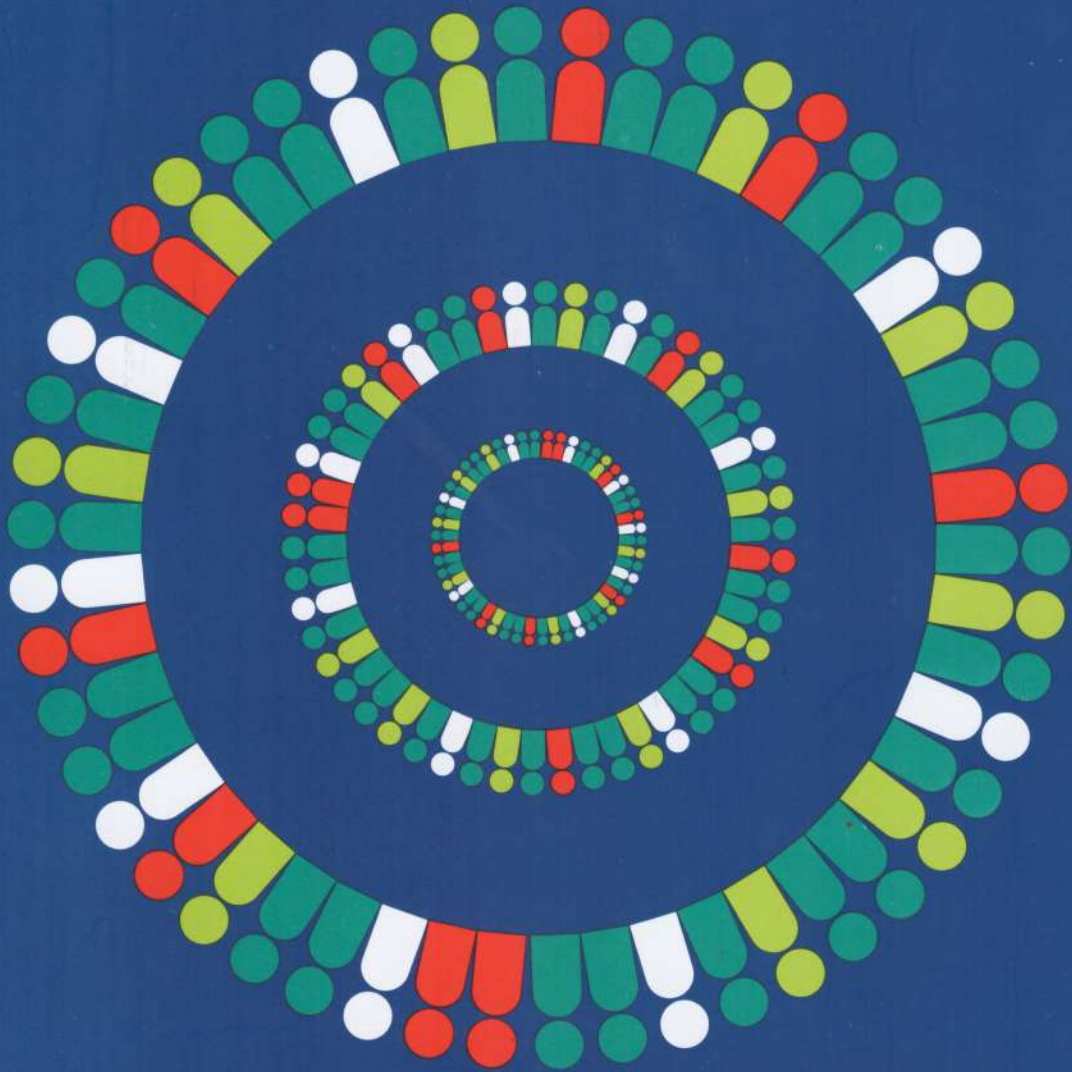


Zillion Capital Securities (Private)
Limited
Financial Statements
For the year ended
June 30, 2023



Zillion Capital Securities (Private)
Limited
Financial Statements
For the year ended
June 30, 2023



ZILLION CAPITAL SECURITIES (PVT) LTD.

TREC HOLDER : PAKISTAN STOCK EXCHANGE LIMITED.

TREC Number: 047, Registration Number: BRP: 282

Registered Office: Office No. # 727-729, 7th Floor, Stock Exchange Building,
Stock Exchange Road, Karachi-74000, Pakistan.

Tel: (021) 32472330, 32472103 | Fax: (021) 32429073

E-mail: info@zcs.com.pk - customersupport@zcs.com.pk

Website: www.zcs.com.pk | Facebook: facebook.com/zcspak | Twitter: twitter.com/zcspak

DIRECTOR'S REPORT

On behalf of the Board of Directors I am pleased to present the Annual report together with the company's Audited Financial Statement and Auditors Report for the Financial year ended 30th June 2023. The Summarized results for the year ended 30th June 2023 are as under:

Financial results	2023
Operating Revenue	5,619,556
Profit before Taxation	8,386,503
Taxation	(474,947)
Profit after Tax	10,823,508

AUDITORS:

The auditors M/S UHY Hassan Naem & co retire at the conclusion of the meeting being eligible, they have offered themselves for re-appointment.

CONCLUSION:

The Directors appreciate assistance and co-operation extended by customers and employees of the company.

For and on behalf of the Board

Chief Executive

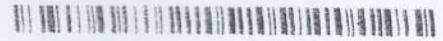
Date: October 7, 2023

Karachi



Director

ATTESTED



04 SEP 2023

(RUPEES ONE HUNDRED ONLY)

ANIL RAJPUT STAMP VENDOR
 Lic # JS, Shop # 113, New Ruby Centre,
 Kalpur Road, Baitan
 Market, Karachi Sr. No. 24315
 DATE.....
 VALUES WITH ADDRESS MA.....
 VALUES WITH ADDRESSES MA.....
 PURPOSE.....
 ATTACHED.....
 VENDOR SIGNATURE.....
 NOT TO BE USED FOR FREE WILL & DIVORCE PURPOSE
 Vendor Not Responsible For Fake Documents

Capital Securities Pvt. Ltd.



UNDERTAKING

I, Imtiaz Ibrahim Chief Executive Officer of Zillion Capial Securities (Private) Limited, a TRE Certificate Holder of Pakistan Stock Exchange Limited having our registered office at Room no 727-729, 7th floor, Pakistan Stock Exchange Building, I.I chundigarh Road Karachi, herein after called the "company" do hereby undertake that:

- I. There are no transactions entered into by the broker during the year, which are fraudulent, illegal or in violation of any securities market laws;
- II. The company is complied with Corporate Governance Code For Securities Broker as per the criteria specified in Annexure D of Securities Brokers (Licensing and Operations) Regulations, 2016;

Date: October 07, 2023

[Handwritten Signature]

Imtiaz Ibrahim
Chief Executive Officer

ATTESTED

M.M. PERWAIZ ALAM DAWOODI
 B.Com., M.A., LL.B
 ADVOCATE & NOTARY PUBLIC
 KARACHI - PAKISTAN

INDEPENDENT AUDITOR'S REPORT

To the members of **ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ZILLION CAPITAL 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 changes in equity, and the statement of cash flow 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 changes in equity and statement of cash flow 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 for the year then ended, the changes in equity and its cash flows for the period 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 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 requirement 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 operation, 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.
- 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 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 period 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 requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared

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

UHY Hassan Naeem & Co.

KARACHI

DATE: October 7, 2023

UDIN: AR202310215glzc8kPwQ

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

	Note	2023 (Rupees)	2022 (Rupees)
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property and equipment	4	12,311,118	4,376,403
Intangible assets	5	2,750,000	2,750,000
Investment at fair value through OCI	6	8,000,836	11,060,615
Long term deposits	7	7,350,000	7,350,000
		30,411,954	25,537,018
<u>CURRENT ASSETS</u>			
Trade debts	8	47,879,759	21,924,821
Investment at fair value through profit & loss	9	10,608,341	27,429,704
Advances, deposits, prepayments and other receivables	10	10,144,147	12,950,076
Cash and bank balances	11	2,678,410	9,015,509
		71,310,657	71,320,110
		101,722,611	96,857,128
<u>SHARE CAPITAL AND RESERVES</u>			
Authorized capital	12.1	150,000,000	150,000,000
Share capital			
Issued, subscribed and paid-up capital	12.2	101,500,000	101,500,000
Capital Reserves			
Surplus on revaluation of property and equipment	12.3	6,205,400	-
Surplus / (Deficit) - Investment at FVTOCI		(726,876)	2,332,903
Capital contribution from director		3,663,645	1,471,534
Revenue reserves			
Accumulated Profit/(Loss)		(26,677,749)	(37,501,257)
		83,964,420	67,803,180
<u>NON-CURRENT LIABILITIES</u>			
Long term loan	13	5,307,889	6,028,466
<u>CURRENT LIABILITIES</u>			
Trade and other payable	14	4,738,059	13,420,531
Short term running finance	15	7,712,243	9,604,951
		12,450,302	23,025,482
Contingencies and commitments	16		
		101,722,611	96,857,128

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



Chief Executive

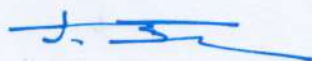



Director

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

	Note	2023 (Rupees)	2022 (Rupees)
Revenue from contract with customers	17	5,619,556	4,477,677
Operating and administrative expenses	18	(13,139,108)	(12,664,145)
Operating (Loss)		<u>(7,519,552)</u>	<u>(8,186,468)</u>
Finance cost	19	(3,236,535)	(3,212,891)
Other income	20	<u>19,142,590</u>	<u>(38,843,053)</u>
NET PROFIT/(LOSS) BEFORE TAXATION		8,386,503	(50,242,412)
Taxation	21	2,437,005	(474,947)
NET PROFIT/ (LOSS) AFTER TAXATION		<u>10,823,508</u>	<u>(50,717,359)</u>
Earning / (loss) per share-basic and diluted		<u>10.66</u>	<u>(49.97)</u>

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



Chief Executive





Director

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

	2023 <i>(Rupees)</i>	2022 <i>(Rupees)</i>
Profit/(loss) for the year	10,823,508	(50,717,359)
Other comprehensive income:		
Items that will not be subsequently reclassified in profit or loss		
Unrealised loss on revaluation of investments at fair value through OCI	(3,059,779)	(13,060,824)
Surplus on revaluation of property and equipment	6,205,400	-
Increase in capital contribution from director	2,192,111	1,471,534
	5,337,732	(11,589,290)
TOTAL COMPREHENSIVE INCOME/LOSS	16,161,240	(62,306,649)

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



 Chief Executive





 Director

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

	Share capital	Capital Reserves			Revenue Reserves	Total
	Issued, subscribed and paid-up capital	Revaluation surplus	Surplus/ (Deficit) - Investment- (FVTOCI)	Capital contribution from director	Accumulated Profit/(Loss)	
-----Rupees-----						
Balance as at June 30, 2021	101,500,000	-	15,393,727	-	13,216,102	130,109,829
Net loss for the year	-	-	-	-	(50,717,359)	(50,717,359)
<u>Other comprehensive income:</u>						
Surplus/(Deficit) on Investment at fair value through OCI	-	-	(13,060,824)	-	-	(13,060,824)
Effect of discounting of long term loan from directors	-	-	-	1,471,534	-	1,471,534
Balance as at June 30, 2022	101,500,000		2,332,903	1,471,534	(37,501,257)	67,803,180
Net (loss) for the year	-	-	-	-	10,823,508	10,823,508
<u>Other comprehensive income:</u>						
Surplus/(Deficit) on Investment at fair value through OCI	-	-	(3,059,779)	-	-	(3,059,779)
Surplus on revaluation of property and equipment	-	6,205,400	-	-	-	6,205,400
Effect of discounting of long term loan from directors	-	-	-	2,192,111	-	2,192,111
Balance as at June 30, 2023	101,500,000	6,205,400	(726,876)	3,663,645	(26,677,749)	83,964,420

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



 Chief Executive





 Director

ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		8,386,503	(50,242,412)
<u>Adjustment for non-cash items:</u>			
Depreciation		997,085	943,328
Capital Gain/(loss)-Investment at FVTPL		621,582	41,351,930
Dividend income		(182,331)	(1,730,584)
Gain on disposal		(5,000,000)	(553,555)
Loss on extinguishment of liability		523,256	-
Unwinding of long term loan from director		948,278	-
Reversal of expected credit loss		(12,794,262)	-
Operating profit before working capital changes		(14,886,392)	40,011,119
<u>Changes in working capital</u>			
(Increase)/decrease in trade debts		(13,160,676)	39,219,355
(Increase)/Decrease in advances, deposits and prepayments		(4,731,707)	4,632,949
Increase/(Decrease) in trade and other payable		(8,682,472)	(29,193,653)
Net changes in working capital		(26,574,855)	14,658,651
Taxes paid		7,440,041	(435,014)
Net cash generated from operating activities		(25,634,703)	3,992,344
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(191,800)	(2,863,169)
Disposal of property and equipment		5,000,000	1,515,000
Proceeds from sale of Investment		16,199,781	50,433,901
Dividend received		182,331	1,730,584
Net cash generated from investing activities		21,190,312	50,816,316
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term running finance		(1,892,708)	(52,811,616)
Net cash generated from financing activities		(1,892,708)	(52,811,616)
Net increase in cash and cash equivalent		(6,337,099)	1,997,044
Cash and cash equivalent at beginning of the year		9,015,509	7,018,465
Cash and cash equivalent at end of the year		2,678,410	9,015,509

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



Chief Executive




Director

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

1 Legal Status and Nature of Business

Zillion Capital Securities (Private) limited was incorporated under the repealed Companies Ordinance, 1984 on June 07, 2001 as a private limited company. The Company is a corporate member of Pakistan Stock Exchange Limited. The registered office of the company is located at room no 727-729, 7th floor, Pakistan Stock Exchange Building, I.I chundigarh Road Karachi, Pakistan and the company does not have any branch office. The principal activities of the Company are to carry on the business of share brokerage, under writing of public issues, investment and portfolio management.

2 Basis of Preparation

2.1 Statement of Compliance

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

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except Investments that are carried at fair value.

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgments

The preparation of financial statements is in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods in the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements that are in respect of the following:

- Property and equipment (note 4)
- Taxation (note 21)

2.5 New Accounting pronouncements

The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Description effective for periods		Effective for periods beginning on or after
IAS 1	Presentation of Financial Statements (Amendments)	January 01, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 01, 2023
IAS 12	Income Taxes (Amendments)	January 01, 2023
IAS 7	Statement of Cash Flows (Amendments)	January 01, 2023
IFRS 4	Insurance Contracts (Amendments)	January 01, 2023
IFRS 3	Financial Instruments: Disclosures	January 01, 2023
IFRS 16	Leases (Amendments)	January 01, 2024

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material effect on the Company's financial statements in the period of initial application.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2023:

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

3 Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

3.1 Taxation

Income tax expense comprises of current, deferred and prior year tax. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current

Provision for current tax is based on taxable income at the enacted or substantially enacted rates of taxation after taking in to account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years which arises from assessments/ developments made during the year, if any.

Deferred Tax

Deferred tax is recognized using balance sheet method, in respect of temporary differences between the carrying amounts of asset and liabilities for financial reporting purposes and the amounts used for taxation purpose. The amount of deferred tax provided is based on the expected manner of realization or settlement or the carrying amount of assets and liabilities, using the enacted or substantively enacted rates or taxation.

The company recognizes deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.2 Property and Equipment

Measurement

Items of property, equipment other than office premises are measured at cost less accumulated depreciation and impairment loss (if any).

Office premises are measured at the revalued amount less accumulated depreciation and impairment loss (if any).

Revaluation

Any revaluation increase arising on the revaluation of land, buildings and leasehold improvements is recognised in other comprehensive income and presented as a equity as "Revaluation surplus on property and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of office premises is charged to profit or loss to the extent that it exceeds the balance, if any, held in the Revaluation surplus on property and equipment relating to a previous revaluation of that asset. The surplus on revaluation office premises to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Depreciation

Depreciation is charged to the profit and loss account to write off the cost or revalued amount of assets over their estimated useful lives, using the straight-line method at rates specified in note 4 to the financial statements. The depreciation on property and equipment is charged full in the month of acquisition and no depreciation is charged in the month of disposal.

Disposal

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in as other income in the statement of profit or loss. In case of the derecognition of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to the unappropriated profit.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, the key assumptions used to determine the fair value of property and equipment are provided in Note 4.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.3 Intangible Assets

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

Trading Right Entitlement Certificate(TREC)

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

Software

Costs directly associated with identifiable software that will have probable economic benefits exceeding costs beyond one year, are recognized as an intangible asset. Direct costs include the purchase costs of the software and other directly attributable costs of preparing the software for its intended use.

Computer software is measured initially at cost and subsequently stated at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization

Intangible assets with indefinite useful lives are not amortized, instead they are systematically tested for impairment at each reporting date. Intangible assets with finite useful lives are amortized at straight line basis over the useful life of the asset (at the rate specified in note 6 to these financial statements).

3.4 Trade debts and other receivables

Trade debts and other receivables are recognized at fair value and subsequently measure at cost less impairment losses, if any. Actual credit loss experience over past years is used to base the calculation of expected credit loss. Trade debts and other receivables considered irrecoverable are written off.

3.5 Provisions

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

3.6 Trade and Other Payable

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.7 Revenue recognition

Brokerage Commission, corporate finance income and other income are recognized as and when services are rendered,

Dividend income is recognized when the right to receive the dividend is established,

Income on exposure deposits and bank deposits is recognized on a time proportionate basis that takes in to account the effective yield.

3.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.9 Contingent Liabilities

A Contingent liability is disclosed when the company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the company; or the company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of obligation cannot be measured with sufficient liability.

3.10 Financial Instruments

3.10.1 *Initial recognition, classification and measurement*

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

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

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when either:

- (i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount.

- (ii) It is an investment in equity instrument which is designated as at fair value through OCI in accordance with the irrevocable election available to the Company at initial recognition.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on different bases.

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

Subsequent measurement

Debt investments at FVOCI

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

Equity Investments at FVOCI

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

Financial asset at FVTPL

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

Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/ markup income, and impairment are recognized in the statement of profit and loss account.

Non Derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the company becomes party to the respective contractual provisions. Non-derivative financial asset comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The company derecognizes the financial asset. When the contractual rights to the cash flows from the asset expires or it transfer the right to receive the contractual cash flow in a transaction in which substantially all risk and rewards of ownership of the financial assets are transferred or it neither transferred nor retain substantially all the of the risk and rewards of ownership and does not retain control over the transferred asset.

Offsetting of financial assets and financial liabilities

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

Financial Liabilities

Financial Liabilities are initially recognized on trade date i.e. the date on which the company becomes party to thee respective contractual provisions. Financial Liabilities include markup bearing borrowings and trade and other payables. The company derecognizes the financial liabilities when contractual obligations are discharged, cancelled or expire. Financial liability other than fair value through profit and loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortized cost using effective interest rate method.

Impairment

Financial assets

The company recognized loss allowances for Expected Credit Losses (ECLs) in respect of financial asset measured at amortized cost.

The company measures loss allowance at an amount equal to life time ECLs, except for the following, which are measured at 12 month ECLs:

- debt securities that are determined to have low credit risk at reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECLs.


When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based in the company's historical experience and informed credit assessment and including forward- looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of financial asset is written off when the company has no reasonable expectations of recovering of a financial asset in its entirety or a proportion thereof. The company individually makes an assessment with respect to the timing and amount of write-off based on whether there is reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for the recovery of amounts due.

Non- financial assets

The carrying amounts of company's non- financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment, if such indication exists, the asset's recoverable amount, being higher of value in use and fair value less cost to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together in to smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.



4. PROPERTY AND EQUIPMENT

	2023					Total
	Office premises	Office Equipment	Furniture and fixtures	Computers	Vehicles	
------(Rupees)-----						
As at July 01, 2022						
Cost	1,800,000	753,760	919,218	2,127,901	5,128,000	10,728,879
Accumulated depreciation	(1,800,000)	(571,178)	(671,775)	(1,991,755)	(1,317,768)	(6,352,476)
Net book value at the beginning of the year	-	182,582	247,443	136,146	3,810,232	4,376,403
Changes during the year						
Additions during the year	-	-	-	191,800	-	191,800
Revaluation Surplus	8,740,000	-	-	-	-	8,740,000
Disposals - cost	(600,000)	-	-	-	-	(600,000)
Depreciation charge for the year	-	(86,255)	(44,007)	(97,623)	(769,200)	(997,085)
Disposals - Accumulated depreciation	600,000	-	-	-	-	600,000
Net book value at the end of the year	8,740,000	96,327	203,436	230,323	3,041,032	12,311,118
Analysis of net book value						
As at June 30, 2023						
Cost	9,940,000	753,760	919,218	2,319,701	5,128,000	19,060,679
Accumulated depreciation	(1,200,000)	(657,433)	(715,782)	(2,089,378)	(2,086,968)	(6,749,561)
Net book value at the end of the year	8,740,000	96,327	203,436	230,323	3,041,032	12,311,118
Depreciation rate (% per annum)	10%	15%	15%	30%	15%	

	2022					Total
	Office premises	Office Equipment	Furniture and fixtures	Computers	Vehicles	
------(Rupees)-----						
As at July 01, 2021						
Cost	1,800,000	753,760	662,150	1,984,800	4,180,000	9,380,710
Accumulated depreciation	(1,800,000)	(458,114)	(642,529)	(1,954,950)	(1,107,110)	(5,962,703)
Net book value at the beginning of the year	-	295,646	19,621	29,850	3,072,890	3,418,007
Changes during the year						
Additions	-	-	257,068	143,101	2,463,000	2,863,169
Disposals - cost	-	-	-	-	(1,515,000)	(1,515,000)
Depreciation charge for the year	-	(113,064)	(29,246)	(36,805)	(764,213)	(943,328)
Disposals - Accumulated depreciation	-	-	-	-	553,555	553,555
Net book value at the end of the year	-	182,582	247,443	136,146	3,810,232	4,376,403
Analysis of net book value						
As at June 30, 2022						
Cost	1,800,000	753,760	919,218	2,127,901	5,128,000	10,728,879
Accumulated depreciation	(1,800,000)	(571,178)	(671,775)	(1,991,755)	(1,317,768)	(6,352,476)
Net book value at the end of the year	-	182,582	247,443	136,146	3,810,232	4,376,403
Depreciation rate (% per annum)	10%	15%	15%	30%	15%	

- 4.1 On June 30, 2023, the company elected to measure office premises using the revaluation model. The fair value of the company's office premises are determined by an independent professionally qualified valuer.
- 4.2 The carrying values of the office premises would have been Rs. 0 under the cost model.
- 4.3 The forced sale value of the revalued of office premises has been assessed at Rs. 8,740,000.

5. INTANGIBLE ASSETS

	2023		
	TREC (Note 5.1)	PMEX- Membership	Total
As at July 01, 2022			
Cost	5,000,000	250,000	5,250,000
Accumulated depreciation and impairment	(2,500,000)	-	(2,500,000)
Net book value at the beginning of the year	2,500,000	250,000	2,750,000
Additions	-	-	-
Disposals - cost	-	-	-
Depreciation charge for the year	-	-	-
Disposals - Accumulated depreciation	-	-	-
Net book value at the end of the year	2,500,000	250,000	2,750,000
Analysis of Net Book Value			
Cost	5,000,000	250,000	5,250,000
Accumulated depreciation and impairment	(2,500,000)	-	(2,500,000)
Net book value as at June 30, 2023	2,500,000	250,000	2,750,000
Rate of ammortization per annum (%)	-	-	
2022			
	TREC (Note 5.1)	PMEX- Membership	Total
As at July 01, 2021			
Cost	5,000,000	250,000	5,250,000
Accumulated depreciation and impairment	(2,500,000)	-	(2,500,000)
Net book value at the beginning of the year	2,500,000	250,000	2,750,000
Additions	-	-	-
Disposals - cost	-	-	-
Depreciation charge for the year	-	-	-
Disposals - Accumulated depreciation	-	-	-
Net book value at the end of the year	2,500,000	250,000	2,750,000
Analysis of Net Book Value			
Cost	5,000,000	250,000	5,250,000
Accumulated depreciation and impairment	(2,500,000)	-	(2,500,000)
Net book value as at June 30, 2022	182,582	250,000	2,750,000
Rate of ammortization per annum (%)	-	-	

5.1 This represents TREC acquired on surrender of Stock Exchange membership Card. According to the Stock Exchanges (Corporatisation, Demutualization and Integration) Act 2012, the TRE Certificate may only be transferred once the company intending to carry out shares brokerage business in the manner to be prescribed.

6. INVESTMENT AT FAIR VALUE THROUGH OCI

		2023 (Rupees)	2022 (Rupees)
Investment in quoted Securities	6.1	<u>8,000,836</u>	<u>11,060,615</u>

6.1 This represents 1,081,194 (2022: 1,081,194) shares of Pakistan Stock Exchange. Out of which 800,000 shares amounting to 5,920,000 are pledged with JS Bank Limited against running finance facility.

7 LONG TERM DEPOSITS

Deposits with:

- National Clearing Company of Pakistan Limited (NCCPL)	1,400,000	1,400,000
- Ncel Building Management Limited	5,000,000	5,000,000
- Pakistan Mercantile Exchange (PMEX)	850,000	850,000
- Central Depository company (CDC)	100,000	100,000
	<u>7,350,000</u>	<u>7,350,000</u>

8. TRADE DEBTS

Trade debts	8.1	52,402,701	39,242,025
Provision for expected credit loss	8.2	(4,522,942)	(17,317,204)
		<u>47,879,759</u>	<u>21,924,821</u>

8.1 Aging Analysis

Past due 1 - 30 days	34,263,963	896,466
Past due 31 - 180 days	75	75
Past due 181 days - 1 year	3	-
More than one year	18,138,659	38,345,483
	<u>52,402,701</u>	<u>39,242,025</u>

8.2 Expected credit loss

Opening	17,317,204	17,317,204
Provision recorded during the year	-	-
Reversal of expected credit loss	(12,794,262)	-
Less: Write off during the year	-	-
	<u>4,522,942</u>	<u>17,317,204</u>

8.3 Trade debts due from related parties

Name of related party	Gross amount due	Past due amount	Provision for expected credit losses	Reversal of provision for expected credit losses	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year (8.3.1)
Muhammad Zafar	267,529	267,529	-	-	-	267,529	267,529
Imtiaz	32,448,551	32,448,551	-	-	-	32,448,551	32,448,551
Asif Ibrahim	1,547,884	1,547,884	-	-	-	1,547,884	4,727,540
	<u>34,263,963</u>	<u>34,263,963</u>				<u>34,263,963</u>	

8.3.1 Maximum amount outstanding at any time during the year calculated by reference to month-end balances.

8.3.2 Aging analysis of trade debts due from related parties

Name of related party	Not past due	Past due				Total gross amount due
		Past due 0-30 days	Past due 31-180 days	Past due 181-365 days	Past due 365 days	
Muhammad Zafar	-	267,529	-	-	-	267,529
Imtiaz	-	32,448,551	-	-	-	32,448,551
Asif Ibrahim	-	1,547,884	-	-	-	1,547,884
	-	<u>34,263,963</u>	-	-	-	<u>34,263,963</u>

9. INVESTMENT - FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT

Investment in quoted securities	9.1	<u>10,608,341</u>	<u>27,429,704</u>
---------------------------------	-----	-------------------	-------------------

- 9.1 Investments in quoted securities are stated at fair value at the year-end, using the year-end market prices. This includes investment pledged with National Clearing Company Pakistan Limited amounting to Rs 1,518,900 against Ready RMS and Future Contract. This investment also pledged with JS Bank Limited amounting to Rs. 4,198,228 against running finance facility.

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax - net	<u>4,731,045</u>	12,268,681
Nccpl's DFC profit and loss deposit	<u>2,387,130</u>	679,695
Nccpl's MTS Exposure deposit	<u>2,879,394</u>	1,700
Other receivables	<u>146,578</u>	-
	<u>10,144,147</u>	<u>12,950,076</u>

11. CASH AND BANK BALANCES

Cash in hand	<u>-</u>	<u>-</u>
Cash at bank- current	<u>2,678,410</u>	<u>9,015,509</u>
	<u>2,678,410</u>	<u>9,015,509</u>

- 11.1 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 2.073 million (2022: 7.921 million)

12. SHARE CAPITAL

12.1 Authorized share capital

Authorized share capital comprises of 1,500,000 (2022: 1,500,000) Ordinary shares of Rs. 100 each.

12.2 Issued, subscribed and paid up capital

	2023 (Rupees)	2022 (Rupees)
Issued, subscribed and paid up capital comprises of:		
Ordinary share capital	<u>101,500,000</u>	<u>101,500,000</u>
	<u>101,500,000</u>	<u>101,500,000</u>

12.2.1 The breakup of ordinary and preference share capital is as follows:

2023 (Numbers)	2022 (Numbers)		2023 (Rupees)	2022 (Rupees)
		Ordinary shares		
		Ordinary shares of Rs. 100 each paid in cash	101,500,000	101,500,000
1,015,000	1,015,000		<u>101,500,000</u>	<u>101,500,000</u>

12.2.2 Reconciliation of number of shares outstanding

	2023 (Numbers)	2022 (Numbers)
Ordinary shares		
Number of shares outstanding at the beginning of the year	1,015,000	1,015,000
Issued for cash	-	-
	<u>1,015,000</u>	<u>1,015,000</u>

12.3 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT

The revaluation surplus represents net cumulative increase in the carrying amount as a result of revaluation of property, plant and equipment carried at revalued amount.

	2023 (Rupees)	2022 (Rupees)
Revaluation surplus as at July 1		
Surplus/(deficit) arising on revaluation :		
Office premises	8,740,000	-
Deferred tax liability on revaluation surplus	(2,534,600)	-
	<u>6,205,400</u>	<u>-</u>
Net amount transferred to unappropriated profit on account of		
Incremental depreciation	-	-
Deferred tax on incremental depreciation	-	-
	<u>6,205,400</u>	<u>-</u>

13. LONG TERM LOAN

Long term loan from Director	13.1	<u>5,307,889</u>	<u>6,028,466</u>
------------------------------	------	------------------	------------------

13.1 This represents subordinated loan provided by the Muhammad Zafar (Director) which is interest free and it is repayable after 18 months.

14. TRADE AND OTHER PAYABLE

Credit balances of clients	14.1.	2,073,534	7,921,996
Accrued Expenses		735,684	1,376,723
Liability under margin trading		-	3,635,346
Audit Fees Payable		220,000	182,499
Other payable		1,708,841	303,967
		<u>4,738,059</u>	<u>13,420,531</u>

14.1 Credit balances of clients held by the company in separate bank accounts.

15. SHORT TERM-RUNNING FINANCE

Financing from Financial Institution.	15.1	<u>7,712,243</u>	<u>9,604,951</u>
---------------------------------------	------	------------------	------------------

15.1 Running finance facilities of Rs 122 Million (2022: 122 Million) have been arranged from commercial bank under markup arrangement. The aggregate finance are secured against pledge of shares of listed companies and personal guarantee of directors of company. The markup charged on these facility ranges from 3 month KIBOR+2% per annum on daily outstanding balances payable quarterly.

16. CONTINGENCIES AND COMMITMENTS

16.1. There were no contingencies and commitments as at June 30, 2023.

		2023	2022
<i>(Rupees)</i>			
17. REVENUE FROM CONTRACT WITH CUSTOMERS			
Brokerage Income- gross		6,350,098	5,059,775
Less : Sales tax		(730,542)	(582,098)
		<u>5,619,556</u>	<u>4,477,677</u>

18. OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits		7,610,460	7,757,472
Printing, stationary and periodicals		103,543	120,085
Utilities		524,435	517,247
Conveyance Expense		102,130	-
Communication Expense		277,515	272,992
Rent, rates and taxes		644,139	642,351
Fee and subscription		716,787	684,500
Transaction Charges		-	8,619
Insurance		229,114	241,919
Entertainment		238,941	222,370
Repair and Maintenance		223,750	102,590
Software Maintenance		867,000	620,359
Legal and Professional		142,501	89,800
Depreciation	4	997,085	943,328
Bank charges		241,708	240,513
Auditor's remuneration	18.1	220,000	200,000
		<u>13,139,108</u>	<u>12,664,145</u>
18.1 Auditor's remuneration			
Annual Audit		<u>220,000</u>	<u>200,000</u>

19. FINANCE COST

Unwinding of long term loan from director		948,278	-
Loss on extinguishment of liability		523,256	-
Markup on running finance		1,765,001	3,212,891
		<u>3,236,535</u>	<u>3,212,891</u>

20. OTHER INCOME

Capital Gain/(loss)-Investment at FVTPL	(621,582)	(41,351,930)
Income from dividend	182,331	1,730,584
Gain on disposal of property and equipment	5,000,000	553,555
Reversal of expected credit loss	12,794,262	-
Profit on margin deposits	875,765	206,657
Other	911,814	18,081
	<u>19,142,590</u>	<u>(38,843,053)</u>

21. TAXATION

The Company has filed return for the tax year 2022. According to Income Tax Ordinance 2001, the return filed is deemed to be an assessment order unless modified by Commissioner of Income Tax.

Provision for taxation

- Current year	97,595	325,678
- Prior year	-	149,269
- Deferred	(2,534,600)	-
Net tax charge	<u>(2,437,005)</u>	<u>474,947</u>

21.1 The company has tax losses in the previous years, on which deferred tax asset amounting to Rs. 11.596 million (2022: 15.238) will arise. However, as there is continuous losses on account of operating income therefore deferred tax asset has not been recorded.

	2023	2022
21.2 Relationship between tax expense and accounting profit		(Rupees)
Profit/(loss) before taxation	<u>8,386,503</u>	<u>(50,242,412)</u>
Tax at the applicable rate 29% (2022:29%)	2,432,086	(14,570,299)
Tax effect of income taxed under FTR	154,732	11,992,060
Deffered tax asset not recognized	(5,023,824)	2,903,917
Prior year	-	149,269
	<u>(2,437,005)</u>	<u>474,947</u>

22 CAPITAL ADEQUACY LEVEL

Total Assets	<u>101,722,611</u>	<u>96,857,128</u>
Less: Total Liabilities	<u>(17,758,191)</u>	<u>(29,053,948)</u>
Less: Revaluation Reserves	<u>(6,205,400)</u>	<u>-</u>
Capital Adequacy Level.	<u>77,759,020</u>	<u>67,803,180</u>

While determining the value of total assets of TREC holder, the Notional value of the TREC held by Zillion Capital Securities (Private) Limited as at year ended 30th June 2023 determined by Pakistan Stock Exchange has been considered.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

23.1. Financial Instrument by Category

23.1.1 Financial Assets

	2023			
	At fair value through profit or loss	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances and deposits	-	-	7,350,000	7,350,000
Investment at fair value through OCI	-	8,000,836	-	8,000,836
Investment at fair value through P&L	10,608,341	-	-	10,608,341
Trade debts	-	-	47,879,759	47,879,759
Advances, deposits and prepayments	-	-	10,144,147	10,144,147
Bank balances	-	-	2,678,410	2,678,410
	<u>10,608,341</u>	<u>8,000,836</u>	<u>68,052,316</u>	<u>86,661,493</u>

	2022			
	At fair value through profit or loss	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances and deposits	-	-	7,350,000	7,350,000
Investment at fair value through OCI	-	11,060,615	-	11,060,615
Investment at fair value through P&L	27,429,704	-	-	27,429,704
Trade debts	-	-	21,924,821	21,924,821
Advances, deposits and prepayments	-	-	12,950,076	12,950,076
Bank balances	-	-	9,015,509	9,015,509
	<u>27,429,704</u>	<u>11,060,615</u>	<u>51,240,406</u>	<u>89,730,725</u>

23.1.2 Financial Liabilities at Amortized Cost

	2023	
	Amount	Total
Long term loan	5,307,889	5,307,889
Short Term Running Finance	7,712,243	7,712,243
Trade and other Payables	4,738,059	4,738,059
	<u>17,758,191</u>	<u>17,758,191</u>

	2022	
	Amount	Total
Long term loan	6,028,466	6,028,466
Short Term Running Finance	9,604,951	9,604,951
Trade and other Payables	13,420,531	13,420,531
	<u>29,053,948</u>	<u>29,053,948</u>

23.2 Financial risk management

The company primarily invests in marketable securities and are subject to varying degrees of risk.

The Board of Directors of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company has exposure to the following risks from its use of financial instruments:

Credit risk
 Liquidity risk
 Market risk
 Operational risk

23.2.1 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, without taking in to account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Exposure to Credit risk

Credit risk of the company arises principally from the trade debts, short term investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The company did not allow credits to its customers and trade are executed on 100% margin.

Credit risk is minimised due to the fact that the company invest only in high quality financial assets, all transactions are settled/paid for upon delivery. The company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is as follows:

	2023	2022
	<i>Rupees</i>	
Long term deposits	7,350,000	7,350,000
Investment at fair value through other comprehensive income	8,000,836	11,060,615
Investment at fair value through Profit & Loss	10,608,341	27,429,705
Advances, deposits, prepayments and other receivable	5,413,102	681,395
Trade debts	47,879,759	21,924,821
Bank Balances	2,678,410	9,015,509
	<u>81,930,448</u>	<u>77,462,045</u>

23.2.2 Bank Balances

The Analysis below summarizes the credit quality of the company's bank balance:

AA+	1,729,892	5,220,895
AA	105,887	205,887
AA-	842,631	3,588,727
	<u>2,678,410</u>	<u>9,015,509</u>

23.2.3 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 asset. 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 positions due to dynamic nature of business.

	2023				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Long term loan	5,307,889	5,307,889	-	5,307,889	-
ShortTerm Running Finance	7,712,243	7,712,243	7,712,243	-	-
Trade and other payables	4,738,059	4,738,059	4,738,059	-	-
	<u>17,758,191</u>	<u>17,758,191</u>	<u>12,450,302</u>	<u>5,307,889</u>	<u>-</u>

	2022				
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Long term loan	6,028,466	6,028,466		6,028,466	-
ShortTerm Running Finance	9,604,951	9,604,951	9,604,951	-	-
Trade and other payables	13,420,531	13,420,531	13,420,531	-	-
	<u>29,053,948</u>	<u>29,053,948</u>	<u>23,025,482</u>	<u>6,028,466</u>	<u>-</u>

On the balance sheet date, the company has cash and bank balances of Rs. 2.68 Million (2022: 9.01million) and investments of Rs 18.609 million (2022: 38.490 million) for repayment of liabilities.

23.2.4 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 change in credit rating of the issuer or the instrument, management 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.

Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently there is no currency risk as all financial assets and liabilities are in PKR.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk. The company is exposed to interest rate risk on borrowing at floating interest rate from bank. However the amount of loan is not significant to as compared to overall assets.

Other price risk

Other price risk is the risk that fair value or future cash flows of a financial instrument 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 factor affecting all or similar financial instrument traded in the market.

The company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The company manages the equity price through diversification and all instruments are made through surplus funds.

The company is exposed to other price risk on investment in listed shares. The company manages the risk through portfolio diversification, as per recommendation of Investment committee of the company. The committee regularly monitors the performance of investees and assess the financial performance on on-going basis.

The 10 percent increase/(decrease) in market value of these instruments with all other variables held constant impact on profit and loss account of the company is as follows:

	Before Tax	
	10% Increase	10% Decrease
as at 30th June 2023	1,060,834	(1,060,834)
as at 30th June 2022	2,742,970	(2,742,970)

23.3 Fair value of Financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in any orderly transaction between market participants at the measurement date. The management is of the view that the fair values of the financial assets and liabilities are not significantly different from their carrying values in the financial statements.

The company measures fair value 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).

Following is the fair value hierarchy of assets and liabilities carried at fair value:

	2023		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
Investment in quoted securities	18,609,177	-	-
	<u>18,609,177</u>	<u>-</u>	<u>-</u>

	2022		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
Investment in quoted securities	38,490,319	-	-
	<u>38,490,319</u>	<u>-</u>	<u>-</u>

23.4 Capital risk management

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

24. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
 Rupees					
Managerial remuneration	2,400,000	1,200,000	-	2,400,000	1,200,000	-
Bonus	-	-	-	-	-	-
	<u>2,400,000</u>	<u>1,200,000</u>	<u>-</u>	<u>2,400,000</u>	<u>1,200,000</u>	<u>-</u>

Number of persons (including those who worked part of the year)

1	1	1	1
---	---	---	---

25. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related Parties Comprise of associated companies , directors, key management personnel and close family members of the directors. Transactions with related parties may be carried out at negotiated rates. Remuneration and benefits to executives of the company are in accordance with the terms of their employment.

Details of transactions and balances with related parties are as follows:

Name of the related party	Relationship with the related party	Transactions during the year and year end balances	2023 (Rupees)	2022 (Rupees)
Imtiaz Ibrahim	Shareholder/CEO	Receivable / (Payable)	32,448,551	(305,254)
Imtiaz Ibrahim	Shareholder/CEO	Remuneration	2,400,000	2,400,000
Asif Ibrahim	Shareholder/Director	Receivable / (Payable)	1,547,884	(3,242,733)
Asif Ibrahim	Shareholder/Director	Remuneration	1,200,000	1,200,000
Abdul Aziz	Shareholder/Director	Receivable / (Payable)	(200,843)	841,069
Muhammad.Irfan	Shareholder/Director	Receivable / (Payable)	(76,538)	(314,267)
Muhammad Iqbal	Shareholder/Director	Receivable / (Payable)	(224,903)	(2,414,626)
Muhammad Zafar	Shareholder	Receivable / (Payable)	267,529	(285,086)
Shaukat	Brother of CEO	Receivable / (Payable)	(2,228)	(2,758)
Ambreen Asif	Spouse of Director	Receivable / (Payable)	(187,786)	-
Ghazala Yasmeen	Spouse of Director	Receivable / (Payable)	(99,044)	(90,764)
Abdul Qadir	Brother of Director	Receivable / (Payable)	(51,472)	(120,734)
Atiqa Zafar	Spouse of Shareholder	Receivable / (Payable)	(11,697)	206,900

26. NUMBER OF EMPLOYEES

	2023 (Numbers)	2022 (Numbers)
Total employees of the Company at the year end	<u>10</u>	<u>8</u>
Average employees of the Company during the year	<u>9</u>	<u>9</u>

27. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
Assets				
1.1	Property & Equipment	12,311,118	12,311,118	-
1.2	Intangible Assets	2,750,000	2,750,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities	-	-	-
1.5	Investment in Equity Securities (listed)	18,609,177	3,115,216	15,493,961
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking	-	-	-
1.8	Statutory or regulatory deposits.	2,350,000	2,350,000	-
1.9	Margin deposits with exchange and clearing house.	2,879,394	-	2,879,394
1.10	Deposit with authorized intermediary against borrowed	-	-	-
1.11	Other deposits and prepayments	5,000,000	5,000,000	-
1.12	Accrued interest, profit or mark-up	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-
1.15	Advances and receivables other than trade			
	(i) Advance tax	4,731,045	4,731,045	-
	(ii) Other cases	146,578	146,578	-
1.16	Receivables from clearing house or securities exchange(s)	2,387,130	-	2,387,130
1.17	Receivables from customers			
	i. Trade receivables not more than 5 days overdue	-	-	-
	ii. Trade receivables are overdue, or 5 days or more	18,406,266	18,074,173	332,093
	iii. Trade receivables from related parties.	33,996,434	-	33,996,434
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	462,046	-	462,046
	ii. Bank balance-customer accounts	2,216,364	-	2,216,364
	iii. Cash in hand	-	-	-
1.19	Subscription money against investment in IPO/ offer			
Total Assets		106,245,551		57,767,421
Liabilities				
2.1	Trade Payables			
	i. Payable to customers	2,073,534	-	2,073,534
2.2	Current Liabilities			
	i. Accruals and other payables	955,684	-	955,684
	ii. Short-term borrowings	7,712,243	-	7,712,243
	iii. Other liabilities as per accounting principles and included in the financial statements	1,708,841	-	1,708,841
2.3	Non-Current Liabilities			
	i. Staff retirement benefits	-	-	-
2.4	Subordinated Loans	5,307,889	5,307,889	-
2.5	Advance against shares for Increase in Capital.	-	-	-
Total Liabilities		17,758,191		12,450,302

Ranking Liabilities Relating to :

3.1	Concentration in Margin Financing	-	-	-
3.2	Concentration in securites lending and borrowing	-	-	-
3.3	Net underwriting Commitments	-	-	-
3.4	Negative equity of subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment	-	-	-
3.8	Concentrated proprietary positions	-	1,214,710	1,214,710
3.9	Opening Positions in futures and options	-	-	-
3.10	Short sell positions	-	-	-

Total Ranking Liabilites		-	-	1,214,710
---------------------------------	--	---	---	------------------

Grand Total		88,487,360	-	44,102,409
--------------------	--	-------------------	---	-------------------

28. OTHER DISCLOSURES UNDER REGULATION 34(2) OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016:

The disclosures under the regulation 34(2), other than disclosed elsewhere in these annual financial statements are as follows:

28.1 Pattern of Shareholding

	2023	2022	2023	2022
	% of Holding		Number of Shares	
Imtiaz Ibrahim	50.00%	50.00%	507,499	507,499
Muhammad.Irfan	12.50%	12.50%	126,875	126,875
Muhammad Iqbal	12.50%	12.50%	126,875	126,875
Muhammad Zafar	12.50%	12.50%	126,875	126,875
Anis Haroon Kapadia	7.50%	7.50%	76,125	76,125
Abdul Aziz	5.00%	5.00%	50,750	50,750
Asif Ibrahim	0.00%	0.00%	1	1
	100%	100%	1,015,000	1,015,000

28.2 During the year there was no movement in shareholding of more than 5% of the shares.

28.3 As at June 30, 2023, company's securities pledged with financial institutions is amounting to Rs. 10.118 million (2022: Rs. 4.613 million) and customers' securities maintained with the company pledged with financial institutions are amounting to Rs. 28.501 million (2022: Rs. 27.127 million).

28.4 As at June 30, 2023, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs. 304.540 million (June 30, 2022: Rs. 296.650 million).

29. CORRESPONDING FIGURES

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current year.

30. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were approved by the Company's board of directors and authorised for

issue on 07 OCT 2023.

4



Chief Executive



Director