

**ENRICHERS SECURITIES**

**(PRIVATE) LIMITED**

**Audited Financial Statements**

**For the year ended**

**30<sup>th</sup> JUNE 2023**

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive loss, the changes in equity, its cash flows and liquid capital 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 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 of the financial statements which indicates that company is striving to commence its operations. This condition indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern therefore unable to realize its assets and discharge its liabilities in normal course of business, however management does not intend to liquidate this company in the near future therefore these financial statements have been prepared on going concern assumption.

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

Management is responsible for the other information. The other information comprises the Director's Report.

#### **Lahore Office:**

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Tel: 042-35754821-22, Fax: 042-36317513, Email: nasirgulzar@njmi.net

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Office No. 807, 8th Floor, Q.M. House, Plot No. 11/2, Ellander Road,  
Opposite to Shaheen Complex. Off. I.I Chundrigar Road.





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 is 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.





- 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; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- e) The company has duly complied with the requirements of section 78 of the Securities Act, 2015 and relevant requirements of Securities Brokers (Operating and Licensing) regulations, 2016.

#### Other Matter

The financial statements of the Company for the year ended June 30, 2022, were audited by another auditor who expressed unmodified opinion on those statements on October 31, 2022

The engagement partner on the audit resulting in this independent auditor's report is Imran Ul Haq.

Place: Islamabad  
Date: 27-September-2023  
UDIN: AR2023101639OUIIBWJz

  
Nasir Javaid Maqsood Imran  
Chartered Accountants

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

	Note	2023 Rupees	2022 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Intangible assets	4	1,500,000	1,500,000
Long term deposits	5	16,500,000	16,500,000
		<u>18,000,000</u>	<u>18,000,000</u>
<b>CURRENT ASSETS</b>			
Loans and advances	6	29,641,045	28,691,045
Investment at fair value through profit or loss	7	10,554	19,095
Trade deposits and current account balance with statutory authorities	8	388,623	61,673
Other receivable	9	634,389	-
Cash and bank balances	10	13,002,314	13,690,512
		<u>43,676,924</u>	<u>42,462,325</u>
		<u>61,676,924</u>	<u>60,462,325</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital - Capital Reserve	11	60,000,000	60,000,000
Accumulated loss - Revenue Reserve		246,154	(649,912)
		<u>60,246,154</u>	<u>59,350,088</u>
Share deposit money	12	1,000,000	1,000,000
		<u>61,246,154</u>	<u>60,350,088</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred taxation - net	13	-	-
<b>CURRENT LIABILITIES</b>			
Accrued liabilities	14	100,000	112,237
Provision for taxation		330,770	-
		<u>430,770</u>	<u>112,237</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	15	-	-
		<u>61,676,924</u>	<u>60,462,325</u>

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



CHIEF EXECUTIVE



Naseer

DIRECTOR



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

	Note	2023 Rupees	2022 Rupees
Revenue	16	-	-
Direct cost	17	(305,478)	(115,077)
Operating expenses	18	<u>(1,271,550)</u>	<u>(215,350)</u>
OPERATING PRIFT/(LOSS)		(1,577,028)	(330,427)
Other Income	19	2,814,054	365,900
Finance cost	21	(1,649)	(3,048)
Other operating expense	20	(8,541)	(19,360)
		(10,190)	(22,408)
PROFIT BEFORE TAXATION		<u>1,226,836</u>	<u>13,065</u>
Provision for taxation	22	<u>(330,770)</u>	<u>(5,512)</u>
PROFT FOR THE YEAR		<u><u>896,066</u></u>	<u><u>7,553</u></u>

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

  
CHIEF EXECUTIVE

  
DIRECTOR

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

	2023 Rupees	2022 Rupees
Profit/(loss) for the year	896,066	7,553
Other comprehensive income/(loss) for the year	-	-
Total comprehensive income/(loss) for the year	<u>896,066</u>	<u>7,553</u>

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

  
CHIEF EXECUTIVE

  
DIRECTOR

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

	Paid up Capital	Accumulated (loss)/Profit	Total
	----- (R u p e e s) -----		
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	-	7,553	7,553
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	7,553	7,553
Balance as at June 30, 2022	60,000,000	(649,912)	59,350,088
Share issued during the year	-	-	-
Profit after taxation	-	896,066	896,066
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	896,066	896,066
Balance as at June 30, 2023	60,000,000	246,154	60,246,154

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

  
CHIEF EXECUTIVE

  
DIRECTOR



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

	Note	2023 Rupees	2022 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before taxation		1,226,836	13,065
Adjustments Of Items Not Involving Movements of Cash			
Loss on remeasurement of investment		8,541	19,360
		8,541	19,360
Operating Cash Flows Before Working Capital Changes		1,235,377	32,425
(Increase) / Decrease In Working Capital			
(Increase)/decrease in operating assets:			
Long term deposit		-	(16,000,000)
Loan and advances		(950,000)	(4,638,955)
Trade deposits			15,944,627
Revenue Recievable		(634,389)	-
Increase/(decrease) in operating liabilities:			
Deposits, accrued liabilities and advances		(12,237)	16,237
		(1,596,626)	(4,678,091)
Cash Used In From Operations		(361,249)	(4,645,666)
Taxes paid		(326,950)	(5,512)
		(326,950)	(5,512)
Net Cash Used In From Operations		(688,198)	(4,651,178)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment at fair value through profit or loss		-	(38,455)
Net Cash Flows From Investing Activities		-	(38,455)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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
Net Cash Flows From Financing Activities		-	18,258,955
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(688,198)	13,569,322
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		13,690,512	121,190
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	13,002,314	13,690,512

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

CHIEF EXECUTIVE

DIRECTOR



**ENRICHERS SECURITIES (PRIVATE) LIMITED**
**Liquid Capital Statement**

As at 30 June 2023

S.No.	Head of Account	Value in Pak Rupee	Hair Cut/ Adjustments	Net Adjusted Value
1	<b>Assets</b>			
1.1	Property & Equipment			
1.2	Intangible Assets	0	100%	-
1.3	Investment in Govt. Securities (Difference between book value and sale value on the date on the basis of PKRV published by NIFT)	1,500,000	100%	-
1.4	Investment in Debt. Securities			
	If listed than:			-
	i. 5% of the balance sheet value in the case of tenure upto 1 year.		5%	-
	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 than:			-
	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. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	10,554	2,006	8,548
	ii. If unlisted, 100% of carrying value.	0	100%	-
1.6	Investment in subsidiaries			
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.			
	ii. If unlisted, 100% of net value.			
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC	16,500,000	8,500,000	8,000,000
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	0	100%	-
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			
1.13	Dividends receivables.			
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)			
1.15	Advances and receivables other than trade Receivables; (i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months. (ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation . (iii) In all other cases 100% of net value	382,622 29,641,045	0% 100%	382,622 -
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 (Lower of net balance sheet value or value determined through adjustments)	634,389	100%	-
1.17	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. Lower of net balance sheet value or value determined through adjustments. ii. In case receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haircut iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value		5%	



	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			
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. vi. Lower of net balance sheet value or value determined through adjustments			
1.18	Cash and Bank balances			
	i. Bank Balance- proprietary accounts	12,651,219	0%	12,651,219
	ii. Bank balance- customer accounts	14,620	0%	14,620
	iii. Cash in hand	336,475	0%	336,475
1.19	Subscription money against investment in IPO/ offer for sale (asset)			
	(i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.			
	(ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities.			
	(iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.			
1.20	Total Assets	61,676,924		21,399,484
2	Liabilities			
2.1	Trade Payables			
	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products			
	iii. Payable to customers		0%	-
2.2	Current Liabilities			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	100,000	0%	100,000
	iii. Short-term borrowings			
	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities			
	vii. Provision for taxation	330,770	0%	330,770
	viii. Other liabilities as per accounting principles and included in the financial statements			
2.3	Non- Current Liabilities			
	i. Long- Term financing			
	ii. Other liabilities as per accounting principles and included in the financial statements			
	iii. Staff retirement benefits			
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases			
2.4	Subordinated Loans			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:		0%	
2.5	Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	1,000,000		1,000,000
2.6	Total Liabilities	1,430,770		1,430,770

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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. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be included in the ranking liabilities.			
3.2	Concentration in 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 Note: Only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)			
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.  (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) 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 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		923	923
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 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			
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 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 Liabilities	0	923	923
3.12	Liquid Capital	60,246,154		19,967,792

#### Calculations Summary of Liquid Capital

- (i) Adjusted value of Assets (serial number 1.20)  
(ii) Adjusted value of liabilities (serial number 2.5)  
(iii) Total ranking liabilities (series number 3.11)

21,399,484  
(1,430,770)  
(923)  
19,967,792

  
Chief Executive

  
Director



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

**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. This matter 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.

### 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. Interest is recognized using effective interest rate on time apportionment basis.

### 3.13 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.

### 3.14 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.

### 3.15 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.





4	INTANGIBLE ASSETS	Note	2023 Rupees	2023 Rupees
	Trading right entitlement certificate (TREC)	4.1	1,500,000	1,500,000
			<u>1,500,000</u>	<u>1,500,000</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	2023 Rupees	2023 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	5.1	16,000,000	16,000,000
			<u>16,500,000</u>	<u>16,500,000</u>

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

6	LOANS AND ADVANCES	Note	2023 Rupees	2022 Rupees
	Unsecured and interest free			
	Loan to Mr. Muhammad Akmal - Director	6.1	28,891,045	241,045
	Others		750,000	28,450,000
			<u>29,641,045</u>	<u>28,691,045</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	2023 Rupees	2022 Rupees
	Investment - listed Securities			
	Carrying value as on July 01,		19,095	38,455
	Loss on remeasurement of investment at fair value		(9,870)	(19,360)
	Bonus share received		1,329	-
			<u>10,554</u>	<u>19,095</u>

8	TRADE DEPOSITS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES	Note	2023 Rupees	2022 Rupees																			
	Deposit with:																						
	National Clearing Company of Pakistan Limited		6,000	6,000																			
	Tax deducted at source		382,623	55,673																			
			<u>388,623</u>	<u>61,673</u>																			
9	OTHER RECIEVABLE																						
	Income receivable from PSX		<u>634,389</u>	<u>-</u>																			
10	CASH AND BANK BALANCES																						
	These were held as under:																						
	Cash in hand		336,475	478,050																			
	Cash at bank in current accounts																						
	Pertaining to brokerage house		12,651,219	13,197,842																			
	Pertaining to clients		14,620	14,620																			
			<u>12,665,839</u>	<u>13,212,462</u>																			
			<u>13,002,314</u>	<u>13,690,512</u>																			
11	SHARE CAPITAL																						
	Authorized Share Capital																						
	8,000,000 (2022: 7,000,000) ordinary shares of Rs. 10 each		<u>80,000,000</u>	<u>70,000,000</u>																			
	Issued, subscribed and paid up																						
	6,000,000 (2022: 6,000,000) ordinary shares of Rs.10 each fully paid in cash	11.1	<u>60,000,000</u>	<u>60,000,000</u>																			
11.1	<table><tr><th>Sr. No.</th><th>Name of shareholder</th><th>Share Holding</th><th>%age</th></tr><tr><td>1.</td><td>Mehmood Afzal Butt- Director/Chief Executive</td><td>250,000</td><td>4.17%</td></tr><tr><td>2.</td><td>Naseer Ahmad - Director</td><td>250,000</td><td>4.17%</td></tr><tr><td>3.</td><td>Muhammad Akmal - Director</td><td>5,500,000</td><td>91.67%</td></tr><tr><td></td><td></td><td><u>6,000,000</u></td><td><u>100%</u></td></tr></table>	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>		
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>																				
12	SHARE DEPOSIT MONEY																						
	This represents share deposit money received from Mr. Muhammad Akmal - Director.																						
		Note	2023 Rupees	2022 Rupees																			
13	DEFERRED TAXATION																						
	Deferred credits/(debits) arising due to:																						
	Taxable losses		-	(21,977)																			
	Alternative taxes paid		-	(5,512)																			
	Unrealised loss on short term investments		(1,481)	(2,904)																			
	Deferred tax asset not recognised		<u>1,481</u>	<u>30,393</u>																			
			<u>-</u>	<u>-</u>																			
	Balance as at July 01,		-	-																			



Charged during the year in profit or loss

-	-

- 13.1 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. 1,481 (2022: Rs.30,393) 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, 2024.

	Note	2023 Rupees	2022 Rupees
14 ACCRUED LIABILITIES			
Accrued expenses		100,000	112,237

- 15 CONTINGENCIES AND COMMITMENTS  
Contingencies and commitments are Rs. nil (2022: Rs. nil).

	Note	2023 Rupees	2022 Rupees
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16 REVENUE

Brokerage commission

17 DIRECT COST

Central Depositary Company of Pakistan Limited

National Clearing Company Pakistan Limited

Pakistan Stock Exchange Limited

18 OPERATING EXPENSES

Salaries and wages

Legal and professional charges

Fee and subscription

	18.1	950,000	-
		250,000	114,600
		71,550	100,750
		1,271,550	215,350

- 18.1 This includes professional fee for statutory audit and other services as follows:

Statutory audit fee

Professional charges

Certification fee

100,000	60,000
30,000	-
70,000	54,600
200,000	114,600

	Note	2023 Rupees	2022 Rupees
19 OTHER INCOME			
Profit earned against cash deposit as BMC and margin		2,814,054	365,900
		<u>2,814,054</u>	<u>365,900</u>
20 OTHER OPERATING EXPENSE			
Loss on remeasurement of investment		8,541	19,360
		<u>8,541</u>	<u>19,360</u>
21 FINANCE COST			
Bank charges		1,649	3,048
		<u>1,649</u>	<u>3,048</u>
22 PROVISION FOR TAXATION			
Current		330,770	5,512
		<u>330,770</u>	<u>5,512</u>

22.1 Income tax assessment of the Company has been finalized up to tax year 2022 on the basis of returns filed as the company did not receive any notice in this respect from Tax Authorities.

		2023 Number	2022 Number
23 NUMBER OF EMPLOYEES			
Total number of employees at the end of the year		<u>2</u>	<u>Nil</u>
Average number of employees during the year		<u>1</u>	<u>Nil</u>
		2023	2022
	Note	Rupees	Rupees
24 FINANCIAL INSTRUMENTS BY CATEGORY			
Financial assets and financial liabilities:			
Financial assets at amortized cost			
Long term deposits		16,500,000	16,500,000
Loan and advances		29,641,045	28,691,045
Trade deposits and current account balance with statutory		388,623	61,673
Other receivable		634,389	-
Cash and bank balances		<u>13,002,314</u>	<u>13,690,512</u>
		<u>60,166,370</u>	<u>58,943,230</u>
		2023	2022
	Note	Rupees	Rupees
Financial liabilities at amortized cost			
Accrued liabilities and provision for tax		430,770	112,237
		<u>430,770</u>	<u>112,237</u>



25 OPERATING SEGMENT

25.1 All non-current assets of the Company as at June 30, 2023 are located in Pakistan.

26 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	2023 Rupees	2022 Rupees
Loan (advanced)/repaid by Mr. Muhammad Akmal	Director	(28,650,000)	32,820,000

27 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.

28 GENERAL

Figures have been rounded off to the nearest of rupee.

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 27-09-2023 by the Board of Directors of the Company.

  
CHIEF EXECUTIVE

  
DIRECTOR