REANDA
Reanda Haroon Zakaria & Company
Chartered Accountants

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

Opinion

We have audited the annexed financial statements of **Venus 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, 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 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, other 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 the 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.

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.

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REANDA

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 statement of financial position was prepared.

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

Reanda Haroon Zakaria & Co

Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: October 7, 2023
UDIN: AR202310127KCAdtLT71

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

	Note	2023 Rupees	2022 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	4	**543,541**	3,860,757
Intangibles	5	**2,500,000**	2,500,000
Long term deposit	6	**7,800,000**	5,264,055
Deferred tax asset	7	**-**	-
		10,843,541	11,624,812
Current Assets			
Trade debts	8	**46,343**	6,160,197
Advances, prepayment and other receivables	9	**4,666,354**	7,091,641
Short-term investments	10	**60,934,595**	61,569,730
Tax refunds due from government	11	**1,022,408**	1,019,448
Cash and bank balance	12	**1,307,151**	3,783,330
		67,976,851	79,624,346
Total Assets		**78,820,392**	91,249,158
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised Share Capital			
2,000,000 (2022: 2,000,000) Ordinary shares of Rs.100 each		**200,000,000**	200,000,000
Issued, subscribed and paid-up capital	13	**155,000,000**	155,000,000
Unappropriated profit		**(77,350,533)**	(72,115,951)
Shareholders' Equity		**77,649,467**	82,884,049
Current Liabilities			
Trade and other payables	14	**395,959**	4,877,218
Temporary overdraft	15	**-**	3,196,213
Loan from director		**728,614**	-
Accrued markup		**46,352**	291,678
		1,170,925	8,365,109
Contingencies and Commitments	16		
Total Equities and Liabilities		**78,820,392**	91,249,158

The annexed notes 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

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

	Note	2023 Rupees	2022 Rupees
Operating revenue	17	**5,341,797**	7,225,403
(Loss) / Gain on sale of short term investments		**(5,902,582)**	7,907,839
Unrealized gain on short term investments		**525,628**	-
Loss on remeasurement of investment - at FVTPL		**-**	(7,199,817)
		(35,157)	7,933,425
Operating and administrative expenses	18	**(12,299,026)**	(23,484,341)
Loss from operation		**(12,334,183)**	(15,550,916)
Financial charges	19	**(404,109)**	(669,471)
Other income	20	**8,138,291**	2,981,940
		7,734,182	2,312,469
Loss before taxation		**(4,600,001)**	(13,238,447)
Taxation	21	**(634,581)**	(187,381)
Loss after taxation		**(5,234,582)**	(13,425,828)

The annexed notes 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

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

	2023 Rupees	2022 Rupees
Loss after taxation	**(5,234,582)**	(13,425,828)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(5,234,582)**	(13,425,828)

The annexed notes 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

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

	Share capital	*Revenue Reserve*	*Total*
		Accumulated loss	
		Rupees	
Balance as at June 30, 2021	155,000,000	(58,690,123)	96,309,877
Loss for the year	-	(13,425,828)	(13,425,828)
Balance as at June 30, 2022	155,000,000	(72,115,951)	82,884,049
Loss for the year	-	**(5,234,582)**	**(5,234,582)**
Balance as at June 30, 2023	**155,000,000**	**(77,350,533)**	**77,649,467**

The annexed notes 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

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

	2023 Rupees	2022 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	**(4,600,001)**	(13,238,447)
Adjustment for non-cash charges and other items		
Depreciation	**1,057,967**	1,563,175
Loss on remeasurement of investment	**-**	7,199,817
Dividend income	**(1,025,428)**	(735,546)
Financial charges	**404,109**	669,471
Capital gain on disposal of shares	**5,902,582**	(7,907,839)
Gain on sale of fixed asset	**(4,452,252)**	-
	1,886,978	789,078
Operating loss before working capital changes	**(2,713,023)**	(12,449,369)
Effect of changes in working capital		
(Increase) / decrease in current assets		
Trade debts	**6,113,854**	(5,744,042)
Advances and other receivables	**2,425,287**	24,623,593
	8,539,141	18,879,551
Increase / (decrease) in current liabilities		
Trade and other payables	**(4,481,259)**	(31,194,912)
Cash used in operations	**1,344,859**	(24,764,730)
Financial charges paid	**(649,435)**	(377,793)
Taxes paid	**(637,541)**	(432,920)
Long term deposit - net	**(2,535,945)**	10,048,991
Net cash used in operating activities	**(2,478,062)**	(15,526,452)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	**(88,500)**	(213,600)
Proceeds from sale of property and equipment	**6,800,000**	-
Investments - net	**(5,267,446)**	(2,803,648)
Dividend received	**1,025,428**	735,546
Net cash used in investing activities	**2,469,482**	(2,281,702)

	2023 Rupees	2022 Rupees
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan from director - Net	**728,614**	-
Temporary overdraft	**(3,196,213)**	(11,259,057)
Net cash used in financing activities	**(2,467,599)**	(11,259,057)
Net decrease in cash and cash equivalent (A+B+C)	**(2,476,179)**	(29,067,211)
Cash and cash equivalents at beginning of the year	**3,783,330**	32,850,541
Cash and cash equivalents at end of the year	**1,307,151**	3,783,330

The annexed notes 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

1 *LEGAL STATUS AND NATURE OF BUSINESS*

Venus Securities (Private) Limited was incorporated as a private limited company under the Companies Ordinance, 1984 (Now Companies Act, 2017) on June 06, 2007. The registered office is situated at 804-805 8th floor New Stock Exchange Building, Stock Exchange Road, Karachi. The Company is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited.

The principal activity of company is the business of stock brokerage and portfolio management.

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 investment which are carried at fair value, without any adjustments for the effects of inflation or current values.

2.3 *Functional and presentation currency*

The financial statements are presented in Pak Rupees, which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded 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

Amendments to published standards and IFRS interpretations that are effective for the year ended June 30, 2022

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.

2.5.1 Standards, amendments and improvements to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

		Effective date (annual periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2023
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 07	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 reducing balance 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.

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.

Maintenance and normal repairs are charged to income as and when incurred.

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

3.2 Intangible Assets

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 infinite 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 when the asset is derecognised.

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.

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 and 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 P&L

A financial asset is measured at fair value through P&L 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 and 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 other 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 other 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 other 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 and Deposits*

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

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 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 amortised 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 client trade and services received up to the year end, whether or not billed to the Company.

Trade payables in respect of securities purchased 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, 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 taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged or credited to the statement of profit or loss.

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 reporting 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 the 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 on settlement date basis.

3.11 *Expenses*

All expenses are recognised in the statement of profit or loss 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 statement of profit or loss, 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.

PROPERTY AND EQUIPMENT

Particular	Owned: Computer	Owned: Office Equipment	Owned: Vehicle	Total
	------------------- Rupees	-------------------		
Net book value as at June 30, 2021	375,105	209,123	4,626,103	5,210,332
Additions	28,000	40,600	145,000	213,600
Depreciation charged	(117,432)	(32,536)	(1,413,207)	(1,563,175)
Net book value as at June 30, 2022	285,673	217,187	3,357,896	3,860,757
Additions	**88,500**	-	-	**88,500**
Disposal				
Cost	-	-	**(5,140,115)**	**(5,140,115)**
Depreciation	-	-	**2,792,367**	**2,792,367**
	-	-	**(2,347,748)**	**(2,347,748)**
Depreciation charged	**(98,977)**	**(32,578)**	**(926,412)**	**(1,057,967)**
Net book value as at June 30, 2023	**275,196**	**184,609**	**83,736**	**543,542**
At June 30, 2022				
Cost	603,034	328,262	5,285,115	6,216,411
Accumulated depreciation	(317,361)	(111,075)	(1,927,219)	(2,355,654)
Net book value	285,673	217,187	3,357,896	3,860,757
At June 30, 2023				
Cost	**691,534**	**328,262**	**145,000**	**1,164,796**
Accumulated depreciation	**(416,338)**	**(143,653)**	**(61,264)**	**(621,255)**
Net book value	**275,196**	**184,609**	**83,736**	**543,541**
Rate of depreciation %	**30%**	**15%**	**30%**	

4.1 ***Detail of operating fixed assets disposed off during the year are as follows:***

Particular	*Cost*	*Accumulated depreciation*	*Book value*	*Sale proceed*	*Gain on disposal*	*Mode of disposal*	*Particulars of Purchaser*	*Relationship with buyer*
	-----------------------	*Rupees*	-------------------					
KIA Sportage	5,140,115	2,792,367	2,347,748	6,800,000	4,452,252	Negotiation	Ameer Hamza	Third party
Total	**5,140,115**	**2,792,367**	**2,347,748**	**6,800,000**	**4,452,252**			

	Note	*2023 Rupees*	*2022 Rupees*
5 *INTANGIBLES*			
Trading Rights Entitlement Certificate (TREC) Pakistan Stock Exchange Limited	5.1	**2,500,000**	2,500,000

5.1 These represent Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX).

	2023 Rupees	2022 Rupees

6 LONG-TERM DEPOSITS

	2023 Rupees	2022 Rupees
Central Depository Company of Pakistan Limited (CDC)	**100,000**	100,000
Pakistan Stock Exchange Limited (PSX)	**6,400,000**	2,464,055
National Clearing Company of Pakistan Limited (NCCPL)	**-**	1,400,000
Pakistan Mercantile Exchange Limited (PMEX)	**1,300,000**	1,300,000
	7,800,000	5,264,055

7 DEFERRED TAX ASSET

Deferred tax asset is net off of taxable/ (deductible) temporary differences in respect of the following:

Deferred taxation comprises differences relating to:

	Note	2023 Rupees	2022 Rupees
Taxable temporary differences			
Accelerated tax depreciation		**15,613**	-
Credit arise in respect of the following:			
Tax losses		**(8,504,006)**	(8,708,295)
Capital loss on disposal		**(18,321,532)**	(18,321,532)
Accelerated tax depreciation		**-**	(102,855)
Unrealised gain on investment		**15,143,782**	(1,079,972)
Turnover tax impact		**(242,539)**	(209,882)
		(11,924,295)	(28,422,536)
Deferred tax asset		**(11,908,682)**	(28,422,536)
Unrecognised deferred tax asset	7.1	**11,908,682**	28,422,536
		-	-

7.1 The Company has not recognised above deferred tax asset due to the uncertainty regarding taxable profits in foreseeable future against which the deferred tax asset can be utilized or adjusted.

	Note	2023 Rupees	2022 Rupees
8 TRADE DEBTS			
- Considered good			
Receivable from clients	8.1	**46,343**	6,160,197

8.1 Receivable from clients

	2023	2022
Considered good	**46,343**	6,160,197
Considered doubtful	**-**	-
	46,343	6,160,197
Provision for doubtful receivables	**-**	-
	46,343	6,160,197

8.2 *Clients securities pledged*

The company holds capital securities having fair value of **Rs. Nil** (2022 : Rs. 105.273 million) owned by its clients, as collaterals against trade debts.

	Note	*2023 Rupees*	*2022 Rupees*
8.3 Aging analysis			
The aging analysis of trade debts is as follows:			
Upto fourteen days		**-**	6,087,612
More than fourteen days		**46,342**	72,585
		46,342	6,160,197

9 *ADVANCES, PREPAYMENT AND OTHER RECEIVABLES*
- Considered good

	2023	2022
Deposit		
Margin deposits with NCCPL	**281,822**	4,718,534
Rental deposit	**150,000**	-
E-clear deposits with NCCPL	**2,000,000**	-
Prepayments	**261,000**	315,000
Other Receivable		
From employees	**588,767**	1,854,747
Other receivables	**1,314,763**	-
Profit receivable	**70,002**	203,360
	4,666,354	7,091,641

10 *SHORT-TERM INVESTMENTS*

	Note	2023	2022
At fair value through profit or loss			
In quoted securities	10.1	**-**	61,569,730
In T.Bills		**60,934,595**	-
		60,934,595	61,569,730

10.1 Fair value of securities, pledged with Pakistan Stock Exchange limited against Base Minimum Capital (BMC) is **Rs. Nil** (2022: Rs. 9.339 million)

	2023 Rupees	*2022 Rupees*
11 TAX REFUNDS DUE FROM GOVERNMENT		
Opening tax refundable	**1,019,448**	773,909
Provision for the year	**(634,237)**	(200,649)
Prior year	**(344)**	13,268
	384,867	586,528
Tax paid during the year	**637,541**	432,920
	1,022,408	1,019,448

	Note	2023 Rupees	2022 Rupees

12 CASH AND BANK BALANCE

	Note	2023 Rupees	2022 Rupees
Cash in hand		**3,895**	3,185
Cash at bank - Current account	12.1	**1,303,256**	3,780,145
		1,307,151	3,783,330

12.1 Balance pertaining to :

		2023 Rupees	2022 Rupees
- brokerage house		**1,082,161**	4,965
- clients		**221,095**	3,775,180
		1,303,256	3,780,145

13 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023 Number of Shares	2022 Number of Shares		2023 Rupees	2022 Rupees
1,550,000	1,550,000	Ordinary shares of Rs.100 each issued for cash	**155,000,000**	155,000,000
1,550,000	1,550,000		**155,000,000**	155,000,000

14 TRADE AND OTHER PAYABLES

	2023 Rupees	2022 Rupees
Trade creditors	**44,709**	3,774,676
Accrued liabilities	**351,250**	549,022
Other liabilities	**-**	553,520
	395,959	4,877,218

15 TEMPORARY OVERDRAFT

	Note	2023 Rupees	2022 Rupees
Temporary overdraft	15.1	-	3,196,213

15.1 The above facilities carry mark up ranging from **3 month KIBOR + 2.5% to 5.5%** (2022 : 1 month KIBOR + 2.5% to 5.5%) per annum. These facilities are secured against lien of PIB@ 10% minimum margin in IPS account with JSBL, lien of T-Bills@ 10% minimum margin in IPS account with JSBL, pledge of shares with 35% margin and personal guarantees of all directors of the Company.

Nature of Facility	Available Limits 2023	Available Limits 2022	Unavailed Limits 2023	Unavailed Limits 2022
	---------- Rupees ----------			
Running finance	**30,000,000**	50,000,000	30,000,000	46,803,787

15.2 Fair value of pledged securities with financial institutions indicating separately securities belonging to customers is as under:

	June 30, 2023		June 30, 2022	
	Number of Securities	Amount	Number of Securities	Amount
	------------- Rupees -------------			
Client	-	-	33,660	1,827,265
House	-	-	786,000	23,162,115
Total	-	-	819,660	24,989,380

16 COMMITMENTS

Commitment against unrecorded transactions executed before the year end having settlement date subsequent to year end: -

	Note	2023 Rupees	2022 Rupees
For purchase of shares		-	49,722,316
For sale of shares		-	48,202,909

17 OPERATING REVENUE

		2023	2022
Brokerage income from Pakistan Stock Exchange		**5,341,797**	7,105,403
Brokerage income from Pakistan Mercantile Exchange Limited		-	120,000
		5,341,797	7,225,403

18 ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2023	2022
Salaries and other benefits		**6,089,391**	12,653,491
PSX service charges		**1,208,405**	2,873,533
C.D.C charges		**67,246**	124,089
PSX brokers association		**182,673**	493,494
NCCPL service charges		**629,889**	1,858,800
SECP expenses		**166,133**	358,418
Fee and subscription		**64,166**	149,050
Insurance expenses		**100,000**	-
Rent, rate and taxes		**604,000**	612,500
Electricity		**312,152**	353,186
Telephone and mobile		**94,590**	120,330
Printing and stationery		**35,966**	206,140
Repair and maintenance - Office		**90,872**	78,500
Travelling and conveyance expense		**23,650**	25,200
Legal and professional charges		**32,000**	324,800
Auditors' remuneration	18.1	**126,500**	176,800
Entertainment and water charges		**57,660**	52,170
General expense		**690,703**	322,593
Computer supplies and expenses		**88,200**	196,300
Internet & Website expenses		**144,213**	62,972
Software expenses		**432,650**	878,800
Depreciation	4	**1,057,967**	1,563,175
		12,299,026	23,484,341

	2023 Rupees	2022 Rupees

18.1 *Auditors' remuneration*

	2023 Rupees	2022 Rupees
Statutory audit fee	**126,500**	115,000
Certification fee	**-**	61,800
	126,500	176,800

19 FINANCIAL CHARGES

	2023 Rupees	2022 Rupees
Bank charges	**404,109**	669,471

20 OTHER INCOME

	2023 Rupees	2022 Rupees
Risk Management System (RMS) profit	**802,769**	1,497,591
Gain on sale of mutual funds	**1,483,950**	-
Dividend income	**1,025,428**	735,546
Other income	**373,892**	748,803
Gain on disposal of fixed asset	**4,452,252**	-
	8,138,291	2,981,940

21 TAXATION

	2023 Rupees	2022 Rupees
Current year	**634,237**	200,649
Prior year	**344**	(13,268)
	634,581	187,381

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

FINANCIAL ASSETS AND LIABILITIES

	2023 Rupees	2022 Rupees
Financial assets		
Short-term investments	**60,934,595**	61,569,730
Trade debts	**46,343**	6,160,197
Advances and other receivables	**4,405,354**	6,776,641
Cash and bank balance	**1,307,151**	3,783,330
	66,693,443	78,289,898
Financial Liabilities		
Trade and other payables	**395,959**	4,877,218
Temporary overdraft	**-**	3,196,213
	395,959	8,073,431

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: -

	Note	2023 Rupees	2022 Rupees
Trade debts	8	**46,343**	6,160,197
Advances and other receivables	9	**4,405,354**	6,776,641
Cash at banks	12	**1,303,256**	3,780,145
		5,754,953	16,716,983

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

	2023		2022	
	Gross	**Impairment**	Gross	Gross
	------- Rupees -------			
Past due 1-30 days	**46,342**	-	6,160,197	-

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:-

	2023			
	Carrying Amount	**Contractual cash flows**	**Upto one year**	**More than one year**
	------- Rupees -------			
Financial liabilities				
Trade and other payables	**395,959**	**395,959**	**395,959**	-

	2022			
	Carrying Amount	*Contractual cash flows*	*Upto one year*	*More than one year*
	Rupees			
Financial liabilities				
Trade and other payables	4,877,218	4,877,218	4,877,218	-

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.

Interest / mark up rate risk

Financial assets include balance of **Rs. 61.216 million** (2022 : Rs. 4.718 million) and financial liabilities includes balance of **Rs. NIL** (2022 : Rs. 3.196 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: -

	Carrying amount	
	2023	*2022*
	Rupees	*Rupees*
Financial assets		
Exposure deposit	**281,822**	4,718,534
Financial liability		
Temporary overdraft	-	3,196,213

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 and 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.

	Profit and loss 100 bp	
	increase	***decrease***
	Rupees	***Rupees***
As at June 30, 2023		
Cash flow sensitivity -Variable rate financial instruments	**2,818**	**(2,818)**
As at June 30, 2022		
Cash flow sensitivity -Variable rate financial instruments	15,223	(15,223)

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 reporting 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.

	Fair Value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase (decrease) in Shareholders' Equity
	Rupees		Rupees	Rupees
June 30, 2023	**60,934,595**	**10% increase**	**-**	**67,028,055**
		10% decrease	**-**	**54,841,136**
June 30, 2022	**61,569,730**	10% increase	67,726,703	6,156,973
		10% decrease	55,412,757	(6,156,973)

22.4 *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.

22.5 *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).

	Level 1	Level 2	Level 3
	Rupees		
June 30, 2023			
Investments at fair value through profit and loss account	**60,934,595**	-	-
June 30, 2022			
Investments at fair value through profit and loss account	61,569,730	-	-

23 *CAPITAL RISK MANAGEMENT*

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders. No changes were made in the objectives, policies or processes during the year ended June 30, 2022.

The Company monitors capital by effective control over expenses and investment. Therefore no debt is taken by the company.

EMUNERATION OF CHIEF EXECUTIVE AND DIRECTOR

	Chief Executives		*Director*	
	2023	*2022*	*2023*	*2022*
	Rupees			
Managerial remuneration	**1,200,705**	1,200,000	**2,950,000**	3,007,491
Number of persons	**1**	1	**1**	1

24.1 The Director has been provided with the free use of company maintained vehicle in accordance with the company's policy.

25 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors of the Company, 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 are shown in the relevant notes to the financial statements except below:

Transaction with associated undertakings and key management personnel under the term of their employment, are as follows: -

Transactions with	*Relationship with party*	*Nature of Transactions*	*2023 Rupees*	*2022 Rupees*
Asad	Director	Trade creditor	-	1,250,853
Wali Muhammad	Chief Executive Office	Trade creditor	-	8,215
Sadaf Asad	Close Family Member	Purchase of T.Bill	**5,222,830**	-
Asad	Director	Loan obtained during the year	**23,021,000**	-
		Loan repaid during the year	**22,292,386**	-

26 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.