



REANDA

Reanda Haroon Zakaria & Company
Chartered Accountants



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOONACO SECURITIES (PRIVATE) LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Moonaco Securities (Private) Limited** which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, and 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, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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 the Directors' 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.

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat is deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, section 62 of the Futures Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 and Future Brokers (Licensing and Operations) Regulations, 2018 as at the date on which the balance sheet was prepared.

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


Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: **07 OCT 2023**
UDIN: AR2023105841gfejqndv

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

	<i>Note</i>	<i>2023</i> <i>Rupees</i>	<i>2022</i> <i>Rupees</i>
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	4	7,839,882	8,714,580
Intangible assets	5	2,500,000	2,500,000
Long term deposits	6	1,500,000	1,500,000
		11,839,882	12,714,580
Current Assets			
Trade debts	7	38,797,476	18,682,929
Short term investments	8	11,861,852	199,359,943
Advances, deposits and other receivables	9	36,812,116	8,677,573
Cash and bank balances	10	282,804,893	133,669,400
		370,276,337	360,389,845
Total Assets		382,116,219	373,104,425
 <u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Capital			
30,000,000 Ordinary shares of Rs.10 each		300,000,000	300,000,000
Issued, subscribed and paid up capital	11	226,025,600	226,025,600
Unappropriated profit		146,573,520	135,060,096
Shareholders' Equity		372,599,120	361,085,696
Non-Current Liabilities			
Deferred tax liability	12	21,994	213,404
Current Liabilities			
Trade and other payables	13	8,209,550	11,059,758
Tax payable	14	1,285,555	745,567
		9,495,105	11,805,325
Commitments	15		
Total Equities and Liabilities		382,116,219	373,104,425

The annexed notes from 1 to 28 form an integral part of these financial statements



 Chief Executive Officer



 Director

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

	<i>Note</i>	<i>2023</i> <i>Rupees</i>	<i>2022</i> <i>Rupees</i>
Commission income	16	5,012,231	10,392,888
Loss on re-measurement of investments - net		(4,536,357)	(24,841,109)
(Loss) / gain on sale of investments - net		(2,692,592)	1,853,339
Dividend income		<u>23,954,011</u>	<u>6,323,104</u>
		21,737,293	(6,271,778)
Administrative expenses	17	<u>(18,689,497)</u>	<u>(16,819,924)</u>
Profit / (loss) from operations		3,047,796	(23,091,702)
Other income	18	<u>17,294,026</u>	<u>15,812,089</u>
Profit / (loss) before taxation		20,341,822	(7,279,613)
Taxation	19	<u>(8,828,398)</u>	<u>(4,916,838)</u>
Profit / (loss) after taxation		<u><u>11,513,424</u></u>	<u><u>(12,196,451)</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements



Chief Executive Officer



Director

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

	2023	2022
	Rupees	Rupees
Profit / (loss) for the year	11,513,424	(12,196,451)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year	<u>11,513,424</u>	<u>(12,196,451)</u>

The annexed notes from 1 to 28 form an integral part of these financial statements



Chief Executive Officer



Director

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

<i>Description</i>	<i>Issued, subscribed & paid up capital</i>	<i>Reserves Unappropriated profit</i>	<i>Total</i>
	----- Rupees -----		
Balance as at June 30, 2021	226,025,600	147,256,547	373,282,147
Loss for the year	-	(12,196,451)	(12,196,451)
Balance as at June 30, 2022	226,025,600	135,060,096	361,085,696
Profit for the year	-	11,513,424	11,513,424
Balance as at June 30, 2023	226,025,600	146,573,520	372,599,120

The annexed notes from 1 to 28 form an integral part of these financial statements



 Chief Executive Officer




 Director

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

	<i>2023</i>	<i>2022</i>
	<i>Rupees</i>	<i>Rupees</i>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	20,341,822	(7,279,613)
Adjustment for :		
Depreciation	874,698	972,602
Capital loss / (gain) on sale of investment - net	2,692,592	(1,853,339)
Loss on re-measurement of investments - net	4,536,357	24,841,109
Profit on bank deposit	(16,869,137)	(14,455,073)
Dividend income	(23,954,011)	(6,323,104)
	<u>(32,719,501)</u>	<u>3,182,195</u>
Operating loss before working capital	(12,377,679)	(4,097,418)
Effect of changes in working capital		
(Increase) / decrease in current assets		
Trade debts	(20,114,547)	(6,526,317)
Advances, deposits and other receivables	(26,744,891)	42,215,000
Decrease in current liabilities		
Trade and other payables	(2,850,208)	(25,301,098)
Cash (used in) / generated from operations	<u>(62,087,325)</u>	<u>6,290,167</u>
Taxes paid - net	(8,479,819)	(5,467,498)
Net cash (used in) / generated from operating activities	<u>(70,567,144)</u>	<u>822,669</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment - net	180,269,142	(186,585,832)
Interest received	15,479,484	14,428,331
Dividend received	23,954,011	6,323,104
Net cash generated from / (used in) investing activities	<u>219,702,637</u>	<u>(165,834,397)</u>
Net increase / (decrease) in cash and cash equivalent	149,135,493	(165,011,728)
Cash and cash equivalents at beginning of the year	<u>133,669,400</u>	<u>298,681,128</u>
Cash and cash equivalents at end of the year	<u><u>282,804,893</u></u>	<u><u>133,669,400</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements



Chief Executive Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

Moonaco Securities (Private) Limited (the Company) was incorporated in Pakistan on August 24, 2006, as a Private Limited Company under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The company is a TRE certificate holder of Pakistan Stock Exchange Limited and is principally engaged in the business of stock brokerage. The registered office and principal place of business is located at 410-411, 4th Floor, Stock Exchange Building, Stock Exchange Road, Karachi.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

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

- International Financial reporting standards (IFRS standards), issued by international Accounting standards Board (IASB) as notified under Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2. Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for investments which are carried at fair value without any adjustments for the effects of inflation or current values.

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 rounded off to the nearest rupee.

2.4. Use of Estimates and Judgments

The preparation of financial statements 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 the reported amounts of assets, 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 the 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 recognised 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 if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows: -

Property and equipment

The Company reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding affect on the depreciation charge and impairment.

Intangible assets

The Company reviews the rate of amortisation and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of intangible assets with a corresponding affect on the amortisation charge and impairment.

Trade debts

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less loss allowance, if any. The Company measures the loss allowance for trade debts at an amount equal to lifetime expected credit losses (ECL). The expected credit losses on trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax laws and establish provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.5. Standards, interpretations and amendments to approved accounting standards

2.5.1 Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2023

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

2.5.2 Standards, interpretations and amendments to the existing standards that are not yet effective and have not been early adopted by the company

Effective date (annual reporting periods beginning on or after)

IAS 1 Presentation of financial statements (Amendments)

January 1, 2023

		<i>Effective date (annual reporting periods beginning on or after)</i>
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 07	Statement of Cash Flows (Amendments)	January 1, 2023
IFRS 9	Financial Instruments (Amendments)	January 1, 2023
IFRS 16	Leases (Amendments)	January 1, 2024

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and Equipment

These are initially measured at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment loss if any.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is charged to income using the straight line method at the rates specified in the relevant note. Monthly depreciation is charged on additions during the month while no depreciation is charged on assets in the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gain or loss on disposal of an asset is charged to statement of profit or loss account.

The Company reviews the useful lives and residual value of its assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, equipment with a corresponding effect on the depreciation charge.

3.2 Intangibles

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

Intangible assets having finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Intangible assets having an indianite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company.

An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in statement of profit or loss account when the asset is derecognised.

- ***Trading Right Entitlement Certificate (TREC)***

Trading Right Entitlement Certificate (TREC) is stated at acquisition cost less provision for impairment loss, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess with its recoverable amount, and where the carrying value exceeds from estimated recoverable amount, it is written down to its estimated recoverable amount.

3.3 Financial instruments

3.3.1 Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost as the case may be.

All purchases & sales of financial assets that require delivery within the time frame established by regulations or market convention are recognized using settlement date accounting i.e. on the date on which settlement of the transaction takes place.

3.3.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at amortized cost.
- at fair value through other comprehensive income ("FVTOCI"), or
- at fair value through profit or loss ("FVTPL"),

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

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

However, Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized or at fair value through OCI.

3.3.3 Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss (“FVTPL”), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

3.3.4 Subsequent measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in OCI.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and comprehensive income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

3.3.5 Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets that are measured at amortized cost. Loss allowances are measured on the basis of life time (ECLs) that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL is only recognized if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the country of customers) on ECLs. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive).

Provision against financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3.3.6 Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and comprehensive income.

3.3.7 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 there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.4 Advances, deposits and other receivables

All short and long term advances, deposits and other receivables are carried at nominal amount. Provisions are made for doubtful amounts. Irrecoverable amounts are written off to statement of profit or loss account.

3.5 Trade debts

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. 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.

Trade debts are written off when considered irrecoverable.

Trade receivables in respect of securities sold on behalf of client are recorded at settlement date of transaction

3.6 Cash and cash equivalents

These include cash in hand and bank balances and are carried at cost.

3.7 Trade and other payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received up to the year end, whether or not billed to the Company.

Trade receivables in respect of securities sold on behalf of client are recorded at settlement date of transaction.

3.8 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss account, except to the extent that it relates to items recognised directly in statement of changes in equity or in which case it is recognised in equity.

Current

Provision for current taxation is based on taxable income at the current rates for taxation after taking into account tax credit and rebates available, if any in accordance with the Provision of Income Ordinance, 2001. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed/ finalized during the year.

Deferred

Deferred tax is provided in full using the liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred tax liabilities are recognized for taxable temporary differences ,while deferred tax assets are recognized for all deductible temporary differences , carry forward of un used tax losses and unused tax credit, to the extent that is probable that taxable profits will be available against which the deductible temporary differences carry forward of unused tax losses and unused tax credits can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduce to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax relation to items recognized directly in statement of comprehensive income or equity is recognized in statement of comprehensive income or equity and not in statement of profit or loss account.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.10 Revenue

Brokerage commission, consultancy and other income are recognised as and when such services are provided and performance obligation is satisfied.

Interest income is recognised on a time proportion basis using the effective interest rate of return.

Gain / (loss) on sale of securities are included in statement of profit or loss account on settlement date basis.

3.11 Expenses

All expenses are recognised in the profit and loss account on accrual basis.

3.12 Impairment

Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

3.13 Related party transactions

All transactions with related parties are carried out by the Company at arms' length price using the admissible pricing method.

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Office Premises	Furniture and Fittings	Computer and Accessories	Office Equipment	Total
	----- Rupees -----				
Net Book Value as at June 30, 2021	9,615,733	41,996	2,080	27,373	9,687,182
Additions	-	-	-	-	-
Depreciation charge	(961,573)	(6,299)	(624)	(4,106)	(972,602)
Net Book Value as at June 30, 2022	8,654,160	35,697	1,456	23,267	8,714,580
Additions	-	-	-	-	-
Depreciation charge	(865,416)	(5,355)	(437)	(3,490)	(874,698)
Net Book Value as at June 30, 2023	7,788,744	30,342	1,019	19,777	7,839,882
At June 30, 2022					
Cost	19,046,000	408,648	298,452	266,350	20,019,450
Accumulated depreciation	(10,391,840)	(372,951)	(296,996)	(243,083)	(11,304,870)
Net book value	8,654,160	35,697	1,456	23,267	8,714,580
At June 30, 2023					
Cost	19,046,000	408,648	298,452	266,350	20,019,450
Accumulated depreciation	(11,257,256)	(378,306)	(297,433)	(246,573)	(12,179,568)
Net book value	7,788,744	30,342	1,019	19,777	7,839,882
Rate of depreciation %	10%	15%	30%	15%	

2023
Rupees

2022
Rupees

5. INTANGIBLE ASSETS

Trading Right Entitlement Certificate (TREC)	5.1	<u>2,500,000</u>	<u>2,500,000</u>
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5.1 This certificate is subject to Hypothecation charge in favor of Pakistan Stock Exchange Limited.

2023
Rupees

2022
Rupees

6. LONG TERM DEPOSITS

National Clearing Company of Pakistan Limited (NCCPL)	1,400,000	1,400,000
Central Depository Company of Pakistan Limited (CDC)	<u>100,000</u>	<u>100,000</u>
	<u>1,500,000</u>	<u>1,500,000</u>

		2023	2022
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
7. TRADE DEBTS			
<i>Considered good - unsecured</i>			
Receivables from clients	7.1	38,728,991	18,357,774
DFC profit withheld by NCCPL		68,485	325,155
		<u>38,797,476</u>	<u>18,682,929</u>

7.1 Clients securities pledged

The company holds securities having fair value of **Rs. 89.85 million** (2022 : Rs. 290.60 million) owned by its clients, as collaterals against trade debts. No securities are pledged.

		2023	2022
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
7.2 Aging analysis			
The aging analysis of trade debt is as follows:			
Up to fourteen days		3,282,274	3,281,195
More than fourteen days		35,446,717	15,076,579
		<u>38,728,991</u>	<u>18,357,774</u>

8. SHORT TERM INVESTMENTS

- At fair value through profit or loss

In shares of quoted company	8.1, 8.2 & 8.3	<u>11,861,852</u>	<u>199,359,943</u>
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8.1 Fair value of shares pledged with Pakistan Stock Exchange Limited against base minimum capital, amount to **Rs. 11.86 million** (2022: Rs. 26.53 million).

8.2 Fair value of shares pledged with National Clearing Company of Pakistan Limited (NCCPL) against exposure, amount to **Rs. Nil** (2022: Rs. 53.30 million).

8.3 No shares have been pledged with financial institutions either for brokerage house or clients.

		2023	2022
		<i>Rupees</i>	<i>Rupees</i>
9. ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Advances			
To company employees		780,000	785,000
Deposits			
Margin deposits with NCCPL		23,150,000	7,000,000
BMC deposit with PSX		10,000,000	-
Other Receivables			
Other receivables		149,522	98,350
CGT receivable from NCCPL		599,891	-
Accrued markup on bank deposit		2,132,703	794,223
		<u>36,812,116</u>	<u>8,677,573</u>

	2023	2022
Note	Rupees	Rupees

10 CASH AND BANK BALANCES

Cash in hand		67,615	42,636
Cash at bank - current account		282,637,278	132,626,764
Cash at bank - savings account	10.1	100,000	1,000,000
	10.2	282,737,278	133,626,764
		282,804,893	133,669,400

10.1 Saving account carries markup 19.5% (2022 : 13%) per annum.

10.2 Balance pertaining to:

- clients		7,767,904	10,424,225
- brokerage house		274,969,374	123,202,539
		282,737,278	133,626,764

11 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022			
Number of Shares				
11,602,560	11,602,560	Ordinary shares of Rs. 10 each issued for cash	116,025,600	116,025,600
11,000,000	11,000,000	Ordinary shares of Rs. 10 each issued for other than cash	110,000,000	110,000,000
22,602,560	22,602,560		226,025,600	226,025,600

12 DEFERRED TAX LIABILITY

Deferred tax liability is net off of taxable / (deductible) differences in respect of the followings:-

	2023	2022
	Rupees	Rupees
Taxable temporary differences		
Accelerated depreciation	21,994	77,900
Unrealized gain on investments	-	326,765
	21,994	404,665
Deductible temporary differences		
Capital loss	(1,382,196)	(97,145)
Unrealized loss on investments	(625,152)	-
Turnover tax impact	-	(94,116)
	(2,007,348)	(191,261)
Unrecognised deferred tax asset	2,007,348	-
	21,994	213,404

	<i>2023</i> <i>Rupees</i>	<i>2022</i> <i>Rupees</i>
13 TRADE AND OTHER PAYABLES		
Trade creditors	7,767,904	10,424,225
Accrued and other liabilities	<u>441,646</u>	<u>635,533</u>
	<u>8,209,550</u>	<u>11,059,758</u>

14 TAX PAYABLE

Opening liability	745,567	593,267
Provision for the year	9,019,807	5,666,242
Tax paid during the year	(7,765,592)	(4,952,016)
Prior year adjustment	-	(46,443)
Admitted income tax for previous year	<u>(714,227)</u>	<u>(515,483)</u>
	<u>1,285,555</u>	<u>745,567</u>

15 COMMITMENTS

Commitment against unrecorded transactions executed before the year end having settlement date subsequent to year end are as follows:

	<i>2023</i> <i>Rupees</i>	<i>2022</i> <i>Rupees</i>
For purchase of shares	<u>11,234,284</u>	<u>29,275,145</u>
For sale of shares	<u>4,853,256</u>	<u>17,648,999</u>

16 COMMISSION INCOME

Brokerage commission	<u>5,012,231</u>	<u>10,392,888</u>
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<i>Note</i>	<i>2023</i> <i>Rupees</i>	<i>2022</i> <i>Rupees</i>
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17 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits		10,673,800	7,013,800
Commission expense		839,200	3,074,342
PSX clearing house charges		159,914	357,594
NCCPL charges		324,372	640,567
CDC charges		243,735	295,175
SECP charges		56,330	50,000
Electricity charges		355,982	301,297
Telephone and internet		302,294	170,862
Repairs and maintenance		168,010	142,320
Printing and stationery		49,452	40,178
Entertainment		1,023,611	666,989
Traveling and conveyance		1,815,350	1,068,560
Legal and professional charges		212,860	255,630
Fees and subscription charges		760,546	1,052,738
Software maintenance charges		396,000	360,000
Auditor's remuneration	17.1	212,500	184,500
Depreciation	4	874,698	972,602
Miscellaneous		220,843	172,770
		18,689,497	16,819,924

17.1 Auditor's remuneration

Statutory audit fees		145,000	126,500
Other services including certification		67,500	58,000
		212,500	184,500

18 OTHER INCOME

Return on bank deposits		16,449,594	12,817,563
Profit on NCCPL clearing house/ PSX deposit		419,543	1,637,510
Other income		424,889	1,357,016
		17,294,026	15,812,089

19 TAXATION

Current		9,019,807	5,666,242
Prior		-	(46,443)
Deferred tax Income		(191,409)	(702,961)
		8,828,398	4,916,838

20 RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings, directors of the Company and key management employees. The Company continues to have a policy whereby all transactions with related parties undertakings are entered into at commercial terms and conditions. Year end balances with related parties, if any, are shown in the relevant notes to the financial statements.

	2023 Rupees	2022 Rupees
Remuneration of Chief Executive Officer	<u>3,600,000</u>	<u>1,800,000</u>

21 PATTERN OF SHAREHOLDING

Sr. No.	Name of Shareholders	2023		2022	
		No. of Shares Held	Percentage %	No. of Shares Held	Percentage %
1	Mohammad Ameen Moon	11,301,230	49.9998%	11,301,230	49.9998%
2	Mohammad Saleem Moon	11,301,330	50.0002%	11,301,230	49.9998%
3	Mahboob Hussain Moon	-	0.0000%	100	0.0004%
		<u>22,602,560</u>	<u>100.00%</u>	<u>22,602,560</u>	<u>100.00%</u>

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Followings are the financial assets and liabilities at year end :

FINANCIAL ASSETS AND LIABILITIES

Financial assets

Trade debts	7	38,797,476	18,682,929
Advances, deposits and other receivables	9	36,812,116	8,677,573
Short term investments	8	11,861,852	199,359,943
Cash and bank balances	10	282,804,893	133,669,400
		<u>370,276,337</u>	<u>360,389,845</u>

Financial Liabilities

Trade and other payables	13	8,209,550	11,059,758
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The Company's activities expose it to a variety of financial risks: capital risk, credit risk, liquidity risk and market risk (interest / mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

Risk managed and measured by the Company are explained below: -

- a) Credit risk
- b) Liquidity risk
- c) Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

22.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk, Company applies credit limits and deal with credit worthy parties. It makes full provision against those balances considered doubtful and by dealing with variety of major banks and financial institutions.

The carrying amounts of financial assets represent the maximum credit exposure, as specified below: -

	<i>Note</i>	<i>2023 Rupees</i>	<i>2022 Rupees</i>
Trade debts	7	38,797,476	18,682,929
Advances, deposits and other receivables	9	36,812,116	8,677,573
Cash at banks	10	282,737,278	133,626,764
		<u>358,346,870</u>	<u>160,987,266</u>

The maximum exposure to credit risk for trade debtors and other receivables at the reporting date are as follows:

	<i>2023</i>		<i>2022</i>	
	<i>Gross Rupees</i>	<i>Impairment Rupees</i>	<i>Gross Rupees</i>	<i>Impairment Rupees</i>
Past due 15-30 days	<u>35,446,717</u>	<u>-</u>	<u>15,076,579</u>	<u>-</u>

22.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of financial liabilities, including estimated interest payments:-

	<i>2023</i>			
	<i>Carrying Amount</i>	<i>Contractual cash flows</i>	<i>Upto one year</i>	<i>More than one year</i>
	<i>----- Rupees -----</i>			
<i>Financial liabilities</i>				
Trade and other payables	<u>8,209,550</u>	<u>8,209,550</u>	<u>8,209,550</u>	<u>-</u>

	2022			
	<i>Carrying Amount</i>	<i>Contractual cash flows</i>	<i>Upto one year</i>	<i>More than one year</i>
	----- Rupees -----			
<i>Financial liabilities</i>				
Trade and other payables	11,059,758	11,059,758	11,059,758	-

22.3 Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest / mark up rate risk and price risk. The market risks associated with the Company's business activities are discussed as under:-

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Currently the Company is not exposed to any currency risk because the company is not dealing in any foreign currency transactions.

22.4 Interest / mark up rate risk

Financial assets include balance of **Rs. 33.25 million** (2022 : Rs. 8 million) which are subject to interest rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

At the reporting date, the interest rate profile of the company's significant interest bearing financial instruments was as follows:-

	<i>Carrying amount</i>	
	<i>2023</i>	<i>2022</i>
	<i>Rupees</i>	<i>Rupees</i>
<i>Financial assets</i>		
Exposure deposit	23,150,000	7,000,000
BMC deposit with PSX	10,000,000	-
Bank balances	100,000	1,000,000
	33,250,000	8,000,000

Sensitivity analysis

The Company does not account for any fixed rate financial asset and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not effect fair value of any financial instrument and company does not have any variable rate instrument which effect profit or loss account and equity.

The following information summarizes the estimated effects of hypothetical increases and decreases in interest rates on cash flows from financial assets and liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	<i>Profit and loss 100 bp</i>	
	<i>increase</i>	<i>decrease</i>
<i>As at June 30, 2023</i>		
Cash flow sensitivity - Variable rate financial instruments	<u>332,500</u>	<u>-</u>
<i>As at June 30, 2022</i>		
Cash flow sensitivity - Variable rate financial instruments	<u>80,000</u>	<u>-</u>

22.5 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favorable which if not, impairment loss has been recognised and other opportunities may be considered. Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are, in almost all instances, based on quoted market prices as of the balance sheet date except for, unquoted associates which are carried at fair value determined through latest sales price. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

Sensitivity analysis

The table below summarizes Company's equity price risk as of June 30, 2023 and 2022 and shows the effects of hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worst because of the nature of the equity market and aforementioned concentrations existing in company's equity investment portfolio.

	<i>Fair Value Rupees</i>	<i>Hypothetical price change</i>	<i>fair value after hypothetical change in prices Rupees</i>	<i>Hypothetical increase (decrease) in Shareholders' Equity Rupees</i>
June 30, 2023	11,861,852	10% increase	13,048,037	1,186,185
		10% decrease	10,675,667	(1,186,185)
June 30, 2022	199,359,943	10% increase	219,295,937	19,935,994
		10% decrease	179,423,949	(19,935,994)

22.6 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in arm's length transaction.

22.7 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows: -

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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: Inputs for the asset or liability that are not based on observable market data (unobservable).

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>----- Rupees -----</i>		
June 30, 2023			
Investments at fair value through profit or loss account	11,861,852	-	-
June 30, 2022			
Investments at fair value through profit or loss account	199,359,943	-	-

23 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

The internal reporting provided to the chief operating decision-maker relating to the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan. There were no change in the reportable segments during the year.

The Company is domiciled in Pakistan. The Company's revenue is generated from shares brokerage income.

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

24 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 and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company manages its capital risk by monitoring its liquid assets and keeping in view future investment requirements and expectation of the shareholders. The company does not have any debt as on reporting date.

25 LIQUID CAPITAL

<i>S/No.</i>	<i>Head of Account</i>	<i>Value in Pak Rupees</i>	<i>Hair Cut / Adjustments</i>	<i>Net Adjusted Value</i>
1. Assets				
1.1	Property & Equipment	7,839,882	7,839,882	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities			
	If listed than:			
	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.	-	-	-
	If unlisted than:			
	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	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital.	11,861,852	11,861,852	-

<i>S/No.</i>	<i>Head of Account</i>	<i>Value in Pak Rupees</i>	<i>Hair Cut / Adjustments</i>	<i>Net Adjusted Value</i>
	ii. If unlisted, 100% of carrying value.		-	-
1.6	Investment in subsidiaries 100% of net value	-	-	-
1.7	Investment in associated companies / undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.			
	(i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC	11,500,000	11,500,000	-
1.9	Margin deposits with exchange and clearing house.	23,150,000	-	23,150,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments 100% of carrying value	-	-	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	2,282,225	-	2,282,225
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties.	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
1.15	Advances and receivables other than trade Receivables;			
	(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	-	-	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	599,891	599,891	-
	(iii) In all other cases 100% of net value	780,000	780,000	-
1.16	Receivables from clearing house or securities exchange(s)			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	68,485	-	68,485

<i>S/No.</i>	<i>Head of Account</i>	<i>Value in Pak Rupees</i>	<i>Hair Cut / Adjustments</i>	<i>Net Adjusted Value</i>
1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the finance (iii) market value of any securities deposited as collateral after applying VaR based haircut. <i>i. Lower of net balance sheet value or value determined through adjustments.</i>	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	2,268,412	-	2,268,412
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. <i>v. Lower of net balance sheet value or value determined through adjustments</i>	36,460,579	8,352,246	28,108,333
	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>	-	-	-
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	274,969,374	-	274,969,374
	ii. Bank balance-customer accounts	7,767,904	-	7,767,904
	iii. Cash in hand	67,615	-	67,615

<i>S/No.</i>	<i>Head of Account</i>	<i>Value in Pak Rupees</i>	<i>Hair Cut / Adjustments</i>	<i>Net Adjusted Value</i>
1.19	Subscription money against investment in IPO/ offer for sale (asset)			
	(i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-		-
	(ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities.	-		-
	(iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.	-		-
1.20	Total Assets	382,116,219	43,433,871	338,682,348

2. Liabilities

2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	7,767,904	-	7,767,904
2.2	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	441,646	-	441,646
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	1,285,555	-	1,285,555
	viii. Other liabilities as per accounting principles and included in the financial statements	21,994	-	21,994
2.3	Non-Current Liabilities			
	i. Long-Term financing			-
	ii. Other liabilities as per accounting principles	-	-	-
	iii. Staff retirement benefits	-	-	-
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases	-	-	-
2.4	Subordinated Loans			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted.	-	-	-

<i>S/No.</i>	<i>Head of Account</i>	<i>Value in Pak Rupees</i>	<i>Hair Cut / Adjustments</i>	<i>Net Adjusted Value</i>
2.5	<p>iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if:</p> <p>a. The existing authorized share capital allows the proposed enhanced share capital</p> <p>b. Board of Directors of the company has approved the increase in capital</p> <p>c. Relevant Regulatory approvals have been obtained</p> <p>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.</p> <p>e. Auditor is satisfied that such advance is against the increase of capital.</p>	-	-	-
2.6	Total Liabilities	9,517,099	-	9,517,099

3. Ranking Liabilities Relating to :

3.1	<p>Concentration in Margin Financing</p> <p>The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million). Note: Only amount exceeding by 10% of each finacee from aggregate amount shall be include in the ranking liabilities</p>	-	-	-
3.2	<p>Concentration in securities lending and borrowing</p> <p>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)</p>	-	-	-
3.3	<p>Net underwriting Commitments</p> <p>(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of:</p>			

<i>S/No.</i>	<i>Head of Account</i>	<i>Value in Pak Rupees</i>	<i>Hair Cut / Adjustments</i>	<i>Net Adjusted Value</i>
	(i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment.	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary.	-	-	-
3.5	Foreign exchange agreements and foreign currency positions 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency.	-	-	-
3.6	Amount payable under REPO	-	-	-
3.7	Repo adjustment In the case of financier / purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	Concentrated proprietary positions If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security.	-	-	-
3.9	Opening Positions in futures and options i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts. ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met.	292,749	157,880	134,869
		-	-	-

<i>S/No.</i>	<i>Head of Account</i>	<i>Value in Pak Rupees</i>	<i>Hair Cut / Adjustments</i>	<i>Net Adjusted Value</i>
3.10	Short sell positions			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts.	-	-	-
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilities	-	-	-
		292,749	157,880	134,869

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (Serial Number 1.20)	338,682,348
(ii) Less: Adjusted value of liabilities (Serial Number 2.6)	(9,517,099)
(iii) Less: Total ranking liabilities (Series Number 3.11)	(134,869)
	<u>329,030,380</u>

26 CAPITAL ADEQUACY LEVEL

The capital adequacy level of the company is as follows:

	<i>Note</i>	<i>2023 Rupees</i>	<i>2022 Rupees</i>
Total assets	26.1	382,116,219	373,104,425
Less: Total liabilities		(9,517,099)	(12,018,729)
Less: Revaluation reserves (created upon revaluation of fixed assets)		-	-
Capital adequacy level		372,599,120	361,085,696

26.1 While determining the value of total assets of TREC holder, notional value of TRE certificate held by Moonaco Securities (Private) Limited as at year ended June 30, 2023 as determined by the Pakistan Stock Exchange Limited - PSX has been considered.

27 NUMBER OF EMPLOYEES

	<i>2023</i>	<i>2022</i>
Number of employees	<u>10</u>	<u>10</u>
Average number of employees	<u>10</u>	<u>10</u>

28 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue on 07 OCT 2023 by the Board of Directors of the Company.



Chief Executive Officer



Director