

**AUDITED FINANCIAL STATEMENTS
OF
T&G SECURITIES (PRIVATE) LIMITED
FOR THE YEAR ENDED
JUNE 30, 2023**

**Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
KARACHI, LAHORE & ISLAMABAD**



Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the members of T&G Securities (Private) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **M/s. T&G Securities (Private) Limited** (the Company), which comprise the statement of financial position as at **June 30, 2023**, and the statement of profit or loss, the statement of 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 ('the financial statements'), and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and, respectively, give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit, total 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 the 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.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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

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

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- 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 statement of financial position was prepared.

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


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: October 23, 2023
UDIN: AR202310213ByPqtRk6i

T&G Securities (Private) Limited

Statement of Financial Position

As at June 30, 2023

EQUITIES AND LIABILITIES

Share capital and reserves

Authorized capital

10,000,000 ordinary shares of Rs. 10/- each

Issued, subscribed and paid up capital

Revenue reserve

Unappropriated profits

Current liabilities

Loan from director

Accrued expenses

Taxation - net

Contingencies and commitments

Total equity and liabilities

ASSETS

Non-current assets

Intangible assets

Current assets

Accrued interest

Cash and bank balances

Total assets

2023
Rupees

Note

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100,000,000

4

100,000,000

737,623

100,737,623

520,775

75,000

286,467

882,242

5

101,619,865

6

2,500,000

2,500,000

7

1,540,914

97,578,951

99,119,865

101,619,865

The annexed notes from 1 to 13 form an integral part of these financial statements.

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Chief Executive



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Director

T&G Securities (Private) Limited

Statement of Profit or Loss and other comprehensive income

For the year ended June 30, 2023

	2023 — Rupees —
Operating revenue	-
Administrative expenses	(600,775)
Interest income	1,639,680
Profit before taxation	1,038,905
Taxation	(301,282)
Profit after taxation	737,623
Other comprehensive income / (loss) for the year	-
Total comprehensive income for the year	737,623

The annexed notes from 1 to 13 form an integral part of these financial statements.


Chief Executive




Director

T&G Securities (Private) Limited

Statement of Changes in Equity

For the year ended June 30, 2023

	Issued, subscribed and paid up capital	Unappropriated profits	Total
	Rupees		
Balance as at July 01, 2022	-	-	-
Issuance of shares	100,000,000	-	100,000,000
Total comprehensive income for the year ended June 30, 2023	-	737,623	737,623
Balance as at June 30, 2023	<u>100,000,000</u>	<u>737,623</u>	<u>100,737,623</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.



Chief Executive





Director

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T&G Securities (Private) Limited

Statement of Cash Flows

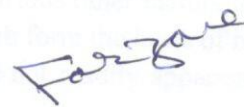
For the year ended June 30, 2023

	Note	2023 — Rupees —
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation		1,038,905
Adjustments for non-cash items :		
Interest income		(1,639,680)
Operating loss before working capital changes		(600,775)
Change in working capital:		
<i>Decrease/(Increase) in current assets</i>		-
<i>Increase/(Decrease) in current liabilities</i>		
Loan from director		520,775
Accrued expenses		75,000
		595,775
Cash (used in) / generated from operations		(5,000)
Interest received		98,766
Income tax paid		(14,815)
Net cash (used in) / generated from operating activities		78,951
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of intangible assets		(2,500,000)
Net cash used in investing activities		(2,500,000)
CASH FLOW FROM FINANCE ACTIVITIES		
Issuance of shares		100,000,000
Net cash generated from financing activities		100,000,000
Net (decrease) / increase in cash and cash equivalents		97,578,951
Cash and cash equivalents at beginning of the year		-
Cash and cash equivalents at end of the year	7	97,578,951

The annexed notes from 1 to 13 form an integral part of these financial statements.



Chief Executive



Director

T&G Securities (Private) Limited

Notes to the Financial Statements

For the year ended June 30, 2023

1. STATUS AND NATURE OF BUSINESS

T&G Securities (Private) Limited ('the Company') was incorporated in Pakistan on April 12, 2023 as a private limited company under the Companies Act, 2017. The Company is a Trading Rights Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (PSX).

The registered office of the Company is situated at Room Nos. 528, Pakistan Stock Exchange Building, Karachi

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements of the Company 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:

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

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

2.2 Basis of measurement

In these financial statements all items have been measured at their cost historical cost.

2.3 Functional and presentation currency

The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

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

- (a) Useful lives, depreciation methods and residual values of property and equipment;
- (b) Provision for taxation.

2.5 New Accounting Pronouncements

2.5.1 *Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2023.*

During the year, certain new accounting and reporting standards / amendments / interpretations became effective and applicable to the Company. However, since such updates were not considered to be relevant to these financial statements, the same have not been reported.

2.5.2 *New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective*

During the year, certain new accounting and reporting standards / amendments / interpretations which are not yet effective. However, since such updates were not considered to be relevant to these financial statements, the same have not been reported.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Intangible assets

Trading Right Entitlement Certificate (TREC) and Membership card of PMEX

The useful lives of these assets are indefinite and hence, no amortization is charged by the Company.

These are 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.

3.2 Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at amortized cost. For the purpose of cash flow statement cash and cash equivalents comprise cash and bank balances.

3.3 Financial assets

3.3.1 *Initial recognition, classification and measurement*

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

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place.

Review

The Company classifies its financial assets into either of following three categories:

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

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

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

(b) *Financial assets at FVOCI*

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.3.2 *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 statement of profit or loss.

(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 in accordance 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. 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 the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognized in other comprehensive income is not reclassified from equity to profit or loss.

Dividends received from investments measured at fair value through profit or loss 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.

3.3.3 *Impairment*

The Company recognizes a loss allowance for expected credit losses in respect of financial assets measured at amortized cost.

For trade debts and receivables from margin financing, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognizes in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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

3.3.4 *De-recognition*

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.4 *Financial liabilities*

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss account.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.5 *Offsetting of financial assets and financial liabilities*

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to setoff the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

3.6 *Other income*

Mark up / interest income

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

4. **AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

2023		2023
Number of shares ----		---- Rupees----
10,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	100,000,000
<u>10,000,000</u>		<u>100,000,000</u>

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- 4.1 There are no agreements among shareholders in respect of voting rights, board selection, rights of first refusal, and block voting.

4.2 **Pattern of shareholding**

Name	Number of shares	% holding	Value of shares
Mr. Taufiq	8,000,000	80.0%	80,000,000
Mrs. Farzana	2,000,000	20.0%	20,000,000

5. **CONTINGENCIES AND COMMITMENTS**

As of the reporting date, no material contingencies and commitments were known to exist.

	Note	2023 Rupees
6. INTANGIBLE ASSETS		
Trading Rights Entitlement (TRE) Certificate - PSX	6.1	2,500,000
		<u>2,500,000</u>

- 6.1 This represents Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited (PSX) and carried at cost less accumulated impairment computed based on the notional value of the TREC as notified by PSX.

	Note	2023 Rupees
7. CASH AND BANK BALANCES		
Cash in hand		-
Cash at bank	7.1	97,578,951
		<u>97,578,951</u>

- 7.1 The return on these balances ranges from 8% to 10% per annum on daily product basis.

	2023 Rupees
8. ADMINISTRATIVE EXPENSES	
Preliminary expenses	515,775
Fees and subscription	10,000
Audit fee	75,000
	<u>600,775</u>

9. **RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties comprise of key management personnel including directors and their close family members and major shareholders of the Company. Transactions entered into, and balances held with, related parties during the year, are as follows:

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10. FINANCIAL INSTRUMENTS

10.1 Financial risk analysis

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

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

- Credit risk
- Liquidity risk
- Market risk

10.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is **past due for 90 days or more**.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

The maximum exposure to credit risk at the reporting date is as follows:

	2023
	— Rupees —
Accrued interest	1,540,914
Bank balances	97,578,951
	<u>99,119,865</u>

Note (a) - Credit risk exposure on trade debts

Credit risk of the Company mainly arises from deposits with banks, trade debts, short term deposits, loans and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients.

10.1.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. As at reporting date, the company does not have any material contractual obligations and accordingly not exposed to any liquidity risk.

10.1.3 Market risk

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

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Company was not exposed to currency risk since there were no foreign currency transactions and balances at the reporting date.

ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by regulatory authorities which reduces the volatility of prices of equity securities. The Company manages price risk by monitoring the exposure in quoted securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Company to incur significant mark-to-market and credit losses. As of the reporting date, the Company was exposed to any price risk since it had not made any investments.

iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at reporting date the Company was not exposed to any interest rate risk.

10.2 Financial instruments by categories

10.2.1 Financial assets

	2023 — rupees —
Accrued interest	1,540,914
Cash and bank balances	97,578,951
	<u>99,119,865</u>

10.2.2 Financial liabilities

At amortized cost	
Loan from directors	520,775
Accrued expenses	75,000
	<u>595,775</u>

11. FAIR VALUE OF ASSETS AND LIABILITIES

The Company measures fair value of its assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Review

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.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market/ quoted price in an active market and whose fair value cannot be reliably measured.

As at reporting date, all the assets and liabilities are reporting at their respective fair values.

12. CAPITAL RELATED DISCLOSURES

12.1 Capital management

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

Following is the capital analysis of what company manages as capital:

	2023 — Rupees —
Borrowings:	
Loan from directors	520,775
Shareholders' equity:	
Issued, subscribed and paid up	100,000,000
Unappropriated profits	737,623
	100,737,623
	101,258,398

The Company is not subject to any externally imposed capital requirements other than the ones specified in notes 12.2 and 12.3 below.

12.2 Capital Adequacy Level

The **Capital Adequacy Level** as defined by the Central Depository Company of Pakistan Limited (CDC) is calculated as follows:

	2023 — Rupees —
Total assets	101,619,865
Less: Total liabilities	(882,242)
Less: Revaluation reserves (created upon revaluation of fixed assets)	-
Capital Adequacy Level	100,737,623

- 12.2.1 While determining the value of the total assets of the Company, notional value of the TRE certificate as determined by Pakistan Stock Exchange Limited has been considered.

12.3 Liquid Capital [as per the requirements of the Securities Brokers (Licensing and Operation Regulations, 2016)]

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets				
1.1	Property & Equipment	-	-	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of carrying value.	-	-	-
	iii. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date.			
	Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities.	-	-	-
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with the requirements of base minimum capital may be taken in calculation of LC	-	-	-
1.9	Margin deposits with exchange and clearing house.	-	-	-
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	-	-	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	1,540,914	-	1,540,914
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties			
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. <i>(Securities purchased under repo arrangement shall not be included in the investments.)</i>	-	-	-
1.15	Advance and receivables other than trade receivables;			
	(i). No haircut may be applied on short term loan to employees provided these loans are secured and due for repayment within 12 months			
	(ii) No haircut may be applied to the advance tax to the extent it is netted with the provision of taxation.	-	-	-
	(iii) In all other cases 100% of net value			
1.16	iii. Receivables other than trade receivables	-	-	-
	Receivables from clearing house or securities exchange(s)			
	i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
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. <i>i. Lower of net balance sheet value or value determined through adjustments.</i>	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	-	-	-
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. <i>v. Lower of net balance sheet value or value determined through adjustments</i>	-	-	-
	vi. in the case of amount receivable from related parties, value determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Upto 30 days, value determined after applying var based haircuts, (b) Above 30 days but not 90 days, value determined after applying 50% var based haircuts whichever is higher (c) above 90 days, 100% haircut shall be applicable.	-	-	-
1.18	Cash and Bank balances	-		-
	i. Bank Balance-proprietary accounts	97,578,951	-	97,578,951
	ii. Bank balance-customer accounts	-	-	-
1.19	iii. Cash in hand	-	-	-
	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;	-	-	-
1.20	(ii) In case of investment in IPO where shares have been allotted but yet not credited in CDS account, 25% haircuts will be applicable on the value of such securities.	-	-	-
	(iii) In case of subscription of right shares where the shares have not yet been credited in CDS account, 15% or var based haircuts whichever is higher will be applied on right shares.	-	-	-
1.20	Total Assets	101,619,865		99,119,865
2. Liabilities				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
2.2	iii. Payable to customers	-	-	-
	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	75,000	-	75,000
	iii. Short-term borrowings	520,775	-	520,775
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	286,467	-	286,467
	viii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	Non-Current Liabilities			
	i. Long-Term financing	-	-	-
	ii. Other liabilities as per accounting principles and included in the financial statements.	-	-	-
	iii. Staff retirement benefits			
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance lease (b) Nil in all other cases			
		-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.4	Subordinated Loans	-	-	-
	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			
	100% haircut may be applied 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	882,242		882,242

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 financees. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million)Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include 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)	-	-	-
3.3	Net underwriting Commitments			
	(a) in the case of right issue : if the market value of securites 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 issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities.			
	In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
Concentrated proprietary positions				
3.8	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	-	-	-
Opening Positions in futures and options				
3.9	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	-	-	-
Short sell positions				
3.10	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilities	-	-	-
		<u>100,737,623</u>	Liquid Capital	<u>98,237,623</u>

13. GENERAL

13.1 Number of employees

Number of persons employed by the Company as on the year end were NIL.

13.2 Date of authorization of financial statements for issue

These financial statements were approved by the Board of Directors of the Company in their meeting held on 23 OCT 2023.

13.3 Level of rounding

All the figures in the financial statements have been rounded off to the nearest rupee.

13.4 Corresponding figures

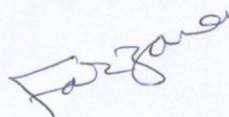
The reporting period being the first year of operations, therefore no corresponding figures to report.

Ravi



Chief Executive





Director