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**Rahman Sarfaraz Rahim Iqbal Rafiq**

CHARTERED ACCOUNTANTS

**AUDITED FINANCIAL STATEMENTS  
OF  
MRA SECURITIES LIMITED  
FOR THE YEAR ENDED  
JUNE 30, 2023**

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**AUDITED FINANCIAL STATEMENTS  
OF  
MRA SECURITIES LIMITED  
FOR THE YEAR ENDED  
JUNE 30, 2023**

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



# MRA Securities Limited

TREC HOLDER: PAKISTAN STOCK EXCHANGE LIMITED

**HEAD OFFICE:** Room No 66 1st Floor, Room 416, 4th Floor, Room 718, 733, 738-741 7th Floor Stock Exchange Main Building & Room No. 805 8th Floor, Stock Exchange New Building, Karachi.  
Phones : 32410136-40, 32414112-15 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, 2023 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.

	<b>Rupees</b>
Operating Revenue	486,419,914
Operating Expenses	(515,666,035)
Operating Loss	<b>(29,246,121)</b>
Other Income	43,125,599
Gross Profit	<b>13,879,478</b>
Finance Cost	(142,952,323)
<b>Loss before taxation</b>	<b>(129,072,845)</b>
Taxation	(11,519,929)
<b>Loss after taxation</b>	<b>(140,592,774)</b>

### Loss per share

Loss per share for the year ended 30th June 2023 was Rs.

**(1.10)**

### Capital Market Review & Outlook

During the financial year FY23, the benchmark remained extremely volatile, due to by political and economic uncertainties. Devaluation of PKR against the USD, negatively impacted the KSE 100 Index performance during the FY23 and the benchmark KSE-100 index closed at 41,453 points, down -0.2% / 88 points YoY.

Uncertainties on political and economical front mostly kept investors and day traders cautious as depict by a significant decline in trading volumes. Average daily volumes fell 191.8 million shares compared to 291.8 million shares of the previous year. Average daily trading value also shrank to PKR6.1 billion as compared to PKR9.7 billion of the previous year. Going forward, the market is poised for a recovery given a) Historically low multiples and healthy dividend yields that are comparable with fixed income returns; b) significant reduction in political and economic uncertainties after signing of the new SBA with the IMF and c) approaching elections in FY24. However, the twin challenges of soaring inflation recorded 38.0% in May'23 (the highest since data available) and averaging 29.18% in FY23 forced the central bank to hike the policy rate by 825bps to a record high 22.0% hampered the volumes in capital market in ongoing fiscal year also.

We are likely to witness major reforms aimed at achieving fiscal goals through increasing revenues and curtailing unnecessary expenses, and increase in electricity and gas tariffs as part of energy sector reforms. Despite these challenges, investor confidence is expected to gradually improve in the medium to long term.

### CORPORATE OFFICE:

Room No. 1010-1011, 10th Floor, Saima Trade Tower "A", I.I. Chundrigar Road, Karachi. Tel: 32274974-76

### 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, Stock Exchange New Building, Karachi. Tel: 32431295, 32466269	Room No. 701-703, 7th Floor, Stock Exchange New Building, Karachi. Tel: 32417997, 32461065	Room No 719, 722 7th Floor, Stock Exchange Building, Karachi. Tel: 32417430, 32400012	A-356, Sector 11-B, New Disco More, North, Karachi. Tel: 36907108
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Email: [info@mra.com.pk](mailto:info@mra.com.pk) Web: [www.mra.com.pk](http://www.mra.com.pk)





# MRA Securities Limited

TREC HOLDER: PAKISTAN STOCK EXCHANGE LIMITED

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## 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*



Director



Chief Executive

Place: Karachi  
Dated: 28 Oct 2023

## CORPORATE OFFICE:

Room No. 1010-1011, 10th Floor, Saima Trade Tower "A", I.I. Chundrigar Road, Karachi. Tel: 32274974-76

## BRANCHES

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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, 2023**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, 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, 2023** 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, 2023, the Company has recognized a provision for staff retirement benefits (gratuity) amounting to Rs. 34.003 million (June 30, 2022: Rs. 26.536 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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**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 06, 2023  
**UDIN:** AR2023102100KHet3WFU



# MRA Securities Limited

## Statement of Financial Position

As at June 30, 2023

	Note	2023	2022
		Rupees	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	115,665,321	130,268,516
Intangible asset	5	2,500,000	2,500,000
Long term deposits	6	1,510,000	1,510,000
Investment property	7	3,578,947	3,976,608
Deferred taxation - net	8	-	-
		<u>123,254,268</u>	<u>138,255,124</u>
<b>Current assets</b>			
Short term investments	9	510,381,136	988,304,352
Trade debts	10	1,188,982,096	808,952,327
Receivable against margin financing		354,433,123	845,610,146
Loans, advances, deposits, prepayments and other receivables	11	124,048,632	264,177,819
Income tax refundable		11,822,374	12,834,097
Cash and bank balances	12	33,720,335	38,123,689
		<u>2,223,387,696</u>	<u>2,958,002,430</u>
<b>Total assets</b>		<u><u>2,346,641,964</u></u>	<u><u>3,096,257,554</u></u>
<b>EQUITIES AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<i>Authorized capital</i>			
150,000,000 (2022: 100,000,000) ordinary shares of Rs. 10/- each		<u>1,500,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up capital	13	1,275,000,000	750,000,000
<i>Capital reserve</i>			
Capital contribution from a director		61,528,214	-
<i>Revenue reserve</i>			
Unappropriated profits		81,965,828	747,558,602
		<u>1,418,494,042</u>	<u>1,497,558,602</u>
<b>Non-current liabilities</b>			
Staff retirement benefits - gratuity	14	34,003,526	26,536,163
Long term loan from a director	15	174,855,746	-
		<u>208,859,272</u>	<u>26,536,163</u>
<b>Current liabilities</b>			
Short term borrowings from banking companies	16	406,786,135	919,191,269
Subordinated loans from directors	17	50,000,000	265,000,000
Trade and other payables	18	232,622,745	366,048,275
Accrued markup		29,879,770	21,923,245
		<u>719,288,650</u>	<u>1,572,162,789</u>
<b>Contingencies and commitments</b>	19		
<b>Total equity and liabilities</b>		<u><u>2,346,641,964</u></u>	<u><u>3,096,257,554</u></u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

*W*

*[Signature]*  
Chief Executive



*[Signature]*  
Director



# MRA Securities Limited

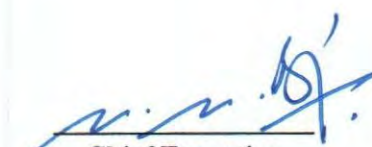
## Statement of Profit or Loss

For the year ended June 30, 2023

	Note	2023 ———— Rupees ————	2022 ————
Operating revenue	20	563,558,947	793,982,573
Realised capital loss on sale of investments - net		(104,017,022)	(247,253,791)
Unrealized gain / (loss) on re-measurement of investments		26,877,989	(108,426,815)
		<u>486,419,914</u>	<u>438,301,967</u>
Administrative expenses	21	(511,634,235)	(746,294,966)
Other expense	22	(4,031,800)	(820,844)
Other income	23	43,125,599	42,967,595
		<u>13,879,478</u>	<u>(265,846,248)</u>
Finance costs	24	(142,952,323)	(85,156,184)
<b>Loss before taxation</b>		<u>(129,072,845)</u>	<u>(351,002,432)</u>
Taxation	25	(11,519,929)	(20,136,600)
<b>Loss after taxation</b>		<u>(140,592,774)</u>	<u>(371,139,032)</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

*h*

  
Chief Executive



  
Director



# MRA Securities Limited

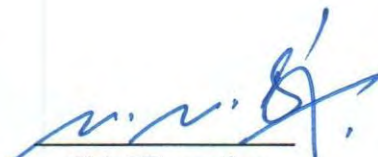
## Statement of Comprehensive Income

For the year ended June 30, 2023


	2023	2022
	———— Rupees ————	
Loss after taxation	(140,592,774)	(371,139,032)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<u><u>(140,592,774)</u></u>	<u><u>(371,139,032)</u></u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

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\_\_\_\_\_  
Chief Executive



  
\_\_\_\_\_  
Director



# MRA Securities Limited

## Statement of Changes in Equity

For the year ended June 30, 2023

	Issued, subscribed and paid up capital	Revenue reserve Unappropriated profits	Capital reserve Capital contribution from a Director	Total
	Rupees			
<b>Balance as on June 30, 2021</b>	750,000,000	1,118,697,634	-	1,868,697,634
<i>Total comprehensive loss for the year ended June 30, 2022</i>				
- Loss after taxation	-	(371,139,032)	-	(371,139,032)
- Other comprehensive income	-	-	-	-
	-	(371,139,032)	-	(371,139,032)
<b>Balance as on June 30, 2022</b>	750,000,000	747,558,602	-	1,497,558,602
<i>Total comprehensive loss for the year ended June 30, 2023</i>				
- Loss after taxation	-	(140,592,774)	-	(140,592,774)
- Other comprehensive income	-	-	-	-
	-	(140,592,774)	-	(140,592,774)
Effect of discounting of loan term loan from director - Note 15	-	-	61,528,214	61,528,214
<i>Transaction with owners</i>				
Bonus shares issued	525,000,000	(525,000,000)	-	-
<b>Balance as on June 30, 2023</b>	<u>1,275,000,000</u>	<u>81,965,828</u>	<u>61,528,214</u>	<u>1,418,494,042</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

*h*

  
Chief Executive



  
Director

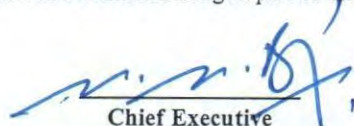
# MRA Securities Limited

## Statement of Cash Flows

For the year ended June 30, 2023

	Note	2023	2022
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(129,072,845)	(351,002,432)
<i>Adjustments for:</i>			
- Depreciation on property and equipment	4	17,598,041	10,374,627
- Depreciation on investment property	7	397,661	441,845
- Capital loss on sale of investments		104,017,022	247,253,791
- Unrealized loss / (gain) on remeasurement of investments		(26,877,989)	108,426,815
- Provision for staff retirement benefits		11,462,000	13,882,000
- Provision / reversal of provision for expected credit losses	10.3	3,917,800	(5,659,954)
- Finance costs	24	142,952,323	85,156,184
- (Gain) / loss on disposal of operating fixed assets	23	(580,141)	820,844
- Profit on exposure deposit	23	(39,016,649)	(33,400,611)
- Profit on deposit against margin financing	23	-	(2,218)
- Rental income	23	(3,180,000)	(3,180,000)
		<b>210,690,068</b>	<b>424,113,323</b>
<b>Cash generated from operating activities before working capital changes</b>		<b>81,617,223</b>	<b>73,110,891</b>
<b>Effect on cash flow due to working capital changes</b>			
<i>(Increase)/decrease in current assets</i>			
- Trade debts		(383,947,569)	294,968,656
- Receivable against margin financing		491,177,023	815,587,561
- Loans, advances, deposits and other receivables		140,129,187	217,868,657
<i>Increase/(decrease) in current liabilities</i>			
- Trade and other payables		(133,425,530)	(555,335,368)
		<b>113,933,111</b>	<b>773,089,506</b>
<b>Cash generated from operating activities</b>		<b>195,550,334</b>	<b>846,200,397</b>
Short term investments - net		400,753,682	(105,680,748)
Income tax (paid) / refund received		(10,508,206)	(31,969,536)
Finance costs paid		(113,611,838)	(84,444,398)
Long term deposits - net		-	525,000
Staff retirement paid		(3,994,637)	-
<b>Net cash generated from operating activities</b>		<b>468,189,336</b>	<b>624,630,715</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property and equipment		(23,355,705)	(84,922,792)
Proceeds from disposal of operating fixed assets		20,971,500	7,310,500
Profit received on exposure deposit		39,016,649	33,400,611
Profit received on deposit against margin financing		-	2,218
Rent received		3,180,000	3,180,000
<b>Net cash generated from / (used in) investing activities</b>		<b>39,812,444</b>	<b>(41,029,463)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Subordinated loans received from the directors	17	-	439,000,000
Subordinated loan repaid to a director	17	-	(509,000,000)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(70,000,000)</b>
Net increase in cash and cash equivalents		<b>508,001,780</b>	<b>513,601,252</b>
Cash and cash equivalents at the beginning of the year		<b>(881,067,580)</b>	<b>(1,394,668,832)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>26</b>	<b>(373,065,800)</b>	<b>(881,067,580)</b>

The annexed notes from 1 to 32 form an integral part of these financial statements.

  
Chief Executive



  
Director



# MRA Securities Limited

## Notes to the Financial Statements

As at June 30, 2023

### 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. 718-723, 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	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 comprise of:

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

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

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## 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

Information about 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 is included in the following notes:

Area of estimation uncertainty	Brief description of the assumption or the source of estimation uncertainty
Provision for Expected Credit losses	Estimation of the default rates for each age bracket of aging of customers.
Investment Property	Estimation of fair value of investment property

## 2.5 New Accounting Pronouncements

### 2.5.1 New and amended standards and interpretations mandatory for the first time for the financial year beginning July 01, 2022:

#### (a) IAS 37 -Onerous contracts

Effective date:  
January 01, 2022

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

#### (b) IAS 16 - Proceeds before an asset's intended use

Effective date:  
January 01, 2022

Amendment to IAS 16 'Property, Plant and Equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.



The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 01, 2022 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 01, 2022 and have not been early adopted by the Company:

**(a) IAS 1 - Disclosure of accounting policies** **Effective date:  
January 01, 2023**

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

**(b) IAS 8 - Definition of accounting estimates** **Effective date:  
January 01, 2023**

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

**(c) IAS 12 - Deferred tax** **Effective date:  
January 01, 2023**

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

**(d) IAS 1 - Classification of liabilities as current or non current** **Effective date:  
January 01, 2024**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

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Effective date:  
January 01, 2024

(e) IFRS 16 - Sale and leaseback transaction

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of Financial Reporting Standards
- IFRS 17 - Insurance Contracts

### 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, 2023 did not require any adjustment.

#### 3.2 Intangible assets

##### *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.

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### 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 reporting 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.

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### 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.

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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.

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### 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 may be 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.

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*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					
<b>As at June 30, 2021</b>						
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	<u>30,931,383</u>	<u>3,224,800</u>	<u>1,728,146</u>	<u>3,980,328</u>	<u>23,987,038</u>	<u>63,851,695</u>
<i>Movement during the year ended June 30, 2022</i>						
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	<u>33,254,801</u>	<u>4,781,251</u>	<u>2,936,974</u>	<u>10,405,308</u>	<u>78,890,182</u>	<u>130,268,516</u>
<b>As at June 30, 2022</b>						
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	<u>33,254,801</u>	<u>4,781,251</u>	<u>2,936,974</u>	<u>10,405,308</u>	<u>78,890,182</u>	<u>130,268,516</u>
<i>Movement during the year ended June 30, 2023</i>						
Opening net book value	33,254,801	4,781,251	2,936,974	10,405,308	78,890,182	130,268,516
Additions during the year	3,000,000	873,840	1,095,275	-	18,386,590	23,355,705
Disposals:						
- Cost	-	-	-	-	(23,851,400)	(23,851,400)
- Accumulated depreciation	-	-	-	-	3,490,541	3,490,541
	-	-	-	-	(20,360,859)	(20,360,859)
Depreciation for the year	(3,570,412)	(769,194)	(1,066,307)	(1,560,796)	(10,631,332)	(17,598,041)
Closing net book value	<u>32,684,389</u>	<u>4,885,897</u>	<u>2,965,942</u>	<u>8,844,512</u>	<u>66,284,581</u>	<u>115,665,321</u>
<b>As at June 30, 2023</b>						
Cost	51,209,226	13,673,634	16,237,901	15,870,847	79,300,440	176,292,048
Accumulated depreciation	(18,524,837)	(8,787,737)	(13,271,960)	(7,026,335)	(13,015,859)	(60,626,727)
Net book value	<u>32,684,389</u>	<u>4,885,897</u>	<u>2,965,942</u>	<u>8,844,512</u>	<u>66,284,581</u>	<u>115,665,321</u>
Annual rates of depreciation	<u>10%</u>	<u>15%</u>	<u>30%</u>	<u>15%</u>	<u>15%</u>	



4.1 Office premises include Offices no. 535-536, 718 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, except office no. 701 and 702, 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 PASSO BUC-778	2,600,000	367,793	2,232,207	2,100,000	(132,207)	Mr. Abid Rafiq	No relationship	Negotiation
Car Swift BXM-276	2,924,000	233,189	2,690,811	2,924,000	233,189	Mr. Irfan Ahmed	No relationship	Negotiation
Car Land Cruiser BF-8471	10,500,000	2,845,327	7,654,673	8,000,000	345,327	Vehicles Motors	No relationship	Negotiation
Car Alto BYA-724	1,974,400	11,360	1,963,040	2,000,000	36,960	Mr. Kashif Hussain	No relationship	Negotiation
Car Alto BXU 219	1,951,000	2,405	1,948,595	1,958,500	9,905	Ms. Bushra Hussain	No relationship	Negotiation
Car Alto BXU 129	1,951,000	3,207	1,947,793	1,958,500	10,707	Mr. Rehmat Ali	No relationship	Negotiation
Car Alto BXU 046	1,951,000	27,261	1,923,739	2,000,000	76,261	Ms. Atiya Kazmi	No relationship	Negotiation
June 30, 2023	<u>23,851,400</u>	<u>3,490,541</u>	<u>20,360,859</u>	<u>20,941,000</u>	<u>580,141</u>			
June 30, 2022	<u>8,861,667</u>	<u>764,294</u>	<u>8,097,373</u>	<u>7,280,000</u>	<u>(817,373)</u>			

5. INTANGIBLE ASSET	Note	2023	2022
		————— Rupees —————	
<i>Trading Right Entitlement Certificate</i>			
Cost		5,000,000	5,000,000
Accumulated impairment		(2,500,000)	(2,500,000)
	5.1	<u>2,500,000</u>	<u>2,500,000</u>

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	2023	2022
		————— Rupees —————	
Deposit placed with:			
- Central Depository Company		100,000	100,000
- National Clearing Company of Pakistan Limited	6.1	1,410,000	1,410,000
		<u>1,510,000</u>	<u>1,510,000</u>
6.1 Deposits placed with National Clearing Company of Pakistan Limited			
Basic deposit		200,000	200,000
Other deposit		10,000	10,000
Exposure Margin - DFC		1,000,000	1,000,000
Exposure Margin - Ready Market		200,000	200,000
		<u>1,410,000</u>	<u>1,410,000</u>



		2023	2022
		Rupees	
<b>7.</b>	<b>INVESTMENT PROPERTY</b>		
	<i>Offices in PSX Building</i>		
	Opening Cost	15,030,000	15,030,000
	Accumulated depreciation	(11,053,392)	(10,611,547)
	<b>Opening net book value</b>	<u>3,976,608</u>	<u>4,418,453</u>
	<i>Movement during the year</i>		
	Opening net book value	3,976,608	4,418,453
	Depreciation for the year	(397,661)	(441,845)
	<b>Closing net book value</b>	<u>3,578,947</u>	<u>3,976,608</u>
	Closing Cost	15,030,000	15,030,000
	Accumulated depreciation	(11,451,053)	(11,053,392)
		<u>3,578,947</u>	<u>3,976,608</u>
	<b>Depreciation rate (per annum)</b>	<u>10%</u>	<u>10%</u>

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. The offices have an aggregate fair value of Rs. 9.0 million (2022: Rs. 5.5 million) as at the reporting date.

		2023	2022
		Rupees	
<b>8.</b>	<b>DEFERRED TAXATION - net</b>		
	<i>Deferred tax asset / (liability) in respect of:</i>		
	- Capital loss on short term investments	8.1	-
	- Other temporary differences	8.2	-
		<u>-</u>	<u>-</u>

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

Deferred tax asset amounting to Rs. 95.141 (2022: Rs. 86.249 million) has not been recognized in respect of the realized and unrealized capital losses on short term investments because it is not probable that future capital gain on securities will be available against which the Company can use the benefits therefrom.

		2023	2022
		Rupees	
<b>8.2</b>	<b>Deferred tax in respect of other temporary differences</b>		
	Deferred tax liability recognized	8.2.1	(2,777,853)
	Deferred tax asset recognized	8.2.2	2,777,853
		<u>-</u>	<u>-</u>
<b>8.2.1</b>	<b>Deferred tax liability</b>		
	Accelerated depreciation	<u>(2,777,853)</u>	<u>(1,559,052)</u>
<b>8.2.2</b>	<b>Deferred tax assets</b>		
	Provision for expected credit losses	3,365,717	2,229,555
	Staff retirement benefits - gratuity	9,861,023	7,695,487
	Long term loan	11,641,834	-
	<b>Deferred tax assets available for recognition</b>	<u>24,868,573</u>	<u>9,925,042</u>
	Deferred tax assets actually recognized	2,777,853	1,559,052
	Unrecognized deferred tax assets	22,090,721	8,365,990
	<b>Total deferred tax asset position</b>	<u>24,868,573</u>	<u>9,925,042</u>



9.	SHORT TERM INVESTMENTS - At fair value through profit or loss	Note	2023	2022
			Rupees	
	Quoted equity securities	9.1	510,381,136	983,492,000
	Units of mutual funds		-	4,812,352
			<u>510,381,136</u>	<u>988,304,352</u>

9.1 Investment in quoted equity securities

2023	2022	Name of Investee	2023	2022
Number of shares			Market value in Rupees	
10,000	-	Abdullah Shah Ghazi Sugar Mills Limited	52,500	-
227,800	202,800	Agha Steel Industries Limited	2,214,216	3,179,904
84,203	31,000	Agp Limited	4,755,785	2,716,220
714,500	630,500	Agritech Limited	3,100,930	4,192,825
55,500	-	Air Link Communication Limited	1,100,565	-
532,000	398,500	Aisha Steel Mills Limited	2,872,800	4,403,425
963,444	4,252,000	Al Shaheer Corporation Limited	6,965,700	38,438,080
355,000	457,000	Amreli Steels Limited	5,449,250	10,712,080
2,000	2,000	Arif Habib Corporation Limited	49,740	74,000
35,000	-	Arif Habib Limited	933,800	-
116,962	81,384	At-Tahur Limited	1,925,195	1,551,993
-	1,200	Attock Petroleum Limited	-	385,572
49,086	70,586	Attock Refinery Limited	8,424,630	12,407,607
14,000	197,004	Avanceon Limited	616,560	15,348,582
459,597	116,500	Azgard Nine Limited	2,757,582	1,197,620
10,000	17,000	B.R.R. Guardian Modaraba	115,000	178,330
170,000	150,000	Balochistan Glass Limited	1,751,000	1,245,000
-	332	Bank Al Habib Limited	-	19,276
-	1,828	Bank Alfalah Limited	-	58,496
80,000	-	Bankislami Pakistan Limited	1,420,800	-
2,206	1,115	Century Paper & Board Mills Limited	62,297	68,907
1,500	14,000	Cherat Cement Company Limited	180,420	1,302,560
889,500	2,409,500	Cnergyico Pk Limited	2,526,180	12,866,730
82,000	29,500	Crescent Steel & Allied Products Limited	1,763,000	1,229,265
495,000	369,237	D.G. Khan Cement Company Limited	25,393,500	23,077,313
54,000	105,000	Dawood Hercules Corporation Limited	5,400,000	9,718,800
667,000	627,000	Dewan Cement Limited	2,768,050	3,385,800
150,000	-	Dewan Farooque Motors Limited	1,611,000	-
7,500	7,500	Dewan Farooque Spinning Mills Limited	15,750	17,925
300,000	340,000	Dost Steels Limited	1,593,000	1,815,600
6,325	5,500	Ecopack Limited	91,713	160,050
-	2,200	Efu Life Assurance Limited	-	451,462
13,696	13,196	Engro Corporation Limited	3,559,453	3,392,560
4,293	4,793	Engro Fertilizers Limited	354,301	424,852
9,000	-	Engro Powergen Qadirpur Limited	205,200	-
200	-	Fateh Textile Mills Limited	14,800	-
-	200	Fateh Textile Mills Limited - Freeze	-	-
364,875	812,000	Fauji Cement Company Limited	4,290,930	11,506,040
374,970	415,586	Fauji Fertilizer Bin Qasim Limited	4,417,147	8,411,461
45,000	4,500	Fauji Fertilizer Company Limited	4,429,800	495,990
587,520	1,683,242	Fauji Foods Limited	3,372,365	11,159,894
270,000	375,000	First National Equities Limited	893,700	2,193,750
449,700	965,000	Flying Cement Company Limited	2,491,338	6,928,700
79,000	116,500	Frieslandcampina Engro Pakistan Limited	4,663,370	7,954,620
-	269,500	G3 Technologies Limited	-	2,279,970
-	31,000	Gandhara Industries Limited	-	4,897,070
65,500	-	Gandhara Tyre & Rubber Company Limited	1,336,855	-
285,085	-	Ghani Chemical Industries Limited	2,691,202	-
72,078	23,250	Ghani Glass Limited	1,837,989	949,298
350,000	423,500	Ghani Global Glass Limited	2,044,000	4,675,440



2023	2022	Name of Investee	2023	2022
Number of shares			Market value in Rupees	
243,000	879,595	Ghani Global Holdings Limited	2,398,410	14,522,113
-	2,000	Glaxosmithkline Consumer Healthcare Pakistan Limited	-	476,660
59,000	6,800	Glaxosmithkline Pakistan Limited	4,446,830	849,524
3,593	-	Globe Residency Reit	49,332	-
457,500	226,000	Gul Ahmed Textile Mills Limited	8,148,075	7,641,060
1,500	4,149	Habib Bank Limited	109,845	378,970
13,400	-	Haleon Pakistan Limited	1,877,876	-
406,250	466,250	Hascol Petroleum Limited	2,254,688	1,967,575
-	1,100	Highnoon Laboratories Limited	-	582,857
-	190,500	Hum Network Limited	-	1,356,360
41,500	-	Interloop Limited	1,463,290	-
-	9,500	International Industries Limited	-	985,435
-	45,500	International Steels Limited	-	2,700,880
1	-	Ivibl	-	-
50,000	-	Jahangir Sidd(Pref)	325,000	-
1,038,500	-	Jahangir Siddiqui & Co. Ltd.	9,865,750	-
-	1	Innovative Investment Bank Limited - Freeze	-	-
-	1,439,500	Jahangir Siddiqui & Company Limited	-	19,030,190
-	50,000	Jahangir Siddiqui & Company Ltd-'Class A' Preference Shares	-	397,000
280,000	-	Japan Power Generation Limited	-	-
25,000	-	Javed Omer Vohra & Company Limited	-	-
-	11,500	Javedan Corporation Limited	-	483,000
318	-	Jslcfo	-	-
-	25,000	Javed Omer Vohra & Company Limited - Freeze	-	-
-	280,000	Japan Power Generation Limited - Freeze	-	-
535,500	2,503,500	K-Electric Limited	921,060	7,610,640
25,000	25,000	Kohinoor Industries Limited	185,000	122,750
475,000	620,000	Kohinoor Spinning Mills Limited	1,116,250	1,996,400
53,000	79,500	Kot Addu Power Company Limited	1,102,400	2,188,635
195,000	265,000	Lalpir Power Limited	2,915,250	3,378,750
430,028	556,528	Loads Limited	2,730,678	5,403,887
40,000	86,500	Lotte Chemical Pakistan Limited	1,100,800	2,043,130
57,238	33,043	Lucky Cement Limited	29,883,387	15,168,059
159,500	289,500	Macpac Films Limited	2,499,365	4,530,675
242,610	628,110	Maple Leaf Cement Factory Limited	6,873,141	17,178,809
42,500	70,000	Matco Foods Limited	1,157,275	1,744,400
-	2,273	Mcb Bank Limited	-	279,534
-	1,304	Meezan Bank Limited	-	147,326
599,500	-	Meezan Pakistan Etf	4,670,105	-
350,000	567,000	Merit Packaging Limited	3,080,000	4,983,930
4,001	-	Millat Tractors Limited	1,561,630	-
37,625	41,000	Mughal Iron & Steel Industries Limited	1,822,555	2,363,240
59,514	104,544	National Refinery Limited	8,927,100	26,404,678
43,500	139,500	Netsol Technologies Limited	3,255,105	13,913,730
-	29,500	Nishat (Chunian) Limited	-	1,321,305
38,500	98,000	Nishat Mills Limited	2,185,645	7,243,180
21,550	12,000	Octopus Digital Limited	805,755	855,720
417,081	1,153,581	Oil & Gas Development Company Limited	32,532,318	90,752,217
-	10,000	Oilboy Energy Limited	-	102,300
47,000	88,000	Olympia Mills Limited	977,600	1,465,200
10,000	10,000	Pace (Pakistan) Limited	19,600	30,200

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2023	2022	Name of Investee	2023	2022
Number of shares			Market value in Rupees	
498,500	579,000	Pak Agro Packaging Limited	3,459,590	5,847,900
986,500	1,131,500	Pak Elektron Limited	8,927,825	17,979,535
5,500	-	Pak Suzuki Motor Company Limited	523,600	-
170,497	325,897	Pakistan Aluminium Beverage Cans Limited	7,709,874	10,275,532
50,000	-	Pakistan International Airlines Corp	168,000	-
-	75,000	Pakistan International Airlines Corporation Limited - (A)	-	260,250
188,500	1,602,000	Pakistan International Bulk Terminal	774,735	9,644,040
154,800	-	Pakistan International Container	8,831,340	-
-	22,000	Pakistan International Container Terminal Limited	-	3,589,300
39,100	168,000	Pakistan National Shipping Corporation	5,181,923	8,107,680
25,892	33,892	Pakistan Oilfields Limited	10,402,629	13,753,713
7,812	-	Pakistan Oxygen Limited	736,672	-
392,309	1,241,709	Pakistan Petroleum Limited	23,201,154	83,827,775
51,500	1,417,500	Pakistan Refinery Limited	698,340	25,359,075
127,346	197,599	Pakistan State Oil Company Limited	14,136,679	33,955,412
4,647,500	4,059,500	Pakistan Stock Exchange Limited	34,391,500	41,528,685
947,000	2,333,500	Pakistan Telecommunication Company Ltd	5,691,470	16,241,160
31,500	-	Panther Tyres Ltd.	635,040	-
60,978	34,437	Pioneer Cement Limited	5,282,524	2,077,584
360,000	396,000	Power Cement Limited	1,476,000	2,106,720
5,000	5,000	Quice Food Industries Limited	17,500	20,050
74,000	-	Roshan Packages Limited	657,860	-
95,823	235,823	Service Globalfootwear Limited	2,671,545	9,475,368
47,000	40,000	Shabbir Tiles & Ceramics Limited	391,040	585,200
221,500	301,400	Shell Pakistan Limited	25,616,475	35,604,382
330,000	425,500	Siddiqsons Tin Plate Limited	1,956,900	4,501,790
368,500	413,000	Sitara Peroxide Limited	4,558,345	5,889,380
106,000	153,500	Sui Northern Gas Pipelines Limited	4,173,220	5,251,235
3,683,500	3,863,500	Sui Southern Gas Company Limited	31,641,265	35,003,310
5,400	9,720	Synthetic Products Enterprises Limited	56,160	136,955
-	5,254	Systems Limited	-	1,733,084
340,205	899,250	Telecard Limited	2,245,353	9,738,878
-	2,500	Thal Limited	-	674,050
70,000	10,000	Thatta Cement Company Limited	795,200	140,000
37,000	49,638	The Hub Power Company Limited	2,574,460	3,383,822
155,000	115,511	The Searle Company Limited	5,939,600	12,593,009
-	164,000	Tpl Corp Limited	-	1,495,680
247,502	693,000	Tpl Properties Limited	3,083,875	13,970,880
35,522	352,022	Treet Corporation Limited	562,313	10,272,002
199,000	-	Trg Pakistan Limited	18,333,870	-
-	720,884	Trg Pakistan Limited - Class 'A'	-	55,745,960
-	2,768	United Bank Limited	-	313,144
190,548	647,545	Unity Foods Limited	2,978,265	12,996,228
97	97	Universal Network Systems Limited(Gem)	5,966	4,752
292,000	-	Waves Home Appliance Limited	1,293,560	-
274,000	682,250	Waves Singer Pakistan Limited	1,685,100	8,685,043
720,000	1,363,500	Worldcall Telecom Limited	784,800	1,813,455
278,500	118,000	Yousaf Weaving Mills Limited	712,960	584,100
3,732,000	-	Zeal Pak Cement Factory Limited	1,642,080	-
-	2,500	Zil Limited	-	252,500
-	3,732,000	Zeal Pak Cement Factory Limited - Freeze	-	-

510,381,136 983,492,000



9.1.1 The number and fair value of securities pledged with PSX and NCCPL are as follows:

	June 30 , 2023		June 30 , 2022	
	Number of	Fair value	Number of securities	Fair value
----- Rupees -----				
Clients	80,220,582	902,204,662	91,140,969	1,222,540,998
Brokerage House	17,536,700	238,813,807	20,840,600	580,517,194
	<u>97,757,282</u>	<u>1,141,018,469</u>	<u>111,981,569</u>	<u>1,803,058,192</u>

9.1.2 The number and fair value of securities pledged with banks are as follows:

	June 30 , 2023		June 30 , 2022	
	Number of securities	Fair value	Number of securities	Fair value
----- Rupees -----				
Clients	6,472,929	49,762,492	34,198,903	500,622,131
Brokerage House	6,621,150	69,171,899	6,757,850	86,752,670
	<u>13,094,079</u>	<u>118,934,390</u>	<u>40,956,753</u>	<u>587,374,801</u>

10. TRADE DEBTS	Note	2023	2022
		----- Rupees -----	
Trade receivables - gross	10.1 & 10.2	1,200,588,017	816,640,448
Less: Provision for expected credit losses	10.3	(11,605,921)	(7,688,121)
		<u>1,188,982,096</u>	<u>808,952,327</u>
10.1	This includes Rs. 441.075 million (2022: Rs. 137.59 million) due from related parties. The maximum aggregate amount outstanding during the year from such parties (with respect to month-end balances) amounted to Rs. 599.200 million (2022: Rs. 137.59 million).		
10.2	As of the reporting date, the Company held capital securities having fair value of Rs. 3,924 million (2022: Rs.3,312 million) owned by its clients, as collaterals against trade debts.		
10.3	Note	2023	2022
----- Rupees -----			
Opening balance		7,688,121	13,348,075
Reversal for the year	23	-	(5,659,954)
Charge for the year	22	3,917,800	-
Closing balance		<u>11,605,921</u>	<u>7,688,121</u>

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### 13.1 Pattern of shareholding

	June 30, 2023		June 30, 2022	
	Number of shares held	% shareholding	Number of shares held	% shareholding
<i>Individuals</i>				
Muhamamd Farhan	36,124,755	28.33%	21,249,856	28.33%
Muhamamd Junaid	31,123,076	24.41%	18,307,692	24.41%
Ahmed Rafiq	26,219,231	20.56%	15,423,077	20.56%
Mumtaz Rafiq	11,032,427	8.65%	6,489,663	8.65%
Haji Muhammad	9,513,462	7.46%	5,596,154	7.46%
Hina Farhan	13,485,406	10.58%	7,932,692	10.58%
Muhammad Shoaib	247	0.00%	145	0.00%
Nabeel	1,226	0.00%	721	0.00%
Muhammad Haroon	170	0.00%	-	0.00%
	<u>127,500,000</u>	<u>100.00%</u>	<u>75,000,000</u>	<u>100.00%</u>

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

	2023	2022
	Rupees	
14. STAFF RETIREMENT BENEFITS - gratuity		
Opening balance	26,536,163	12,654,163
Charge for the year	11,462,000	13,882,000
Payments made during the year	(3,994,637)	-
	<u>34,003,526</u>	<u>26,536,163</u>
15. LONG TERM LOAN FROM DIRECTOR		
Amount reclassified from current liabilities	215,000,000	-
Effect of discounting of the loan credited to equity	(61,528,214)	-
Effect of unwinding of loan during the year	21,383,960	-
Closing balance	<u>174,855,746</u>	<u>-</u>

15.1 On September 26, 2022, the Company modified the terms of the loan previously obtained from the director. According to the modified terms of the loan is to be repaid after two years from the date of modification. Accordingly, the loan amount was reclassified from current liabilities to non-current liabilities. Further, in accordance with the requirement of IFRS 9 "Financial Instruments" and Technical release 32 Accounting Director's Loan issued by the Institute of Chartered Accountant of Pakistan (ICAP), the loan has been discounted at the Company's borrowing rate of KIBOR+2% (i.e. 18.36%).

	Note	2023	2022
		Rupees	
16. SHORT TERM BORROWINGS FROM BANKING COMPANIES			
Running finance obtained from:			
- MCB Bank Limited	16.1	23,870,271	20,097,535
- JS Bank Limited	16.2	324,995,551	716,865,821
- The Bank of Khyber Limited	16.3	50,000,000	150,800,565
- Habib Metropolitan Bank Limited	16.4	-	10,958,728
- Bank Al Habib Limited	16.5	7,920,313	20,468,620
		<u>406,786,135</u>	<u>919,191,269</u>

16.1 This represents a short term running finance facility amounting to Rs. 60 million (2022: 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% (2022: 3 month KIBOR plus 1.5% per annum). It is secured by charge of Rs 240 million (2022: 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.



- 16.2 This represents a short term running finance facility amounting to Rs. 1,500 million (2022: Rs. 1,500 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% (2022: 3 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.
- 16.3 This represents a short term running finance facility amounting to Rs. 300 million (2022: 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% (2022: 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 categories i.e. A and B in CDC account as per bank's approved list (with required margin as stated policy) and personal guarantees of all directors.
- 16.4 This represents a short term running finance facility amounting to Rs. 200 million (2022: Rs.200 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% (2022: 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 and personal guarantees of all directors.
- 16.5 This represents a short term running finance facility amounting to Rs.200 million (2022: 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% (2022: 3 month KIBOR plus 1.75% per annum). It is secured against pledge of shares of listed companies in the name of the Company, director and third party (as per BAML' approved list of shares) quoted at Pakistan Stock Exchange Limited duly registered with SECP and personal guarantees of all directors.

17.	SUBORDINATED LOANS FROM DIRECTORS	Note	2023	2022
			Rupees	
	Opening balance		265,000,000	335,000,000
	Loans obtained during the year		-	439,000,000
	Repayment of loan		-	(509,000,000)
	Transferred to non-current liabilities	15.1	(215,000,000)	-
	Closing balance	17.1	50,000,000	265,000,000

- 17.1 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.

18.	TRADE AND OTHER PAYABLES		2023	2022
			Rupees	
	Trade payables		187,673,029	335,569,215
	Profit on DFCs payable to clients		22,949,138	8,147,272
	Accrued expenses		11,497,889	13,951,045
	Sindh sales tax payable		3,770,463	5,271,730
	Withholding income tax payable		2,500,083	2,850,565
	Advance against sale of property	18.1	4,000,000	-
	Other liabilities		232,143	258,448
			232,622,745	366,048,275

- 18.1 This represents an advance received against the sale of office bearing no. 701 and 702 situated in the New Stock Exchange Building, Karachi. The sale consideration for both the offices is Rs. 6 million and the remaining consideration will be received within one year. The possession of the property will be transferred to the buyer after the receipt of remaining consideration.

## 19. CONTINGENCIES AND COMMITMENTS

### 19.1 Contingencies

As of June 30, 2023, there were no material contingent liabilities to report.

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	2023	2022
	Rupees	
<b>19.2 Commitments</b>		
Following commitments are outstanding as at the reporting date:		
Financial guarantees given by commercial banks on behalf of the Company	<u>120,000,000</u>	<u>85,000,000</u>

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 (2022: Rs. 20 million) and Rs. 100 million (2022: Rs. 65 million) respectively in respect of exposure margin requirements for DFC market.

	2023	2022
	Rupees	
<b>20. OPERATING REVENUE</b>		
Brokerage commission - gross	574,652,025	804,050,637
Recovery of expenses	<u>46,297,540</u>	<u>62,918,553</u>
	620,949,565	866,969,189
Less: Sales tax on services	<u>(71,436,676)</u>	<u>(99,739,818)</u>
	549,512,889	767,229,371
IPO Commission - gross	-	4,636,207
Less: Sales tax on services	-	(533,369)
	-	4,102,838
Dividend income	<u>14,046,058</u>	<u>22,650,364</u>
	<u>563,558,947</u>	<u>793,982,573</u>

20.1 This includes brokerage commission earned from related parties amounting to Rs. 8,343,358 (2022: Rs. 10,529,386).

	2023	2022
	Rupees	
<b>21. ADMINISTRATIVE EXPENSES</b>		
Staff salaries and allowances	199,435,432	233,679,848
Performance bonus to dealers	183,192,476	302,152,310
Directors' remuneration	8,966,000	11,424,000
PSX charges	20,407,900	27,288,021
NCSS & UIN charges	17,872,671	24,195,395
CDC charges	4,100,031	6,223,866
IKATS & gateway charges	3,973,911	3,425,746
Traveling and conveyance	-	6,453,900
Communication	4,572,467	3,307,918
Insurance	142,416	122,188
Legal and professional charges	1,570,678	1,356,648
Repairs and maintenance	3,404,649	3,932,106
Printing and stationery	435,872	1,336,018
Vehicle running expenses	2,969,642	3,363,771
Utilities	6,468,591	4,879,447
Auditors' remuneration	650,000	550,000
Postage and courier	660	107,086
Software charges	929,650	700,900
Fees and subscription	8,336,991	7,686,729
Rent, rates and taxes	3,806,044	1,781,778
Donation	21,000,000	82,688,000
Entertainment	402,453	6,202,527
Depreciation on investment property	397,661	441,845
Depreciation on property and equipment	17,598,041	10,374,629
General expense	<u>1,000,000</u>	<u>2,620,290</u>
	<u>511,634,235</u>	<u>746,294,966</u>



	2023	2022
	Rupees	
<b>21.1 Auditors' remuneration</b>		
Statutory audit fee	550,000	450,000
Other certifications	100,000	100,000
	<u>650,000</u>	<u>550,000</u>

**21.2 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:

	2023	2022
	Rupees	
<i>Note</i>		
Dawat-e-Islami	-	49,188,000
Saylani Welfare International Trust	-	25,500,000
Al-Qadir Welfare Foundation	18,500,000	-
Pakistan Cancer Welfare Society	2,500,000	-

**22. OTHER EXPENSE**

Loss on disposal of fixed assets	-	820,844
Doubtful debts written off	114,000	-
Provision for expected credit losses	3,917,800	-
	<u>4,031,800</u>	<u>820,844</u>

**23. OTHER INCOME**

*Financial assets*

Profit on exposure deposit	39,016,649	33,400,611
Profit on deposit against margin financing	-	2,218
	<u>39,016,649</u>	<u>33,402,829</u>

*Non-financial assets*

Rental income	3,180,000	3,180,000
Reversal of provision for expected credit losses	-	5,659,954
Gain on disposal of operating fixed assets	580,141	-
Others	348,809	724,812
	<u>4,108,950</u>	<u>9,564,766</u>
	<u>43,125,599</u>	<u>42,967,595</u>

**24. FINANCE COSTS**

Markup on short term borrowings	119,194,655	83,340,232
Interest on unwinding of loan from a director	21,383,960	-
Bank charges	2,373,708	1,815,952
	<u>142,952,323</u>	<u>85,156,184</u>

**25. TAXATION**

Current tax - for the year	9,372,663	14,295,412
Current tax - for the prior year	2,147,266	-
	<u>11,519,929</u>	<u>14,295,412</u>
Deferred	-	5,841,188
	<u>11,519,929</u>	<u>20,136,600</u>



25.1 Status of income tax assessments

The income tax assessments of the Company have been finalized up to the tax year 2022. 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.

26. 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:

	<i>Note</i>	2023	2022
		Rupees	
Cash and bank balances	12	33,720,335	38,123,689
Short term borrowings - running finance	16	(406,786,135)	(919,191,269)
		<u>(373,065,800)</u>	<u>(881,067,580)</u>

27. 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 28 to these financial statements. Transactions entered into, and balances held with, related parties are as follows:

KEY MANAGEMENT PERSONNEL

	2023	2022
	Rupees	
<b>Muhammad Farhan Rafiq (Director)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	<u>1,503,477</u>	<u>1,768,023</u>
Loan repaid	<u>-</u>	<u>140,000,000</u>
Car purchased	<u>-</u>	<u>42,035,000</u>
<i>Balances at the year end</i>		
Trade receivable at year end	<u>61,094,760</u>	<u>9,112,673</u>
<b>Muhammad Junaid Rafique (Substantial shareholder)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	<u>5,003,125</u>	<u>5,733,976</u>
Loan repaid	<u>-</u>	<u>20,000,000</u>
Car purchased	<u>-</u>	<u>16,700,000</u>
<i>Balances at the year end</i>		
Trade receivable at year end	<u>223,942,576</u>	<u>128,012,719</u>
<b>Haji Muhammad (Sponsor)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	<u>414,600</u>	<u>1,606,503</u>
Loan obtained	<u>-</u>	<u>165,000,000</u>
Car purchased	<u>-</u>	<u>3,700,000</u>
<i>Balances at the year end</i>		
Subordinated loan payable	<u>215,000,000</u>	<u>215,000,000</u>
Trade receivable at year end	<u>1,850,527</u>	<u>452,710</u>





**KEY MANAGEMENT PERSONNEL**

	2023	2022
	Rupees	
<b>Ahmed Rafiq Adam (Substantial shareholder)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	1,422,156	1,345,837
Loan repaid	-	125,000,000
Loan obtained	-	50,000,000
<i>Balances at the year end</i>		
Trade receivable at year end	154,187,061	-
Trade payable at year end	-	2,775,520
Subordinated loan payable	50,000,000	50,000,000
<b>Mumtaz Rafiq Adam (Close family member of director)</b>		
<i>Balances at the year end</i>		
Trade receivable at year end	2,889	-
<b>Nabeel</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	-	75,046
<i>Balances at the year end</i>		
Trade receivable at year end	-	9,027

**28. 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	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees							
Managerial remuneration	3,215,000	3,500,000	5,751,000	7,924,000	115,095,000	151,450,000	124,061,000	162,874,000
Number of persons	1	1	2	2	45	68		

- 28.1 In addition to the benefits above, the chief executive officer, directors and some executives have also been provided with free use of the Company-maintained car.

**29. FINANCIAL INSTRUMENTS****29.1 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.

**29.1.1 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.

*h*



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, 2023 and 2022 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, 2023	510,381,136	10% increase	561,419,250	51,038,114
		10% decrease	459,343,022	(51,038,114)
June 30, 2022	988,304,352	10% increase	1,087,134,788	98,830,435
		10% decrease	889,473,917	(98,830,435)

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:

	2023	2022	2023	2022
	— Effective interest rate (%) —		— Carrying amounts (Rs.) —	
<b>Financial assets</b>				
Deposits against exposure margin requirements			84,270,266	231,295,163
<b>Financial liabilities</b>				
Short term borrowings- secured	17.16% to 24.61%	9.51% to 17.16%	406,786,135	919,191,269



### 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.

	Effect on profit before tax	
	1% increase	1% decrease
<b>As at June 30, 2023</b>		
Cash flow sensitivity - Variable rate financial instruments	<u>(3,225,159)</u>	<u>3,225,159</u>
<b>As at June 30, 2022</b>		
Cash flow sensitivity - Variable rate financial instruments	<u>(6,878,961)</u>	<u>6,878,961</u>

### 29.1.2 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 :

		2023	2022
	Note	Rupees	
Long term deposits		1,510,000	1,510,000
Trade debts	(a)	1,188,982,096	808,952,327
Receivable against margin financing	(a)	354,433,123	845,610,146
Loans, advances, deposits and other receivables		121,928,667	256,343,819
Bank balances	(b)	33,628,929	37,977,378
		<u>1,700,482,815</u>	<u>1,950,393,670</u>

#### **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.

*h*



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, 2023		June 30, 2022	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	Rupees			
Not past due	896,347,742	-	672,913,563	-
Past due 1 day - 30 days	112,526,701	-	31,806,514	-
Past due 31 days - 60 days	8,161,061	-	24,520,917	-
Past due 61 days - 90 days	24,831,742	-	16,953,100	-
Past due 90 days	158,720,771	(11,605,921)	70,446,355	(7,688,121)
	<u>1,200,588,017</u>	<u>(11,605,921)</u>	<u>816,640,448</u>	<u>(7,688,121)</u>

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	2023	2022
			Rupees	
Allied Bank Limited	A-1+	PACRA	449,746	861,787
Askari Bank Limited	A-1+	PACRA	806,872	586,607
Bank Al-Falah Limited	A-1+	PACRA	2,484,880	1,981,936
Bank Al-Habib Limited	A-1+	PACRA	1,634,260	2,162,551
Bank Islami Pakistan Limited	A-1	PACRA	307,097	9,694,508
The Bank of Khyber	A-1	PACRA	587,898	381,154
Dubai Islamic Bank Limited	A-1+	JCR-VIS	205,015	236,557
Faysal Bank Limited	A-1+	PACRA	1,552,792	1,931,834
Habib Bank Limited	A-1+	JCR-VIS	4,093,069	2,632,859
Habib Metropolitan Bank Limited	A-1+	PACRA	3,005,747	1,509,016
J.S Bank Limited	A-1+	PACRA	9,522,743	6,524,424
MCB Bank Limited	A-1+	PACRA	2,073,341	1,947,795
Meezan Bank Limited	A-1+	JCR-VIS	2,783,767	984,970
National Bank of Pakistan	A-1+	PACRA	432,630	846,691
Sindh Bank Limited	A-1	JCR-VIS	277,638	1,988,503
Soneri Bank Limited	A-1+	PACRA	1,080,397	775,127
Summit Bank Limited	-	JCR-VIS	1,224,095	1,261,095
United Bank Limited	A-1+	JCR-VIS	1,106,942	1,669,966
			<u>33,628,929</u>	<u>37,977,378</u>



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.

### 29.1.3 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, 2023			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees			
<b>Financial liabilities</b>				
Long term loan from a director	174,855,746	215,000,000	-	215,000,000
Short term borrowings from banking companies	406,786,135	406,786,135	406,786,135	-
Subordinated loans from directors	50,000,000	50,000,000	50,000,000	-
Trade and other payables	226,352,199	226,352,199	226,352,199	-
Accrued markup	29,879,770	29,879,770	29,879,770	-
	<b>713,018,104</b>	<b>713,018,104</b>	<b>713,018,104</b>	<b>-</b>

	June 30, 2022			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees			
<b>Financial liabilities</b>				
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	-
	<b>1,564,040,494</b>	<b>1,564,040,494</b>	<b>1,564,040,494</b>	<b>-</b>

	2023	2022
	Rupees	
<b>29.2 Financial instruments by category</b>		
<b>29.2.1 Financial assets:</b>		
<i>At amortized cost</i>		
Long term deposits	1,510,000	1,510,000
Trade debts	1,188,982,096	808,952,327
Receivable against margin financing	354,433,123	845,610,146
Loans, advances, deposits and other receivables	121,928,667	256,343,819
Cash and bank balances	33,720,335	38,123,689
	<b>1,700,574,221</b>	<b>1,950,539,981</b>
<i>At fair value through profit or loss</i>		
Short term investments	510,381,136	988,304,352



	2023	2022
	Rupees	
<b>29.2.2 Financial liabilities:</b>		
<i>At amortized cost</i>		
Long term loan from a director	174,855,746	-
Short term borrowings from banking companies	406,786,135	919,191,269
Subordinated loans from directors	50,000,000	265,000,000
Trade and other payables	226,352,199	366,048,275
Accrued markup	29,879,770	21,923,245
	<u>887,873,850</u>	<u>1,572,162,789</u>

### 30. 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, 2023			
	Level 1	Level 2	Level 3	Total
	Rupees			
<i>Financial assets measured at fair value</i>				
Short term investments	510,381,136	-	-	510,381,136

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

### 31. CAPITAL

#### 31.1 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.

*h*



31.2 Capital Adequacy Level	Note	2023	2022
		Rupees	
Total assets	31.2.1	2,346,641,964	3,096,257,554
Less: Total liabilities		(928,147,922)	(1,598,698,952)
Less: revaluation reserves (created upon revaluation of fixed assets)		-	-
<b>Capital Adequacy Level</b>		<b>1,418,494,042</b>	<b>1,497,558,602</b>

31.2.1 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.

31.3 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
<b>I. Assets</b>				
1.1	Property & Equipment	119,244,268	119,244,268	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities	-	-	-
	<b>Investment in Debt. Securities</b>			
	<b>If listed than:</b>			
	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.	-	-	-
	<b>If unlisted than:</b>			
	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.	-	-	-
	<b>Investment in Equity Securities</b>			
	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.	475,018,233	84,742,932	390,275,301
	Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital	35,362,904	35,362,904	-
	ii. If unlisted, 100% of carrying value.	-	-	-
1.6	Investment in subsidiaries	-	-	-
	<b>Investment in associated companies/undertaking</b>			
	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	<b>Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.</b> (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC	1,510,000	1,510,000	-
1.9	Margin deposits with exchange and clearing house.	84,270,266	-	84,270,266
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	2,850,998	2,850,998	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. ( <i>Securities purchased under repo arrangement shall not be included in the investments.</i> )	-	-	-
1.15	<b>Advances and receivables other than trade Receivables;</b> (i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	1,050,000	1,050,000	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	11,822,374	11,822,374	-
	(iii) In all other cases 100% of net value	-	-	-



S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>I. Assets</b>				
<b>Receivables from clearing house or securities exchange(s)</b>				
1.16	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.	35,877,368	-	35,877,368
<b>Receivables from customers</b>				
1.17	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>i. Lower of net balance sheet value or value determined through adjustments.</i>	354,433,123	-	354,433,123
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	231,292,300	-	231,292,300
	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.	516,614,872	129,829,091	386,785,780
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. <i>vi. Lower of net balance sheet value or value determined through adjustments</i>	441,074,924	44,363,099	396,711,825
<b>Cash and Bank balances</b>				
1.18	i. Bank Balance-proprietary accounts	2,327,206	-	2,327,206
	ii. Bank balance-customer accounts	31,301,723	-	31,301,723
	iii. Cash in hand	91,406	-	91,406
<b>Subscription money against investment in IPO/ offer for sale (asset)</b>				
1.19	(i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	(ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities.	-	-	-
	(iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.	-	-	-
1.20	<b>Total Assets</b>	<b>2,346,641,964</b>	<b>433,275,666</b>	<b>1,913,366,298</b>
<b>2. Liabilities</b>				
<b>Trade Payables</b>				
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	210,622,167	-	210,622,167
<b>Current Liabilities</b>				
2.2	i. Statutory and regulatory dues	6,270,546	-	6,270,546
	ii. Accruals and other payables	45,609,802	-	45,609,802
	iii. Short-term borrowings	406,786,135	-	406,786,135
	iv. Current portion of subordinated loans	50,000,000	-	50,000,000
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial	-	-	-



S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>2. Liabilities</b>				
<b>Non-Current Liabilities</b>				
2.3	i. Long-Term financing	-	-	-
	ii. Other liabilities as per accounting principles and included in the financial	-	-	-
	iii. Staff retirement benefits	34,003,526	-	34,003,526
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. (b) Nil in all other cases	-	-	-
<b>Subordinated Loans</b>				
2.4	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	174,855,746	174,855,746	-
<b>Advance against shares for Increase in Capital of Securities broker:</b>				
2.5	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.	-	-	-	
2.6	<b>Total Liabilities</b>	<b>928,147,922</b>	<b>174,855,746</b>	<b>753,292,176</b>

### 3. Ranking Liabilities Relating to :

3.1	<b>Concentration in Margin Financing</b>			
	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.			
	(Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities	-	-	-
3.2	<b>Concentration in securities lending and borrowing</b>			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed			
	(Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)	-	-	-
3.3	<b>Net underwriting Commitments</b>			
	<b>(a) in the case of right issues :</b> 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 commitment <b>(b) in any other case :</b> 12.5% of the net underwriting commitments	-	-	-
3.4	<b>Negative equity of subsidiary</b>			
	The amount by which the total assets of the subsidiary ( excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	<b>Foreign exchange agreements and foreign currency positions</b>			
	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	-	-	-

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S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>3. Ranking Liabilities Relating to :</b>				
<b>Repo adjustment</b>				
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	-	-	-
<b>Concentrated proprietary positions</b>				
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	-	-	-
<b>Opening Positions in futures and options</b>				
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	-	-	111,608,500
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
<b>Short sell positions</b>				
3.10	i. In case 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. In case 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	<b>Total Ranking Liabilities</b>	-	-	111,608,500
		<b>1,418,494,042</b>	<b>Liquid Capital</b>	<b>1,048,465,622</b>

**Calculations Summary of Liquid Capital**

(i) Adjusted value of Assets (serial number 1.20)	1,913,366,298
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(753,292,176)
(iii) Less: Total ranking liabilities (series number 3.11)	(111,608,500)
	<u>1,048,465,622</u>

32.	<b>GENERAL</b>	<b>2023</b>	<b>2022</b>
32.1	<b>Customers assets held in the Central Depository System</b>		
	No. of shares	<u>722,764,212</u>	<u>680,845,608</u>
	Value of shares (Rupees)	<u>8,298,734,663</u>	<u>9,331,020,390</u>
32.2	<b>Number of employees</b>	<b>2023</b>	<b>2022</b>
		<b>Number</b>	
	Total number of employees as at the year end	<u>108</u>	<u>106</u>
	Average number of employees during the year	<u>107</u>	<u>108</u>
32.3	<b>Date of authorization of the financial statements</b>		
	The financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on <u>18 OCT 2023</u> .		
32.4	<b>Level of rounding</b>		

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

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Chief Executive



  
Director