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Directors' Report to the Members

Dear Shareholders:

The Directors of the Company are pleased to present their report under section 226 of the Companies Act, 2017 together with Audited Financial Statements for the year ended June 30, 2023.

Economic Review:

Pakistan's economy is currently under severe stress with low foreign reserves, a depreciating currency, and high inflation. With high public consumption, economic growth increased substantively above potential in FY22 that led to strong pressures on domestic prices, external and fiscal sectors, the exchange rate, and foreign reserves. These imbalances were exacerbated by the catastrophic flooding in 2022, surging world commodity prices, tightening global financing conditions, and domestic political uncertainty. Furthermore, distortive policy measures, including periods of informal exchange rate restrictions and import controls, delayed the IMF program, and contributed to creditworthiness downgrades, lower confidence, high yields and interest payments, and the loss of access to international capital market. Economic growth is expected to slow and remain below potential in the medium-term. Real GDP growth is expected to slow sharply to 0.4 percent, reflecting corrective tighter fiscal policy, flood impacts, high inflation, high energy prices and import controls. Agricultural output is expected to contract for the first time in more than 20 years due to the floods. Industry output is also expected to shrink with supply chain disruptions, weakened confidence, higher borrowing costs and fuel prices, and heightened uncertainty. The drop in Pakistan Stock Exchange index so far has not been spectacular but steady. After the customary January increase – the index has come down 2 percent from the start of 2023 and is down 9 percent from a year ago. Business and consumer confidence indices have repeatedly shown negative trends, inflation has breached a 50-year high, reserves are razor thin, and the interest rates may not have pea ked yet. The KSE-100 index too has had a long-standing firm relationship with 10-year market yields, which have softened of late, as short-term yield, go up. There could still be a bull run in that context – but that is most likely to fade sooner than later, as all fundamentals point towards more struggle – both on economic and political fronts.

Stock Market Review:

Pakistan stock market's performance has posted a boom and bust situation during FY 2023 due to geopolitical tension, especially Russia-Ukraine conflict, and domestic political uncertainty. Later (since February 2022), the Russia- Ukraine conflict exacerbated the economic challenges as the super cycle of commodity prices widened the country's current account deficit (CAD) and worsened the balance of crisis.

The benchmark KSE-100 index opened at 41,540.83 points on 1st July 2022 and declined by 3.71% in the initial nine (09) months of FY 2023. Investment at PSX, as market capitalization (the total value of listed companies) slumped to a multiyear low at Rs 6.108 trillion, compared to the peak of Rs 6.95 trillion in June 2022. Market capitalization of the PSX was 6,956.51 billion on the 30th June 2022.

Financial Performance:

	2023	2022
Operating Revenue	21,729,749	20,967,763
Gain/ (Loss) on sale of Investment	(11,331)	2,006,636
Other Income	1,490,815	1,225,613
Profit before Tax	(22,599,162)	(2,258,867)
Profit after Tax	(23,440,378)	(2,512,864)
EPS (Rs.)	(58.60)	(6.28)

The operating revenue has increased during the year as compared to the last year. The company is trying its best to yield better volumes by providing improved quality of services through extensive research, corporate access and advisory services. We are working on expanding our client base in order to increase the market participation of investors and avail benefits from lucrative market opportunities.

Risk Management:

The Board of Directors of the company actively drives the risk management framework wherein it provides an active approach in dealing with factors that influence the financial health of the company. An effective risk management framework along-with robust risk governance structure, strong capital & liquidity position and good quality of investment portfolio, remains a cornerstone to accomplish the goals of the company.

Code of Corporate Governance:

The Board and Management of the Company are committed to ensuring the requirements of the Code of Corporate Governance are fully met. The Company has adopted strong Corporate Governance practices with an aim to enhance the accuracy, comprehensiveness and transparency of the financial and non- financial information. The Directors are pleased to report that:

- The financial statements, prepared by the management of the company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom have been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern;
- The company has on account of statutory payment of taxes, duties, levis and charges has no outstanding liability as at the balance sheet date;
- There are no transactions entered into by the broker during the year which are fraudulent, illegal or in violation of any securities market laws.

Human Resource

The focus of the HR department at NEW PEAK SECURITIES (PVT.) LIMITED is to recruit, develop, retain and reward the best talent. We strive to ensure that our employment policies meet relevant social, statutory and regulatory conditions and remain committed to build and maintain strong collective relationships. All HR policies have been reviewed by the board committee and updated in accordance with present day requirements and corporate framework of the company as the management recognizes this to be a critical area, having a strong impact on performance, procedures and business ethics. All approved policies are available to employees to enhance employee awareness and participation.

Internal Financial Controls:

The internal control structure of NEW PEAK SECURITIES (PVT.) LIMITED comprises the Board of Directors, internal audit and compliance department. The company's internal audit and compliance department is responsible to establish and maintain an adequate and effective system of internal controls and procedures under the policies approved by the Board. The management is also responsible for evaluating effectiveness of the company's internal control system that covers material matters through identification of control objectives as well as review of significant policies and procedures. The company's internal control system has been designed to identify and mitigate the risk of failure to achieve overall business objectives of the Company. Internal controls and policies are designed to provide reasonable assurance regarding the effectiveness and efficiency of the company's operations, reliability of financial information and compliance with applicable laws and regulations.

Environment, Health and Safety:

The company maintains secure and safe working conditions avoiding the risk to the health of employees, customer and public at large.

Impact of the company's business on the environment:

Company's nature of business is service provider; hence its activities have a minimal impact on the environment. The company has a policy to minimize the use of paper. All the communication between employees, departments and clients is done through emails; unless in matters of imperative necessity.

Related Party Transaction:

In order to comply with the requirements of the listing regulations, the Company has presented all related party transactions to the board for their review and approval. The details of all related party transactions have been provided in note 9 of the annexed audited financial statements.

Changes in the Board:

During the year under review, there was no change in the structure of Board.

Pattern of Shareholding:

Annexed with Note no 14.

Auditors:

The Board recommends appointment of M/S IECnet S.K.S.S.S. Chartered Accountants as the statutory auditors of the Company for the year ended June 2024 in the forthcoming Annual General Meeting.

Post Balance Sheet Date Event / Dividend:

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of the report.

Appreciation and Acknowledgements:

The Board of Directors of New Peak Securities (Pvt.) Limited would like to thank the GOP, the SECP, NCCPL, CDC, PSX, the bankers to the company and other regulatory bodies for their continued support, all esteemed shareholders and clients of the company for their trust, and our co-colleague's & employees of the company for their continuous dedication and commitment.

On behalf of the Board of Directors

NEW PEAK SECURITIES (PVT) LTD. 482

Director
October 06, 2023

Chief Executive Officer

New Peak Securities (Pvt) Ltd.

TREC Holder Pakistan Stock Exchange Limited

Statement of Compliance
<u>For the Year Ended June 30, 2023.</u>

The company has complied with the requirements of the Regulations in the following manner:

- The financial statements, prepared by the management of the company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards (MSE) , as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom have been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The brokerage house is considered to be a going concern, and there is no reason(s) that the brokerage house is unable to continue as going concern.
- The company is not made any default in any kind of payment of loan, TFC, Sukuk or other instruments.
- The Company has duly complied with the Corporate Governance Code.

Chief Executive Officer

NEW PEAK SECURITIES (PVT) LTD. 482

Place: Lahore
Date: October 06, 2023

STATEMENT OF CEO

For the Year Ended June 30, 2023.

I CEO of New Peak Securities (Pvt.) Limited hereby undertake that there are no transactions entered into by the broker during the year, which are fraudulent, illegal or in violation of any securities market laws.

NEW PEAK SECURITIES (PVT) LTD. 482

Chief Executive Officer

Place: Lahore
Date: October 06, 2023

INDEPENDENT AUDITORS' REPORT
To the members NEW PEAK SECURITIES (PVT.) LIMITED
Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, 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 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 Annual 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

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Other Offices: Karachi – Peshawar – Islamabad

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 accounting and reporting standards as applicable in Pakistan and the requirements of the 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 scepticism 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 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;

d) No zakat was deductible at source under the zakat and Ushr Ordinance, 1980 (XVIII of 1980); and

e) The Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the Financial Statements were prepared.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Muhammad Aslam Khan.

IECnet S.K.S.S.S.
Chartered Accountants
Lahore

IECnet S.K.S.S. Chartered Accountants

Date: October 06, 2023
UDIN: AR202310218OHWqZyPIY

NEW PEAK SECURITIES (PVT.) LIMITED

Financial Statements

For the Year Ended 30 June 2023

NEW PEAK SECURITIES (PVT.) LIMITED

Statement of Financial Position

As at June 30, 2023

	Note	Jun-2023 Rupees	Jun-2022 Rupees
ASSETS			
Non-current assets			
Property and equipment	5	6,726,827	7,926,761
Intangible assets	6	2,500,000	2,500,000
Long term investments	7	58,719,568	50,890,292
Long term deposits	8	1,431,000	1,431,000
		69,377,395	**62,748,053**
Current assets			
Trade debts - net	9	10,304,769	35,937,568
Loans and advances	10	1,588,360	2,637,757
Prepayments & Advances	11	5,513,556	19,143,930
Short term investments	12	-	36,174
Cash and bank balances	13	6,621,208	6,157,247
		24,027,892	**63,912,676**
		93,405,286	**126,660,729**
EQUITY & LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	14	40,000,000	40,000,000
Unappropriated profit		11,393,045	34,833,423
Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI		28,373,538	20,544,262
Total equity		**79,766,583**	**95,377,685**
Non-current liabilities			
Finance lease liability	15	-	1,009,335
		-	**1,009,335**
Current liabilities			
Current portion of long term liabilities	15	1,030,771	1,119,333
Trade and other payables	16	12,046,457	29,154,376
Provision for taxation	17	561,475	(0)
		13,638,703	**30,273,709**
Contingencies and commitments	18	-	-
		93,405,286	**126,660,729**

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive Officer

NEW PEAK SECURITIES (PVT) LTD. 482

Chartered Accountants

Director

NEW PEAK SECURITIES (PVT.) LIMITED

Statement of Profit or Loss

For the year ended June 30, 2023

	Note	Jun-2023 Rupees	Jun-2022 Rupees
Operating revenue	19	21,729,749	20,967,763
Gain/(loss) on sale of short term investments		(11,331)	2,006,636
Unrealized gain/(loss) on remeasurement of investments classified at FVTPL		-	-
		21,718,418	**22,974,399**
Operating and administrative expenses	20	(45,797,167)	(26,450,753)
Operating profit / (loss)		**(24,078,749)**	**(3,476,355)**
Financial charges	21	(11,228)	(8,125)
Other income and losses	22	1,490,815	1,225,613
Profit / (loss) before taxation		**(22,599,162)**	**(2,258,867)**
Taxation	23	(841,216)	(253,998)
Profit/(loss) for the year		**(23,440,378)**	**(2,512,864)**
Earnings/(loss) per share - basic	24	**(58.60)**	**(6.28)**

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive Officer

NEW PEAK SECURITIES (PVT) LTD. 482

Director

NEW PEAK SECURITIES (PVT.) LIMITED

Statement of Comprehensive Income

For the year ended June 30, 2023

	Note	Jun-2023 Rupees	Jun-2022 Rupees
Profit/(loss) for the year		(23,440,378)	(2,512,864)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Unrealized gain / (loss) during the period in the market value of investments measured at FVOCI		7,829,276	-
Total comprehensive income/(loss) for the year		**(15,611,102)**	**(2,512,864)**

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive Officer

NEW PEAK SECURITIES (PVT.) LTD. 482

Director

NEW PEAK SECURITIES (PVT.) LIMITED

Statement of Cash Flows

For the year ended June 30, 2023

	Note	Jun-2023 Rupees	Jun-2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		(22,599,162)	(2,258,867)
Adjustments:			
Depreciation and impairment	5	1,199,934	1,454,453
Provision for doubtful debts	9	24,412,384	-
Realized loss / (gain) on sale of short-term investments		11,331	2,006,636
Unrealized loss / (gain) on short-term investments		-	-
Dividend income		(1,972,492)	(1,820,762)
Finance charges		11,228	8,125
		23,662,386	1,648,452
Operating profit/(loss) before working capital changes		1,063,223	(610,415)
(Increase)/decrease in current assets			
Trade debts - net		1,220,415	2,838,816
Loans and advances		1,049,398	(1,194,649)
Prepayments & Advances		14,149,872	37,968,928
Short term investments		-	-
Increase/(decrease) in current liabilities			
Trade and other payables		(17,107,919)	(49,329,480)
		(688,234)	(9,716,385)
Cash generated from / (used in) operations		374,989	(10,326,800)
Sale of short-term investments		24,843	(1,173,016)
Dividends received		1,972,492	1,820,762
Interest paid		(11,228)	(8,125)
Taxes paid		(799,239)	(1,332,444)
		1,186,868	(692,822)
Net cash generated from / (used in) operating activities		1,561,857	(11,019,622)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of / (acquisition of) property and equipment		-	(4,738,211)
Sale / (acquisition) of fixed assets		-	1,900,000
Net cash generated from / (used in) investing activities		-	(2,838,211)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments		(1,097,897)	(130,577)
Net cash generated from / (used in) financing activities		(1,097,897)	(130,577)
Net (decrease)/increase in cash and cash equivalents		463,960	(13,988,409)
Cash and cash equivalents at the beginning of the year		6,157,247	20,145,657
Cash and cash equivalents at the end of the year	13	6,621,208	6,157,247

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive Officer

NEW PEAK SECURITIES (PVT.) LTD. 482

Director

NEW PEAK SECURITIES (PVT.) LIMITED

Statement of Changes in Equity

For the year ended June 30, 2023

	Issued, subscribed and paid-up capital	Unappropriated profit/ (loss)	Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI	Total
	....................Rupees....................			
Balance as at July 1, 2021	40,000,000	37,346,287	20,544,262	97,890,549
Total comprehensive income for the year				
Profit for the year	-	(2,512,864)	-	(2,512,864)
Other comprehensive income/(loss)	-		-	-
	-	**(2,512,864)**	-	**(2,512,864)**
Balance as at June 30, 2022 - restated	**40,000,000**	**34,833,423**	**20,544,262**	**95,377,685**
Total comprehensive income for the year				
Profit/(Loss) for the year	-	(23,440,378)	-	(23,440,378)
Other comprehensive income/(loss)	-	-	7,829,276	7,829,276
	-	**(23,440,378)**	**7,829,276**	**(15,611,102)**
Balance as at June 30, 2023	**40,000,000**	**11,393,045**	**28,373,538**	**79,766,583**

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive Officer

NEW PEAK SECURITIES (PVT) LTD. 482

Chartered Accountants

Director

NEW PEAK SECURITIES (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

NEW PEAK SECURITIES (PVT.) LIMITED (the "Company") was incorporated in Pakistan on **March 22, 2012** as a private limited company, limited by shares, under the Companies Ordinance 1984 (Now Companies Act. 2017). The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited.

The Company is principally engaged in brokerage of shares, stocks, purchase and sale of securities, financial consultancy, brokerage, underwriting, portfolio management and securities research.

2. The geographical location of Company's offices are as follows:

Registered Office: Room No.115, 1st Floor/Room No.210, 2nd Floor, LSE Plaza, South Tower, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan

Corporate Office: Room No.115-116, 1st Floor/Room No.210, 2nd Floor, LSE Plaza, South Tower, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, and relevant provisions of the Securities Brokers (Licensing and Operations) Regulations 2016 (the "Regulations").

In case requirements differ, the provisions or directives of the Companies Act, 2017 and/or the Regulations shall prevail.

3.2 Accounting convention

These financial statements have been prepared on trade base under the historical cost convention, except:

TECnet S.A.S.S. Chartered Accountants

- Short Term Investments in quoted equity securities (whether classified as assets at fair value through profit or loss, or at fair value through other comprehensive income), which are carried at fair value;
- Investments in unquoted equities, measured at fair value through other comprehensive income;
- Investments in associates, which are recorded in accordance with the equity method of accounting for such investments; and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

3.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

3.4 Accounting estimates and judgments

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

Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's financial statements are as follows:

(i) Estimates of useful lives and residual values of items of property, plant and equipment (Note 5);
(ii) Estimates of useful lives of intangible assets (Note 6);
(iii) Allowance for credit losses (Note 4.5.4);
(iv) Fair values of unquoted equity investments (Note 7);
(v) Classification, recognition, measurement / valuation of financial instruments (Note 4.5); and
(vi) Provision for taxation (Note 17);

3.5 New accounting pronouncements

3.5.1 New and amended standards and interpretations mandatory for the first time for the - financial year beginning July 01, 2022:

	Effective date
(a) IAS 37 - Onerous contracts	**January 01, 2022**

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the

Chartered Accountants

lower of the costs of fulfilling the contract and the costs of terminating it –outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

(b) IAS 16 - Proceeds before an asset's intended use **Effective date January 01,2022**

IAS 16 'Property, Plant and Equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 01, 2022 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3.5.2 New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 01, 2022 and have not been early adopted by the Company:

(a) IAS 1 - Disclosure of accounting policies **Effective date January 01, 2023**

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(b) IAS 8 - Definition of accounting estimates **Effective date January 01, 2023**

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

Effective date

(c) IAS 12 - Deferred tax **January 01, 2023**

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and o-setting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

Effective date

(d) IAS 1 - Classification of liabilities as current or non-current **January 01, 2024**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

Effective date

(e) IFRS 16 - Sale and leaseback transaction **January 01, 2024**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-lease back transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of Financial Reporting Standards

- IFRS 17 - Insurance Contracts

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation (if any) and impairment losses (if any). Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss account during the year in which they are incurred. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repair and maintenance expenditures are charged to profit or loss during the year in which they are incurred.

Depreciation on all items of property and equipment is calculated using the reducing balance method, in accordance with the rates specified in note 5 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from when the asset is available for use until the asset is disposed of.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on asset derecognition (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year in which the asset is derecognized.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2023 did not require any adjustment.

4.2 Intangible assets

Intangible assets with indefinite useful lives, including Trading Right Entitlement Certificate ("TREC"), are stated at cost less accumulated impairment losses, if any. An intangible asset is considered as having an indefinite useful life when, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, it is tested for impairment at each balance sheet date or whenever there is an indication that the asset may be impaired. Gains or losses on disposal of intangible assets, if any, are recognized in the profit and loss account during the year in which the assets are disposed of.

4.2.1 Membership cards and offices

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

4.3 Investment property

Investment properties are held for capital appreciation and are measured initially at its cost, including transaction costs.
Subsequent to initial recognition, investment properties are measured at fair value at each reporting date. The changes in fair value are recognized in the statement of profit or loss.

4.4 Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates where the Company has significant influence are accounted for using the equity method of accounting. Under the equity method of accounting, investments in associates are initially recognized at cost and the carrying amount of investment is increased or decreased to recognize the Company's share of the associate's post-acquisition profits or losses in income, and its share of the post-acquisition movement in reserves is recognized in other comprehensive income.

4.5 Financial instruments

4.5.1. The Company classifies its financial assets in the following three categories:

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

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

(i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to

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cash flows that are solely payments of principal and interest on the principal amount outstanding; or

(ii) It is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company at initial recognition. Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

4.5.2 Initial recognition

The Company recognizes an investment when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments is recognized using trade date accounting i.e. on the date on which trading of the purchase transaction takes place. Trade date is the date on which the Company commits to purchase or sell its asset.

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Amounts paid under these agreements in respect of reverse repurchase transactions are recognized as a receivable. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued on a time proportion basis over the life of the reverse repo agreement.

4.5.3 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

"Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the profit and loss account.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognized in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit and loss account.

4.5.4 Impairment

Financial assets

The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortized cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance / provision for credit losses reflects an unbiased, probability-weighted outcomes which considers multiple scenarios based on reasonable and supportable forecasts.

Where there has not been a significant decrease in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.

When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, or when a financial instrument is considered to be in default, expected credit loss is computed based on lifetime expected credit losses.

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

Forward-looking information includes reasonable and supportable forecasts of future events and economic conditions. These include macro-economic information, which may be reflected

through qualitative adjustments or overlays. The estimation and application of forward-looking information may require significant judgment.
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Company makes this assessment on an individual asset basis, after consideration of multiple historical and forward-looking factors. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Company's processes and procedures for recovery of amounts due.

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 such an indication exists, the asset's recoverable amount - defined as the higher of the asset's fair value less costs of disposal and the asset's value-in-use (present value of estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risk) - is estimated to determine the extent of the impairment loss.

For the purpose of assessing impairment, assets are grouped into cash-generating units: the lowest levels for which there are separately identifiable cash flows.

4.6 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.7 Trade debts and other receivables

Trade debts and other receivables are stated initially at amortized cost using the effective interest rate method.

Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

4.8 Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, balances with banks in current and deposit accounts, stamps in hand, other short-term highly liquid investments with original maturities of less than three months and short-term running finances.

4.9 Borrowings

Borrowings are recognized initially at fair value, net of attributable transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds

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(net of transaction costs) and the redemption value is recognized in the statement of profit or loss account over the period of the borrowings using the effective interest method.

4.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

4.11 Staff retirement benefits

The Company did not have any retirement benefits plan.

4.12 Taxation

Income tax expense comprises current and deferred tax.

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using rates enacted or substantively enacted at the reporting date, and takes into account tax credits, exemptions and rebates available, if any. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessments framed / finalized during the year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the reporting date between the tax base and carrying amount of assets and liabilities for financial reporting purposes

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carried forward unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried forward unused tax losses can be utilized. Carrying amount of all deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is charged or credited in the statement of profit or loss account, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

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4.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.14 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

- Brokerage and commission income is recognized when brokerage services are rendered.
- Dividend income is recognized when the right to receive the dividend is established.
- Return on deposits is recognized using the effective interest method.
- Income on fixed term investments is recognized using the effective interest method.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from marking to market financial assets are included in profit and loss (for assets measured at FVTPL) or OCI (for assets measured at FVOCI) during the period in which they arise.
- Income / profit on exposure deposits is recognized using the effective interest rate.

4.15 Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income. Dividends are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

4.16 Markup / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

4.17 Borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount unpaid at the reporting date.

4.18 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

4.19 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company.

4.20 Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income.

4.21 Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into. Subsequently, any changes in fair values arising on marking to market of these instruments are taken to the profit and loss account.

4.22 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted and recorded at rates that are not less than market. Transactions with related parties have been disclosed in the relevant notes to the financial.

4.23 Trade Date Accounting

All "Regular Way" Purchases and Sales of financial assets are recognized on trade date on which the company commits to purchase and sale of financial assets. Regular way purchases or sales of financial assets.

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5 PROPERTY AND EQUIPMENT

2023

	Office equipmemt	Computers equipment	Furniture and fixtures	Vehicles	Leashold Improvments	Lease Vehicle	Total Rupees
As at July 1, 2022							
Cost	49,477	434,220	554,050	5,175,793	82,754	6,469,611	12,765,905
Accumulated Depreciation	(40,039)	(373,553)	(165,889)	(3,004,159)	(67,828)	(1,187,676)	(4,839,144)
Net book value	9,438	60,667	388,161	2,171,634	14,926	5,281,935	7,926,761
Movement during the period							
Additions	-	-	-	-	-	-	-
Disposals							
Cost	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
				-			-
Depreciation charge for the period	1,416	20,020	58,224	325,745	2,239	792,290	1,199,934
As at June 30, 2023							
Cost	49,477	434,220	554,050	5,175,793	82,754	6,469,611	12,765,905
Accumulated Depreciation	(41,455)	(393,573)	(224,114)	(3,329,904)	(70,067)	(1,979,966)	(6,039,078)
Net book value	8,022	40,647	329,936	1,845,889	12,687	4,489,645	6,726,827
Depreciation rate per annum	15%	33%	15%	15%	15%	15%	

2022

	Office equipmemt	Computers equipment	Furniture and fixtures	Vehicles	Leashold Improvments	Lease Vehicle	Total Rupees
As at July 1, 2021							
Cost	49,477	434,220	154,050	4,295,793	82,754	5,111,400	10,127,694
Accumulated Depreciation	(38,373)	(343,673)	(115,038)	(2,870,359)	(65,194)	(255,570)	(3,688,207)
Net book value	11,104	90,547	39,012	1,425,434	17,560	4,855,830	6,439,487
Movement during the period							
Additions	-	-	400,000	2,980,000	-	1,358,211	4,738,211
Disposals							
Cost	-	-	-	2,100,000	-	-	2,100,000
Depreciation	-	-	-	(303,516)	-	-	(303,516)
				1,796,484			
Depreciation charge for the period	1,666	29,881	50,852	437,315	2,634	932,106	1,454,453
As at June 30, 2022							
Cost	49,477	434,220	554,050	5,175,793	82,754	6,469,611	12,765,905
Accumulated Depreciation	(40,039)	(373,553)	(165,889)	(3,004,159)	(67,828)	(1,187,676)	(4,839,144)
Net book value	9,438	60,667	388,161	2,171,634	14,926	5,281,935	7,926,761
Depreciation rate per annum	15%	33%	15%	15%	15%	15%	

6 INTANGIBLE ASSETS

	Note	Jun-2023 Rupees	Jun-2022 Rupees
Trading Rights Entitlement Certificate ("TREC")	6.1	2,500,000	2,500,000
		2,500,000	2,500,000
Back Office (Smart Stock LSE)		-	21,334
Amortization		-	(21,334)
		2,500,000	**2,500,000**

6.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration Act, 2012) operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. PSX vide notice. PSX/N-225 dated February 16, 2021 have notified the notional fees of a Trading Right Entitlement Certificate which amounts to Rs. 2.5 million.

7 LONG-TERM INVESTMENTS

	Note	Jun-2023 Rupees	Jun-2022 Rupees
Investments at fair value through OCI			
ISE Towers REIT Management Limited (unquoted) - opening	7.1	50,890,292	50,890,292
Adjustment for remeasurement to fair value		7,829,276	-
		58,719,568	**50,890,292**

7.1 As a result of the demutualization and corporatization of stock exchanges, the Company received 3,034,603 shares of ISE Towers REIT Management Limited. Of these, 60% (1,820,762 shares) were held in a separate Central Depository Company Limited ("CDC") sub-account, blocked until they are sold to strategic investors, financial institutions and/or the general public. The remaining shares (40% of total, or 1,213,841 shares) were allotted to the Company.

These shares are neither listed on any exchange nor they are actively traded. As a result, fair value has been estimated by reference to the latest break-up or net asset value per share of these shares which is Rs. 19.35 per share notified by ISE Towers REIT Management Limited as on june 30, 2023 Remeasurement to fair value resulted in a gain of PKR 7,829,276 in the current year (2022: NIL).

3,034,603 shares of ISE Towers REIT Management Limited are pledged with the PSX to meet BMC requirements.

8 LONG-TERM DEPOSITS

	Note	Jun-2023 Rupees	Jun-2022 Rupees
Central Depository Company Limited		100,000	100,000
National Clearing Company of Pakistan Limited		1,200,000	1,200,000
PSX membership deposit		50,000	50,000
Office security deposits		81,000	81,000
		1,431,000	**1,431,000**

9 TRADE DEBTS

	Note	Jun-2023 Rupees	Jun-2022 Rupees
Considered good	9.1	10,304,769	35,937,568
Considered doubtful		29,229,774	4,817,390
		39,534,543	**40,754,958**
Less: Provision for doubtful debts	9.2	(29,229,774)	(4,817,390)
		10,304,769	35,937,568

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9.1 The unsecured trade debts is amounting to Rs: 29,229,774.
Allowances for expected credit loss is calculated on the basis of ageing analysis more than 360 days and Unsecured balances which ever is higher.

9.2 Movement in provision against trade debts is as under:

	Note	Jun-2023 Rupees	Jun-2022 Rupees
Opening balance (as at July 1)		4,817,390	4,499,857
Charged to profit and loss during the year		24,412,384	317,533
		29,229,774	4,817,390
Amounts written off during the year		-	-
Closing balance (as at June 30)		29,229,774	4,817,390

9.3 **Ageing Analysis**

Particular	Past Due 30 Days	Past Due 31-60 Days	Past Due 61-90 Days	Past Due 91-120 Days	Past Due 121-180 Days	Past Due 181-360 Days	Total Gross Amount Due
Client Debits	29,575,058	714,617	1,929,348	105,565	632,873	6,577,083	39,534,543

9.4 **The Trade Debts Following amounts receivable from Related Party:**

Name of Related Party	Basis of Relationship	Percentage of Shareholding	2023 Rupees	2022 Rupees
ABDUL BASIT	Director	41.8%	113,183	113,183
SAMIRA ABDUL BASIT	Shareholder	0.01%	121,448	121,448
GHULAM MUJTABA	CEO	50.5%	31,854	563,522
AMINA ARSHAD MEER	Director	7.5%	-	595,636

9.5 **Ageing of Related Party**

Name of Related Party	1-90 Days	90-180 Days	180-360 Days	Overdue for more than 360 days
ABDUL BASIT	-	-	110,000	3,183
SAMIRA ABDUL BASIT	-	-	120,000	1,448
GHULAM MUJTABA	-	-	31,854	-

9.6 Total value of securities pertaining to client held in CDS	203,566,200	201,096,885
9.7 Value of Pledge securities of clients with NCCPL	36,053,630	41,696,387
9.8 Value of Securities pledge of clients with financial Institutions	NIL	NIL

9.9 The Securities are valued using Market rate at the year end.

10 LOANS AND ADVANCES & OTHER RECEIVABLE

Staff advances - unsecured, considered good	1,588,360	2,637,757
	1,588,360	2,637,757

11 PREPAYMENTS & ADVANCES

	Note		
Deposits against exposure		4,699,250	11,886,500
Receivable from NCCPL		-	6,962,622
Other Receivables		115,259	115,259
Income tax refundable	11.1	699,047	179,549
		5,513,556	19,143,930

11.1 Income Tax Refundable

Opening balance (as at July 1)	179,549	226,858
Add: Current year additions	519,498	480,463
	699,047	707,321
Less: Adjustment against previous year provision for taxation	-	(527,772)
Adjustment against current year provision for taxation	-	-
Balance at the end of the year	699,047	179,549

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	Note	Jun-2023 Rupees	Jun-2022 Rupees
12 SHORT TERM INVESTMENTS			
Investments at fair value through profit or loss			
Investments in listed securities		-	36,174
		-	36,174
13 CASH AND BANK BALANCES			
Cash in hand		2,791,700	2,278,700
Cash at bank			
Proprietary accounts		2,389	422,241
Client accounts	13.1	3,827,119	3,456,306
		6,621,208	6,157,247

13.1 Cash at bank includes customers' assets in the amount of PKR 3,827,119/- (2022: 3,456,306) held in designated bank accounts.

13.2 The client shares 16,280,434 amounting to Rs.203,566,200 held with Central Depository System.

14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	Jun-2023	Jun-2022
14.1 Authorized capital		
800,000 (2022: 800,000) ordinary shares of PKR 100 each.	80,000,000	80,000,000
14.2 Issued, subscribed and paid-up share capital		
200,000 (2022: 200,000) ordinary shares of PKR 100/- each, issued for cash	20,000,000	20,000,000
200,000 (2022: 200,000) ordinary shares of PKR 100/- each, issued as bonus shares	20,000,000	20,000,000
	40,000,000	40,000,000

14.3 Pattern of Shareholding

	Number of Shares		Percentage	
	2023	2022	2023	2022
Abdul Basit	167,000	167,000	41.8%	41.8%
Samira Abdul Basit	20	20	0.01%	0.0%
Jawad Arshad Meer	1,030	1,030	0.3%	0.3%
Amina Arshad Meer	30,000	30,000	7.5%	7.5%
Ghulam Mujtaba Butt	201,950	201,950	50.5%	50.5%
	400,000	400,000	**100%**	100%

15 FINANCE LEASE LIABILITY

	Note	Jun-2023	Jun-2022
Long Term Portion	15.1	-	1,009,335
Less: Current portion		1,030,771	1,119,333
		1,030,771	2,128,668
Minimum lease rentals payable			
Within one year		1,030,771	1,119,333
After one year but within five years		-	1,009,335
After five years		-	-
		1,030,771	2,128,668
Less: Future financial charges		-	-
Net lease obligation		1,030,771	2,128,668

15.1 This represents a liability to a commercial lender against a vehicle subject to finance lease. The liability, which carries mark-up at KIBOR (12 Month) +2.5% , is due for repayment in its entirety prior to June 30, 2024. As such, the entire amount has been classified as payable in the short-term.

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NEW PEAK SECURITIES (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

16 TRADE AND OTHER PAYABLES

	Note	Jun-2023 Rupees	Jun-2022 Rupees
Trade creditors	16.1	7,943,003	22,180,542
Accrued and other payables		67,636	551,042
Auditor's remuneration payable		-	350,000
Withholding tax payable		127,362	81,027
Worker welfare fund -Punjab		499,977	499,977
FED Payable		1,053,017	3,053,017
NCCPL futures payables		2,355,462	2,438,771
		12,046,457	29,154,376

16.1 This include amount of PKR NIL due to related parties.

17 PROVISION FOR TAXATION

Opening balance (as at July 1)	(0)	1,125,755
Add: current year provision	561,475	527,772
	561,475	1,653,527
Less: adjustment against previous year advance tax	-	-
Less; Adjustment against current year advance tax	-	(801,546)
Less: adjustment previous year Provision	-	(851,981)
Closing balance (as at June 30)	561,475	(0)

18 CONTINGENCIES AND COMMITMENTS

18.1 There are no contingencies or commitments of the Company as at June 30, 2023 (2022: Nil).

19 OPERATING REVENUE

Brokerage income	23,520,544	22,794,049
Less: Sales tax on services	(3,763,287)	(3,647,048)
Net Brokerage Commission excluding sales tax on services	19,757,257	19,147,001
Dividend income	1,972,492	1,820,762
	21,729,749	20,967,763

20 OPERATING & ADMINISTRATIVE EXPENSES

Director's remuneration		4,201,000	6,196,000
Staff salaries, allowances and other benefits		10,581,342	6,599,196
Brokerage & Commission		749,169	7,051,612
Regulatory Charges		2,217,620	2,799,294
Electricity/ Water/ Gas		31,898	100,693
Provision for doubtful debts		24,412,384	317,533
Auditors' remuneration	20.1	194,686	391,725
Communication Expense		273,519	311,069
Stationery/Printing/ Photocpies/ Office Supplies		264,535	270,419
Travelling/ Conveyance/ Vehicles Running/ Maintenance		325,000	202,449
Repair and Maintenance		920,652	481,497
Other Expenses		155,403	98,479
Penalty Charges		270,025	155,000
Amortization - Intangibles		-	21,334
Depreciation	5	1,199,934	1,454,453
		45,797,167	26,450,753

20.1. Auditor's remuneration

Statutory audit	109,925	300,000
Certifications and other charges	-	91,725
	109,925	391,725

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21 FINANCIAL CHARGES	Note	Jun-2023 Rupees	Jun-2022 Rupees
Bank and other charges		11,228	8,125
		11,228	8,125

22 OTHER INCOME / (LOSS)

	Jun-2023	Jun-2022
Income from financial assets / financial liabilities		
Mark-up on		
RMS & MTS Exposure	1,490,815	-
	1,490,815	-
Income from non-financial assets/liabilities		
Gain on sale of fixed assets	-	103,516
Sundry / miscellaneous income	-	1,122,097
	1,490,815	1,225,613

23 TAXATION

	Jun-2023	Jun-2022
Current tax expense / (income)		
for the year	561,475	527,772
prior years	279,741	(273,774)
	841,216	253,998

The tax provision made in the financial statements is considered sufficient.

24 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of shares outstanding during the period, as follows:

	Jun-2023	Jun-2022
Profit / (loss) after taxation, attributable to ordinary shareholders	(23,440,378)	(2,512,864)
Weighted average number of ordinary shares in issue during the year	400,000	400,000
Earnings per share	(58.60)	(6.28)

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments carrying options which would have an impact on earnings per share when exercised.

25 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including benefits, to the chief executive, directors and executives of the Company as per the terms of their employment are as follows:

	2023		2022	
	Remuneration	# of persons	Remuneration	# of persons
Chief Executive Officer	1,870,000	1	2,480,000	1
Directors	2,331,000	4	3,716,000	4

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26 FINANCIAL INSTRUMENTS BY CATEGORY

	2023			
	Amortized cost	FVOCI	FVTPL	Total
	Rupees			
ASSETS				
Non-current assets				
Long term deposits	1,431,000	-	-	**1,431,000**
Long term investment	-	58,719,568	-	**58,719,568**
Current assets				
Trade debts - net	10,304,769	-	-	**10,304,769**
Loans and advances	1,588,360	-	-	**1,588,360**
Deposits, prepayments and other receivables	5,513,556	-	-	**5,513,556**
Cash and bank balances	6,621,208	-	-	**6,621,208**
LIABILITIES				
Current liabilities				
Trade and other payables	12,046,457	-	-	**12,046,457**

	2022			
	Amortized cost	FVOCI	FVTPL	Total
	Rupees			
ASSETS				
Non-current assets				
Long-term deposits	1,431,000	-	-	**1,431,000**
Long term investment	-	50,890,292	-	**50,890,292**
Current assets				
Short-term investments	-	-	36,174	**36,174**
Trade debts - net	35,937,568	-	-	**35,937,568**
Loans and advances	2,637,757	-	-	**2,637,757**
Deposits, prepayments and other receivables	19,143,930	-	-	**19,143,930**
Cash and bank balances	6,157,247	-	-	**6,157,247**
LIABILITIES				
Current liabilities				
Trade and other payables	29,154,376	-	-	**29,154,376**

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27 FINANCIAL RISK MANAGEMENT

27.1 Risk management framework

The Director / Chief Executive has overall responsibility for the establishment and oversight of the Company's risk management framework. He is also responsible for developing and monitoring the Company's risk management policies, which are monitored and assessed for effectiveness throughout the year. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to establish internal control over risk. Through its training and management standards and procedures, the Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Company has established adequate procedures to manage each of these risks as explained below.

27.2 Market risk

Market risk is the risk that the value of financial instruments may fluctuate as a result of changes in market interest rates, changes in the credit rating of the issuer of the instruments, change in market sentiments, speculative activities, supply and demand of securities and/or changes in liquidity in the market.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

27.2.1 Currency risk

Currency risk mainly arises where receivables and payables exist due to transactions with foreign undertakings. The Company is not exposed to major foreign exchange risk in this respect.

27.2.2 Interest rate risk

Yield risk is the risk of decline in earnings due to adverse movements of the yield curve. Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in market interest rates. Sensitivity to interest / mark-up rate risk arises from mismatches or gaps in the amounts of interest / mark-up based assets and liabilities that mature or reprice in a given period. The Company manages this risk by matching the maturity / repricing of financial assets and liabilities through appropriate policies.

27.2.3 Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices, whether such changes are due to factors specific to individual financial instruments (including factors specific to issuers of such instruments) or due to macroeconomic or other factor affecting similar financial instruments being traded in the market.

The Company is exposed to price risk in respect of investments carried at fair value (whether as available-for-sale investments or as instruments at fair value through profit or loss). Such price risk comprises both the risk that price of individual equity investments will fluctuate and the risk that there will be an index-wide movement in prices. Measures taken by the Company to monitor, manage and mitigate price risk include daily monitoring of movements in stock indexes (such as the KSE 100 index) as well as of the correlation between the Company's investment portfolio with stock indexes.

27.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, loans and advances, investments and other receivables. The carrying amount of financial assets represents the maximum credit exposure, although this maximum is a theoretical formulation as the Company frequency holds collateral against potential credit losses.

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Measures taken by management to manage and mitigate credit risk include:

- Development of and compliance with risk management, investment and operational policies / guidelines (including guidelines in respect of entering into financial contracts);
- Assignment of trading limits to clients in accordance with their net worth;
- Collection / maintenance of sufficient and proper margins from clients;
- Initial and ongoing client due diligence procedures, where clients' financial position, past experience and other factors are considered;
- Collection and maintenance of collateral if, as and when deemed necessary and appropriate;
- Diversification of client and investments portfolios; and
- Engagement with creditworthy / high credit rating parties such as banks, clearing houses and stock exchanges.

The Company continually monitors the quality of its debtor portfolio, both on an individual and portfolio basis, and provides against credit losses after considering the age of receivables, nature / quantum of collateral and debtor-specific factors (such as creditworthiness and repayment capacity).

The carrying amount of financial assets, which represents the maximum credit exposure before consideration of collateral and counterparty creditworthiness, is as specified below:

	2023	2022
Long-term investments	58,719,568	50,890,292
Short-term investments	-	36,174
Long-term deposits	1,431,000	1,431,000
Loans and advances	1,588,360	2,637,757
Prepayments & Advances	5,513,556	19,143,930
Trade debts (net)	10,304,769	35,937,568
	77,557,252	**110,076,722**

27.4 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations, settled by delivering cash or another financial asset, as they fall due. Prudent liquidity risk management requires the maintenance of sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to the dynamic nature of the business and the industry it operates in. The Company finances its operations through equity and, as and when necessary, borrowings, with a view to maintaining an appropriate mix between various sources of financing.

The table below classifies the Company's financial liabilities into relevant maturity groupings based on the time to contractual maturity date, as at the balance sheet date. The amounts in the table are contractual undiscounted cash flows.

		As at June 30, 2023	
Financial liabilities	**Carrying amount**	**Within one year**	**More than one year**
Current portion of finance lease liability	-	-	-
Trade and other payables	12,046,457	12,046,457	-
	-	-	-
Total	**12,046,457**	**12,046,457**	**-**

		As at June 30, 2022	
Financial liabilities	**Carrying amount**	**Within one year**	**More than one year**
Current portion of finance lease liability	-	-	-
Trade and other payables	29,154,376	29,154,376	-
Total	**29,154,376**	**29,154,376**	**-**

The Company does not expect that the timing or quantum of cash flows outlined in the table above will change significantly, and as a result expects to be able to fulfill its obligations as they come due.

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28 CAPITAL RISK MANAGEMENT

The Company's objective in managing capital is to ensure that the Company is able to continue as a going concern so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. As well, the Company has to comply with capital requirements as specified under the Securities Brokers (Licensing and Operations) Regulations, 2016 (as well as other relevant directives from regulating bodies issued from time to time).

Consistent with industry practice, the Company manages its capital risk by monitoring its debt levels and liquid assets, keeping in view future investment requirements.

29 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount that would be received on the sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operations or to undertake a transaction on adverse terms.

Various judgments and estimates are made in determining the fair value of financial instruments that are recognized and measured at fair value in the Company's financial statements. To provide an indication about the reliability of inputs used in determining fair value, financial instruments have been classified into three levels, as prescribed under accounting standads. An explanation of each level follows the table.

Recurring FV Measurement - June 30, 2023	**Level I**	**Level II**	**Level III**	**Total**
Long-term investment - at FVOCI	-	58,719,568	-	**58,719,568**
Short-term investment - available-for-sale	-	-	-	-
Short-term investments - at FVTPL	-	-	-	-

Recurring FV Measurement as at June 30, 2022	**Level I**	**Level II**	**Level III**	**Total**
Long-term investment - at FVOCI	-	50,890,292	-	**50,890,292**
Short-term investment - available-for-sale	-	-	-	-
Short-term investments - at FVTPL	36,174	-	-	**36,174**

In the fair value hierarchy in the preceding table, inputs and valuation techniques are as follows:
- Level 1: Quoted market price (unadjusted) in an active market
- Level 2: Valuation techniques based on observable inputs
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

There were no transfers into or out of Level 1 measurements.

30 CAPITAL MANAGEMENT

30.1 The Company objectives when managing capital are to safeguard the company's ability as a going concern. In order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

30.2 CAPITAL ADEQUACY

The Capital Adqequacy level as	**Notes**	**Amount** (Rupees)
Total Assets	*30.2.1*	93,405,286
Less: Total Liabilities		(13,638,703)
Capital Adequacy Level		**79,766,583**

30.2.1 While determining the value of the total assets of the TREC Holder, Notional value of the TREC Certificate held by NEW PEAK SECURITIES (PVT) LTD. as at year ended June 30th 2023 as determined by Pakistan Stock Exchange has been considered.

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NEW PEAK SECURITIES (PVT.) LIMITED
COMPUTATION OF LIQUID CAPITAL
AS ON 30-JUNE-2023

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value Pak Rupees
1. Assets				
1.1	Property & Equipment	6,726,827	100% of net value	-
1.2	Intangible Assets	2,500,000	100% of net value	-
1.3	Investment in Govt. Securities	-	Difference between book value and sale value on the date on the basis of PKRV published by NIFT	-
1.4	Investment in Debt. Securities	-	**If listed 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	-	If listed than: 15% or VaR of each security on the cutoff date as computed by the clearing house for respective security whichever is higher. Provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.	-
		58,719,568	If unlisted than: 100% of carrying value.	-
1.6	Investment in subsidiaries	-	100% of net value	-
1.7	Investment in associated companies/undertaking	-	If listed: 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.	-
			If unlisted than: 100% of net value.	
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,431,000	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.	-
1.9	Margin deposits with exchange and clearing house.	4,699,250	Nil	4,699,250
1.10	Deposit with authorized intermediary against borrowed securities under SLB.		Nil	-
1.11	Other deposits and prepayments	115,259	100% of carrying value	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	Nil	-
		-	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-
1.13	Dividends receivables.	-	Nil	-
1.14	Amounts receivable against Repo financing.	-	Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	-
1.15	Advances and Receivables other than trade receivables	1,588,360	1. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	1,588,360
		699,047	2. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	561,475
		-	3. In all other cases, 100% of net value	-

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.	-
1.17	**Receivables from customers**	-	i. In case receivables are against margin financing, the aggregate of : (i) value of securities held in the blocked account after applying VAR based Haircut. (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.	-
		-	ii. in case receivables are against margin trading, 5% of the net balance sheet value.	-
		-	iii. in case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract.	-
		28,758,926	iv. in case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	28,758,926
		10,509,132	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.	8,862,108
		266,485	***vi. In the case of amount receivable form 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.***	-
1.18	**Cash and Bank balances**		Nil	
		2,389	i. Bank Balance-proprietary accounts	2,389
		3,827,119	ii. Bank Balance-customer accounts	3,827,119
		2,791,700	iii. Cash in hand	2,791,700
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 investments 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**	**122,635,061**		**51,091,326**

2. Liabilities				
2.1	Trade Payables	-	i. Payable to exchanges and clearing house	-
			ii. Payable against leveraged market products	
		7,943,003	iii. Payable to customers	7,943,003
2.2	Current Liabilities	-	Nil	
			i. Statutory and regulatory dues	
		4,103,454	ii. Accruals and other payables	4,103,454
			iii. Short-term borrowings	
			iv. Current portion of Subordinated loans	
		1,030,771	v. Current portion of long term liabilities	1,030,771
			vi. Deferred Liabilities	
		561,475	vii. Provision for taxation	561,475
		-	viii. Other liabilities as per accounting principles and included in the financial statements	
2.3	**Non-Current Liabilities** i. Long Term Financing ii. Staff Retirement benefits iii. Other liabilities as per accounting principles and included in the financial statements	-	1. 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases.	
		-	2. 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	
2.5	Advance against shares for Increase in Capital of Securities broker if :	-	100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital. b. Board of Directors of the company has approved the increase in capital. c. Relevant Regulatory approvals have been obtained. d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	
2.6	**Total Liabilities**	**13,638,703**		**13,638,703**
3. Ranking Liabilities Relating to:				
3.1	Concentration in Margin Financing	-	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 finances. Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs. 5 million Note: Only amount exceeding by 10% of each financee from aggregate amount shall be included in the ranking liabilities.	-
3.2	Concentration in securities lending and borrowing	-	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.	-

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3.3	**Net underwriting Commitments**	-	**(a) in the case of right issue:** if the market value of securities is less than or equal to the subscription price the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues 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**	-	Carrying value	-
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	-
3.10	**Short sell positions**	-	i. in case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-
		-	ii. in case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-
3.11	**Total Ranking Liabilities**	-		-
	TOTAL	**108,996,358**	**Liquid Capital**	**37,452,623**

Calculations Summary of Liquid Capital

i) Adjusted value of Assets (serial number 1.20)	**51,091,326**
ii) Less: Adjusted value of liabilities (serial number 2.6)	**(13,638,703)**
iii) Less: Total ranking liabilities (serial number 3.11)	**-**
	37,452,623

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31 RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of shareholders/ directors, key management personnel, entities with common shareholding, entities over which the directors are able to exercise influence and entities under common directorship. Transactions with related parties and the balances outstanding at year end are disclosed in the respective notes to the financial statements *(see note # 09)*.

32 EVENTS AFTER REPORTING PERIOD

No events occurred after the reporting period that would require adjustment or disclosure in the financial

33 NUMBER OF EMPLOYEES

Total number of employees at the end of year was 15 (2022: 15). Average number of employees was 15 (2022: 15)

34 RE-CLASSIFICATION AND RE-ARRANGEMENTS

Corresponding figures have been reclassified and re-arranged wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison, and in order to improve compliance with disclosure requirements.

35 GENERAL

Amounts have been rounded off to the nearest rupee, unless otherwise stated.

36 AUTHORIZATION

36.1 These financial statements were authorized for issue on October 06, 2023 by the Board of Directors of the Company.

Chief Executive Officer

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Director