

MANNOO CAPITAL (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2023

DIRECTOR'S REPORT

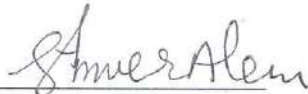
By the grace of almighty ALLAH, your Director present herewith Report along with audited accounts and Auditor's Report for the year ended June 30, 2023

Net loss after tax of Rs. =8,933,426/- for the period ended June 30, 2023.

Future Prospects

We are positive on the future prospects of Pakistan's Equity Market and Expect the market to provide a healthy return in the upcoming years.

For and on behalf of board


TANVEER ALAM MANNOO
Chief Executive & Director

Place: Karachi

Dated: _____



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MANNOO CAPITAL (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Mannoo Capital (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, 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 loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional 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 the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, 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 **Ahsan Elahi Vohra - FCA**

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Chartered Accountants

Karachi :
Dated : October 05, 2023
UDIN : AR202310532XT140edcA

MANNOO CAPITAL (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
Non-current assets			
Property and equipment	4	39,783	49,792
Intangible assets	5	2,500,163	2,500,233
Long term deposits	6	-	500,000
		2,539,947	3,050,025
Current assets			
Deposits	7	5,000,000	9,262,600
Short term investments	8	30,636,489	40,225,672
Advance tax - net		2,078,792	2,255,323
Cash and bank balances	9	27,665,328	22,084,064
		65,380,609	73,827,659
Total assets		<u><u>67,920,556</u></u>	<u><u>76,877,684</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
20,000,000 ordinary shares of Rs.10/- each		200,000,000	200,000,000
Issued, subscribed and paid up capital	10	94,013,000	94,013,000
Accumulated loss		(26,192,444)	(17,259,017)
Total equity		<u><u>67,820,556</u></u>	<u><u>76,753,983</u></u>
Current liabilities			
Accrued and other payables	11	100,000	123,701
Total equity and liabilities		<u><u>67,920,556</u></u>	<u><u>76,877,684</u></u>
Contingencies and commitments	12	-	-

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

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TAM 
 Chief Executive

MT 
 Director

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

	Note	2023 Rupees	2022 Rupees
Operating revenue	13	2,442,402	3,392,490
Capital loss on sale of investments-net		(7,624,864)	(14,306,297)
Net change in unrealized loss on remeasurement of short term investment		(4,635,226)	(1,791,650)
		<u>(9,817,688)</u>	<u>(12,705,457)</u>
Administrative expenses	14	(3,039,581)	(7,394,107)
Operating loss		<u>(12,857,268)</u>	<u>(20,099,564)</u>
Finance cost	15	(7,884)	(2,581)
Other income	16	5,140,371	1,660,206
Loss before taxation		<u>(7,724,781)</u>	<u>(18,441,939)</u>
Taxation	17	(1,208,645)	(781,597)
Loss after taxation		<u>(8,933,426)</u>	<u>(19,223,536)</u>
Loss per share - basic and diluted	18	<u>(0.95)</u>	<u>(2.04)</u>

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

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TAM *Amur Alex*
 Chief Executive

MT *Chao*
 Director

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

	2023 Rupees	2022 Rupees
Loss for the year	(8,933,426)	(19,223,536)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(8,933,426)</u>	<u>(19,223,536)</u>

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

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Chief Executive


Director

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

	2023 Rupees	2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(7,724,781)	(18,441,939)
Adjustments for :		
Depreciation	10,009	13,516
Amortization of software	70	100
Capital loss on sale of investments	7,624,864	14,306,297
Unrealized loss on remeasurement of short term investments	4,635,226	1,791,650
Finance cost	7,884	2,581
	<u>12,278,052</u>	<u>16,114,144</u>
Operating profit/(loss) before working capital changes	4,553,271	(2,327,795)
Working capital changes		
Decrease in current assets		
Deposit	4,262,600	5,237,400
(Decrease) in current liabilities		
Accrued and other payables	(23,701)	(1,778)
Net cash generated from operations	<u>8,792,170</u>	<u>2,907,827</u>
Finance cost paid	(7,884)	(2,581)
Tax paid	<u>(1,032,115)</u>	<u>(511,296)</u>
Net cash generated from operating activities	7,752,171	2,393,950
CASH FLOW FROM INVESTING ACTIVITIES		
Short term investments - net	(2,670,907)	(8,258,072)
Long term deposits	500,000	-
Net cash (used in) investing activities	<u>(2,170,907)</u>	<u>(8,258,072)</u>
Net increase/ (decrease) in cash and cash equivalents during the year	5,581,263	(5,864,123)
Cash and cash equivalents at the beginning of the year	22,084,064	27,948,187
Cash and cash equivalents at the end of the year	<u><u>27,665,328</u></u>	<u><u>22,084,064</u></u>

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

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Chief Executive


Director

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

	Issued, subscribed and paid up capital	Revenue Reserve		Total
		Accumulated Profit/(Loss)	Re-measurement of 'available for sale' investments	
-----Rupees-----				
Balance as on July 1 ,2021	94,013,000	1,964,519	-	95,977,519
Loss for year end June 30 ,2022	-	(19,223,536)	-	(19,223,536)
Other Comprehensive income for the year ended June 30, 2022	-	-	-	-
Total Comprehensive income for the year ended June 30, 2022	-	(19,223,536)	-	(19,223,536)
Balance as on June 30, 2022	94,013,000	(17,259,018)	-	76,753,983
Loss for year end June 30 ,2023	-	(8,933,426)	-	(8,933,426)
Other Comprehensive income for the year ended June 30, 2023	-	-	-	-
Total Comprehensive loss for the year ended June 30, 2023	-	(8,933,426)	-	(8,933,426)
Balance as on June 30, 2023	94,013,000	(26,192,444)	-	67,820,557

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


 Chief Executive


 Director

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

1 STATUS AND NATURE OF BUSINESS

Mannoo Capital (Private) Limited (the Company) was incorporated on October 17, 2005 in Karachi as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a holder of Trading Right Entitlement Certificate of the Pakistan Stock Exchange Limited. The principal activity of the company is to engage in the business of Stock brokerage and investment. The registered office of the company is situated at Suite # 87, 2nd Floor, Stock Exchange Building, Stock Exchange Road, Karachi.

The Company has converted itself to Trade Only category during the year means the company can execute its proprietary trades and trades on behalf of its customers which will be settled by a Professional Clearing Company (PCM) "Eclear Services Ltd". Under this category, the company can not keep client securities or custody of client assets (which are held by the PCM - Eclear Services Ltd).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of or directives issued under the Companies Act, 2017 shall prevail.

2.2 Accounting convention

These financial statements have been prepared on historic cost convention, except for investments which are carried at their fair value

2.3 Basis of measurement

The financial statements have been prepared using an accrual basis of accounting except for cash flow statement which is prepared using cash basis.

2.4 Functional and presentation currency

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

2.5 Significant accounting estimates and judgements

The preparation of financial statements in conformity with 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, industry trends, legal and technical pronouncements and various other factors that are believed to be reasonable under the circumstances, the result 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of management estimates in these financial statements relate to the following:

- (a) determination of the residual values and useful lives of property and equipments and intangible assets (note 3.1 & 3.2)
- (b) classification of investments (note 3.3)

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2.6 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

2.6.1 Standards, amendments and interpretations to existing standards that are not yet effective

Following Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

	Effective date (annual reporting periods beginning on or after)
IAS 1 Amendments to 'IAS 1 and IFRS Practice Statement 2' Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 1 'Presentation of Financial Statements' Classification of liabilities as current or non-current	January 1, 2024
IAS 8 Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12 Income Taxes (Amendments)	January 1, 2023
IAS 16 Property, Plant and Equipment (Amendments)	January 1, 2024
IAS 41, Annual improvements to IFRS Standards 2010 and 28	January 1, 2022

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

2.6.2 Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2023:

- IFRS 1 First Time Adoption of International Financial Reporting Standards
- IFRS 17 Insurance Contracts
- IFRIC 12 Service concession arrangements

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies and methods of computation have been consistently applied to all the periods presented, unless otherwise stated.

3.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged on WDV of assets capitalized during the year considering the month of purchase and on disposals upto the month immediately preceding the month of disposal at the rates disclosed in note 4 to these financial statements.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized if they increase efficiency.

Gain and losses on disposal of fixed assets, if any, included in statement of profit or loss.

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

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3.2 Intangible assets

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

Trading Rights Entitlement Certificate

It is stated at cost less accumulated impairment loss, 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 amount exceeds estimated recoverable amount, it is written down to its recoverable amount.

Software

Costs directly associated with identifiable software that will have probable economic benefits exceeding costs beyond one year, are recognized as an intangible asset. Direct costs include the purchase costs of software and other directly attributable costs of preparing the software for its intended use.

Computer software is measured initially at cost and subsequently stated at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization

Intangible assets with indefinite useful lives are not amortized, instead they are systematically tested for impairment at each reporting date. Intangible assets with finite useful lives are amortized at reducing balance method at the rate specified in note 5.2 to these financial statements.

3.3 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the profit and loss account.

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchase and sales are recognized at the trade date. Trade date is the date on which the Company commits to purchase or sale an asset.

The management determines the appropriate classification of the investment made by the Company in accordance with the requirements of International Financial Reporting Standards (IFRS) 9: 'Financial Instruments: Recognition and measurement at the time of purchase'.

The Company classifies its investments in the following categories;

Financial assets' at fair value through profit or loss

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss-held for trading'. Subsequent to initial recognition, these investments are marked-to-market and are carried on the balance sheet at fair value. Net gains and losses including dividend income arising on changes in fair values of these investments are taken to the statement of profit or loss.

Financial Assets measured at amortized Cost

Investments with a fixed maturity where the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortized cost using the effective interest rate method, less any accumulated impairment losses. Any impairment loss are recognized in profit and loss account. Other net gain are recognized in profit and loss account.

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Equity Instruments at Fair Value through Other Comprehensive Income

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available-for-sale'. Subsequent to initial measurement, available-for-sale investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity. However, any premium or discount on acquisition of debt securities is amortized and taken to the profit and loss account over the life of the investment using the effective interest rate method. When securities are disposed of or impaired, the related fair value adjustments previously taken to other comprehensive income are never reclassified to statement of profit and loss. Dividend on such investment is charged to statement of profit or loss.

Fair value for listed securities are the quoted prices on stock exchange on the date it is valued, Fair value of Term Finance Certificates, units of open end Mutual Funds and Government Securities are determined on the basis of rates notified by Mutual Fund Association of Pakistan for Term Finance Certificates, relevant redemption prices for the open-end Mutual Fund and quotations obtained from the PKRV sheets for Government Securities respectively. Unquoted securities are valued at cost.

Subsequent measurement

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.

Financial assets at FVOCI

These are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss. On derecognition, gain and losses accumulated in capital reserves are reclassified to unappropriated profit.

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.

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 carried at amortized cost using effective interest method.

Financial liabilities are initially recognized on the date on which the company becomes party to respective contractual provisions. Financial liabilities include markup bearing loans and trade and other payables. 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.

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Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when the company has legally enforceable right to offset and the company intends to either settle on net basis, or to realise the asset and to settle the liability simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements only when permitted by accounting and reporting standards as applicable in Pakistan.

Impairment

Financial Assets

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to lifetime ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded. The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date:

- bank balances;
- employee receivables
- other short term receivables; and
- receivables from PMEX and NCCPL

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

De-recognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

Financial liabilities

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

3.4 Revenue recognition

Revenue is recognized to the extent that it is probable that the 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. Revenue is recognized on the following basis:

- Brokerage income is recognized as and when such services are provided.
- Interest income is recognized at effective yield on time proportion basis.

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- Unrealized capital Gains / (losses) arising from mark to market of investments classified as at financial assets at fair value through profit or loss are included in profit and loss account for the period in which they arise.

3.5 Trade debts

These are stated at net of provision for doubtful debts. Full provision is made against the debts considered doubtful.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid investment that are convertible to known amounts of cash and are subject to insignificant risk of change in value, and short-term running finance under mark-up arrangements:

3.7 Taxation

The provision for current taxation is based on taxable income at the current rates of taxation. The company does not provide for deferred taxation as the timing differences are not likely to reverse in the foreseeable future.

3.8 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. The amount recognized as provision reflects the best estimate of the expenditure required to settle the obligation at the end of reporting period.

3.9 Impairment of non-financial assets

Assets that are subject to depreciation /amortization are reviewed at each balance sheet date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. As impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original costs of the asset.

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4 PROPERTY AND EQUIPMENT

Rupees
2023

Rupees
2022

39,783

49,792

Particulars	Cost at July 1, 2022	Addition / Transfer	Cost at June 30, 2023	Accumulated depreciation at July 1, 2022	Depreciation for the year	Accumulated depreciation as at June 30, 2023	Book value at June 30, 2023	Rate of depreciation (%)
Furniture and fixtures	65,900		65,900	48,046	1,785	49,831	16,069	10%
Office equipments	11,500		11,500	4,710	679	5,389	6,111	10%
Computer and accessories	473,168		473,168	448,021	7,544	455,565	17,603	30%
June 30, 2023	550,568	-	550,568	500,777	10,009	510,786	39,783	

Particulars	Cost at July 1, 2021	Addition / Transfer	Cost at June 30, 2022	Accumulated depreciation at July 1, 2021	Depreciation for the year	Accumulated depreciation as at June 30, 2022	Book value at June 30, 2022	Rate of depreciation (%)
Furniture and fixtures	65,900		65,900	46,062	1,984	48,046	17,854	10%
Office equipments	11,500		11,500	3,955	755	4,710	6,791	10%
Computer and accessories	473,168		473,168	437,243	10,778	448,021	25,148	30%
June 30, 2022	550,568	-	550,568	487,260	13,516	500,776	49,792	

5 INTANGIBLE ASSETS

Note

Rupees
2023

Rupees
2022

Trading Right Entitlement Certificate (TREC)	5.1	2,500,000	2,500,000
Computer software	5.2	163	233
		<u>2,500,163</u>	<u>2,500,233</u>

5.1 MOVEMENT IN TRADING RIGHT ENTILEMENT CERTIFICATE

Opening carrying value	5.1.1	2,500,000	2,500,000
Impairment in the value of TREC		-	-
		<u>2,500,000</u>	<u>2,500,000</u>

5.1.1 This represent TREC received by the company in accordance with the Stock Exchange (Corporitization, Demutualization and Integration) Act, 2012 as ammended by Stock Exchange (Corporitization, Demutualization and Integration)(Ammdement) Act, 2015.

PSX vide notice no. PSX/N-225 dated February 16, 2021 have been notified that the notional value of Trading Right Entitlement Certificates which amounting to Rs 2.5 million.

5.2 Computer software

Particulars	Cost at July 1, 2022	Addition	Cost at June 30, 2023	Accumulated Amortization at July 1, 2022	Amortization for the year	Accumulated Amortization as at June 30, 2023	Book value at June 30, 2023	Rate of Amortization (%)
Software	34,300		34,300	34,068	70	34,137	163	30%
June 30, 2023	34,300	-	34,300	34,068	70	34,137	163	

Particulars	Cost at July 1, 2021	Addition	Cost at June 30, 2022	Accumulated Amortization at July 1, 2021	Amortization for the year	Accumulated Amortization as at June 30, 2022	Book value at June 30, 2022	Rate of Amortization (%)
Software	34,300		34,300	33,968	100	34,068	233	30%
June 30, 2022	34,300	-	34,300	33,968	100	34,068	233	

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6 LONG TERM DEPOSITS	2023	2022
	Rupees	Rupees
National Clearing Company of Pakistan Limited - Basic Deposit	-	200,000
Pakistan Stock Exchange Limited - Basic Deposit	-	200,000
Central Depository Company of Pakistan Limited - Basic Deposit	-	100,000
	<u>-</u>	<u>500,000</u>

7 DEPOSITS		2023	2022
Deposit against Base Minimum Capital	7.1	<u>5,000,000</u>	<u>9,262,600</u>
		<u>5,000,000</u>	<u>9,262,600</u>

7.1 This represents deposit with Pakistan Stock Exchange Limited against the Base Minimum Capital requirement.

8 SHORT TERM INVESTMENTS		2023	2022
Listed equity securities		<u>30,636,489</u>	<u>40,225,672</u>

8.1 The details of Securities pledged with PSX and NCCPL are

	June 30, 2023		June 30, 2022	
	Number of securities	Fair value	Number of securities	Fair value
Clients	-	-	300,000	1,806,000
Brokerage House	76,000	5,290,490	700,000	4,034,000
	<u>76,000</u>	<u>5,290,490</u>	<u>1,000,000</u>	<u>5,840,000</u>

There was only one client account which pertains to director Mr. Tanver Alam Manno

9 CASH AND BANK BALANCES	2023	2022
	Rupees	Rupees
Cash in hand	44,204	44,184
Cash at bank		
- in current accounts	309,440	374,003
- in savings accounts	27,311,684	21,665,877
	9.2	
	<u>27,621,124</u>	<u>22,039,880</u>
	<u>27,665,328</u>	<u>22,084,064</u>

9.1 The above balance includes Rs. Nil (30 June 2022 : Rs. Nil) kept in designated bank accounts maintained on behalf of clients.

9.2 The markup received on deposit accounts is in the range between 11% to 15%.

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10 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Number of shares			2023	2022
2023	2022		Rupees	Rupees
401,300	401,300	Ordinary shares of Rs. 10/- each issued for cash	4,013,000	4,013,000
9,000,000	9,000,000	Ordinary shares of Rs. 10/- each issued for other than cash	90,000,000	90,000,000
<u>9,401,300</u>	<u>9,401,300</u>		<u>94,013,000</u>	<u>94,013,000</u>

10.1 Pattern of Shareholding

	No. Of Shares	Percentage Holding
Mehreen Tanveer	100	0.00%
Nimra Tanveer	100	0.00%
Tanveer Alam Manno	9,401,000	100.00%
Farina Tanveer	100	0.00%
	<u>9,401,300</u>	<u>100%</u>

10.2 All shares carry equal voting rights and there is no shareholder agreements for voting rights, board selection, rights of first refusal, and block voting.

Note	2023 Rupees	2022 Rupees
11 Accrued and other payables		
Accrued expenses	100,000	100,000
Sindh sales tax payable	-	23,701
	<u>100,000</u>	<u>123,701</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as on the balance sheet date (2022 : Nil)

	2023 Rupees	2022 Rupees
13 OPERATING REVENUE		
Commission income	823,861	1,725,341
Dividend income	1,618,541	1,667,149
	<u>2,442,402</u>	<u>3,392,490</u>

22)

	2023 Rupees	2022 Rupees
14 ADMINISTRATIVE EXPENSES		
Directors' remuneration	435,000	3,570,000
Staff salaries	1,253,700	2,274,900
PSX charges	63,198	105,231
NCCPL / NCSS charges	59,133	79,884
CDC charges	25,294	42,712
SECP charges	59,322	66,397
Electricity	152,109	117,105
Telephone and mobile	154,767	152,619
Service charges	307,066	328,654
Auditors' remuneration	14.1 252,932	100,000
Software maintenance	193,230	230,520
Legal and professional	-	170,720
Miscellaneous expenses	-	33,500
Parking fee	21,750	58,250
Amortization of software	70	100
Depreciation	10,009	13,516
Stock broker association	52,000	50,000
	<u>3,039,581</u>	<u>7,394,108</u>
14.1 Auditors, Remuneration		
Audit fee	50,000	50,000
Other certifications	50,000	50,000
System audit and others	152,932	-
	<u>252,932</u>	<u>100,000</u>
15 FINANCE COST		
Bank charges	<u>7,884</u>	<u>2,581</u>
16 OTHER INCOME		
Profit on cash margin	252,452	122,200
Bank profit	3,781,491	994,494
Interest income on BMC deposit	1,106,428	543,512
	<u>5,140,371</u>	<u>1,660,206</u>
17 TAXATION		
Current	<u>1,208,645</u>	<u>781,597</u>
	<u>1,208,645</u>	<u>781,597</u>

17.1 The numerical reconciliation between the tax expense and accounting profit has not been presented as the total income of the company attracted presumptive tax and minimum tax under Section 113 of the income tax Ordinance, 2001.

N22

	Note	2023 Rupees	2022 Rupees
18 (LOSS)/EARNING PER SHARE - BASIC AND DILUTED			
(Loss)/profit after taxation (Rupees)		<u>(8,933,426)</u>	<u>(19,223,536)</u>
Weighted average number of ordinary shares(Numbers)		<u>9,401,300</u>	<u>9,401,300</u>
(Loss)/earning per share (Rupees)		<u>(0.95)</u>	<u>(2.04)</u>

19 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTOR

	Chief Executive		Director	
	2023	2022	2023	2022
Managerial remuneration	435,000	2,340,000	1,230,000	2,248,000
	<u>435,000</u>	<u>2,340,000</u>	<u>1,230,000</u>	<u>2,248,000</u>
No. of person	1	1	1	1

20 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk, liquidity risk and off balance sheet risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

20.1 Market Risk

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

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and regulations laid down by the Karachi Stock Exchange.

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

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as all the transactions of the Company are denominated in Pak Rupees.

20.1.2 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. At the balance sheet date the interest rate profile of the company's interest bearing financial instruments was as follows:

	Notes	2023 Rupees	2022 Rupees
Bank balances in profit and loss sharing	9	<u>27,311,684</u>	<u>21,665,877</u>

N20

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company was exposed to listed and quoted securities price risk because of investments held by the Company and classified on the balance sheet as at fair value through profit or loss. To manage its price risk arising from investments the Company mainly invests in mutual funds and listed shares and maintains diversified portfolio.

20.2 Credit risk

The Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from trade debts, investments and deposits with banks. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating. To manage exposure to credit risk on its investments, the Company manages a portfolio of investments which consists of securities issued by the Government and reputable entities. To secure against the risk of default from debtors, the Company obtains collateral from its customers. The maximum exposure to credit risk is equal to the carrying amounts of financial assets less the amount of collaterals held.

Exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at June 30, 2023 is the carrying amount of the financial assets. The maximum exposure to credit risk at reporting date is:

	Note	2023 Rupees	2022 Rupees
Long term deposits	6	-	500,000
Deposits	7	5,000,000	9,262,600
Short term investments	8	30,636,489	40,225,672
Bank balances	9	27,621,124	22,084,064

20.3 Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company's liquidity management involves projecting cash flows and maintaining level of liquid assets necessary to meet these risks.

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

Note	June 30, 2023				June 30, 2022				
	Total	Upto Three Months	More Than Three months and upto	More Than One Year	Total	Upto Three Months	More Than Three months and upto One Year	More Than One Year	
-----Rupees-----									
Accrued and other payables	12	100,000	100,000	-	-	123,701	123,701	-	-
Total		100,000	100,000	-	-	123,701	123,701	-	-

NB1

20.4 Capital management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

21 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISKS

The Company purchases and sells securities as either principal or agents on behalf of its customers. If either the customer or a counterparty fails to perform, the Company may be required to discharge the obligation on behalf of the non-performing party. In such circumstances, the Company may sustain a loss if the market value of the security is different from the contracted value of the transaction less any margin deposits that the Company has on hand. Where the customer operates through institutional delivery system, the Company is not exposed to this risk.

The majority of the Company's transactions, and consequently, the concentration of its credit exposure are with the customers and other financial institutions in case of money market brokerage. The Company seeks to control its credit risk through a variety of reporting and controls procedures, including establishing credit limits based upon a review of the counterparties' financial condition. The Company monitors collateral levels on a regular basis and requests changes in collateral level as appropriate or if considered necessary.

22 CAPITAL MANAGEMENT

- 22.1 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.

The Capital adequacy level as required by CDC is calculated as follows:

	2023 Rupees	2022 Rupees
Total assets	67,920,556	76,877,684
Total liabilities	(100,000)	(123,701)
Capital adequacy level	<u>67,820,556</u>	<u>76,753,983</u>

While determining the value of the total assets of the TREC holder, notional value of the TRE certificate as at year ended as determined by Pakistan Stock Limited has been considered.

N21

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N21

2023

2022

23 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related Parties Comprise of associated companies , directors, key management personnel and close family members of the directors. Transactions with related parties may be carried out at negotiated rates. Remuneration and benefits to executives of the company are in accordance with the terms of their employment.

Name of Related party	Nature of Transaction	Relationship with Related party	2023	2022
			Rupees	Rupees
Chief Executice and director	Remuneartion paid	CEO &director	435,000	3,570,000

BALANCES WITH RELATED PARTIES

Name of Related party	Nature of Balance	Relationship with Related party	2023	2022
			Rupees	Rupees
			NIL	NIL

24 NUMBER OF EMPLOYEES

---Number---

Total number of employees at the year end 30th June 2023

33

Averagel number of employees during the year

33**25 GENERAL**

Figures have been rearranged and reclassified wherever necessary, for the purpose of comparison and have been rounded off to the nearest Rupee.

26 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 05-10-2023 by the Board of Directors of the company.

N2M


Chief Executive


Director