

GROWTH SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023



GROWTH SECURITIES (PVT) LTD.

Room # 82 83, Second Floor, Pakistan Stock Exchange Building, I.I. Chundrigar Road, Karachi-74000.

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Trading Right Entitlement Certificate Holder of Pakistan Stock Exchange Limited
(Formerly: Karachi Stock Exchange Limited)

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

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

Total Income/(Loss)	Rs. (49,394,992)
Operating expenses	Rs (79,568,465)
Profit/(Loss) before taxation	Rs (128,963,457)
Taxation	Rs. (1,476,270)
Profit after taxation	Rs. (130,439,727)

The Board of Directors has declared Nil Dividend for the year ended 30th June, 2023.

On behalf of the board

For Growth Securities (Private) Ltd.

Mohammad Shahid
Chief Executive Officer

Zeeshan
Director

Karachi

October 7, 2023

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants
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Civil Lines, Mereweather Road,
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GROWTH SECURITIES (PRIVATE) LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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



Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are 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 and other comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017), and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- e) The Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and section 62 of the Future Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statements of financial position was prepared.

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

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Baker Tilly Mehmoodees Qamar

**Baker Tilly Mehmoodees Qamar
Chartered Accountants**

Karachi

Date: October 07, 2023

UDIN: AR202310151ulrO2Y3vs

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

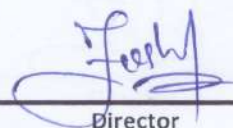
	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
10,000,000 Ordinary shares of Rs. 10/- each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Paid-up Share Capital			
10,000,000 (2022: 10,000,000) Ordinary shares of Rs. 10/- each	4	100,000,000	100,000,000
Subordinated loan		255,800,000	139,900,000
Unappropriated profit		205,290,567	335,730,294
		561,090,567	575,630,294
Current Liabilities			
Creditors, accrued and other liabilities	5	15,735,388	23,226,085
Bank overdraft	13.1	-	159,062,320
		15,735,388	182,288,405
		<u>576,825,955</u>	<u>757,918,699</u>
ASSETS			
Non - Current Assets			
Property and equipment	6	65,414,745	79,590,418
Intangible assets	7	2,500,000	2,500,000
Long term investment	8	19,279,839	-
Long term deposits	9	1,656,750	1,656,750
		88,851,334	83,747,168
Current Assets			
Trade debts	10	64,455,746	37,735,703
Loan, advances, deposits, prepayments and other receivables	11	111,584,145	55,341,657
Short term investment	12	291,139,299	496,414,696
Cash and bank balances	13	20,795,431	84,679,475
		487,974,621	674,171,531
		<u>576,825,955</u>	<u>757,918,699</u>
Contingencies and commitments	14		

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

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Chief Executive Officer



Director

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

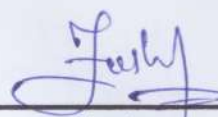
	Note	2023 Rupees	2022 Rupees
Commission income		24,114,402	72,090,871
Operating expenses	15	(77,076,157)	(69,367,968)
Operating (loss) / profit		(52,961,755)	2,722,903
Financial and other charges	16	(2,492,308)	(1,301,756)
Other loss	17	(73,509,394)	(20,016,024)
Loss before taxation		(128,963,457)	(18,594,877)
Taxation		(1,476,270)	(5,788,844)
Loss for the year		(130,439,727)	(24,383,721)
Other comprehensive income		-	-
Total comprehensive loss		(130,439,727)	(24,383,721)
Loss per share	18	(13.04)	(2.44)

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

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Chief Executive Officer



Director

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

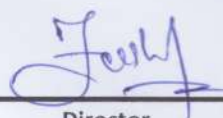
	Issued, subscribed and paid up share capital	Subordinated loan	Unappropriated profit	Total
	Rupees			
Balance as at July 01, 2021	100,000,000	-	360,114,015	460,114,015
Subordinated loan	-	139,900,000	-	139,900,000
Loss for the year	-	-	(24,383,721)	(24,383,721)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(24,383,721)	(24,383,721)
Balance as at June 30, 2022	100,000,000	139,900,000	335,730,294	575,630,294
Subordinated loan	-	115,900,000	-	115,900,000
Loss for the year	-	-	(130,439,727)	(130,439,727)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(130,439,727)	(130,439,727)
Balance as at June 30, 2023	100,000,000	255,800,000	205,290,567	561,090,567

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

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Chief Executive Officer



Director

GROWTH SECURITIES (PRIVATE) LIMITED
CASH.FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(128,963,457)	(18,594,877)
Adjustments for non cash items and other charges :			
Depreciation		15,492,293	12,304,608
Unrealized loss on revaluation of investment		6,289,836	18,819,570
Operating (loss) / profit before working capital changes		(107,181,328)	12,529,301
Decrease / (increase) in current assets:			
Trade debts		(26,720,043)	(30,661,386)
Loan, advances, deposits, prepayments and other receivables		(54,950,967)	138,403,610
		(81,671,010)	107,742,224
Increase in current liabilities:			
Creditors, accrued and other liabilities		(7,490,697)	(14,156,255)
Taxes paid		(2,767,790)	(2,468,578)
Net cash (used in) / inflow from operating activities		(199,110,825)	103,646,692
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(1,316,620)	(54,327,095)
Investment in PIBs		(19,279,839)	-
Long term deposits		-	(11,250)
Investment		198,985,561	(67,056,210)
Net cash inflow from / (used in) investing activities		178,389,102	(121,394,555)
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated loan		115,900,000	(89,900,000)
Net cash inflow from / (used in) financing activities		115,900,000	(89,900,000)
Net increase / (decrease) in cash and cash equivalents		95,178,277	(107,647,863)
Cash and cash equivalents at beginning of the year		(74,382,846)	33,265,019
Cash and cash equivalents at end of the year	19	20,795,431	(74,382,846)

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

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Chief Executive Officer



Director

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

1. NATURE OF BUSINESS AND OPERATIONS

1.1 The Company was incorporated in Pakistan on February 24, 2005 as a Private Company limited by shares under the Companies Ordinance, 1984 (repealed by Companies Act, 2017). The company is geographically located in the province of Sindh, and registered office of the Company is situated at Room No. 81 to 83, 2nd Floor, Stock Exchange Building, Stock Exchange Road, Karachi. The principal activities of the company is to carry on the business of stock, brokerage, underwriting and investment etc.

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

2. BASIS OF PREPARATION

2.1 Accounting Convention

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

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

2.2 Statement of Compliance

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

2.3 Changes in accounting standards and interpretations

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Useful life, residual values and depreciation method of property and equipment – Note 3.1 & 6
- Useful life, residual values and amortization method of intangible assets – Note 3.2 & 7
- Provision for doubtful trade receivables – Note 3.6 & 9
- Current income tax expense and provision for current tax - Note 3.3

3.1 Property and Equipment

Owned

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

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

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

3.2 Intangible assets

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

3.3 Taxation

Current

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

3.4 Trade and other Debts

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

3.5 Trade and Other Payables

Liabilities for trade and other 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, whether or not billed to the Company.

3.6 Provisions

Provisions are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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3.7 Cash and Cash Equivalents

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

3.8 Revenue Recognition

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

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

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

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

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

3.9 Financial assets

Initial Measurement

The Company classifies its financial assets into following three categories:

- measured at amortised cost.
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI);

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

Subsequent measurement

Debt Investments at FVOCI These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, and impairment are recognised in the statement of profit or loss account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the statement of profit or loss.

Financial assets measured at amortised cost Financial assets measured at these assets are subsequently measured at amortised cost using the effective amortised cost interest method. The amortised cost is reduced by impairment losses. Interest / markup income, and impairment are recognised in the statement of profit or loss.

Equity Investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss.

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Impairment of financial assets

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

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

3.10 Financial liabilities

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

3.11 Impairment

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

3.12 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statement when there is a legally enforceable right to set off and the company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.13 Related party transactions

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

4. SHARE CAPITAL

		Note	2023 Rupees	2022 Rupees
Authorized Share Capital				
Number of Shares				
2023	2022			
<u>10,000,000</u>	<u>10,000,000</u>	Ordinary shares of Rs.10/- each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Paid-up Share Capital				
Number of Shares				
2023	2022			
<u>10,000,000</u>	<u>10,000,000</u>	4.1	<u>100,000,000</u>	<u>100,000,000</u>

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

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4.2 Pattern of shareholding

Name of shares holder	2023	2022	2023	2022
	Percentage	Percentage	Number of Shares	Number of Shares
Muhammad Shahid	51%	51%	5,100,000	5,100,000
Muhammad Iqbal	48.995%	48.995%	4,899,500	4,899,500
Zeeshan	0.005%	0.005%	500	500
	<u>100%</u>	<u>100%</u>	<u>10,000,000</u>	<u>10,000,000</u>

5. CREDITORS, ACCRUED AND OTHER LIABILITIES

	2023 Rupees	2022 Rupees
Trade creditors	13,736,527	16,602,464
Accrued expenses	1,899,531	5,702,018
Other liabilities	99,330	921,603
	<u>15,735,388</u>	<u>23,226,085</u>

6. PROPERTY AND EQUIPMENT

	Furniture	Office equipment	Office	Computer	Vehicle	Total
	Rupees					
Year ended June 30, 2022						
Opening net book value	468,585	1,616,432	5,312,973	723,694	29,446,248	37,567,931
Additions (at cost)	66,000	324,600	-	773,350	53,163,145	54,327,095
Depreciation charge for the year	(53,458)	(183,457)	(531,297)	(388,781)	(11,147,615)	(12,304,608)
Net Book Value	<u>481,127</u>	<u>1,757,575</u>	<u>4,781,676</u>	<u>1,108,263</u>	<u>71,461,778</u>	<u>79,590,418</u>
As at June 30, 2022						
Cost	1,054,363	3,018,025	6,608,468	4,168,095	89,667,145	104,516,096
Accumulated depreciation	(573,236)	(1,260,450)	(1,826,792)	(3,059,832)	(18,205,367)	(24,925,678)
Net Book Value	<u>481,127</u>	<u>1,757,575</u>	<u>4,781,676</u>	<u>1,108,263</u>	<u>71,461,778</u>	<u>79,590,418</u>
Year ended June 30, 2023						
Opening net book value	481,127	1,757,575	4,781,676	1,108,263	71,461,778	79,590,418
Additions (at cost)	15,000	181,500	-	420,120	700,000	1,316,620
Depreciation charge for the year	(49,612)	(188,819)	(478,168)	(390,006)	(14,385,688)	(15,492,293)
Net Book Value	<u>446,515</u>	<u>1,750,256</u>	<u>4,303,508</u>	<u>1,138,377</u>	<u>57,776,090</u>	<u>65,414,745</u>
At June 30, 2023						
Cost	1,069,363	3,199,525	6,608,468	4,588,215	90,367,145	105,832,716
Accumulated depreciation	(622,848)	(1,449,269)	(2,304,960)	(3,449,838)	(32,591,055)	(40,417,971)
Net Book Value	<u>446,515</u>	<u>1,750,256</u>	<u>4,303,508</u>	<u>1,138,377</u>	<u>57,776,090</u>	<u>65,414,745</u>
Depreciation rate	<u>10%</u>	<u>10%</u>	<u>10%</u>	<u>30%</u>	<u>20%</u>	

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	Note	2023 Rupees	2022 Rupees
7. INTANGIBLE ASSETS			
Trading rights entitlement certificate	7.1	2,500,000	2,500,000
		<u>2,500,000</u>	<u>2,500,000</u>
7.1 Pakistan Stock Exchange Limited vide their letter dated August 8, 2017 has determined value of Pakistan Stock Exchange Limited Trading Rights Entitlement Certificate for base minimum capital purpose amounting to Rs. 2.5 million.			
8. LONG TERM INVESTMENT			
Investment in PIBs		19,279,839	-
		<u>19,279,839</u>	<u>-</u>
9. LONG TERM DEPOSITS			
CDC deposit		100,000	100,000
NCCPL deposit		1,200,000	1,200,000
PSX deposit		200,000	200,000
Fuel card deposits		156,750	156,750
		<u>1,656,750</u>	<u>1,656,750</u>
10. TRADE DEBTS			
Debtors Unsecured - considered good		64,455,746	37,735,703
		<u>64,455,746</u>	<u>37,735,703</u>
10.1 Aging of trade debts			
Outstanding 0 to 14 days		59,752,687	30,719,817
Outstanding more than 14 days		4,703,059	7,015,886
		<u>64,455,746</u>	<u>37,735,703</u>
11. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Staff loan		1,227,500	1,446,500
Advance tax - net		27,244,748	25,953,227
Deposit into PSX against exposure		23,957,317	158,130
Prepayments		333,333	-
Receivable from PSX/NCCPL		58,821,247	27,783,800
		<u>111,584,145</u>	<u>55,341,657</u>
12. SHORT TERM INVESTMENT			
Investment in listed securities - FVTPL		260,454,238	438,729,198
Investment in margin finance		30,685,061	57,685,498
		<u>291,139,299</u>	<u>496,414,696</u>

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13.	CASH AND BANK BALANCES	Note	2023 Rupees	2022 Rupees
	Cash in hand		7,790	8,000
	Cash at banks:			
	- Current accounts		5,711,626	845,901
	- Saving accounts		15,076,015	83,825,574
			<u>20,795,431</u>	<u>84,679,475</u>
13.1	Bank Overdraft	13.2	<u>-</u>	<u>159,062,320</u>
13.2	The company has obtained short term running finance facilities under mark-up arrangements with an aggregate limit of Rs. 650 million (2022: Rs. 650 million) from various commercial banks with variable mark-up rate of KIBOR + 2% (2022: KIBOR + 1% to 2%). These are secured against pledge of marketable securities and personal guarantees of all the directors.			
13.3	Customer and proprietor wise balances	Note	2023 Rupees	2022 Rupees
	Proprietary account balances including cash in hand		3,783,513	65,727,245
	Client account balances		17,011,918	18,952,230
			<u>20,795,431</u>	<u>84,679,475</u>
14.	COMMISSION INCOME			
	Gross brokerage commission		27,249,274	81,462,684
	Less: Sales tax and FED		(3,134,872)	(9,371,813)
			<u>24,114,402</u>	<u>72,090,871</u>
14.	CONTINGENCIES AND COMMITMENTS			
	There are no contingencies and commitments as at June 30, 2023.			
15.	OPERATING EXPENSES			
	Salaries, wages and benefits		49,766,942	43,334,116
	Repair and maintenance		656,917	2,548,077
	Travelling and conveyance		1,654,832	2,927,180
	Utility charges		1,604,951	1,392,762
	Depreciation	6	15,492,293	12,304,608
	Entertainment		808,286	1,177,977
	KSE charges		598,500	599,850
	SECP charges		1,188,944	-
	Website charges		16,500	-
	Printing and stationery		300,492	189,440
	Legal and professional charges		1,392,756	1,319,963
	Computer and software expenses		2,180,251	2,328,568
	Auditors' remuneration	15.1	361,800	315,187
	Annual office registration		65,025	54,125
	Insurance charges		116,617	703,600
	Advertisement		-	40,000
	Car registration charges		157,200	-
	Donation		500,000	-
	Motor vehicle expense		10,600	-
	Miscellaneous expenses		203,251	132,515
			<u>77,076,157</u>	<u>69,367,968</u>

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	Note	2023 Rupees	2022 Rupees
15.1 Auditors' Remuneration			
Audit services			
Audit fee		320,000	280,000
Out of pocket expenses		15,000	11,840
Sindh revenue tax (SRB)		26,800	23,347
		<u>361,800</u>	<u>315,187</u>
16. FINANCIAL AND OTHER CHARGES			
Bank charges		548,097	660,595
Mark-up on bank overdraft		1,944,211	641,161
		<u>2,492,308</u>	<u>1,301,756</u>
17. OTHER LOSS			
Realized (loss) / gain on investment in shares		(80,484,076)	(16,673,917)
Unrealized (loss) / gain on revaluation of investment		(6,289,836)	(18,819,570)
Interest on bank deposits		3,190,309	2,307,294
Dividend income		6,127,989	4,207,834
Gain on future exposure		2,914,844	1,234,796
Premium on Margin finance		577,744	7,445,159
Profit / (loss) on PIBS - net		453,632	-
Others		-	282,380
		<u>(73,509,394)</u>	<u>(20,016,024)</u>
18. LOSS PER SHARE			
Loss for the year		(130,439,727)	(24,383,721)
Number of ordinary shares		10,000,000	10,000,000
Loss per share		<u>(13.04)</u>	<u>(2.44)</u>
19. CASH AND CASH EQUIVILENT			
Cash and bank balances	13	20,795,431	84,679,475
Bank overdraft	13.1	-	(159,062,320)
		<u>20,795,431</u>	<u>(74,382,845)</u>
20. PLEDGE SECURITIES WITH FINANCIAL INSTITUTIONS			
		June 30, 2023	
		No. of Securities	Value
Pledged to financial institutions on behalf of brokerage house		-	-
Pledged to financial institutions on behalf Directors/ Sponsors/CEO/Shareholder		191,000	1,123,080
Pledged to financial institutions on behalf of clients		-	-
		<u>191,000</u>	<u>1,123,080</u>
21. CUSTOMER ASSETS HELD IN CDC			

The household approx. 28.6 million securities of his client in the clients CDC sub accounts having approx. fair value Rs. 257.1 million.

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22. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTOR		EXECUTIVES	
	2023	2022	2023	2022	2023	2022
	Rupees					
Managerial remuneration	2,400,000	1,800,000	2,400,000	1,800,000	36,700,000	24,000,000
	2,400,000	1,800,000	2,400,000	1,800,000	36,700,000	24,000,000
Number of person	1	1	1	1	28	17

23. RELATED PARTY TRANSACTIONS

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

Name and relation with the related Party	Percentage Shareholding	Transactions during the year and year end balances	2023 Rupees	2022 Rupees
		<i>Subordinated Loan</i>		
Muhammad Shahid	51%	Loan due at the year end	60,400,000	46,400,000
Chief Executive Officer		Net loan provided and (repaid) during the year	14,000,000	(83,000,000)
		<i>Subordinated Loan</i>		
Zeeshan	0.005%	Loan due at the year end	195,400,000	93,500,000
Director		Net loan provided and (repaid) during the year	101,900,000	(6,900,000)

24. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

	2023			
	Assets at cost	Assets at fair value through profit & loss	Amortized cost	Total
	Rupees			
Financial instruments by category				
Long term deposits	-	-	1,656,750	1,656,750
Trade debts	-	-	64,455,746	64,455,746
Short term investment	-	291,139,299	-	291,139,299
Cash and bank balances	-	-	20,795,431	20,795,431
	-	291,139,299	86,907,927	378,047,226
	2022			
	Assets at cost	Assets at fair value through profit & loss	Amortized cost	Total
	Rupees			
Financial instruments by category				
Long term deposits	-	-	1,656,750	1,656,750
Trade debts	-	-	37,735,703	37,735,703
Short term investment	-	496,414,696	-	496,414,696
Cash and bank balances	-	-	84,679,475	84,679,475
	-	496,414,696	124,071,928	620,486,624

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	2023	2022
	----- Rupees -----	
<i>At amortised cost</i>		
Financial liabilities		
Subordinated Loan	255,800,000	139,900,000
Creditors, accrued and other liabilities	15,636,058	22,304,482
Bank overdraft	-	159,062,320
	<u>271,436,058</u>	<u>321,266,802</u>

25. FINANCIAL RISK MANAGEMENT

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

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

25.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

25.1.1 Interest rate risk exposure

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

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

25.1.2 Foreign currency risk

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

25.1.3 Equity price risk

Equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company maintains a portfolio of equity securities and any change in the price of securities upto 10% would increase / decrease the value of equity by Rs. 26,045,424.

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25.2 Liquidity risk

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

		2023				
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
----- Rupees -----						
Financial liabilities						
Subordinated Loan	255,800,000	255,800,000	-	-	255,800,000	-
Creditors, accrued and other liabilities	15,735,388	15,735,388	-	15,735,388	-	-
	271,535,388	271,535,388	-	15,735,388	255,800,000	-
----- Rupees -----						
		2022				
	Carrying amount	Contractual cash flows	Six month or less	Six to twelve months	One to two years	Two to five years
----- Rupees -----						
Financial liabilities						
Loan from directors	139,900,000	139,900,000	-	-	139,900,000	-
Creditors, accrued and other liabilities	23,226,085	23,226,085	-	23,226,085	-	-
Bank overdraft	159,062,320	159,062,320	-	159,062,320	-	-
	322,188,405	322,188,405	-	182,288,405	139,900,000	-

25.3 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the credit worthiness of the same.

25.4 Fair value of financial assets

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

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

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

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

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

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

	2023			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Short term investment	260,454,238	-	30,685,061	291,139,299
	<u>260,454,238</u>	<u>-</u>	<u>30,685,061</u>	<u>291,139,299</u>

	2022			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Short term investment	438,729,198	-	57,685,498	496,414,696
	<u>438,729,198</u>	<u>-</u>	<u>57,685,498</u>	<u>496,414,696</u>

26. CAPITAL ADEQUACY LEVEL

	2023 Rupees	2022 Rupees
Total assets	576,825,955	757,918,699
Less: Total liabilities	(271,535,388)	(182,288,405)
Revaluation reserves (created upon revaluation of fixed assets)	-	-
Capital adequacy level	<u>305,290,567</u>	<u>575,630,294</u>

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

27. NUMBER OF EMPLOYEES.

	2023 ----- Numbers -----	2022 -----
Total number of employees at the end of the year	<u>40</u>	<u>41</u>
Average number of employees during the year	<u>39</u>	<u>38</u>

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29. DATE OF AUTHORIZATION

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

30. CORRESPONDING FIGURES

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

31. GENERAL

Figures have been rounded off to the nearest rupee.

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Chief Executive Officer



Director

36. LIQUID CAPITAL BALANCE

The below statement has been prepared in accordance with regulation 6(3) and schedule III of the Securities Brokers (Licensing and Operations) Regulations, 2016.

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	65,414,745	100%	-
1.2	Intangible Assets	2,500,000	100%	-
1.3	Investment in Government Securities: (Haircut applied on the basis of Difference between book value and sale value on the date on the basis of PKRV published by NIFT)	-	-	-
1.4	Investment in Debt Securities			
	If listed then:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.5%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10%	-
	If unlisted then:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.5%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	19,279,839	15%	16,387,863
	Investment in Equity Securities			
1.5	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.	260,454,238	40,909,408	219,544,830
	ii. If unlisted, 100% of carrying value.	-	100%	-
1.6	Investment in subsidiaries	-	100%	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	100%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,500,000	100%	-
1.9	Margin deposits with exchange and clearing house.	23,957,317	0%	23,957,317
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	0%	-
1.11	Other deposits and prepayments	27,734,831	100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	0%	-
	100% haircut to be applied in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100%	-
1.13	Dividends receivable.	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-
	Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
1.15	Advances and Receivables other than trade receivables			
	i. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	1,227,500	100%	-
	ii. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	-	0%	-
	iii. In all other cases, 100% of net value	-	100%	-
1.16	Receivables from clearing house or securities exchange(s)			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	58,821,247	58,821,247	58,821,247
1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.	30,685,061	30,685,061	30,685,061
	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.		5%	-
	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.	42,156,001	0%	42,156,001
	iv. Balance sheet value			
	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.	22,299,745	19,612,996	19,612,996
	v. Lower of net balance sheet value or value determined through adjustments			
	vi. 100% haircut in the case of amount receivable from related parties.		100%	-

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S. No.	Head of Account	Value In Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	3,775,723	0%	3,775,723
	ii. Bank balance-customer accounts	17,011,918	0%	17,011,918
	iii. Cash in hand	7,790	0%	7,790
1.19	Subscription money against investment in IPO/ offer for sale (asset)		0%	-
1.20	Total Assets	576,825,956		431,960,747

2. Liabilities

	Trade Payables			
2.1	i. Payable to exchanges and clearing house	-	0%	-
	ii. Payable against leveraged market products	-	0%	-
	iii. Payable to customers	13,736,527	0%	13,736,527
	Current Liabilities			
	i. Statutory and regulatory dues	99,330	0%	99,330
	ii. Accruals and other payables	1,899,531	0%	1,899,531
	iii. Short-term borrowings		0%	-
2.2	iv. Current portion of subordinated loans	163,000,000	0%	163,000,000
	v. Current portion of long term liabilities		0%	-
	vi. Deferred Liabilities		0%	-
	vii. Provision for taxation		0%	-
	viii. Other liabilities as per accounting principles and included in the financial statements		0%	-
	Non-Current Liabilities			
2.3	i. Long-Term financing		100%	-
	ii. Staff retirement benefits		0%	-
	iii. Other liabilities as per accounting principles and included in the financial statements		0%	-
2.4	Subordinated Loans			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	92,800,000	100%	-
	Advance against shares for increase in capital of securities broker			
2.5	100% Haircut may be allowed in respect of advance against shares if: (i) The existing authorized share capital allows the proposed enhanced share capital (ii) Board of Directors of the company has approved the increase in capital (iii) Relevant Regulatory approvals have been obtained (iv) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed		100%	-
2.6	Total Liabilities	271,535,388		178,735,388

3. Ranking Liabilities Relating to :

	Concentration in Margin Financing			
3.1	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	24,371,788	24,371,788
	Concentration in securities lending and borrowing			
3.2	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
	Net underwriting Commitments			
3.3	(a) In the case of right issue : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting (b) In any other case : 12.5% of the net underwriting commitments	-	-	-
	Negative equity of subsidiary			
3.4	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
	Foreign exchange agreements and foreign currency positions			
3.5	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Repo adjustment			
3.7	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
	Concentrated proprietary positions			
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	4,710,146	4,710,146
	Opening Positions in futures and options			
3.9	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	-	22,031,662	22,031,662
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-	-
	Short sell positions			
3.10	i. In case 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. In case 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	-	51,113,596	51,113,596
		<u>305,290,568</u>	<u>Liquid Capital</u>	<u>202,111,763</u>

Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	431,960,747
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(178,735,388)
(iii) Less: Total ranking liabilities (serial number 3.11)	(51,113,596)
	<u>202,111,763</u>

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