

INDEPENDENT AUDITOR'S REPORT

To the members of **H.H MISBAH SECURITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **H.H MISBAH SECURITIES (PRIVATE) LIMITED** ("the Company"), which comprise the statement of financial position as at **June 30, 2022** and the statement of profit or loss, the statement of changes in equity, and the statement of cash flow 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 changes in equity and statement of cash flow 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, 2022 and of the loss for the year then ended, the changes in equity and its cash flows for the period 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 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 requirement 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 operation, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of 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 period were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 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 (Licensing 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 **Imran Iqbal**.

UHY Hassan Naeem & Co.

KARACHI

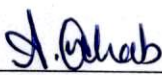
DATE: October 10, 2022

UDIN: AR202210215UTF5aIRMn

H.H MISBAH SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property and equipment	4	28,595,079	16,987,230
Intangible assets	5	2,500,000	2,500,000
Investment at fair value through other comprehensive income	6	11,060,615	24,121,438
Long term deposits	7	1,505,858	1,505,858
		43,661,552	45,114,526
<u>CURRENT ASSETS</u>			
Trade debts - unsecured considered good	8	83,009,275	142,084,171
Investment at fair value through profit& loss	9	135,481,005	162,294,592
Advances, deposits, prepayments and other receivables	10	82,950,863	108,472,952
Cash and bank balances	11	257,763,452	151,091,420
		559,204,595	563,943,135
		602,866,147	609,057,661
<u>EQUITY AND LIABILITIES</u>			
<u>CAPITAL RESERVES</u>			
Authorized capital	12.1	120,000,000	120,000,000
Issued, subscribed and paid-up capital	12.2	100,000,000	100,000,000
Surplus/(Deficit) - Investment at fair value through OCI		8,429,856	21,490,680
Unappropriated profit		194,991,433	238,469,798
Capital contribution from director		18,500,000	3,500,000
		321,921,289	363,460,478
<u>CURRENT LIABILITIES</u>			
Trade and other payable	13	280,944,858	245,597,183
		280,944,858	245,597,183
Contingencies and commitments	14	602,866,147	609,057,661

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

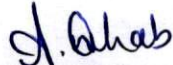

Chief Executive


Director

H.H MISBAH SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
Revenue from contract with customers	15	81,742,875	126,079,972
Operating and administrative expenses	16	(97,030,973)	(110,039,752)
Other income	17	(25,971,933)	68,286,876
NET PROFIT/(LOSS) BEFORE TAXATION		<u>(41,260,031)</u>	<u>84,327,097</u>
Taxation	18	(2,218,334)	(8,365,843)
NET PROFIT/(LOSS) AFTER TAXATION		<u><u>(43,478,365)</u></u>	<u><u>75,961,254</u></u>

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



Chief Executive

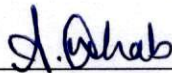


Director

H.H MISBAH SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022 <i>(Rupees)</i>	2021 <i>(Rupees)</i>
Profit/(Loss) for the year	(43,478,365)	75,961,254
Other comprehensive income:		
Unrealised gain/(loss) on revaluation of investments at fair value through other comprehensive income	(13,060,824)	13,417,618
TOTAL COMPREHENSIVE INCOME	<u><u>(56,539,190)</u></u>	<u><u>89,378,872</u></u>

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



Chief Executive



Director

H.H MISBAH SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	Accumulated Profit/(Loss)	Surplus/(Deficit) on investment at FVTOCI	Capital contribution from director	Total
<hr/> <i>Rupees</i> <hr/>					
Balance as at June 30, 2020	100,000,000	162,508,545	8,073,062	-	270,581,607
Net profit for the year	-	75,961,253	-	-	75,961,253
Surplus/(Deficit) on Investment at fair value through OCI	-	-	13,417,618	-	13,417,618
Balance as at June 30, 2021	100,000,000	238,469,798	21,490,680	-	359,960,478
Net profit for the year	-	(43,478,365)	-	-	(43,478,365)
Surplus/(Deficit) on Investment at fair value through OCI	-	-	(13,060,824)	-	(13,060,824)
Effect of long term loan from directors				18,500,000	18,500,000
Balance as at June 30, 2022	100,000,000	194,991,433	8,429,856	18,500,000	321,921,289

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



Chief Executive



Director

H.H MISBAH SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2022

	2022 (Rupees)	2021 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(41,260,031)	84,206,103
<u>Adjustment for non-cash items:</u>		
Depreciation	3,855,953	2,338,008
Loss allowance	3,958,849	-
Capital Gain on investment at fair value through P&L	35,434,549	(60,638,375)
Dividend income	(5,934,911)	(3,628,103)
Operating profit before working capital changes	37,314,440	(61,928,470)
<u>Changes in working capital</u>		
Decrease / (Increase) in trade debts	55,116,048	(85,156,056)
Decrease / (Increase) in advances, deposits and prepayments	24,817,684	(47,456,897)
(Decrease) / increase in trade and other payable	35,347,675	144,779,304
Net changes in working capital	115,281,407	12,166,351
Taxes paid	(1,513,928)	(1,433,914)
Net cash (used in)/generated from operating activities	109,821,888	33,010,070
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(15,463,802)	(3,689,005)
Proceeds from short term investment	(8,620,965)	(24,265,454)
Dividend received	5,934,911	3,628,103
Net cash (used in)/generated from investing activities	(18,149,856)	(24,326,356)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution from director	15,000,000	-
Net cash (used in)/generated from financing activities	15,000,000	-
Net increase in cash and cash equivalent	106,672,032	8,683,714
Cash and cash equivalent at beginning of the year	151,091,420	142,407,706
Cash and cash equivalent at end of the year	257,763,452	151,091,420

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


 Chief Executive


 Director