MRA Securities Limited

TREC HOLDER: PAKISTAN STOCK EXCHANGE LIMITED

HEAD OFFICE: Room # 416 4th Floor, 701, 733, 738-741, 7th Floor Stock Exchange Main Building, Stock Exchange Road, Karachi
Phones : 32410136-40, 32414112-13 Fax : 32460708

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors the undersigned takes pleasure to present before you the Financial Statements for the financial year ended June 30, 2022 along with Auditor's Report thereon. The Board has considered and approved the Company's audited financial results.

Performance Overview

The following depicts the Company's performance in the current year.

	Rupees
Operating revenue	438,301,967
Operating expenses	(832,271,994)
Operating loss	**(393,970,027)**
Other income	42,967,595
Profit before taxation	**(351,002,432)**
Taxation	(20,136,600)
Profit after taxation	**(371,139,032)**

Loss per share

Loss per share for the year ended 30th June 2022 was Rs. **(4.95)**

Capital Market Review & Outlook

During the period under review, the Karachi Stock Exchange for the most part of the year performed mixed despite selling from all expect for individual investors. Foreign funds and local mutual funds and insurance sector, all remained net sellers during the major part amidst dwindling macroeconomic indicators local & worldwide, post corona recovery. With PKR falling against USD and raising interest rates, and high inflation.

Pakistan is facing is challenging situation the currency is falling rapidly to 240 lowest ever in interbank and reserves are static amid slowdown in economy. CAD and balance of payments situation is now deteriorating. The interest rates have gone up from 7.25% to now 15% to tame inflation and help PKR. Currently funds local & foreign are selling that is driving out the liquidity from the market and index is trading sharply lower with low volumes. Political uncertainty and recent floods, worst in history are the major challenges for the fragile economy.

Dividend:

The Directors do not recommended any dividend during the year due to cash flow requirement during next financial year.

External Auditors

The retiring auditors, M/s. Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants, being eligible, have offered themselves for reappointment.

For and on behalf of the Board

MRA SECURITIES LIMITED PSX-194

Director **Chief Executive**

Place: Karachi
Dated: 28 Oct 2022

CORPORATE OFFICE:

Room No. 1010-1011, 10th Floor, Saima Trade Tower "A", I.I. Chundrigar Road, Karachi. Tel: 322774974-76

BRANCHES

Room No 405-406, 4th Floor, Stock Exchange Building, Karachi. Tel: 32465614-19	Room No 408, 4th Floor, Stock Exchange Building, Karachi. Tel: 32421905	Room No 535-536, 5th Floor, Stock Exchange Building Karachi. Tel: 32416906, 32468086	Room No 608-609, 6th Floor, New Stock Exchange Building, Karachi. Tel: 32431295, 32466269	Room No. 701-703, 7th Floor, New Stock Exchange Building, Karachi. Tel: 32417997, 32461065	Room No 719, 723 7th Floor, Stock Exchange Building, Karachi. Tel: 32417430, 32400012	A-356, Sector 11-B, New Disco More, North, Karachi. Tel: 36907108	Plot # A-15 1st Floor, Block-13-A Near Usmania Restaurant Gulshan-e-Iqbal, Karachi. Tel: 34983717

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Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq

CHARTERED ACCOUNTANTS

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AUDITED FINANCIAL STATEMENTS
OF
MRA SECURITIES LIMITED
FOR THE YEAR ENDED
JUNE 30, 2022

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

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INDEPENDENT AUDITOR'S REPORT
To the Members of MRA Securities Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the annexed financial statements of **M/s. MRA Securities 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 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, except for the effects of the matter described in the '*Basis for Qualified Opinion*' section of this report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required, and, respectively, give a true and fair view of the state of the Company's affairs as at **June 30, 2022** and of the loss, total comprehensive loss, changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

Provision for staff retirement benefits

As reported in note 14 to the financial statements, as of June 30, 2022, the Company has recognized a provision for staff retirement benefits (gratuity) amounting to Rs. 26.536 million (June 30, 2021: Rs. 12.654 million). We do not concur with the management's assertions of completeness and valuation of these amounts primarily due to the following reasons:

(a) The aforesaid provision does not include the effect of retirement benefits accruing to the employees of the Company in respect of services rendered *up to* the financial year ended June 30, 2018. This, in our opinion, is a non-compliance with the requirements of the Sindh Terms of Employment (Standing Orders) Act, 2015 whereby a worker shall be paid gratuity equivalent to one month's wages (with the meaning of the term "wages" defined in the Sindh Payment of Wages Act, 2015) for every completed year of service or any part thereof, in excess of six months;

(b) The provision for staff retirement benefits:

- has not been recognized for *all* the employees for the financial years ended June 30, 2019, June 30, 2020 and June 30, 2021; and
- has not been measured using the Projected Unit Credit Method and the various underlying financial and demographic actuarial assumptions (such as the discount rate, projected future salary increases, mortality rates and rates of employee turnover, disability or early retirement etc.) as required by the International Accounting Standard (IAS) 19 '*Employee Benefits*'.

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Basis for Qualified Opinion (continued)

Provision for staff retirement benefits (continued)

Since the correct amounts of the provision for staff retirement benefits as of the aforesaid reporting dates (i.e., after rectifying the aforementioned non-compliance with law / departure from the requirements of IAS 19) is yet to be determined by management, it is not, for the time being, practicable to quantify the effects of the matter on the financial statements.

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 qualified opinion.

Responsibilities of Management and the 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.

The 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.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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) except for the effects of the matter described in the *'Basis for Qualified Opinion'* section of this report:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017); and
- 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;

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Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (continued)

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

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

(d) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of the 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 **Mr. Muhammad Rafiq Dosani.**

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: October 28, 2022
UDIN: AR2022102107YrPTmxZH

MRA Securities Limited

Statement of Financial Position

As at June 30, 2022

ASSETS	Note	2022	2021
		Rupees	
Non-current assets			
Property and equipment	4	130,268,516	63,851,695
Intangible asset	5	2,500,000	2,500,000
Long term deposits	6	1,510,000	2,035,000
Investment property	7	3,976,608	4,418,453
Deferred taxation - net	8	-	5,841,188
		138,255,124	78,646,336
Current assets			
Short term investments	9	988,304,352	1,238,304,210
Trade debts	10	808,952,327	1,098,261,029
Receivable against margin financing		845,610,146	1,661,197,707
Loans, advances, deposits and other receivables	11	264,177,819	482,046,476
Income tax refundable		12,834,097	-
Cash and bank balances	12	38,123,689	48,663,302
		2,958,002,430	4,528,472,724
Total assets		3,096,257,554	4,607,119,060
EQUITIES AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 (2021: 100,000,000) ordinary shares of Rs. 10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	13	750,000,000	750,000,000
Revenue reserve			
Unappropriated profits		747,558,602	1,118,697,634
		1,497,558,602	1,868,697,634
Non-current liabilities			
Staff retirement benefits - gratuity	14	26,536,163	12,654,163
Current liabilities			
Short term borrowings from banking companies	15	919,191,269	1,443,332,134
Subordinated loans from directors	16	265,000,000	335,000,000
Income tax payable		-	4,840,027
Trade and other payables	17	366,048,275	921,383,643
Accrued markup		21,923,245	21,211,459
		1,572,162,789	2,725,767,263
Contingencies and commitments	18		
Total equity and liabilities		3,096,257,554	4,607,119,060

The annexed notes from 1 to 30 form an integral part of these financial statements.

MRA SECURITIES PSX-191 LIMITED

Chief Executive **Director**

MRA Securities Limited

Statement of Profit or Loss
For the year ended June 30, 2022

	Note	2022	2021
		Rupees	
Operating revenue	19	**793,982,573**	1,492,937,918
Capital (loss) / gain on sale of investments		**(247,253,791)**	697,785,084
Unrealized (loss) / gain on re-measurement of investments		**(108,426,815)**	6,620,197
		438,301,967	2,197,343,199
Administration expenses	20	**(746,294,966)**	(1,196,451,605)
Finance costs	21	**(85,156,184)**	(66,677,862)
Other expense - loss on disposal of fixed assets		**(820,844)**	(907,945)
Other income	22	**42,967,595**	26,327,828
(Loss) / profit before taxation		**(351,002,432)**	959,633,615
Taxation	23	**(20,136,600)**	(130,904,932)
(Loss) / profit after taxation		**(371,139,032)**	828,728,683

The annexed notes from 1 to 30 form an integral part of these financial statements.

MRA SECURITIES LIMITED PSX-194

Chief Executive | **Director**

MRA Securities Limited

Statement of Comprehensive Income
For the year ended June 30, 2022

	2022	2021
	Rupees	
(Loss) / profit after taxation	**(371,139,032)**	828,728,683
Other comprehensive income	-	-
Total comprehensive (loss) / profit for the year	(371,139,032)	828,728,683

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive

MRA SECURITIES LIMITED PSX-194

Director

MRA Securities Limited

Statement of Changes in Equity
For the year ended June 30, 2022

	Issued, subscribed and paid up capital	Unappropriated profits	Total
	Rupees		
Balance as on July 01, 2020	750,000,000	289,968,951	1,039,968,951
Total comprehensive income for the year ended June 30, 2021			
- Profit after taxation	-	828,728,683	828,728,683
- Other comprehensive income	-	-	-
	-	828,728,683	828,728,683
Balance as on June 30, 2021	750,000,000	1,118,697,634	1,868,697,634
Total comprehensive loss for the year ended June 30, 2022			
- Loss after taxation	-	(371,139,032)	(371,139,032)
- Other comprehensive income	-	-	-
	-	(371,139,032)	(371,139,032)
Balance as on June 30, 2022	750,000,000	747,558,602	1,497,558,602

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive | **Director**

MRA Securities Limited

Statement of Cash Flows

For the year ended June 30, 2022

	Note	2022	2021
		——— Rupees ———	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		(351,002,432)	959,633,615
Adjustments for:			
- Depreciation on property and equipment	4	10,374,627	6,293,512
- Depreciation on investment property	7	441,845	490,939
- Capital loss / (gain) on sale of investments		247,253,791	(697,785,084)
- Unrealized loss / (gain) on remeasurement of investments		108,426,815	(6,620,197)
- Provision for staff retirement benefits		13,882,000	7,765,738
- Reversal of provision for expected credit losses	10.4	5,659,954	-
- Finance costs	21	85,156,184	66,677,862
- Loss on disposal of operating fixed assets		820,844	907,945
- Profit on exposure deposit	22	(33,400,611)	(22,477,270)
- Profit on deposit against margin financing	22	(2,218)	(108,199)
- Rental income	22	(3,180,000)	(3,180,000)
		435,433,231	(648,034,754)
Cash generated from operating activities before working capital changes		84,430,799	311,598,861
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets			
- Trade debts		283,648,748	(691,076,893)
- Receivable against margin financing		815,587,561	(1,128,239,572)
- Loans, advances, deposits and other receivables		217,868,657	(201,457,698)
Increase/(decrease) in current liabilities			
- Trade and other payables		(555,335,368)	536,082,961
		761,769,598	(1,484,691,202)
Cash generated from / (used in) operating activities		846,200,397	(1,173,092,341)
Short term investments - net		(105,680,748)	(22,728,357)
Income tax (paid) / refund received		(31,969,536)	20,056,076
Finance costs paid		(84,444,398)	(53,513,493)
Long term deposits - net		525,000	(1,425,000)
Net cash generated from / (used in) operating activities		624,630,715	(1,230,703,115)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment		(84,922,792)	(41,707,270)
Proceeds from disposal of operating fixed assets	4.1	7,310,500	6,463,000
Profit received on exposure deposit		33,400,611	22,477,270
Profit received on deposit against margin financing		2,218	108,199
Rent received		3,180,000	3,180,000
Net cash used in investing activities		(41,029,463)	(9,478,801)
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated loans received from the directors	16	439,000,000	315,000,000
Subordinated loan repaid to a director	16	(509,000,000)	(55,000,000)
Net cash (used in) / generated from financing activities		(70,000,000)	260,000,000
Net increase / (decrease) in cash and cash equivalents		513,601,252	(980,181,916)
Cash and cash equivalents at the beginning of the year		(1,394,668,832)	(414,486,916)
Cash and cash equivalents at the end of the year	24	(881,067,580)	(1,394,668,832)

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive

MRA SECURITIES LIMITED PSX-194

Director

1. STATUS AND NATURE OF BUSINESS

1.1 MRA Securities Limited ('the Company') was incorporated in Pakistan as a private limited company on August 17, 2000 under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced by Companies Act, 2017 ('the Act'). In September 2016, the status of the Company was changed to public unlisted company.

1.2 The Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.

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

Karachi Head office (Registered office)	Room No. 738-741, 7th Floor, Stock Exchange Building, Karachi
Karachi Regional office	Room No. 719-723, 7th Floor, Stock Exchange Building, Karachi
Karachi Regional office	Room No. 701-703, 7th Floor, New Stock Exchange Building. Karachi
Karachi Regional office	Room No. 608-609, 6th Floor, New Stock Exchange Building. Karachi
Karachi Regional office	Room No. 535-536, 5th Floor, Stock Exchange Building. Karachi
Karachi Regional office	Room No. 408, 4th Floor, Stock Exchange Building, Karachi
Karachi Regional office	Room No. 405-406, 4th Floor, Stock Exchange Building, Karachi
Karachi Regional office	Room No. 1010-1011, Saima Trade Tower, I.I. Chundrigar Road, Karachi
Karachi Regional office	Plot A15, 1st Floor, Block-13-A, Gulshan-e-Iqbal, Karachi
Karachi Regional office	A-356, Sector 11-B, New Disco More, North Karachi, Karachi

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. The accounting and reporting standards as applicable in Pakistan comprises of:

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

- Provisions of, and directives issued under, the Companies Act, 2017.

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

2.2 Basis of measurement of items in the financial statements.

Items in these financial statements have been measured at their historical cost except for short term investments in quoted equity securities which are carried at fair value.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

In preparation of these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these financial statements is included in the following notes:

Area of Judgement	Brief description of the judgement applied
Deferred tax assets	Whether deferred tax assets should be recorded on realized and unrealized losses on short term investments in securities - availability of future taxable profit on securities with in next three tax years against which such losses can be utilised.

(b) Assumptions and other major sources of estimation uncertainty

There are no assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

2.5 New Accounting Pronouncements

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

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

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after January 01, 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 01, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IFRS 3 'Business Combinations' - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The management of the Company is currently in the process of assessing the impacts of these amendments to its prospective financial statements.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  a. requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  c. clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

  The management of the Company is currently in the process of assessing the impacts of above amendments to its prospective financial statements.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The amendments are not likely to affect the financial statements of the Company.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted. The amendments are not likely to affect the financial statements of the Company.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022:

  - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

  - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

  - IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This amendment enables the fair value measurement of biological assets on a post-tax basis.

The above amendments are not likely to affect the financial statements of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and equipment - Owned

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 4. Depreciation is charged when the asset is available for use till the asset is disposed off.

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

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2022 did not require any adjustment.

3.2 Intangible assets

Computer software

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged using reducing balance method over assets estimated useful life at the rates stated in note 5.1, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

Amortization on additions is charged from the month the assets are put to use while no amortization is charged in the month in which the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the statement of profit and loss.

Trading Rights Entitlement (TRE) Certificate

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

3.3 Investment property

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises expenditure that is directly attributable to the acquisition of the asset including transaction costs.

Depreciation on investment property is charged using reducing balance method in accordance with the rates specified in note 7 to these financial statements. The useful life and depreciation method are reviewed and adjusted, if appropriate, at each statement of financial position date.

3.4 Financial instruments

3.4.1 *Initial recognition, classification and measurement*

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

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

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

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

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

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

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.4.2 *Subsequent measurement*

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.4.3 *Impairment*

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

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

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

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

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

3.4.4 *De-recognition*

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

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

3.5 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 or loss.

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

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

3.6 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.7 Trade debts and other receivables

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized on the settlement date as this is the point in time that the payment of the consideration by the customer becomes due.

3.8 Cash and cash equivalents

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

3.9 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.10 Operating revenue

Revenue from trading activities - brokerage commission

Commission revenue from trading of securities is recognized when the transaction is settled by the clearing house and there is no unfulfilled obligation that could affect the customer's acceptance.

A receivable is recognized on the settlement date as this is the point in time that the payment of commission by the customer becomes due.

The Company does not expect to have contracts where the period between the services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Dividend income

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

3.11 Other income

Mark up / interest income

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

Rental income

Rent from operating leases is recognized as income on a straight line basis. Any modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3.12 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.13 Taxation

Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. PROPERTY AND EQUIPMENT - Owned assets

	Office premises	Office equipment	Computers	Furniture and fixtures	Vehicles	Total
	Rupees					
As at June 30, 2020						
Cost	37,681,226	9,098,282	12,274,055	7,468,785	-	66,522,348
Accumulated depreciation	(8,519,232)	(6,955,511)	(11,086,587)	(4,152,136)	-	(30,713,466)
Net book value	29,161,994	2,142,771	1,187,468	3,316,649	-	35,808,882
Movement during the year ended June 30, 2021						
Opening net book value	29,161,994	2,142,771	1,187,468	3,316,649	-	35,808,882
Additions during the year	4,800,000	1,475,391	1,027,073	1,233,889	33,170,917	41,707,270
Disposals:						
- Cost	-	-	-	-	(7,463,000)	(7,463,000)
- Accumulated depreciation	-	-	-	-	92,055	92,055
	-	-	-	-	(7,370,945)	(7,370,945)
Depreciation for the year	(3,030,611)	(393,362)	(486,395)	(570,210)	(1,812,934)	(6,293,512)
Closing net book value	30,931,383	3,224,800	1,728,146	3,980,328	23,987,038	63,851,695
As at June 30, 2021						
Cost	42,481,226	10,573,673	13,301,128	8,702,674	25,707,917	100,766,618
Accumulated depreciation	(11,549,843)	(7,348,873)	(11,572,982)	(4,722,346)	(1,720,879)	(36,914,923)
Net book value	30,931,383	3,224,800	1,728,146	3,980,328	23,987,038	63,851,695
Movement during the year ended June 30, 2022						
Opening net book value	30,931,383	3,224,800	1,728,146	3,980,328	23,987,038	63,851,695
Additions during the year	5,728,000	2,226,121	1,841,498	7,168,173	67,959,000	84,922,792
Disposals:						
- Cost	-	-	-	-	(8,901,667)	(8,901,667)
- Accumulated depreciation	-	-	-	-	770,323	770,323
	-	-	-	-	(8,131,344)	(8,131,344)
Depreciation for the year	(3,404,582)	(669,670)	(632,671)	(743,193)	(4,924,512)	(10,374,627)
Closing net book value	33,254,801	4,781,251	2,936,974	10,405,308	78,890,182	130,268,516
As at June 30, 2022						
Cost	48,209,226	12,799,794	15,142,626	15,870,847	84,765,250	176,787,743
Accumulated depreciation	(14,954,425)	(8,018,543)	(12,205,653)	(5,465,539)	(5,875,068)	(46,519,227)
Net book value	33,254,801	4,781,251	2,936,974	10,405,308	78,890,182	130,268,516
Annual rates of depreciation	10%	15%	30%	15%	15%	

4.1 Office premises include Offices no. 535-536 and 739-741 situated in the Stock Exchange Building, Karachi as well as Offices no. 701-703 situated in the New Stock Exchange Building, Karachi which are mortgaged against certain financial guarantees issued by a commercial bank on behalf of the Company.

4.2 The following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the year.

Particulars of the assets disposed of	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain / (loss) on disposal	Particulars of the buyer	Relationship with the buyer	Mode of disposal
	Rupees							
Car Alpha Bmy 661	2,300,000	239,973	2,060,027	1,680,000	(380,027)	Vehicles Showroom	None	Negotiation
Car Prius BBM 454	870,000	137,671	732,329	700,000	(32,329)	Vehicles Showroom	None	Negotiation
Toyota Yaris	2,466,667	209,054	2,257,613	2,400,000	142,387	Vehicles Showroom	None	Negotiation
Honda Fareed	3,225,000	177,596	3,047,404	2,500,000	(547,404)	Vehicles Showroom	None	Negotiation
June 30, 2022	**8,861,667**	**764,294**	**8,097,373**	**7,280,000**	**(817,373)**			
June 30, 2021	**7,463,000**	**92,055**	**7,370,945**	**6,463,000**	**(907,945)**			

5. INTANGIBLE ASSET

	Note	2022	2021
		Rupees	
Trading Right Entitlement Certificate			
Cost		**5,000,000**	5,000,000
Accumulated impairment		**(2,500,000)**	(2,500,000)
	5.1	**2,500,000**	2,500,000

5.1 Pakistan Stock Exchange Limited vide its notification no. PSX/N-225 dated February 16, 2021 has notified the notional value of a Trading Right Entitlement Certificate (TREC) amounting to Rs. 2.5 million. Accordingly, the Company has carried its TREC at the said amount.

6. LONG TERM DEPOSITS

	Note	2022	2021
		Rupees	
Deposit placed with:			
- Central Depository Company		**100,000**	100,000
- National Clearing Company of Pakistan Limited	*6.1*	**1,410,000**	1,910,000
- Pakistan Stock Exchange Limited		**-**	25,000
		1,510,000	2,035,000

6.1 Deposits placed with National Clearing Company of Pakistan Limited

	2022	2021
Basic deposit	**200,000**	200,000
Other deposit	**10,000**	10,000
Trading in Futures Market	**1,000,000**	1,000,000
Trading in Ready Market	**200,000**	200,000
ETF Market Maker	**-**	500,000
	1,410,000	1,910,000

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7. INVESTMENT PROPERTY

	2022	2021
	Rupees	
Offices in PSX Building		
Opening Cost	15,030,000	15,030,000
Accumulated depreciation	(10,611,547)	(10,120,608)
Opening net book value	4,418,453	4,909,392
Movement during the year		
Opening net book value	4,418,453	4,909,392
Depreciation for the year	(441,845)	(490,939)
Closing net book value	3,976,608	4,418,453
Closing Cost	15,030,000	15,030,000
Accumulated depreciation	(11,053,392)	(10,611,547)
	3,976,608	4,418,453
Depreciation rate (per annum)	10%	10%

7.1 Investment property comprises of Offices No. 37 & 38 situated in the Stock Exchange Building, Karachi which are mortgaged against certain financial guarantees issued by a commercial bank on behalf of the Company. Both offices have fair value of Rs. 5.5 million each as at the reporting period.

8. DEFERRED TAXATION - net

	Note	2022	2021
		Rupees	
Deferred tax asset / (liability) in respect of:			
- Capital loss on short term investments	8.1	-	-
- Other temporary differences	8.2	-	5,841,188
		-	5,841,188

8.1 Deferred tax in respect of capital loss on short term investments

Deferred tax asset amounting to Rs. 86.249 million (2021: None) has not been recognized in respect of the realized and unrealized capital losses on short term investments amounting to Rs. 355.681 million (2021: None) because it is not probable that future capital gain on securities will be available against which the Company can use the benefits therefrom.

8.2 Deferred tax in respect of other temporary differences

	Note	2022	2021
		Rupees	
Deferred tax liability recognized	8.2.1	(1,559,052)	(440,555)
Deferred tax asset recognized	8.2.2	1,559,052	6,281,743
		-	5,841,188

8.2.1 Deferred tax liability

	2022	2021
Accelerated depreciation	(1,559,052)	(440,555)

8.2.2 Deferred tax assets

	2022	2021
Carried forward capital loss on investments	-	6,281,743
Provision for expected credit losses	2,229,555	-
Staff retirement benefits - gratuity	7,695,487	-
Deferred tax assets available for recognition	9,925,042	6,281,743
Deferred tax assets actually recognized	1,559,052	6,281,743
Unrecognized deferred tax assets	8,365,990	-
Total deferred tax asset position	9,925,042	6,281,743

9.	**SHORT TERM INVESTMENTS - At fair value through profit or loss**	*Note*	2022	2021
			—— Rupees ——	
	Quoted equity securities	*9.1*	983,492,000	1,198,914,515
	Units of mutual funds	*9.2*	4,812,352	39,389,695
			988,304,352	1,238,304,210

9.1

2022	2021	Name of Investee	2022	2021
Number of shares			**Market value in Rupees**	
202,800	85,000	Agha Steel Industries Limited	3,179,904	2,867,050
630,500	505,500	Agritech Limited	4,192,825	3,447,510
31,000	-	AGP Limited	2,716,220	-
2,000	2,000	Arif Habib Corporation Limited	74,000	80,060
116,500	929,000	Azgard Nine Limited	1,197,620	31,483,810
1,200	-	Attock Petroleum Limited	385,572	-
4,252,000	375,500	Al Shaheer Corporation Limited	38,438,080	7,483,715
398,500	196,000	Aisha Steel Mills Limited	4,403,425	4,882,360
457,000	185,000	Amreli Steels Limited	10,712,080	8,036,400
70,586	84,000	Attock Refinery Limited	12,407,607	21,541,800
197,004	283,500	Avanceon Limited	15,348,582	25,991,280
1,828	-	Bank Alfalah Limited	58,496	-
332	16,350	Bank Al Habib Limited	19,276	1,146,462
150,000	95,000	Balochistan Glass Limited	1,245,000	1,508,600
-	99,000	Bunnys Limited	-	4,082,760
-	20,500	The Bank Of Punjab	-	172,200
17,000	-	B.R.R. Guardian Modaraba	178,330	-
1,115	100	Century Paper & Board Mills Limited	68,907	12,207
14,000	8,500	Cherat Cement Company Limited	1,302,560	1,507,730
2,409,500	2,281,000	Cnergyico PK Limited	12,866,730	26,482,410
-	150,000	The Crescent Textile Mills Limited	-	4,093,500
29,500	-	Crescent Steel & Allied Products Limited	1,229,265	-
-	105,000	Chakwal Spinning Mills Limited	-	321,300
105,000	100,000	Dawood Hercules Corporation Limited	9,718,800	11,502,000
627,000	237,500	Dewan Cement Limited	3,385,800	2,674,250
7,500	-	Dewan Farooque Spinning Mills Limited	17,925	-
369,237	174,224	D.G. Khan Cement Company Limited	23,077,313	20,544,494
340,000	300,000	Dost Steels Limited	1,815,600	1,494,000
5,500	-	Ecopack Limited	160,050	-
4,793	51,810	Engro Fertilizers Limited	424,852	3,640,689
2,200	-	Efu Life Assurance Limited	451,462	-
13,196	27,894	Engro Corporation Limited	3,391,560	8,217,851
-	34,500	Engro Polymer & Chemicals Limited	-	1,629,780
812,000	344,500	Fauji Cement Company Limited	11,506,040	7,923,500
116,500	76,500	Frieslandcampina Engro Pakistan Limited	7,954,620	8,803,620
415,586	507,086	Fauji Fertilizer Bin Qasim Limited	8,411,461	13,392,141
4,500	16,155	Fauji Fertilizer Company Limited	495,990	1,714,046
1,683,242	230,000	Fauji Foods Limited	11,159,894	4,153,800
965,000	495,000	Flying Cement Company Limited	6,928,700	10,533,600
375,000	320,000	First National Equities Limited	2,193,750	2,902,400
200	200	Fateh Textile Mills Limited - Freeze	-	-
226,000	51,000	Gul Ahmed Textile Mills Limited	7,641,060	2,587,230
579,000	-	Pak Agro Packaging Limited	5,847,900	-
97	-	Universal Network Systems Limited	4,752	-
423,500	215,000	Ghani Global Glass Limited	4,675,440	5,817,900
879,595	573,300	Ghani Global Holdings Limited	14,522,113	28,458,612
23,250	23,250	Ghani Glass Limited	949,298	1,120,650
31,000	49,500	Ghandhara Industries Limited	4,897,070	13,811,490
-	50,500	Ghandhara Nissan Limited	-	5,516,115
6,800	137,000	Glaxosmithkline Pakistan Limited	849,524	22,696,790
2,000	-	Glaxosmithkline Consumer Healthcare Pakistan Limited	476,660	-

2022	2021	Name of Investee	2022	2021
Number of shares			Market value in Rupees	
269,500	-	G3 Technologies Limited	2,279,970	-
466,250	1,014,490	Hascol Petroleum Limited	1,967,575	9,059,396
4,149	42,134	Habib Bank Limited	378,970	5,155,938
1,100	-	Highnoon Laboratories Limited	582,857	-
49,638	95,531	The Hub Power Company Limited	3,383,822	7,610,955
190,500	1,541,000	Hum Network Limited	1,356,360	12,358,820
9,500	30,500	International Industries Limited	985,435	6,436,110
45,500	37,508	International Steels Limited	2,700,880	3,503,622
1	1	Innovative Investment Bank Limited - Freeze	-	-
-	2,000	Jubilee Life Insurance Company Limited	-	669,500
25,000	25,000	Javed Omer Vohra & Company Limited - Freeze	-	-
280,000	280,000	Japan Power Generation Limited - Freeze	-	-
1,439,500	1,035,000	Jahangir Siddiqui & Company Limited	19,030,190	23,349,600
50,000	-	Jahangir Siddiqui & Company Ltd-'Class A' Preference Shares	397,000	-
-	265,500	Jahangir Siddiqui & Co. Ltd Rigjt	-	315,945
11,500	10,000	Javedan Corporation Limited	483,000	422,000
79,500	67,000	Kot Addu Power Company Limited	2,188,635	2,971,450
2,503,500	805,000	K-Electric Limited	7,610,640	3,364,900
25,000	-	Kohinoor Industries Limited	122,750	-
620,000	-	Kohinoor Spinning Mills Limited	1,996,400	-
556,528	126,528	Loads Limited	5,403,887	2,734,270
86,500	47,000	Lotte Chemical Pakistan Limited	2,043,130	725,680
265,000	205,000	Lalpir Power Limited	3,378,750	3,661,300
33,043	22,932	Lucky Cement Limited	15,168,059	19,800,406
289,500	425,000	MACPAC Films Limited	4,530,675	9,745,250
2,273	23,268	MCB Bank Limited	279,534	3,718,924
1,304	8,517	Meezan Bank Limited	147,326	982,947
567,000	179,000	Merit Packaging Limited	4,983,930	3,161,140
70,000	-	Matco Foods Limited	1,744,400	-
628,110	285,975	Maple Leaf Cement Factory Limited	17,178,809	13,435,106
41,000	32,500	Mughal Iron And Steel Industries Ltd	2,363,240	3,393,000
29,500	54,500	Nishat (Chunian) Limited	1,321,305	2,740,805
139,500	110,500	Netsol Technologies Limited	13,913,730	18,782,790
98,000	76,500	Nishat Mills Limited	7,243,180	7,137,450
104,544	23,000	National Refinery Limited	26,404,678	12,033,370
-	297,000	Nimir Resins Limited	-	5,984,550
10,000	-	Oilboy Energy Limited	102,300	-
12,000	-	Octopus Digital Limited	855,720	-
1,153,581	182,263	Oil & Gas Development Company Limited	90,752,217	17,320,453
88,000	-	Olympia Mills Limited	1,465,200	-
325,897	-	Pakistan Aluminium Beverage Cans Limited	10,275,532	-
10,000	-	Pace (Pakistan) Limited	30,200	-
1,131,500	310,500	Pak Elektron Limited	17,979,535	10,886,130
75,000	-	Pakistan International Airlines Corporation Limited - (A)	260,250	-
1,602,000	814,500	Pakistan International Bulk Terminal Limited	9,644,040	9,269,010
22,000	17,000	Pakistan International Container Terminal Limited	3,589,300	2,805,680
34,437	39,500	Pioneer Cement Limited	2,077,584	5,177,265

2022	2021	Name of Investee	2022	2021
Number of shares			Market value in Rupees	
168,000	-	Pakistan National Shipping Corporation	8,107,680	-
33,892	42,097	Pakistan Oilfields Limited	13,753,713	16,580,324
396,000	191,000	Power Cement Limited	2,106,720	1,835,510
1,241,709	169,315	Pakistan Petroleum Limited	83,827,775	14,701,621
81,384	82,665	At-Tahur Limited	1,551,993	1,926,095
1,417,500	155,500	Pakistan Refinery Limited	25,359,075	3,826,855
-	30,000	Pak Suzuki Motor Company Limited	-	10,663,200
197,599	166,074	Pakistan State Oil Company Limited	33,955,412	37,242,095
4,059,500	2,380,000	Pakistan Stock Exchange Limited	41,528,685	53,097,800
-	3,000	Pakistan Synthetics Limited	-	113,850
2,333,500	1,231,000	Pakistan Telecommunication Company Ltd.	16,241,160	14,575,040
5,000	-	Quice Food Industries Limited	20,050	-
-	17,000	Sazgar Engineering Works Limited	-	2,859,570
115,511	70,123	The Searle Company Limited	12,593,009	17,013,242
235,823	186,823	Service Global Footwear Limited	9,475,368	10,803,974
301,400	123,400	Shell Pakistan Limited	35,604,382	21,619,680
-	150,000	Silkbank Limited	-	301,500
153,500	258,000	Sui Northern Gas Pipelines Limited	5,251,235	12,333,640
9,720	4,500	Synthetic Products Enterprises Limited	136,955	193,545
413,000	105,000	Sitara Peroxide Limited	5,889,380	2,970,450
3,863,500	426,000	Sui Southern Gas Company Limited	35,003,310	5,665,800
40,000	-	Shabbir Tiles & Ceramics Limited	585,200	-
425,500	58,500	Siddiqsons Tin Plate Limited	4,501,790	1,119,690
5,254	-	Systems Limited	1,733,084	-
899,250	45,000	Telecard Limited	9,738,878	667,800
-	5,500	Tariq Glass Industries Limited	-	585,090
2,500	2,500	Thal Limited	674,050	1,056,950
10,000	-	Thatta Cement Company Limited	140,000	-
164,000	-	TPL Corp Limited	1,495,680	-
693,000	-	TPL Properties Limited	13,970,880	-
352,022	409,522	Treet Corporation Limited	10,272,002	20,267,244
720,884	2,106,548	TRG Pakistan Limited - Class 'A'	55,745,960	350,382,129
2,768	28,178	United Bank Limited	313,144	3,443,352
647,545	519,292	Unity Foods Limited	12,996,228	23,118,880
682,250	555,250	Waves Singer Pakistan Limited	8,685,043	15,136,115
1,363,500	410,000	Worldcall Telecom Limited	1,813,455	1,623,600
118,000	-	Yousaf Weaving Mills Limited	584,100	-
3,732,000	3,732,000	Zeal Pak Cement Factory Limited - Freeze	-	-
2,500	-	ZIL Limited	252,500	-
55,333,927	31,631,303		983,492,000	1,198,914,515

9.2

2022	2021	Name of Funds	2022	2021
Number of units			Market value in Rupees	
318	318	JS Large Cap. Fund	35,527	-
594,500	919,000	Meezan Pakistan Exchange Traded Fund	4,684,660	10,568,500
5,000	464,000	NBP Pakistan Growth Exchange Traded Fund	47,050	5,131,840
2,000	973,500	NIT Pakistan Gateway Exchange Traded Fund	19,840	12,343,980
2,500	807,500	UBL Pakistan Enterprise Exchange Traded Fund	25,275	11,345,375
604,318	3,164,318		4,812,352	39,389,695

9.3 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at June 30, 2022 amounted to Rs. 580 million (2021: Rs. 85 million). Total value of pledged securities with financial institutions indicating separately securities belonging to customers are as under:

	June 30, 2022	
	Number of securities	Amount (Rupees)
Clients	125,339,872	1,723,163,129
House	27,598,450	667,269,864
Total	152,938,322	2,390,432,993

		Note	2022	2021
			Rupees	
10.	**TRADE DEBTS**			
	Trade receivables - gross	*10.1 & 10.2*	**816,640,448**	1,111,609,104
	Less: Provision for expected credit losses	*10.4*	**(7,688,121)**	(13,348,075)
			808,952,327	1,098,261,029

10.1 This includes Rs. 137.59 million (2021: Rs. 198.92 million) due from related parties.

10.2 As of the reporting date, the Company held capital securities having fair value of Rs. 3,322 million (2021: Rs. 1,142.581 million) owned by its clients, as collaterals against trade debts.

10.3 Total customer assets held in central depository system including collaterals against trade payable amounts to Rs. 9,591.71 million

		Note	2022	2021
10.4	**Provision for expected credit losses**		Rupees	
	Opening balance		**13,348,075**	13,348,075
	Reversal for the year	*22*	**(5,659,954)**	-
	Closing balance		**7,688,121**	13,348,075

		2022	2021
11.	**LOANS, ADVANCES, DEPOSITS AND OTHER RECEIVABLES**		
	Loans		
	Loan to employees - unsecured	**1,650,000**	5,050,000
	Advances		
	Advance against IPO / Rights issue	**-**	55,000,000
	Advance against purchase of car	**7,834,000**	2,000,000
		7,834,000	57,000,000
	Deposits		
	Deposits placed with NCCPL in respect of:		
	- Exposure margin on Ready Market	**110,000,000**	152,000,000
	- Exposure margin on DFCs (net of demand)	**121,140,513**	248,211,960
	- Loss on DFCs (net of demand)	**944,744**	533,355
	- Exposure deposit GEM	**878,203**	-
	- Loss on GEM	**154,650**	-
	Other deposits	**623,322**	514,905
		233,741,432	401,260,220
	Other receivables		
	Receivable from NCCPL against:		
	- profit held on Deliverable Futures Contracts (DFCs)	**12,162,722**	16,911,502
	- accrued markup on deposits against exposure margins	**8,687,817**	-
	Commission receivable from CDC	**101,848**	1,824,754
		20,952,387	18,736,256
		264,177,819	482,046,476

	2022	2021
	Rupees	

12. CASH AND BANK BALANCES

	2022	2021
Cash in hand	146,311	117,928
Cash at banks - current accounts	37,977,378	48,545,374
	38,123,689	48,663,302

12.1 Bank balances include customers' bank balances held in designated bank accounts amounting Rs. 35.793 million (2021: Rs. 38.292 million).

13. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022	2021		2022	2021
Number of shares			Rupees	
		Ordinary shares of Rs.10/- each issued:		
48,800,000	48,800,000	- for cash	488,000,000	488,000,000
3,200,000	3,200,000	- for consideration other than cash	32,000,000	32,000,000
23,000,000	23,000,000	- as bonus shares	230,000,000	230,000,000
75,000,000	75,000,000		750,000,000	750,000,000

13.1 Pattern of shareholding

	June 30, 2022		June 30, 2021	
Individuals	Number of shares held	% shareholding	Number of shares held	% shareholding
Muhamamd Farhan	21,249,856	28.33%	21,249,856	28.33%
Muhamamd Junaid	18,307,692	24.41%	18,307,692	24.41%
Ahmed Rafiq	15,423,077	20.56%	15,423,077	20.56%
Mumtaz Rafiq	6,489,663	8.65%	6,489,663	8.65%
Haji Muhammmad	5,596,154	7.46%	5,596,154	7.46%
Hina Farhan	7,932,692	10.58%	7,932,692	10.58%
Muhammad Shoaib	145	0.00%	145	0.00%
Nabeel	721	0.00%	721	0.00%
	75,000,000	100.00%	75,000,000	100.00%

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

	2022	2021
	Rupees	

14. STAFF RETIREMENT BENEFITS - gratuity

	2022	2021
Opening balance	12,654,163	4,888,425
Charge for the year	13,882,000	7,765,738
	26,536,163	12,654,163

			2022	2021
15.	**SHORT TERM BORROWINGS FROM BANKING COMPANIES**	*Note*	——— Rupees ———	
	Running finance obtained from:			
	- MCB Bank Limited	*15.1*	**20,097,535**	55,179,582
	- JS Bank Limited	*15.2*	**716,865,821**	895,727,453
	- The Bank of Khyber Limited	*15.3*	**150,800,565**	299,700,000
	- Habib Metropolitan Bank Limited	*15.4*	**10,958,728**	92,743,626
	- Bank Al Habib Limited	*15.5*	**20,468,620**	99,981,473
			919,191,269	1,443,332,134

15.1 This represents short term running finance facility amounting to Rs. 60 million (2021: Rs. 60 million) obtained from the M/s. MCB Bank Limited to finance trading or investment in shares. The facility carries markup at the rate of 3 month KIBOR plus 1.5% (2021: 3 month KIBOR plus 1.5% per annum). It is secured by charge of Rs 120 million duly registered with SECP, against pledge of shares of companies (as per MCB approved list of shares) quoted at Pakistan Stock Exchange Limited duly incorporated/registered with CDC and personal guarantees of all directors.

15.2 This represents short term running finance facility amounting to Rs. 1,500 million (2021: Rs. 1,000 million) obtained from the M/s. JS Bank Limited to finance trading or investment in shares. The facility carries markup at the rate of 3 month KIBOR plus 2% (2021: 1 month KIBOR plus 2% per annum). It is secured against pledge of shares with a minimum margin of 35% to be governed by Pakistan Stock Exchange Limited (as per JS' approved list of shares) duly registered with CDC and personal guarantees of all directors whose holding is more than 10% along with net worth statement.

15.3 This represents short term running finance facility amounting to Rs. 300 million (2021: Rs. 300 million) obtained from the M/s. The Bank of Khyber to meet working capital requirements of the Company. The facility carries markup at the rate of 1 month KIBOR plus 2.0% (2021: 1 month KIBOR plus 2.0% per annum). It is secured against pledge of shares of (including third party shares) quoted at Pakistan Stock Exchange Limited in all categories i.e. A, B and C in CDC account as per bank's approved list (with required margin as stated policy) and personal guarantees of all directors whose holding is more than 10% along with net worth statement.

15.4 This represents short term running finance facility amounting to Rs. 200 million (2021: Rs.100 million) obtained from the M/s. Habib Metropolitan Bank Limited to meet working capital requirement. The facility carries markup at the rate of 3 month KIBOR plus 2.0% (2021: 3 month KIBOR plus 2.0% per annum). It is secured by 40% margin of shares to be pledge from House Account and from director sub account.

15.5 This represents short term running finance facility amounting to Rs.100 million (2021: Rs. 100 million) obtained from the M/s. Bank Al Habib Limited to meet working capital requirement. The facility carries markup at the rate of 3 month KIBOR plus 1.75% (2021: 3 month KIBOR plus 1.75% per annum). It is secured by hypothecation charge over receivable amounting to Rs. 200 million, pledge of shares of companies (as per MCB' approved list of shares) quoted at Pakistan Stock Exchange Limited duly registered with CDC and personal guarantees of all directors.

		2022	2021
16.	**SUBORDINATED LOANS FROM DIRECTORS**	——— Rupees ———	
	Opening balance	**335,000,000**	75,000,000
	Loans obtained during the year	**439,000,000**	315,000,000
	Repayments during the year	**(509,000,000)**	(55,000,000)
	Closing balance	**265,000,000**	335,000,000

16.1 These represent short term interest-free loans obtained by the Company from its directors for the purpose of increasing its liquid capital. Each tranche of the loan is repayable in one year's time commencing from the date of disbursement.

	2022	2021
	Rupees	

17. TRADE AND OTHER PAYABLES

	2022	2021
Trade payables	335,569,215	781,290,407
Commission payable to agents	11,009,285	78,364,771
Future profit withheld	8,147,272	18,775,250
Accrued expenses	2,941,760	8,354,541
Sindh sales tax payable	5,271,730	22,904,345
Withholding income tax payable	2,850,565	11,436,055
Other liabilities	258,448	258,274
	366,048,275	921,383,643

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

As of June 30, 2022, there were no material contingent liabilities known to exist.

18.2 Commitments

	2022	2021
	Rupees	
Following commitments are outstanding as at the reporting date:		
Financial guarantees given by commercial banks on behalf of the Company	85,000,000	85,000,000

This represents bank guarantees issued by the M/s Bank of Khyber Limited and M/s JS Bank Limited in favor of National Clearing Company Pakistan Limited on behalf of the Company amounting to Rs. 20 million and Rs. 65 million respectively against Future Market.

19. OPERATING REVENUE

	Note	2022	2021
		Rupees	
Brokerage commission - gross		866,969,189	1,660,679,917
Less: Sales tax on services		(99,739,818)	(191,051,672)
	19.1	767,229,371	1,469,628,245
IPO Commission - gross		4,636,207	6,084,522
Less: Sales tax on services		(533,369)	(699,989)
		4,102,838	5,384,533
Dividend income		22,650,364	17,925,140
		793,982,573	1,492,937,918

19.1 This includes brokerage commission earned from related parties amounting to Rs. 10,529,386 (2021: Rs. 15,666,839).

20. ADMINISTRATIVE EXPENSES

	Note	2022	2021
		Rupees	
Commission to agents		302,152,310	616,713,198
Staff salaries and allowances		233,679,848	241,832,139
Directors' remuneration	26	11,424,000	9,900,000
PSX charges		27,288,021	67,455,132
NCSS & UIN charges		24,195,395	52,165,688
CDC charges		6,223,866	9,888,264
IKATS & gateway charges		3,425,746	2,877,592
Traveling and conveyance		6,453,900	1,678,055
Communication		3,307,918	3,459,174
Insurance		122,188	79,472
Legal and professional charges		1,356,648	1,405,680
Repair and maintenance		3,932,106	4,238,160
Printing and stationery		1,336,018	1,416,514
Vehicle running expenses		3,363,771	1,417,765
Utilities		4,879,447	3,934,674
Auditors' remuneration	20.1	550,000	500,000
Postage and courier		107,086	50,785
Software charges		700,900	593,550
Fees and subscription		7,686,729	1,520,484
Rent, rates and taxes		1,781,778	528,000
Donations	20.2	82,688,000	155,590,000
Entertainment		6,202,527	8,338,751
Provision for expected credit losses		-	1,273,602
Depreciation on investment property	7	441,845	490,944
Depreciation on property and equipment	4	10,374,629	6,293,512
General expense		2,620,290	2,810,470
		746,294,966	1,196,451,605

20.1 Auditors' remuneration

	2022	2021
Statutory audit fee	450,000	400,000
Other certifications	100,000	100,000
	550,000	500,000

20.2 Donations

None of the directors or their spouse had any interest in the donees. Further, the particulars of the parties to whom donation paid exceeds Rs. 1 million or 10% of the total donation, whichever is higher, are as follows:

	2022	2021
	Rupees	
Dawat-e-Islami	49,188,000	18,050,000
Saylani Welfare International Trust	25,500,000	118,290,000
	74,688,000	136,340,000

21. FINANCE COSTS

	2022	2021
Markup on short term borrowings	83,340,232	63,656,658
Bank charges	1,815,952	3,021,204
	85,156,184	66,677,862

	2022	2021
	Rupees	

22. OTHER INCOME

Financial assets		
Profit on exposure deposit	33,400,611	22,477,270
Profit on deposit against margin financing	2,218	108,199
	33,402,829	22,585,469
Non-financial assets		
Rental income	3,180,000	3,180,000
Reversal of provision for expected credit losses	5,659,954	-
Others	724,812	562,359
	9,564,766	3,742,359
	42,967,595	26,327,828

23. TAXATION

Current tax - for the year	14,295,412	103,455,593
Current tax - for the prior year	-	428,929
	14,295,412	103,884,522
Deferred	5,841,188	27,020,410
	20,136,600	130,904,932

23.1 Status of income tax assessments

Except as stated in note 18.1 to these financial statements, the income tax assessments of the Company have been finalized up to, and including, the tax year 2021. Tax returns filed by the Company are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 unless selected for re-assessment or audit by the taxation authorities. However, at any time during a period of five years from the date of filing of a return, the taxation authorities may select an income tax return filed by the Company for the purpose of re-assessment.

24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting year as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	Note	2022	2021
		Rupees	
Cash and bank balances	*12*	38,123,689	48,663,302
Short term borrowings	*15*	(919,191,269)	(1,443,332,134)
		(881,067,580)	(1,394,668,832)

25. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Company comprise of key management personnel (including directors) and their close family members. Remuneration of the Chief Executive and directors is disclosed in note 26 to these financial statements. Transactions entered into, and balances held with, related parties are as follows:

KEY MANAGEMENT PERSONNEL	2022	2021
	Rupees	
Muhammad Farhan Rafiq (Director)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	1,768,023	7,303,835
Brokerage commission paid on sale and purchase of securities	-	-
Loan obtained	-	140,000,000
Loan repaid	140,000,000	-
Car purchased	42,035,000	10,500,000
Balances at the year end		
Trade receivable at year end	9,112,673	80,655,337
Subordinated loan payable	-	140,000,000
Trade payable at year end	-	4,174
Muhammad Junaid Rafique (Director)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	5,733,976	316,163
Brokerage commission paid on sale and purchase of securities	-	-
Loan obtained	-	-
Loan repaid	20,000,000	55,000,000
Car purchased	16,700,000	3,170,000
Balances at the year end		
Trade receivable at year end	128,012,719	12,460,008
Subordinated loan payable	-	20,000,000
Trade payable at year end	-	-
Haji Muhammad (Substantial shareholder)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	1,606,503	4,569,502
Loan obtained	165,000,000	50,000,000
Car purchased	3,700,000	-
Balances at the year end		
Subordinated loan payable	215,000,000	50,000,000
Trade receivable at year end	452,710	-
Trade payable at year end	-	62,108,160
Ahmed Rafiq Adam (Substantial shareholder)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	1,345,837	3,421,824
Loan repaid	125,000,000	-
Loan obtained	50,000,000	125,000,000
Balances at the year end		
Trade receivable at year end	-	105,613,813
Trade payable at year end	2,775,520	-
Subordinated loan payable	50,000,000	125,000,000.00
Nabeel		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	75,046	52,015
Balances at the year end		
Trade receivable at year end	9,027	191,104
Mirza Muhammad Baig (Chief Executive Officer)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	-	3,500

26. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration, including certain benefits to the Chief Executive, directors and executives of the Company, are as follows:

	Chief Executive		Directors		Executives		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees							
Managerial remuneration	3,500,000	4,500,000	7,924,000	5,400,000	151,450,000	146,931,943	162,874,000	156,831,943
Number of persons	1	1	2	1	68	44		

26.1 In addition to the benefits above, Mr. Muhammad Farhan Rafiq (a director) has also been provided with free use of the Company-maintained car.

27. FINANCIAL INSTRUMENTS

27.1 Financial risk management

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

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

27.1.1 *Market risk*

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. Market risk comprises of three types of risks: foreign currency risk, price risk and interest rate risk.

i) Foreign currency risk

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

ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. The Company manages price risk by monitoring the exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Company to incur significant mark-to-market and credit losses. As of the reporting date, the Company was exposed to price risk since it had investments in quoted equity securities and also because the Company held collaterals in the form of equity securities against their debtor balances.

The carrying value of investments subject to price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of equity securities in particular sectors of the market.

The table below summarizes Company's equity price risk as of June 30, 2022 and 2021 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of markets and the aforementioned concentrations existing in Company's equity investment portfolio.

	Fair value (Rupees)	Hypothetical price change	Estimated fair value after hypothetical change in prices (Rupees)	Hypothetical increase / (decrease) in profit before tax (Rupees)
June 30, 2022	**988,304,352**	**10% increase**	**1,087,134,787**	**98,830,435**
		10% decrease	**889,473,917**	**(98,830,435)**
June 30, 2021	1,238,304,210	10% increase	1,362,134,631	123,830,421
		10% decrease	1,114,473,789	(123,830,421)

iii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short borrowings from banking companies. At the reporting date, the profile of the Company's interest-bearing financial instruments was as follows:

	2022	2021	2022	2021
	— Effective interest rate (%) —		— Carrying amounts (Rs.) —	
Financial assets				
Deposits against exposure margin requirements			232,018,716	400,211,960
Financial liabilities				
Short term borrowings- secured	9.51% to 17.16%	7.82% to 9.17%	919,191,269	1,443,332,134

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate would not affect the carrying amount of any financial instrument.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

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	Effect on profit before tax	
	1% increase	1% decrease
As at June 30, 2022		
Cash flow sensitivity - Variable rate financial instruments	(6,871,726)	6,871,726
As at June 30, 2021		
Cash flow sensitivity - Variable rate financial instruments	(10,431,202)	10,431,202

27.1.2 Credit risk

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

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

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

Maximum exposure to credit risk

As of the reporting date, the maximum exposure to credit risk was as follows :

	Note	2022	2021
		Rupees	
Long term deposits		**1,510,000**	2,035,000
Trade debts	*(a)*	**808,952,327**	1,098,261,029
Receivable against margin financing	*(a)*	**845,610,146**	1,661,197,707
Loans, advances, deposits and other receivables		**256,343,819**	480,046,476
Bank balances	*(b)*	**37,977,378**	48,545,374
		1,950,393,670	3,290,085,586

Note (a) - Credit risk exposure on trade debts / receivable against margin financing

To reduce the exposure to credit risk arising from trade debts / receivable against margin financing, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk which ultimately affects the recoverability of debts.

As of the reporting date, the ageing analysis of trade debts was as follows:

	June 30, 2022		June 30, 2021	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	Rupees			
Not past due	**672,913,563**	-	576,381,619	
Past due 1 day - 30 days	**31,806,514**	-	497,710,462	
Past due 31 days - 60 days	**24,520,917**	-	19,006,188	
Past due 61 days - 90 days	**16,953,100**	-	2,870,929	
Past due 90 days	**70,446,355**	**(7,688,121)**	15,639,906	(13,348,075)
	816,640,448	**(7,688,121)**	1,111,609,104	(13,348,075)

Except as disclosed above, no provision for expected credit losses has been recognized in respect of trade debts as the security against the same is adequate or counter parties have sound financial standing.

Note (b) - Credit risk exposure on bank balances

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

Bank	Short term rating	Credit rating agency	2022	2021
			Rupees	
Allied Bank Limited	A-1+	PACRA	**861,787**	958,536
Askari Bank Limited	A-1+	PACRA	**586,607**	777,963
Bank Al-Falah Limited	A-1+	PACRA	**1,981,936**	6,224,219
Bank Al-Habib Limited	A-1+	PACRA	**2,162,551**	3,842,720
Bank Islami Pakistan Limited	A-1	PACRA	**9,694,508**	808,937
The Bank of Khyber	A-1	PACRA	**381,154**	32,693
Dubai Islamic Bank Limited	A-1+	JCR-VIS	**236,557**	8,573,656
Faysal Bank Limited	A-1+	PACRA	**1,931,831**	484,094
Habib Bank Limited	A-1+	JCR-VIS	**2,632,859**	580,761
Habib Metropolitan Bank Limited	A-1+	PACRA	**1,509,016**	4,179,791
J.S Bank Limited	A-1+	PACRA	**6,524,424**	9,341,077
MCB Bank Limited	A-1+	PACRA	**1,947,795**	317,269
Meezan Bank Limited	A-1+	JCR-VIS	**984,970**	7,768,360
National Bank of Pakistan	A-1+	PACRA	**846,691**	1,443,045
Sindh Bank Limited	A-1	JCR-VIS	**1,988,503**	319,503
Soneri Bank Limited	A-1+	PACRA	**775,127**	847,382
Summit Bank Limited	-	-	**1,261,095**	414,365
United Bank Limited	A-1+	JCR-VIS	**1,669,966**	1,631,006
			37,977,375	48,545,377

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

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

27.1.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity and borrowings with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of financial liabilities, including estimated interest payments (except on short term borrowings from banking companies):

	June 30, 2022			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees			
Financial liabilities				
Short term borrowings from banking companies	919,191,269	919,191,269	919,191,269	-
Subordinated loans from directors	265,000,000	265,000,000	265,000,000	-
Trade and other payables	357,925,980	357,925,980	357,925,980	-
Accrued markup	21,923,245	21,923,245	21,923,245	-
	1,564,040,494	1,564,040,494	1,564,040,494	-

	June 30, 2021			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees			
Financial liabilities				
Short term borrowings from banking companies	1,443,332,134	1,443,332,134	1,443,332,134	-
Subordinated loans from directors	335,000,000	335,000,000	335,000,000	-
Trade and other payables	887,043,243	887,043,243	887,043,243	-
Accrued markup	21,211,459	21,211,459	21,211,459	-
	2,686,586,836	2,686,586,836	2,686,586,836	-

	2022	2021
27.2 Financial instruments by category	Rupees	
27.2.1 Financial assets:		
At amortized cost		
Long term deposits	1,510,000	2,035,000
Trade debts	808,952,327	1,098,261,029
Receivable against margin financing	845,610,146	1,661,197,707
Loans, advances, deposits and other receivables	256,343,819	480,046,476
Cash and bank balances	48,663,302	48,663,302
	1,961,079,594	3,290,203,514
At fair value through profit or loss		
Short term investments	988,304,352	1,238,304,210

27.2.2 Financial liabilities:	2022	2021
	Rupees	
At amortized cost		
Short term borrowings from banking companies	919,191,269	1,443,332,134
Subordinated loans from directors	265,000,000	335,000,000
Trade and other payables	366,048,275	921,383,643
Accrued markup	21,923,245	21,211,459
	1,572,162,789	2,720,927,236

28. FAIR VALUE OF ASSETS AND LIABILITIES

In case of equity instruments, the Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

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

The table below analyses assets measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets measured at fair value				
Short term investments	988,304,352	-	-	988,304,352

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets measured at fair value				
Short term investments	1,238,304,210	-	-	1,238,304,210

29. CAPITAL

29.1 Management of capital

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 management closely monitors the return on capital employed along with the level of distributions to ordinary shareholders. Further, in order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital, or issue new shares.

On a regular basis, the Company manages to meet the financial resource requirements applicable to the Company (i.e., minimum levels of Liquid Capital or net worth) as specified in the Securities Brokers (Licensing and Operations) Regulations, 2016.

		Note	2022	2021
29.2	**Capital Adequacy Level**		Rupees	
	Total assets	29.2.1	**3,096,257,554**	4,607,119,060
	Less: Total liabilities		**(1,598,698,952)**	(2,738,421,426)
	Less: revaluation reserves (created upon revaluation of fixed assets)		-	-
	Capital Adequacy Level		**1,497,558,602**	1,868,697,634

29.2.1 While determining the value of the total assets, the notional value of the TRE Certificate as at year end as determined by Pakistan Stock Exchange has been considered.

29.3 The Liquid Capital Balance as required under Third Schedule of Securities Brokers (Licensing and Operations) Regulation 2016, read with SECP guidelines is calculated as follows;

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	134,245,124	134,245,124	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	**Investment in Equity Securities**			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	943,436,282	151,093,776	792,342,506
	ii. If unlisted, 100% of carrying value.	35,527	35,527	-
	iii.Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	iv.100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities.	44,832,544	44,832,544	-
1.6	Investment in subsidiaries	-	-	-
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,510,000	1,510,000	-
1.9	Margin deposits with exchange and clearing house.	232,018,716	-	232,018,716
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	8,457,322	8,457,322	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	-	-
1.13	Dividends receivables.	-	-	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. *(Securities purchased under repo arrangement shall not be included in the investments.)*	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months PLUS ii. Advance tax to the extent it is netted with provision of taxation.	14,484,097	14,484,097	-
	iii. Receivables other than trade receivables	-	-	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	ii. claims on account of entitlements against trading of securities in all markets including MtM gains.	22,051,781	-	22,051,781
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. *i. Lower of net balance sheet value or value determined through adjustments.*	845,610,146	4,326,165	841,283,981
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. *ii. Net amount after deducting haircut*	-	-	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, *iii. Net amount after deducting haricut*	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. *iv. Balance sheet value*	517,572,681	-	517,572,681
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. *v. Lower of net balance sheet value or value determined through adjustments*	153,792,519	30,397,521	123,394,999
	vi. 100% haircut in the case of amount receivable form related parties.	137,587,129	137,587,129	-
1.18	**Cash and Bank balances**			
	i. Bank Balance-proprietary accounts	2,184,238	-	2,184,238
	ii. Bank balance-customer accounts	35,793,137	-	35,793,137
	iii. Cash in hand	146,311	-	146,311
1.19	**Total Assets**	**3,096,257,554**		**2,566,788,349**
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	335,569,215	-	335,569,215
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	8,122,295	-	8,122,295
	ii. Accruals and other payables	44,280,010	-	44,280,010
	iii. Short-term borrowings	919,191,269	-	919,191,269
	iv. Current portion of subordinated loans	265,000,000	-	265,000,000
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.3	**Non-Current Liabilities**			
	i. Long-Term financing	-	-	-
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease	-	-	-
	b. Other long-term financing	-	-	-
	ii. Staff retirement benefits	26,536,163	-	26,536,163
	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements.	-	-	-
2.4	**Subordinated Loans**	-	-	-
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP			
2.5	**Total Liabilities**	1,598,698,952		1,598,698,952
3. Ranking Liabilities Relating to :				
3.1	**Concentration in Margin Financing**			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	248,014,013
3.2	**Concentration in securities lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	**Net underwriting Commitments**			
	<u>**(a) in the case of right issues :**</u> if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	<u>**(b) in any other case :**</u> 12.5% of the net underwriting commitments	-	-	-
3.4	**Negative equity of subsidiary**			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
	Foreign exchange agreements and foreign currency positions			
3.5	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
	Repo adjustment			
3.7	**In the case of financier/purchaser** the total amount receivable under Repo less the 110% of the market value of underlying securities. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
	Concentrated proprietary positions			
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
	Opening Positions in futures and options			
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts		-	81,319,562
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met		-	-
	Short sell positions			
3.10	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilities**	-	-	329,333,575
		1,497,588,602	**Liquid Capital**	638,755,823

30. GENERAL

30.1 Reclassification of corresponding figures

In these financial statements the following corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. The effect of these reclassification is not considered as material and therefore have not been reported here.

30.2 Number of employees

	2022	2021
	Number	
Total number of employees as at the year end	106	104
Average number of employees during the year	108	110

30.3 Date of authorization of the financial statements

The financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 28 OCT 2022.

30.4 Level of rounding

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

Chief Executive

SECURITIES LIMITED PSX-194

Director