regime of the Income Tax Ordinance, 2001. | | |
| 21 EARNINGS PER SHARE- BASIC AND DILUTED | Note | 2022 | 2021 |
| Profit/(loss) for the year - Rupees | | <u>7,553</u> | <u>(108,209)</u> |
| Weighted average number of ordinary shares outstanding during the year - numbers | | <u>5,424,657</u> | <u>5,062,500</u> |
| Earnings per share - Rupees | | <u>0.00</u> | <u>(0.02)</u> |
| | | 2022 | 2021 |
| | | Number | |
| 22 NUMBER OF EMPLOYEES | | | |
| Total number of employees at the end of the year | | <u>Nil</u> | <u>Nil</u> |
| Average number of employees during the year | | <u>Nil</u> | <u>Nil</u> |
| | | 2022 | 2021 |
| | | Rupees | Rupees |
| 23 FINANCIAL INSTRUMENTS BY CATEGORY | Note | | |
| Financial assets and financial liabilities: | | | |
| Financial assets at amortized cost | | | |
| Long term deposits | | 16,500,000 | 500,000 |
| Loan and advances | | 27,941,045 | 33,061,045 |
| Trade deposits and short term prepayments | | 6,000 | 16,000,000 |
| Cash and bank balances | | <u>13,690,512</u> | <u>121,190</u> |
| | | <u>58,137,557</u> | <u>49,682,235</u> |



| | Note | 2022 Rupees | 2021 Rupees |
|--|------|----------------|----------------|
| Financial liabilities at amortized cost | | | |
| Deposits, accrued liabilities and advances | | 112,237 | 96,000 |
| | | <u>112,237</u> | <u>96,000</u> |

24 OPERATING SEGMENT

24.1 All non-current assets of the Company as at June 30, 2022 are located in Pakistan.

25 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties have been disclosed in the relevant notes to the financial statements except the following:

| | Basis of Relationship | 2022 Rupees | 2021 Rupees |
|--|--------------------------|----------------|----------------|
| Loan repaid by Mr. Muhammad Akmal | Director | 53,320,000 | 55,000,000 |
| Loan advanced/adjusted to Mr. Muhammad Akmal | Director | 20,500,000 | 74,792,775 |

26 CORRESPONDING FIGURES

Previous year's figures have been rearranged and reclassified wherever necessary for the purpose of comparison and better presentation. However, there were no material rearrangement of figures to report.

27 GENERAL

Figures have been rounded off to the nearest of rupee.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 31 OCT 2022 by the Board of Directors of the Company.

[Signature]

[Signature]
CHIEF EXECUTIVE



[Signature]
DIRECTOR