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Reanda Haroon Zakaria & Company
Chartered Accountants

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

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other 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.

Emphasis of Matter

We draw your attention to note no. 16.1 to the financial statements, which describes the case related to fraudulent activity executed by one of the clients of the Company and then adverse actions taken by the SECP against the Company and counter reply given by the Company to defend its position. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' 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 auditors' 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.

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;

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

e) the Company was in compliance with the requirement of section 62 of the Futures Market Act, 2016 and the relevant requirements of the Futures Brokers (Licensing and Operations) Regulations, 2018, 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 **Mohammad Iqbal.**

ACM GOLD (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	*2023 Rupees*	*2022 Rupees*
ASSETS			
Non-Current Assets			
Property and equipment	4	**537,927**	348,276
Intangible assets	5	**1,900,000**	1,900,000
Investment property	6	**18,200,000**	18,200,000
Long-term deposits	7	**5,750,000**	5,750,000
Deferred taxation	8	**-**	-
		26,387,927	26,198,276
Current Assets			
Commission receivable - considered good		**322,159**	493,437
Short-term deposits	9	**997,607**	665,933
Loans, prepayments and other receivables	10	**3,103,915**	4,245,693
Bank balances	11	**350,724**	1,384,745
		4,774,405	6,789,808
Total Assets		**31,162,332**	32,988,084
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
4,100,000 Ordinary shares of Rs. 10 each		**41,000,000**	41,000,000
Issued, subscribed and paid-up capital	12	**37,000,000**	37,000,000
Accumulated losses		**(13,249,783)**	(8,771,477)
		23,750,217	28,228,523
Non-Current Liabilities			
Payable against office rooms	13	**3,250,000**	3,250,000
Current Liabilities			
Accrued and other payables	14	**1,203,076**	1,474,989
Short-term borrowings	15	**2,924,195**	-
Income tax payable		**34,844**	34,572
		4,162,115	1,509,561
Contingencies and commitments	16		
Total Equity and Liabilities		**31,162,332**	32,988,084

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive

Director

ACM GOLD (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Commission income - net	17	**6,956,671**	7,778,830
Operating and administrative expenses	18	**(11,740,507)**	(10,807,427)
Operating loss		**(4,783,836)**	(3,028,597)
Finance cost - bank charges		**(4,916)**	(62,848)
Other income	19	**385,844**	772,476
Other charges	20	**-**	(198,699)
Loss before taxation		**(4,402,908)**	(2,517,668)
Taxation - net	21	**(75,398)**	(129,505)
Loss after taxation		**(4,478,306)**	(2,647,173)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(4,478,306)**	(2,647,173)

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive *Director*

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

Description	*Share Capital*	*Accumulated losses*	*Total*
		-Rupees-	
Balance as at July 10, 2021	37,000,000	(6,124,304)	30,875,696
Total comprehensive loss for the year	-	(2,647,173)	(2,647,173)
Balance as at June 30, 2022	**37,000,000**	**(8,771,477)**	**28,228,523**
Total comprehensive loss for the year	-	**(4,478,306)**	**(4,478,306)**
Balance as at June 30, 2023	**37,000,000**	**(13,249,783)**	**23,750,217**

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive *Director*

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

	Note	2023 Rupees	2022 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(4,402,908)**	(2,517,668)
Adjustment for:			
Depreciation	18	**268,605**	193,470
Gain on disposal of assets	19	**(59,756)**	-
Finance cost - bank charges		**4,916**	62,848
		213,765	256,318
Cash used in operations before working capital changes		**(4,189,143)**	(2,261,350)
Working capital changes			
(Increase) / decrease in current assets			
Commission receivable - considered good		**171,278**	412,675
Short-term deposits		**(331,674)**	2,147,584
Loans, prepayments and other receivables		**1,141,778**	(2,570,575)
Increase / (decrease) in current liabilities			
Accrued and other payables		**(271,913)**	557,214
Unearned income		**-**	(113,861)
		709,469	433,037
Cash used in operations		**(3,479,674)**	(1,828,313)
Income taxes paid		**(75,126)**	(579,756)
Finance cost paid		**(4,916)**	(62,848)
Net cash used in operating activities		**(3,559,716)**	(2,470,917)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred	4	**(459,500)**	-
Proceeds from disposal of fixed assets		**61,000**	-
Net cash used in investing activities		**(398,500)**	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received from/(repaid to) director-net	15	**2,924,195**	(47,107,016)
Net cash generated from / (used in) from financing activities		**2,924,195**	(47,107,016)
Net decrease in cash and cash equivalents (A+B+C)		**(1,034,021)**	(49,577,933)
Cash and cash equivalents at the beginning of the year	11	**1,384,745**	50,962,678
Cash and cash equivalents at the end of the year	11	**350,724**	1,384,745

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive

Director

1 LEGAL STATUS AND NATURE OF BUSINESS

ACM Gold (Private) Limited was incorporated in Pakistan as a private limited company on June 30, 2009 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company is situated at Office no. 01, 2nd floor, G - 21/22, Scheme 05, Block 08, Clifton, Karachi. The Company's principal business is trading and brokerage of listed commodities, underwriting and making other investments. The Company is a corporate member of Pakistan Mercantile Exchange Limited.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards, as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards for Small and Medium Sized Entities issued by the International Accounting Standards Board (IASB) (here-in-after referred to as IFRS for SMEs) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act. Where provisions of and directives issued under the Act differ from the IFRS for SMEs, the provisions or directives issued under the Act have been followed.

2.2 Basis of preparation

These financial statements have been prepared under the historical cost convention except as otherwise mentioned in the notes to the financial statements. Further, accrual basis of accounting has been followed except for cash flow statement.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Property and equipment, investment property and intangible assets
The Company's management determines the estimated useful lives and related depreciation and amortization charge for its non current assets. This also includes estimating the residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of fixed assets and intangible assets with a corresponding affect on the depreciation / amortization charge and impairment.

Loans, commission and other receivable
The Company reviews its loans and receivables against any provision required for any doubtful balances on an on-going basis. The provision is made while taking into consideration expected recoveries, if any.

Income taxes
In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

These are initially recognized at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation on fixed assets is charged to income by applying straight line method at the rates specified in the note 4 to the financial statements. Depreciation is charged from the month in which the depreciable assets are available for use while no depreciation is charged in the month of deletion.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace an item of property and equipment is capitalized and the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

Gains and losses on disposal of assets, if any, are taken to the statement of profit or loss.

The carrying values of fixed assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

3.2 Intangible assets

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

3.2.1 Trading license

It is stated at cost less impairment, if any. It is not amortized due to the fact that it has indefinite useful life. Useful life can not be ascertained as it is unknown that how long member will hold the card. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, which is taken as higher of fair value less cost to sell and value in use. where the carrying value exceeds estimated recoverable amount, it is written down to it.

3.2.2 Computer software

These are initially stated at cost. Subsequent to initial recognition these are measured at cost less accumulated amortization and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss during the financial year in which they are incurred.

Amortization on computer software is charged to income by applying straight line method at the rates specified in the relevant note. Amortization is charged from the month in which the depreciable assets are available for use while no amortization is charged in the month of deletion.

Intangible assets are assessed for impairment whenever there is an indication that the same are impaired. Costs associated with maintaining assets are recognized as an expense in the period in which these are incurred. Gains and losses on disposal, if any, of assets are included in income currently.

3.3 Investment property

Investment Property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in ordinary course of business, use in supply of services as for administrative purpose.

Land which is held for rate appreciation is classified under investment property. It is carried at its respective cost, under the cost model less accumulated impairment losses, if any.

The carrying values of investment property are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

3.4 Deposits

These are carried at the amount originally paid, which is the fair value of the consideration to be received / adjusted in future.

3.5 Commission and other receivables

Commission and other receivable are carried at original invoice amount less provision made for doubtful receivables based on a review of all outstanding amounts of the year end. Receivable considered irrecoverable are written off to statement of profit or loss.

3.6 Loans and prepayment

Loans are stated at the amounts originally disbursed. Provision is made for the loans considered doubtful. Balance considered irrecoverable are written off.

Prepayments are carried at nominal amounts which is the fair value of the consideration to be adjusted in future.

3.7 Financial instruments

All financial assets and liabilities are recognized at the time when the company become the party to the contractual provisions of the instruments. These are initially measured at cost which is the fair value of the consideration agreed upon and subsequently measured at fair value or amortized cost as the case may be. The Company derecognizes the financial assets and financial liabilities when it ceases to be a party to such contractual provisions of the instruments. Any gain or loss on the recognition or derecognition of financial assets and liabilities is taken to the statement of profit or loss.

3.8 *Offsetting of financial assets and financial liabilities*

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

3.9 *Cash and cash equivalents*

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise of bank balance in current accounts.

3.10 *Trade and other payables*

Trade and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for the goods and / or services received, whether or not billed to the Company. Liabilities are written back and recognized as other income when these are considered to be no longer payable.

3.11 *Borrowing cost*

Borrowing cost are recognized as an expense in the statement of profit or loss in the period in which these are incurred.

3.12 *Taxation*

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss, except to the extent that it relates to the items recognized directly in other comprehensive income or in equity, in which case it is recognized there.

Current

Provision for taxation is based on current year taxable income determined in accordance with the provisions of Income Tax Ordinance, 2001, enactive on the date of statement of financial position and carry adjustment to tax payable in respect of previous year.

Deferred

Deferred tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

The Company recognizes a deferred tax asset only to the extent that it is probable that future taxable profit for the foreseeable future will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.13 *Revenue recognition*

Revenue from brokerage services

- Brokerage commission is recorded when brokerage services have been rendered to a customer and it is probable that the economic benefits associated with the transaction will flow to the entity.

Other revenue

- Gain on sale of fixed assets is recorded when title is transferred in favor of the transferee.

- Other income is recognized on occurrence of transactions on accrual basis.

4 PROPERTY AND EQUIPMENT

Particulars	Furniture	Electric equipment	Office equipment	Computers	Vehicle	Total
	Owned Asset					
	---------- Rupees ----------					
Year ended June 30, 2023						
Opening net book value	**72,708**	**-**	**-**	**20,849**	**254,719**	**348,276**
Addition during the year	**-**	**-**	**-**	**297,500**	**162,000**	**459,500**
Disposals						
Cost	**-**	**-**	**-**	**167,000**	**99,500**	**266,500**
Accumulated depreciation	**-**	**-**	**-**	**(167,000)**	**(98,256)**	**(265,256)**
	-	**-**	**-**	**-**	**(1,244)**	**1,244**
Depreciation charge for the year	**(37,855)**	**-**	**-**	**(103,263)**	**(127,488)**	**(268,605)**
Closing net book value as on June 30, 2023	**34,853**	**-**	**-**	**215,086**	**287,988**	**537,927**
As at June 30, 2023						
Cost	**417,048**	**83,000**	**242,071**	**938,563**	**984,500**	**2,665,182**
Accumulated depreciation	**(382,195)**	**(83,000)**	**(242,071)**	**(723,477)**	**(696,512)**	**(2,127,255)**
Closing net book value as on June 30, 2023	**34,853**	**-**	**-**	**215,086**	**287,988**	**537,927**
Year ended June 30, 2022						
Opening net book value	110,563	-	-	38,164	393,019	541,746
Addition during the year	-	-	-	-	-	-
Disposals						
Cost	-	-	-	-	98,150	98,150
Accumulated depreciation	-	-	-	-	(98,150)	(98,150)
	-	-	-	-	-	-
Depreciation charge for the year	(37,855)	-	-	(17,315)	(138,300)	(193,470)
Closing net book value as on June 30, 2022	72,708	-	-	20,849	254,719	348,276
As at June 30, 2022						
Cost	417,048	83,000	242,071	808,063	922,000	2,472,182
Accumulated depreciation	(344,340)	(83,000)	(242,071)	(787,214)	(667,281)	(2,123,906)
Closing net book value as on June 30, 2022	72,708	-	-	20,849	254,719	348,276
Rate of depreciation (%)	**10%**	**10%**	**10%**	**30%**	**15%**	

4.1 The cost of fully depreciated assets as at June 30, 2023 is Rs. 1,216,634. (2022: Rs.1,113,919).

5 INTANGIBLE ASSETS

Description	Cost: As at July 1, 2022	Cost: Additions	Cost: As at June 30, 2023	Rate %	Accumulated amortization: As at July 1, 2022	Accumulated amortization: For the year	Accumulated amortization: As at June 30, 2023	Written down value as at June 30, 2023
	---- Rupees ----				---- Rupees ----			
Owned								
Trading license - PMEX	1,900,000	-	1,900,000	-	-	-	-	1,900,000
Computer software	29,000	-	29,000	20	29,000	-	29,000	-
Rupees 2023	**1,929,000**	**-**	**1,929,000**		**29,000**	**-**	**29,000**	**1,900,000**
Rupees 2022	1,929,000	-	1,929,000		29,000	-	29,000	1,900,000

	Note	2023 Rupees	2022 Rupees
6 INVESTMENT PROPERTY	6.1	**18,200,000**	18,200,000

6.1 The Company acquired 20 plots of 125 yards each at the cost of Rs. 650,000 each and 02 plots of 500 yards each at the rate of Rs. 2.6 million each located at Naval Anchorage Housing, Gwadar, Baluchistan for rate appreciation. These are provisionally allotted in the name of Mr. Basit Ahmed Khan, Chief Executive Officer of the Company.

7 LONG-TERM DEPOSITS	Note	2023 Rupees	2022 Rupees
Deposit with Pakistan Mercantile Exchange Limited			
- against rooms		**750,000**	750,000
Others			
- with NCEL Building Management Limited against office rooms		**5,000,000**	5,000,000
		5,750,000	5,750,000

8 DEFERRED TAXATION

	Note	2023	2022
This comprises of the following:			
Deductible temporary differences			
Accelerated Tax Depreciation		**85,703**	51,714
Available Tax Losses		**6,710,681**	5,439,700
Minimum Tax		**326,080**	239,122
Alternate Corporate Tax		**811,559**	811,559
		7,934,023	6,542,095
Less: unrecognized deferred tax asset	8.1	**(7,934,023)**	(6,542,095)
		-	-

8.1 The Company has not recognized its entire deferred tax asset relating to net deductible temporary differences as on the reporting date, as the Company is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

8.2 Breakup of unused tax losses and tax credits as on June 30, 2023 is as follows:

Tax credits	*Expiry Date*	*Rupees*
Available business losses		
Tax Year 2018	June 30, 2024	**9,913,878**
Tax Year 2019	June 30, 2025	**2,615,479**
Tax Year 2020	June 30, 2026	**1,098,970**
Tax Year 2022	June 30, 2028	**2,346,931**
Tax Year 2023	June 30, 2029	**4,167,268**
		20,142,526
Available depreciation losses	Unlimited	**2,997,756**
Minimum tax credit		
Tax Year 2021	June 30, 2024	**141,887**
Tax Year 2022	June 30, 2025	**97,235**
Tax Year 2023	June 30, 2026	**86,958**
		326,080
Alternate corporate tax		
Tax Year 2016	June 30, 2026	**441,600**
Tax Year 2021	June 30, 2031	**369,959**
		811,559

9 SHORT-TERM DEPOSITS

	Note	2023 Rupees	2022 Rupees
Margin deposits with the PMEX	9.1	**997,607**	665,933

9.1 This represents margin deposits against trading with the PMEX which are claimable by the Company at any time.

10 LOANS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2023 Rupees	2022 Rupees
Loans - considered good			
- to employees	10.1	**3,052,115**	2,252,181
- to director	10.2	**-**	1,956,012
		3,052,115	4,208,193
Prepayments		**37,500**	37,500
Other receivables - considered good		**14,300**	-
		3,103,915	4,245,693

10.1 Loans are unsecured, interest free and recoverable on demand by way of deduction from salaries.

Loans to employees include Rs. 2,049,709 (2022: 1,683,400), given to the Chief Executive, Mr. Basit Ahmed Khan (related party) of the Company. Maximum aggregate balance outstanding from the CEO during the year with respect to month end balances amounting to Rs.2,071,350 (2022: 1,727,899).

10.2 This represented loan given to Mr. Farhan Pardesi, director of the Company, which is has been received during the year. Maximum aggregate balance outstanding during the year with respect to month end balances, amounting to Rs. 1,908,026 (2022: 3,198,887).

11 BANK BALANCES

	2023 Rupees	2022 Rupees
- In current accounts	**350,724**	1,384,745

12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2023	2022			
Number of shares				
		Ordinary shares of Rs. 10 each		
3,700,000	3,700,000	Fully paid in cash	**37,000,000**	37,000,000

12.1 Pattern of Shareholding:

S. No.	Names	No. of shares	Percentage holding
1	Mr. Farhan Pardesi	**3,515,000**	**95.00%**
2	Mr. Basit Ahmed Khan	**185,000**	**5.00%**
		3,700,000	**100.00%**

12.2 Movement in no. of shares during the year

S. No.	Names	Before Change	After Change	% Change
1	Mr. Irfan Pardesi	**2,599,998**	**-**	**-100%**
2	Mr. Farhan Pardesi	**1,100,002**	**3,515,000**	**220%**
3	Mr. Basit Ahmed Khan	**-**	**185,000**	**100%**
		3,700,000	**3,700,000**	

12.3 The ordinary share holders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

	Note	2023 Rupees	2022 Rupees
13 PAYABLE AGAINST OFFICE ROOMS			
Payable against office rooms	13.1	**3,250,000**	3,250,000

13.1 This represents balance payable to Amjad Khan (Ex-Member of PMEX) in relation to room purchased from him through NCEL Building Management Limited for which the transfer of title is still pending as on the reporting date. Balance will be settled after one year of the transfer of title to the Company.

	Note	2023 Rupees	2022 Rupees
14 ACCRUED AND OTHER PAYABLES			
Accrued liabilities		**955,774**	1,332,189
Withholding tax payable		**161,793**	10,044
SRB tax payable		**85,510**	132,756
		1,203,076	1,474,989
15 SHORT-TERM BORROWINGS			
From director	15.1	**2,924,195**	-

15.1 This represents loan obtained from Mr. Farhan Pardesi, director of the Company, which is unsecured, interest free loan and payable on demand. The loan was utilized for working capital requirements of the Company.

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

During the financial year 2016, one of the clients of the Company, Mr. Abdur Rahman (the client), fraudulently and with malafide intention, portrayed himself as an agent of the Company and induced general public (investors) for investments in the commodity market. He collected funds from the investors on the name of the Company and directly deposited into the bank account of the Company, without disclosing the investors, amounting to Rs. 72.3 million, out of which 59.8 million were forwarded to PMEX by the Company, on his name for facilitating his commodity trading, while remaining amount of Rs. 12.5 million was not forwarded to PMEX owing to his suspicious source of funds and trading pattern, which he did not disclose to the Company. Rs. 11.5 million were returned to him by the Company after he submitted affidavits from his investors while Rs. 1 million were held by the Company in its bank account, which were subsequently forwarded to the NAB in the previous financial year.

In May 2017, he absconded himself with the public money, (however, he was subsequently arrested in financial year 2020 and is under lockup with the NAB at the moment), after which his investors filed complaints with the NAB and the SECP, against him and his other accomplices and the Company. Total amount of claim lodged with the NAB is Rs. 402.202 million while with the SECP, it is Rs. 369 million, however, the Company is exposed to the extent of Rs. 72.3 million as discussed above.

Inquiry and investigation was executed by the NAB, however, Company clarified its position after which NAB filed the reference with the Accountability Court on October 14, 2020, only against the client and not against the Company.

Further, SECP also initiated its enquiry against the Company, after which Rs. 7.741 million, available in the trading account of the client, were freezed by the SECP. Show cause notice was sent to the Company dated July 9, 2019 against which the Company clarified its position with documented evidences and proof, however, on April 6, 2021, SECP passed its order against the Company and imposed Rs. 50 million penalty, payable within one month of the Order, while it also cancelled the trading license of the Company with immediate effect, after which the trading right of the Company was suspended by the PMEX upon receipt of the notice from the SECP.

However, aggrieved by the impugned Order of the Commissioner SECP, the Company immediately filed a Suit no. 880 of 2021, in the Honorable High Court of Sindh, against the SECP, its Commissioner, PMEX and the absconder, praying that the impugned Order may be set aside. The Suit is currently in its initial stage of hearing till the issuance of these financial statements, however, SHC granted stay on April 9, 2021 only to the extent of restoration of trading license of the Company, after which operations of the Company were restored, however, penalty was still payable by the Company.

While on April 12, 2021, SHC also added that instead of paying the penalty in cash, guarantee may be submitted to the SECP amounting to Rs. 50 million. However, the Company is facing practical difficulties in arranging the guarantee from the financial institutions due to financial constraints.

Further, the Company filed an appeal no. 70 of 2021, against the Commissioner SECP, with the Appellate Bench Registry of the SECP, praying that the impugned Order may be set aside. The appeal is currently in its initial stage of hearing till the issuance of these financial statements.

Legal advisor of the Company expects favourable outcome of the appeal and the Suit, therefore, no provision has been made in these financial statements for the penalty.

16.2 Commitments

There are no commitments binding on the Company as on the reporting date.

17 COMMISSION INCOME - NET	Note	2023 Rupees	2022 Rupees
Commission income - gross		**7,861,038**	8,790,078
Less: Sales tax		**(904,367)**	(1,011,248)
		6,956,671	7,778,830

18 OPERATING AND ADMINISTRATIVE EXPENSES

Staff salaries and benefits	23	**9,596,402**	9,143,250
Fees and subscription		**382,582**	312,282
Professional charges		**346,074**	382,400
Utilities		**486,552**	340,134
Advertising expenses		**136,935**	128,888
Staff training and development		**20,000**	29,450
Repairs and maintenance		**189,340**	15,700
Auditor's remuneration	18.1	**225,000**	195,000
Depreciation	4	**268,605**	193,470
Miscellaneous		**89,017**	66,853
		11,740,507	10,807,427

18.1 Auditor's remuneration

Statutory audit	**205,000**	180,000
Out of pocket	**20,000**	15,000
	225,000	195,000

19 OTHER INCOME

- from other than financial assets		
Building maintenance service	**326,088**	772,476
Gain on disposal of assets	**59,756**	-
	385,844	772,476

20 OTHER CHARGES

Penalty imposed by FBR	20.1	**-**	198,699

20.1 This represented demand raised by the FBR in previous year u/s 161 and u/s 205 of Income Tax Ordinance, 2001, for the tax year 2017, 2018, 2019 and 2020 due to failure of the Company to withhold taxes at the time of payment of various expenses.

21 TAXATION - NET	Note	2023 Rupees	2022 Rupees
Current	21.1	**86,958**	108,805
Prior		**(11,560)**	20,700
		75,398	129,505

21.1 Relationship between Current tax expense and accounting Profit for the year is as follows:

Reconciliation between tax expense and accounting profit for the year ended June 30, 2023 has not been made as relationship between these could not be developed due to tax being arising under the minimum tax regime u/s. 113 of the Income Tax Ordinance, 2001.

21.2 Returns for the tax year up to 2022 have been filed, which are deemed to be assessment order under provisions of the Income Tax Ordinance, 2001, however the CIT has power to re-assess any of the five preceding tax years.

22 RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, directors and key management personnel. Year end balances of related parties are disclosed in the relevant notes to these financial statements. Details of other significant transactions are as follows:

	Note	2023 Rupees	2022 Rupees
Key Management Personnel			
Mr. Farhan Pardesi - Director			
Commission earned from trading activities		**6,953,991**	7,778,730
Loan repaid		**97,778**	47,317,002
Loan received		**3,021,973**	209,988
Loan given		-	3,246,872
Loan recovered		**1,956,012**	1,290,860
Mr. Basit Ahmed Khan - Chief Executive			
Loan given		**2,474,711**	2,364,400
Loan recovered		**2,108,402**	1,610,128

23 REMUNERATION TO CHIEF EXECUTIVE AND EXECUTIVES

	2023	2022
Chief Executive		
Managerial remuneration	**5,588,750**	4,888,750
Number of person	**1**	1
Executive		
Managerial remuneration	**2,976,750**	1,721,250
Number of person(s)	**2**	1

24 FINANCIAL INSTRUMENTS

24.1 Financial Instruments by Category

	Note	2023	2022
Financial Assets			
- At amortized cost			
Long-term deposits	7	**5,750,000**	5,750,000
Commission receivable		**322,159**	493,437
Short-term deposits	9	**997,607**	665,933
Loans and other receivable	10	**3,066,415**	4,208,193
Bank balances	11	**350,724**	1,384,745
		10,486,906	12,502,308
Financial Liabilities			
- At amortized cost			
Payable against office rooms	13	**3,250,000**	3,250,000
Accrued and other payables	14	**955,774**	1,332,189
Short-term borrowings	15	**2,924,195**	-
		7,129,969	4,582,189

25 GENERAL

- Figures have been rounded off to the nearest rupee.

- Number of employees as on the reporting date and average number of employees during the year were 5 and 5 (2022: 5 and 5) respectively.

26 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved and authorized for issue on 2 6 SEP 2023 by the Board of Directors of the Company.

Chief Executive *Director*