

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

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## **Independent Auditors' Report**

**To the members of ASDA Securities (Private) Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes 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, 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.

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

Management is responsible for the other information. The other information comprises the information included in for Director's Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

#### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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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 statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- e) the Company was in compliance with the 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 Shaikh Mohammad Tanvir.

  
Chartered Accountants  
Karachi:

Dated: October 07, 2023

UDIN: AR202310225tFoPCr0gW



**ASDA Securities (Private) Limited**  
**Statement of Financial Position**  
**As at June 30, 2023**

	Note	June 2023 ---Rupees---	June 2022 ---Rupees---
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property and Equipment	6	7,124,939	7,863,100
Intangible Assets	7	2,500,000	2,500,000
Long Term Investments	8	2,965,461	4,099,550
Long Term Loan to Staff		312,000	405,500
Long Term Deposits	9	11,200,000	11,200,000
		<b>24,102,400</b>	<b>26,068,150</b>
<b>Current Assets</b>			
Trade Receivables	10	68,367,722	8,638,103
Loans and Advances	11	506,500	436,500
Trade Deposits and other receivables	12	16,387,923	14,800,020
Short term investments	13	232,225,471	324,004,395
Income tax refundable - net of provision		3,902,656	-
Cash at Banks	14	4,966,011	9,612,613
		<b>326,356,283</b>	<b>357,491,631</b>
<b>TOTAL ASSETS</b>		<b>350,458,683</b>	<b>383,559,781</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
15,000,000 ordinary shares of Rs. 10 each		<b>200,000,000</b>	<b>200,000,000</b>
<b>Issued, Subscribed and Paid-up capital</b>			
	15	<b>174,000,000</b>	<b>140,000,000</b>
<b>Accumulated loss</b>			
		<b>(87,033,395)</b>	<b>(77,431,770)</b>
<b>Fair value loss on investment at fair value through other comprehensive income</b>			
		<b>(2,689,044)</b>	<b>(580,694)</b>
		<b>84,277,561</b>	<b>61,987,536</b>
<b>Loan from director and sponsor - Equity contribution</b>			
	16	<b>17,500,000</b>	<b>49,300,000</b>
		<b>101,777,561</b>	<b>111,287,536</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	39,518,696	51,268,386
Accrued markup	18	12,467,714	8,220,281
Short term borrowings -secured	19	196,694,712	212,696,714
Provision for taxation		-	86,864
		<b>248,681,122</b>	<b>272,272,245</b>
<b>Contingencies and commitments</b>			
	20	-	-
		<b>350,458,683</b>	<b>383,559,781</b>

The annexed notes 1 to 37 form an integral part of these financial statements

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**Chief Executive**

*[Signature]*  
**Director**

**ASDA Securities (Private) Limited**  
**Statement of Profit or Loss**  
**and other comprehensive income**  
**For The Year Ended June 30, 2023**

	Note	2023	2022
		-----Rupees-----	
Operating Revenues	21	42,999,372	24,370,636
Unrealized loss on remeasurement of listed shares	13.1	(23,709,798)	(40,808,470)
Realized gain / (loss) on sale of short term investments		25,019,489	(49,764,532)
		44,309,063	(66,202,367)
Administrative and Operating Expenses	22	30,249,735	31,107,733
Other Expenses	23	-	99,001
Finance Cost	24	42,896,057	27,826,799
		73,145,792	59,033,533
		(28,836,729)	(125,235,900)
Other Income	25	18,824,669	239,000
(Loss) before taxation		(10,012,060)	(124,996,900)
Provision for taxation	26	410,435	1,138,327
(Loss) after taxation		(9,601,625)	(123,858,573)
<b>Other Comprehensive Income</b>			
<b>Items re-classifiable to statement of profit or loss</b>			
Loss derecognition on investment classified as Investmnet at fair value through other comprehensive income		(2,108,350)	(8,999,600)
Recognized loss on disposal of investment classified as Investmnet at fair value through other comprehensive income		-	(6,408,860)
<b>Total Comprehensive (Loss) for the year</b>		<b>(11,709,975)</b>	<b>(139,267,033)</b>

The annexed notes 1 to 37 form an integral part of these financial statements

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**Chief Executive**

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**Director**

**ASDA Securities (Private) Limited**

**Statement of Changes in Equity**

**For The Year Ended June 30, 2023**

Issued, Subscribed and Paid up Capital	Reserve			Loan from director & sponsor - Equity Conrtibution	Total
	Un- appropriated Profit / (Accumulated Loss)	Fair value gain / (loss) on investment at fair value through comprehensive income	Sub Total		

-----Rupees-----

Balance as at July 01, 2021	140,000,000	46,426,803	14,827,766	61,254,569	39,300,000	240,554,569
Loan received during the year	-	-	-	-	10,000,000	10,000,000
Profit for the year	-	(123,858,573)	-	(123,858,573)	-	(123,858,573)
Other Comprehensive loss	-	-	(15,408,460)	(15,408,460)	-	(15,408,460)
Total Comprehensive income for the year	-	(123,858,573)	(15,408,460)	(139,267,033)	-	(139,267,033)
Balance as at June 30, 2022	140,000,000	(77,431,770)	(580,694)	(78,012,464)	49,300,000	111,287,536
Shares issued during the year	34,000,000	-	-	-	-	34,000,000
Loan repaid during the year	-	-	-	-	(31,800,000)	(31,800,000)
Profit for the year	-	(9,601,625)	-	(9,601,625)	-	(9,601,625)
Other Comprehensive income	-	-	(2,108,350)	(2,108,350)	-	(2,108,350)
Total Comprehensive income for the year	-	(9,601,625)	(2,108,350)	(11,709,975)	-	(11,709,975)
Balance as at June 30, 2023	174,000,000	(87,033,395)	(2,689,044)	(89,722,439)	17,500,000	101,777,561

The annexed-notes 1 to 37 form an integral part of these financial statements

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*Chief Executive*

Chief Executive

*Director*

Director

**ASDA Securities (Private) Limited**  
**Statement of Cash Flows**  
**For The Year Ended June 30, 2023**

	Note	2023	2022
		-----Rupees-----	
<b>Cash flows From Operating activities</b>			
Cash flow from operations	27	(15,805,257)	(116,243,067)
Finance cost paid		(38,648,624)	(24,806,915)
Net changes in long term loan to employees		93,500	(163,000)
Income tax Paid		(3,579,084)	(1,900,976)
<b>Net Cash (used in)/generated from operating activities</b>		<u>(57,939,465)</u>	<u>(143,113,958)</u>
<b>Cash flows From Investing Activities</b>			
Additions to property , plant and equipment		-	(3,558,675)
Short term Investments - net		<u>67,094,865</u>	<u>151,879,514</u>
<b>Net Cash (used in)/generated from investing activities</b>		<u>67,094,865</u>	<u>148,320,839</u>
<b>Cash flows From Financing Activities</b>			
Shares issued during the year		34,000,000	-
Loan from director & sponsor - Equity contribution		<u>(31,800,000)</u>	<u>10,000,000</u>
<b>Net Cash generated from financing activities</b>		<u>2,200,000</u>	<u>10,000,000</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>11,355,400</u>	<u>15,206,881</u>
Cash and cash equivalent at beginning		<u>(203,084,101)</u>	<u>(218,290,982)</u>
Cash and cash equivalent at end	28	<u><u>(191,728,701)</u></u>	<u><u>(203,084,101)</u></u>

The annexed notes 1 to 37 form an integral part of these financial statements

10/07/2023

  
**Chief Executive**

  
**Director**



**ASDA Securities (Private) Limited**  
**Notes to the Financial Statements**  
**For The Year Ended June 30, 2023**

**1 The Company and its operation**

The company was incorporated under then Companies Ordinance, 1984 on 24th October, 2006 as a Private Limited Company. The company is principally engaged in the business of securities brokerage. The registered office of the company is situated at Office No # 406 - 408, 4th Floor, Stock Exchange New Building, Pakistan Stock Exchange, Road Tower, Karachi.

**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 :

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

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

**3 Standards, amendments to published approved accounting standards**

**a) Standards, interpretations and amendments to published approved accounting standards that became effective during the year**

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July 2022 which are considered not to be relevant or do not have any significant effect on the Company's financial statements and are therefore not stated in these financial statements.

**b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective**

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

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## **4 BASIS OF PREPARATION**

### **4.1 Basis of measurement**

These financial statements comprise of statement of financial position, Statement of profit or loss, statement of comprehensive income, statement of changes in equity and statements of cash flows together with explanatory notes forming part thereof and have been prepared under the 'historical cost convention' except as has been specifically stated below in respective notes.

### **4.2 Functional and presentation currency**

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

### **4.3 Critical Accounting estimates and judgments:**

The preparation of financial statements requires management to make judgments, estimates and assumption that have an effect on the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on the historical experience and various factors that are believe to be reasonable under the circumstances. the result of which the basis of making judgment about the carrying amount of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

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

(a) Determining the residual values and useful lives of property and equipment (note 5.1);

(b) Intangible assets (note 5.3).

(c) Classification of Investments. (note 5.4)

(d) Recognition of taxation and deferred taxation (note 5.6) and

(e) Impairment of financial assets (note 5.10);

## **5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **5.1 Property and Equipment**

Operating fixed assets are stated at cost less accumulated depreciation and impairment loss, if any.

Depreciation on all fixed assets is charged to statement of profit or loss applying the reducing balance method whereby the cost of an assets is written off over its estimated useful life at rates given in note no 6. Monthly's depreciation is charged on additions while no depreciation is charged on assets disposed during the month.

Maintenance and normal repairs are charged to statement of profit or loss, as and when incurred. Gain or loss on disposal of fixed assets is included is recognized as income in the year of disposal.

### **5.2 Capital work in Progress:**

Capital work in progress, if any, is stated at cost.

### **5.3 Intangible assets**

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

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a) **Trading Right Entitlement Certificate**

Trading Right Entitlement Certificate is stated at cost of acquisition less impairment, if any:

5.4 **Investments**

**At fair value through profit or loss**

Investments which are acquired principally for the purpose of selling in the near term are classified as investments at fair value through profit or loss. These are recognized initially at cost being the fair value of the consideration given. Subsequently, these are re-measured at fair values representing prevailing market prices. Resulting gain or loss is recognized in the statement of profit or loss.

**Investment at fair Value through Other Comprehensive Income**

Other investments not covered in any of the above categories are initially recognized at fair value plus attributable transactions costs. Subsequent to initial recognition these are measured at fair value, with any resultant gain or loss being recognized in other comprehensive income. Gains or losses on fair value through other comprehensive income are recognized in other comprehensive income and are reclassified to the statement of port or loss.

5.5 **Trade receivables**

Trade receivables originated by the company are recognized and carried at transaction price amount less an allowance for any uncollectible amounts. An expected credit loss is established when there is objective evidence that the Company will not be able to collect amounts due according to the original terms of the trade debts. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

5.6 **Taxation**

**Current :**

Provision for current taxation in the accounts is based on taxable income at the current rates of taxation after taking into account ~~tax~~ credits and tax rebates available, if any, or minimum tax, or alternate corporate tax whichever is higher.

**Deferred :**

The Company accounts for deferred taxation arising on all temporary differences by using the liability method but does not account for net deferred tax asset unless the realization whereof is certain in foreseeable future.

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## **5.7 Trade and other payables**

Liabilities for trade and other amount payables are carried at cost which is the fair value of the consideration to be paid in future for good and services.

## **5.8 Provisions**

A provision is recognized in the financial statements when the company has a legal or constructive obligation as a result of a past event, 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 obligation.

## **5.9 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents consist of cash in hand and balances with banks and running finance from banks.

## **5.10 Financial instruments**

### **Initial measurement of financial asset**

The Company classifies its financial assets in to following three categories:

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

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, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. 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.

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

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 profit or loss.

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

## **Non-derivative financial assets**

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

### **5.11 Financial liabilities**

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss.

### **5.21 Impairment**

The company assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

### **5.22 Revenue recognition**

Commission revenue arising from sales / purchase of securities on client's behalf is recognized on the date of settlement of the transaction by the clearing housing.

Consultancy fees and other income are recognized as and when services are provided or invoiced.

Dividend income is recognized when right to receive is established.

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

Income from cash exposure margin, web access fees, IPOs/SPOs and profit on debt is recorded on accrual basis.

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## Property and Equipment

2023				
Furniture and fittings	Computers	Vehicles	Office at KSE Building	Total

-----Rupees-----

Net Carrying value basis - June 30, 2023

Opening net book value

Depreciation charge

Closing net book value

152,659	12,083	3,343,529	4,354,829	7,863,100
(15,266)	(3,625)	(501,529)	(217,741)	(738,161)
137,393	8,458	2,842,000	4,137,088	7,124,939

Gross Carrying value basis - June 30, 2023

Cost

Accumulated depreciation

Net book value - 2022

437,824	427,740	3,716,675	5,700,000	10,282,239
(300,431)	(419,282)	(874,675)	(1,562,912)	(3,157,300)
137,393	8,458	2,842,000	4,137,088	7,124,939

2022				
Furniture and fittings	Computers	Vehicles	Office at KSE Building	Total

-----Rupees-----

Net Carrying value basis - June 30, 2022

Opening net book value

Additions (at Cost)

Depreciation charge

Closing net book value

169,621	17,261	56,418	4,584,031	4,827,331
-	-	3,558,675	-	3,558,675
(16,962)	(5,178)	(271,564)	(229,202)	(522,906)
152,659	12,083	3,343,529	4,354,829	7,863,100

Gross Carrying value basis - June 30, 2022

Cost

Accumulated depreciation

Net book value - 2022

437,824	427,740	3,716,675	5,700,000	10,282,239
(285,165)	(415,657)	(373,146)	(1,345,171)	(2,419,139)
152,659	12,083	3,343,529	4,354,829	7,863,100

Depreciation rates

10%	30%	15%	5%
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		2023	2022
	Note	-----Rupees-----	
<b>7</b>	<b>INTANGIBLE ASSETS</b>		
	Membership Entitlements		
	Pakistan Stock Exchange Limited TREC	7.1	10,426,000
	Impairment loss		(7,926,000)
	Trading Right Entitlement Certificate (TREC)		2,500,000

7.1 The Company has recorded the value of membership in the PSX at Rs.10.26 Million as Intangibles. Fair value of the TREC has been re-evaluated and impairment loss has been provided for.

**8 LONG TERM INVESTMENTS**  
**Fair Value through other comprehensive income**

400,738 (2022: 400,738) Shares of Rs. 10 each of		
Pakistan Stock Exchange Limited - Listed at PSX	4,099,550	8,940,465
Less: Remeasurement (loss) for the year	(1,134,089)	(4,840,915)
	2,965,461	4,099,550

**9 LONG TERM DEPOSITS**

Deposit with CDC Pakistan Ltd	100,000	100,000
Deposit with National Clearing Company of Pak Ltd	1,400,000	1,400,000
Base Minimum Capital Requirement PSX	9,700,000	9,700,000
	11,200,000	11,200,000

**10 TRADE RECEIVABLES**

**Unsecured**

Brokerage - Considered Good	10.1 & 10.2	68,367,722	8,638,103
Considered Doubtful	10.4	99,001	99,001
Less: Expected credit loss		(99,001)	(99,001)
	10.3	68,367,722	8,638,103

10.1 The maximum aggregate month end balance due from related parties during the year was Rs.23.327 million (2022: Rs.12.009 million).

10.2 Aging analysis of the amounts due from related parties is as follows

2023				
Party Name	0 to 30 Days	31 to 180 days	More than 181 days	Total as at June 2023
Najma Aftab - Sponsor	331,817	-	-	331,817
2022				
Party Name	0 to 30 Days	31 to 180 days	More than 181 days	Total as at June 2022
Najma Aftab - Sponsor	276,561	-	-	276,561
Aftab Sattar - CEO	41,008	-	-	41,008
Nida Shumail - Family member of Director	545,854	1,805,260	-	2,351,114

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	Note	2023	2022
		-----Rupees-----	
10.3	Aging analysis of amount due from customers		
	Not exceeding 5 days from trade date	49,272,114	1,132,723
	Exceeding 5 days but not exceeding 14 days	1,381,423	528,417
		<u>50,653,537</u>	<u>1,661,140</u>
10.4	<b>Expected credit loss</b>		
	Opening Balance	99,001	18,824,669
	Charged for the year	-	99,001
	Write off during the year	-	(18,824,669)
		<u>99,001</u>	<u>99,001</u>
	Exceeding 14 days against which listed securities held	17,714,185	6,976,963
	Value after Hair cut applied on the basis of VAR	<u>17,541,510</u>	<u>4,520,608</u>
11	<b>LOANS AND ADVANCES-Considered good, Unsecured</b>		
	Current Portion of Long term loan to staff	506,500	436,500
		<u>506,500</u>	<u>436,500</u>
12	<b>TRADE DEPOSITS AND OTHER RECEIVABLES</b>		
	<b>With NCCPL</b>		
	Ready Exposure Margin	11,180,000	5,200,000
	MTS Losses / Exposure Margin	1,437,235	4,113,617
	Future Losses / Exposure Margin	3,369,698	3,272,618
	Future (Balance retained against future contract)	400,990	313,750
	<b>OTHER RECEIVABLES</b>		
	Agent balances	-	12,935
	Receivable against cancellation of booking of vehicle	-	1,887,100
		<u>16,387,923</u>	<u>14,800,020</u>
13	<b>SHORT TERM INVESTMENTS</b>		
	<b>At fair value through profit or loss</b>		
	In Listed Companies	13.1	
		<u>229,677,932</u>	<u>320,482,595</u>
		229,677,932	320,482,595
	<b><u>Fair value through other comprehensive income</u></b>		
	344,262 (2022: 344,262) Ordinary Shares		
	Pakistan Stock Exchange Limited - Listed at PSX	3,521,800	7,457,385
	Less: Remeasurement (loss) for the year	(974,261)	(3,935,585)
		<u>2,547,539</u>	<u>3,521,800</u>
		<u>232,225,471</u>	<u>324,004,395</u>

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	Note	2023	2022
		-----Rupees-----	
<b>13.1 In Listed Shares</b>			
Cost of Investments including held under MTS		253,387,730	361,291,065
Unrealized remeasurement loss		(23,709,798)	(40,808,470)
Net Carrying Values being market values		229,677,932	320,482,595
Value of shares held in CDC house or customers		473,690,919	559,732,924
Under pledge house and sponsors / Family members		164,485,927	451,899,843

#### 14 CASH AT BANKS

Client's current accounts balances

Js Bank Ltd (Client A/c)

Meezan Bank Ltd (Client A/c)

House current accounts balances

MCB Bank Ltd

Summit Bank Ltd

Meezan Bank Ltd

4,172,707	9,080,753
768,063	505,363
4,940,770	9,586,116
17,431	17,431
500	500
7,311	8,567
25,242	26,498
4,966,011	9,612,613

#### 15 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022		2023	2022
7,900,000	4,500,000	Allotted for consideration paid in cash	79,000,000	45,000,000
9,500,000	9,500,000	Allotted for consideration other than cash, (Conversion of KSE membership)	95,000,000	95,000,000
17,400,000	14,000,000		174,000,000	140,000,000

#### 15.1 Pattern of shareholding

Name of share holders

1. Mr. Aftab Sattar

2. Mrs. Najma Aftab

3. Mr. Abdul Jabbar

4. Mrs. Mumtaz

5. Others less than 5 %

2023	2022	2023	2022
% of Holding		No of shares	
61%	70%	10,629,000	9,799,000
30%	25%	5,170,000	3,500,000
4%	5%	700,000	700,000
5%	0%	900,500	500
0.00%	0.00%	500	500
100%	100%	17,400,000	14,000,000

During the year, the Company has issued 3,400,000 right shares at face value of Rs. 10 per share.

#### 16 LOAN FROM DIRECTOR & SPONSOR - EQUITY CONTRIBUTION

Loan From Director & Sponsor - Unsecured, interest free

17,500,000	49,300,000
------------	------------

*Signature*



This loan is repayable at the discretion of the company, hence in accordance with TR-32 issued by Institute of Chartered Accountants of Pakistan (ICAP), the loan has been classified as equity contribution as per Selected Opinion of ICAP. The movement is as follows:

	Opening balance		49,300,000	39,300,000
	(Repaid) / received during the year		(31,800,000)	10,000,000
	Closing balance		<u>17,500,000</u>	<u>49,300,000</u>
<b>17</b>	<b>TRADE AND OTHER PAYABLES</b>			
	Creditors for sale of shares on behalf of clients	17.1	<u>4,940,770</u>	9,586,116
	MTS unreleased payable		<u>32,171,017</u>	36,641,022
			37,111,787	46,227,138
	Traders share in commission payable		141,477	3,317,092
	Accrued Expenses		1,950,274	1,426,905
	Other Liabilities	17.2	315,159	200,481
	CGT Payable		-	96,770
			<u>39,518,696</u>	<u>51,268,386</u>
<b>17.1</b>	This includes an amount of Rs. <b>12,167</b> (2022: Rs.Nil ) payable to chief executive / director, director and a related party.			
<b>17.2</b>	<b>Other Liabilities</b>			
	Withholding tax		<u>2,222</u>	1,762
	Sindh sales tax on commission		<u>312,936</u>	198,719
			<u>315,159</u>	<u>200,481</u>
<b>18</b>	<b>ACCRUED MARKUP</b>			
	Accrued mark-up on running finance - secured		<u>12,467,714</u>	8,220,281
<b>19</b>	<b>SHORT TERM BORROWINGS -Secured</b>			
	<b>Secured, Markup Bearing</b>			
	Running finances from bank	19.1	<u>196,694,712</u>	212,696,714
			<u>196,694,712</u>	<u>212,696,714</u>
<b>19.1</b>	The facilities for running finance available from a commercial bank aggregated to Rs. 500 Million (June-2022 : Rs.300 million) and carry mark-up at the rate 3 M Kibor + 200 points spread (June-2021 : 3 M. Kibor + 200 pints spread ) per annum calculated on a daily product basis chargeable and payable quarterly. These arrangements are secured against pledge/hypothecation of marketable securities, movable assets, and collaterally secured by equitable mortgage of property owned by sponsors and personal guarantee of all the directors. The unutilized facility at year end was Rs. 303 million (2022: Rs. 87 million).			
	Value under pledge with lending banks - House Account		<u>129,062,658</u>	193,510,880
	Value under pledge with lending banks - Sponsors		<u>-</u>	7,844,012

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20 **CONTINGENCIES AND COMMITMENTS**

The Company has furnished as exposure to National Clearing Company of Pakistan Limited bank guarantee issued by JS Bank Limited for Rs. 15 million which is secured by equitable mortgage of Company's Offices and personal guarantee of two director/sponsors.

There were no contingencies and commitments at the year end.

	Note	2023	2022
		-----Rupees-----	
21 <b>OPERATING REVENUES - NET</b>			
Brokerage Revenue - Securities		25,848,216	18,334,004
Income From Exposure Deposits NCCPL - MTS		159,782	108,652
Income From Exposure Deposits NCCPL - RMS		612,011	227,338
Other Income - Commission		253,293	648,367
Income From New script Commission (IPO)		-	464,728
Profit in Cash Margin - BMC		1,320,995	890,676
		28,194,296	20,673,765
Less: Tradee's shares in brokerage		(3,148,392)	(7,809,342)
		25,045,904	12,864,423
Dividend Income		17,953,468	11,506,214
		42,999,372	24,370,637

21.1 Brokerage revenue:			
From Proprietary trade		14,238,803	9,757,409
From Retail customers		11,276,743	7,923,785
From Institutional customers		332,670	652,810
		25,848,216	18,334,004

22 **ADMINISTRATIVE AND OPERATING EXPENSES**

Salaries and benefits		19,142,000	20,077,000
Fees, subscription and charges		4,293,641	5,258,404
Communication and Conveyance		329,351	427,050
KSE IT and Kats		559,278	565,180
Utilities		828,636	788,032
Office repairs and maintenance		17,800	8,500
Software Maintenance		910,016	956,405
General Expenses		1,820,363	916,053
Printing and stationery / Courier Service		33,650	33,500
Insurance		132,179	132,178
Entertainment		686,860	521,485
Donation / Zakat	22.1	350,000	550,000
Depreciation		738,161	522,906
Auditors' Remuneration	22.2	407,800	351,040
		30,249,735	31,107,733

22.1 None of the directors or their spouses had any interest in donee's fund and none of the other beneficiary received amount exceeding Rs 500,000.

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		2023	2022
		-----Rupees-----	
22.2	<b>Auditors' Remuneration</b>		
	Audit fees and sindh service tax	307,800	199,800
	Other Certifications fees	100,000	77,800
	System audit fees - M/s. Frants - Chartered Accountants	-	73,440
		<u>407,800</u>	<u>351,040</u>
23	<b>OTHER EXPENSES</b>		
	Expected credit loss	-	99,001
		<u>-</u>	<u>99,001</u>
24	<b>FINANCE COST</b>		
	Mark-up on short term running finances	42,896,057	27,826,799
		<u>42,896,057</u>	<u>27,826,799</u>
25	<b>OTHER INCOME</b>		
	Reversal of expected credit loss	18,824,669	-
	Others	-	239,000
		<u>18,824,669</u>	<u>239,000</u>
26	<b>TAXATION</b>		
	Current - for the year	5,997,455	1,987,840
	Prior year reversal	(6,407,890)	(3,126,167)
		<u>(410,435)</u>	<u>(1,138,327)</u>
26.1	In view of deductible temporary differences, net deferred tax asset has not been recognized in view of remote possibility of realization.		
27	<b>CASH FLOW FROM OPERATION ACTIVITIES</b>		
	(Loss) before taxation	(10,012,060)	(124,996,900)
	<b>Adjustments for non -cash charges and other items</b>		
	Depreciation	738,161	522,906
	Expected credit loss	-	99,001
	Unrealized loss on remeasurement of shares	23,709,798	40,808,470
	Finance cost	42,896,057	27,826,799
		<u>67,344,016</u>	<u>69,257,176</u>
	<b>Operating profit before working capital changes</b>	<u>57,331,956</u>	<u>(55,739,724)</u>
	<b>Changes in working capital</b>		
	Trade debts	(59,729,619)	368,960
	Loans and advances	(70,000)	1,500
	Trade Deposits and other receivables	(1,587,903)	3,443,265
		<u>(61,387,522)</u>	<u>3,813,725</u>
	<b>Increase /(Decrease) in Current liabilities</b>		
	Trade and other payables	(11,749,690)	(64,317,068)
		<u>(15,805,257)</u>	<u>(116,243,067)</u>
28	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and bank balances	4,966,011	9,612,613
	Short term finances	(196,694,712)	(212,696,714)
		<u>(191,728,701)</u>	<u>(203,084,101)</u>

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**FINANCIAL INSTRUMENTS BY CATEGORY**

Financial Assets and Liabilities of the company, interest and non interest bearing, along with their maturities are as follows:

2023						
Markup / Interest Bearing			Non Markup / Interest Bearing			Total
Maturity Upto One Year	Maturity after One Year	Sub Total	Maturity Upto One Year	Maturity after One Year	Sub Total	
-	-	-	-	11,200,000	11,200,000	11,200,000
-	-	-	68,367,722	-	68,367,722	68,367,722
-	-	-	232,225,471	2,965,461	235,190,932	235,190,932
-	-	-	506,500	312,000	818,500	818,500
15,986,933	-	15,986,933	-	-	-	15,986,933
-	-	-	4,966,011	-	4,966,011	4,966,011
15,986,933	-	15,986,933	306,065,704	14,477,461	320,543,165	336,530,098
<b>FINANCIAL ASSETS</b>						
Long Term deposits						
Trade Receivables						
Investments						
Loans and advances						
Trade deposits						
Cash at banks						
<b>FINANCIAL LIABILITIES</b>						
Trade and other payables						
Short-term borrowing						
Accrued Markup						
196,694,712	-	196,694,712	39,518,696	-	39,518,696	39,518,696
-	-	-	12,467,714	-	12,467,714	12,467,714
196,694,712	-	196,694,712	51,986,410	-	51,986,410	248,681,122
<b>FINANCIAL ASSETS</b>						
Long Term deposits						
Trade Receivables						
Investments						
Loans and advances						
Trade deposits and other receivables						
Cash at banks						
<b>FINANCIAL LIABILITIES</b>						
Trade and other payables						
Short-term borrowing						
Accrued Markup						
12,586,235	-	12,586,235	9,612,613	-	9,612,613	22,198,848
-	-	-	342,691,611	15,705,050	358,396,661	370,595,509
12,586,235	-	12,586,235	352,274,224	15,705,050	367,979,274	380,564,123
<b>FINANCIAL ASSETS</b>						
Long Term deposits						
Trade Receivables						
Investments						
Loans and advances						
Trade deposits and other receivables						
Cash at banks						
<b>FINANCIAL LIABILITIES</b>						
Trade and other payables						
Short-term borrowing						
Accrued Markup						
212,696,714	-	212,696,714	51,268,386	-	51,268,386	263,965,100
-	-	-	8,220,281	-	8,220,281	272,185,381
212,696,714	-	212,696,714	59,488,667	-	59,488,667	331,674,048

The effective interest/markup rates for the financial assets and liabilities are mentioned in respective notes to the financial statements.

212,696,714

**FINANCIAL RISK MANAGEMENT OBJECTIVES**

The Company's activities expose it to a certain financial risks:

- Credit risk
- Liquidity risk
- Market risk (including currency risk, interest rate risk and other price risk)

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

Risk management is carried out by the Board of Directors (the Board) under policies approved by the board. The Board provides formal principles for overall risk management, as well as significant policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

The information about the company's exposure to each of the above risk, the company's objectives, policies and procedures for measuring and managing risk, and the company's management of capital, is as follows;

a)

**Credit risk and concentration of credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk inter alia by limiting advances and credit to individual customers based on their credit worthiness, obtaining advance against exposure, obtaining collaterals where considered necessary and making appropriate provision for doubtful receivables.

**Exposure to credit Risk**

Company's credit risk is mainly attributable to loans and advances, balances with banks and financial institutions, and credit exposure to customers, including trade receivables and committed transactions. The maximum exposure of the company to credit risk is as follows:

	2023	2022
	Rupees	
Investments	235,190,932	328,103,945
Long Term deposits	11,200,000	11,200,000
Long term loan	312,000	405,500
Trade Debts	68,367,722	8,638,103
Loans and advances	506,500	436,500
Trade deposits	15,986,933	12,586,235
Cash at banks	4,966,011	9,612,613
	<u>336,530,098</u>	<u>370,982,896</u>

**Loans and advances**

These loans and advances are essentially due from employees and are usually adjustable against their salaries. The Company regularly pursues for the recovery of the these and the Company does not expect these employees will fail to meet their obligations. Hence the company believes that no impairment allowance is necessary in respect of loans.

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**Investments**

Investments mainly represents shareholding in listed securities which are actively traded in the market and realizable amounts are worked out, while for the differential re-measurement differences are instantly recorded.

**Trade Debts**

Trade receivables are against client shareholding in listed securities which are actively traded in the market and realizable amounts are worked out, while for the differential margin are made and recovered.

**Trade Deposits**

These are given to PSX/NCCPL which are prime regulator and enjoys sound creditability.

**Bank balances**

The company maintains balances with banks that have good and stable credit rating. Given these credit ratings, management does not expect that any counter party will fail to meet their obligations.

**b) Liquidity risk**

Liquidity risk represent the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities when they fall due. Contractual maturities of financial liabilities, including interest payments excluding the impact of netting arrangements, are shown in the Note 29.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The management forecasts liquidity risks on the basis of expected cash flow considering the level of liquid assets necessary to meet such risk. This involves monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements.

**c) Market Risk**

Market risk is the risk that the fair value or future cash flows 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. Market risk comprises of three types of risks: Foreign Exchange / Currency risk, interest rate risk and other price risk.

**Foreign exchange / Currency risk**

Foreign exchange risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arise mainly from future economic transactions or receivables and payables that exist due to transaction in foreign exchange. The Company is not exposed to the risk.

**Interest / Markup rate risk**

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to change in the mark-up rates. The exposure to interest rate risk is mainly arises in respect of variable markup bearing long term and short borrowings from banks. The Company's net exposure to markup risk is as follows;

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	2023	2022
	Rupees	
Short term borrowings	196,694,712	212,696,714
	<u>196,694,712</u>	<u>212,696,714</u>

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have (increased) / decreased profit for the year by Rs. 1,966,947 (2022: Rs. 2,126,967). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

#### d) Other price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest or currency rate risk), whether those changes are caused by factors specified to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to equity price risk which is managed and mitigated by keeping sufficient exposure from the client's of the brokerage house.

At reporting date if the share price of investment at fair value through profit or loss had strengthened/weakened by 10% with all other variables held constant, pre tax profit for the year would have been higher/lower by the amount shown below.

	2023	2022
	Rupees	
Effect on profit and investment	22,967,793	32,048,260
Effect on other comprehensive income and investment	<u>648,726</u>	<u>1,155,694</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/liabilities of the Company.

#### 30.2 Fair value of Financial Assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's certain accounting policies and disclosure requires use of fair value measurement and the Company while assessing fair value maximize the use of relevant of observable inputs and minimize the use of unobservable inputs establishing a fair value hierarchy, i.e., input used in fair value measurement is categorized into following three levels;

Level 1: Level 1 inputs are the quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.

Level 2: Level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Level 3 inputs are unobservable inputs for the asset or liability.

As at date of statement of financial position the fair value of all the financial assets and liabilities approximates to their carrying values. The Company investment in listed shares amounting to Rs. 235.190 million in level 1 and does not expect that unobservable inputs may have significant effect on fair values.

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**CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

During year the Company's strategy was to maintain gearing. The gearing ratio as at balance sheet date is as follows:

	2023	2022
	Rupees	
Total markup bearing borrowings	196,694,712	212,696,714
Cash at bank	(4,966,011)	(9,612,613)
Net debt	191,728,701	203,084,101
Total equity	84,277,561	61,987,536
Total capital	276,006,262	265,071,637
Gearing ratio	69.47%	76.61%

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## 32 LIQUID CAPITAL STATEMENT

The Liquid Capital Statement as required under sub rule 6(4) of the Securities Brokers (Licensing & Operation) Regulations, 2016 and schedule III whereof is calculated as follows;

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>1. Assets</b>				
1.1	Property & Equipment	7,124,939	7,124,939	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities			
1.4	<b>Investment in Debt. Securities</b>			
	<b>If listed than:</b>			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.			
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.			
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.			
	<b>If unlisted than:</b>			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.			
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.			
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.			
1.5	<b>Investment in Equity Securities</b>			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	235,190,932	47,587,330	187,603,602
	ii. If unlisted, 100% of carrying value.			
1.6	Investment in subsidiaries			
1.7	<b>Investment in associated companies/undertaking</b>			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.			
	ii. If unlisted, 100% of net value.			
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital June be taken in the calculation of LC	11,200,000	11,200,000	-
1.9	Margin deposits with exchange and clearing house.	15,986,933	-	15,986,933
1.10	Deposit with authorized intermediary against borrowed securities under SLB.			
1.11	Other deposits and prepayments	400,990	-	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)			
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties			
1.13	Dividends receivables.	-		-
1.14				
1.15	<b>Advances and receivables other than trade Receivables;</b>	818,500	-	-
	(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.			
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.			
	(iii) In all other cases 100% of net value	3,902,656	3,902,656	-
1.16	<b>Receivables from clearing house or securities exchange(s)</b>			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.			
1.17	<b>Receivables from customers</b>			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VaR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.			
	<b>i. Lower of net balance sheet value or value determined through adjustments.</b>			

CHPA



S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>1. Assets</b>				
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>			
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>			
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	48,951,815		48,951,815
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. <i>v. Lower of net balance sheet value or value determined through adjustments</i>	19,084,090	263,640	18,820,450
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. <i>vi. Lower of net balance sheet value or value determined through adjustments</i>	331,817	331,817	-
1.18	<b>Cash and Bank balances</b>			
	I. Bank Balance-proprietary accounts	25,242		25,242
	ii. Bank balance-customer accounts	4,940,770		4,940,770
	iii. Cash in hand			
1.19	<b>Subscription money against investment in IPO/ offer for sale (asset)</b>			
	(i) No haircut June be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker. (ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities. (iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.			
1.20	<b>Total Assets</b>	<b>350,458,684</b>	<b>72,910,382</b>	<b>276,328,812</b>

## 2. Liabilities

2.1	<b>Trade Payables</b>			
	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products	32,171,017		32,171,017
	iii. Payable to customers	4,940,770		4,940,770
2.2	<b>Current Liabilities</b>			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	2,406,909	-	2,406,909
	iii. Short-term borrowings	196,694,712	-	196,694,712
	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities			
	vii. Provision for taxation			
	viii. Other liabilities as per accounting principles and included in the financial statements	12,467,714	-	12,467,714
2.3	<b>Non-Current Liabilities</b>			
	i. Long-Term financing			
	ii. Other liabilities as per accounting principles and included in the financial statements			
	iii. Staff retirement benefits			

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>1. Assets</b>				
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases			
2.4	<b>Subordinated Loans</b> i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	17,500,000	(17,500,000)	-
2.5	Advance against shares for Increase in Capital of Securities broker: 100% haircut June be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	<b>Total Liabilities</b>	<b>266,181,122</b>	<b>(17,500,000)</b>	<b>248,681,122</b>

### 3. Ranking Liabilities Relating to :

3.1	<b>Concentration in Margin Financing</b> The amount calculated client-to-client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each finance from aggregate amount shall be include in the ranking liabilities			
3.2	<b>Concentration in securities lending and borrowing</b> The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)			
3.3	<b>Net underwriting Commitments</b> <b>(a) in the case of right issues :</b> 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 issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment <b>(b) in any other case :</b> 12.5% of the net underwriting commitments			
3.4	<b>Negative equity of subsidiary</b> The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary			
3.5	<b>Foreign exchange agreements and foreign currency positions</b> 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency			
3.6	Amount Payable under REPO			

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>1. Assets</b>				
3.7	<b>Repo adjustment</b> 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 finance/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.			
3.8	<b>Concentrated proprietary positions</b> 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			
3.9	<b>Opening Positions in futures and options</b> i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met			
3.10	<b>Short sell positions</b> 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	<b>Total Ranking Liabilities</b>	-	-	-
<b>Calculations Summary of Liquid Capital</b>		<b>84,277,562</b>	<b>90,410,382</b>	<b>27,647,690</b>

(i) Adjusted value of Assets (serial number 1.20)

276,328,812

(ii) Less: Adjusted value of liabilities (serial number 2.6)

(248,681,122)

(iii) Less: Total ranking liabilities (series number 3.11)

-

27,647,690

Note: Commission June issue guidelines and clarifications in respect of the treatment of any component of Liquid Capital including any modification, deletion and inclusion in the calculation of Adjusted value of assets and liabilities to address any practical difficulty.

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### 33 RELATED PARTY TRANSACTION

The related parties comprised associate undertakings and sponsors. The Company continues to have a policy whereby all transactions with related parties undertakings are entered into at commercial terms and conditions. Details of transaction with related parties are as follows:

Relationship	Purpose	Note	2023 Amount	2022 Amount
Chief Executive & Sponsor	Loan repaid / received	5	(31,800,000)	10,000,000
Sponsors	Shares issued		34,000,000	-
Sponsor	Tradee's shares in brokerage		1,136,364	1,454,574
Chief Executive, Director & employees	Commission Income		1,580,841	592,070

### 34 REMUNERATION TO CHIEF EXECUTIVE AND DIRECTORS

	Chief Executive		Director		Executive	
	2023	2022	2023	2022	2023	2022
Remuneration	3,000,000	3,000,000	3,600,000	4,920,000	5,500,000	-
Bonus	-	250,000	-	410,000	-	-
Tradee's shares in brokerage	-	-	-	355,979	2,717,205	1,454,574
	3,000,000	3,250,000	3,600,000	5,685,979	8,217,205	1,454,574
Number of persons	1	1	2	2	4	1

In addition to above the Chief Executive and Director is allowed company maintained car for business and personnel use.

### 35 NO OF EMPLOYEES

	2023	2022
As on reporting date	15	15
Average during the year	15	15

The Company has yet to formulate employees retirement benefit policy which is underway.

### 36 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue by the Board of Directors on

07 OCT 2023

### 37 GENERAL

Figures have been rounded off to the nearest rupee.

*[Signature]*

*[Signature]*  
Chief Executive

*[Signature]*  
Director

## Directors Report

Your Directors are pleased to welcome you at the Annual General Meeting and present Annual Audited Financial statements for the year ended **30-June-2023**. During the year, company's business faces the loss due to uncertainty in country's situation and Equity market as well, due to this company faces capital Loss.

### Financial Results

(Rupees)

**Profit/ (Loss) after taxation**

(9,601,625)

**Fair Value Loss on recognition of Investment Loss**

**& on disposal of investment through Comprehensive Income**

(2,108,350)

**Brought forward Loss**

(78,012,464)

**Loss carried forward**

(89,722,439)

**Loss Earning Per Shares**

(0.55)

### Future Prospectus

Your directors project growth in the brokerage business of the company while making some strategic changes and are hopeful for a better economic situation in the year to come. That will enable your company to penetrate and grab its due market share.

### Recommendation

In view of the business growth requiring financing no recommendations as to dividend has been proposed by the directors.

The auditor's M/s. KRESTON HYDER BHIMJI & CO., Chartered Accountants retire and being has been eligible offers the for reappointment.

We acknowledge the dedication, loyalty support of the shareholders at all the times.

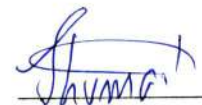
For and on behalf of Board of Directors

Karachi the : 07-Oct-2023





**Aftab Sattar**  
(Chief Executive)



**Shumail Ahmed**  
(Director)

