AUDITED FINANCIAL STATEMENTS
OF
FDM CAPITAL SECURITIES
(PRIVATE) LIMITED
FOR THE YEAR ENDED
JUNE 30, 2022

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

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INDEPENDENT AUDITORS' REPORT

To the members of FDM Capital Securities (Private) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **M/s. FDM Capital Securities (Private) Limited** (the Company), which comprise the statement of financial position as at **June 30, 2022**, and the statement of profit or loss, the statement of 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 ('the financial statements'), and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and, respectively, give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- 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.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the statement of financial position was 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: November 05, 2022
UDIN: AR202210210fOWMsg95H

FDM Capital Securities (Private) Limited

Statement of Financial Position

As at June 30, 2022

	Note	2022	(Restated) 2021
		Rupees	
ASSETS			
Non-current assets			
Property and equipment	4	23,403,794	13,024,925
Intangible assets	5	3,500,000	3,500,000
Long term deposits and advances	6	4,000,000	4,000,000
		30,903,794	20,524,925
Current assets			
Trade debts	7	50,263,412	73,428,733
Short term investments	8	150,407,183	197,059,936
Deposits, loans and other receivables	9	19,588,330	72,494,545
Income tax refundable	10	3,965,595	3,521,281
Cash and bank balances	11	154,226,160	159,576,708
		378,450,680	506,081,203
Total assets		409,354,474	526,606,128
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital	12	150,000,000	150,000,000
Issued subscribed and paid up capital	12	139,000,000	139,000,000
Capital reserve			
Capital contribution from directors		5,900,852	5,900,852
Revenue reserve			
Unappropriated profits		127,528,044	174,980,919
		272,428,896	319,881,771
Non-current liabilities			
Loans from directors	13	-	28,059,123
Current liabilities			
Trade and other payables	14	105,921,862	178,635,137
Current matutity of loans from directors	13	30,905,342	-
Payable to provident fund		98,374	-
Markup accrued		-	30,097
		136,925,578	178,665,234
Contingencies and commitments	15	-	-
Total equity and liabilities		409,354,474	526,606,128

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive

Director

FDM Capital Securities (Private) Limited

Statement of Profit or Loss

For the year ended June 30, 2022

	Note	2022	(Restated) 2021
		Rupees	
Commission revenue	16	69,575,157	137,387,351
(Loss) / income from investments - net	17	(43,356,055)	84,567,280
		26,219,102	221,954,631
Administrative expenses	18	(72,975,895)	(90,550,089)
Other expenses	19	(2,160,050)	(1,623,645)
Other income	20	6,797,207	7,173,642
		(68,338,738)	(85,000,092)
Finance costs	21	(2,859,805)	(636,486)
(Loss) / profit before taxation		(44,979,441)	136,318,053
Taxation	22	(2,473,434)	(5,821,011)
(Loss) / profit after taxation		(47,452,875)	130,497,042

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive

Director

FDM Capital Securities (Private) Limited

Statement of Comprehensive Income

For the year ended June 30, 2022

	2022	*(Restated)* 2021
	Rupees	
(Loss) / profit after taxation	(47,452,875)	130,497,042
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	(47,452,875)	130,497,042

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive

Director

FDM Capital Securities (Private) Limited

Statement of Changes in Equity

For the year ended June 30, 2022

	Issued, subscribed and paid up capital	Unappropriated profits	Capital contribution from a Director	Total
	Rupees			
Balance as at June 30, 2020	130,000,000	44,483,877	-	174,483,877
Total comprehensive income for the year ended June 30, 2021				
- Profit after taxation	-	130,497,042	-	130,497,042
- Other comprehensive income	-	-	-	-
	-	130,497,042	-	130,497,042
Effect of discounting of loan term loan from director	-	-	5,900,852	5,900,852
Transaction with owners				
- Issue of right shares	9,000,000	-	-	9,000,000
Balance as at June 30, 2021 (restated)	139,000,000	174,980,919	5,900,852	319,881,771
Total comprehensive income for the year ended June 30, 2022				
- Loss after taxation	-	(47,452,875)	-	(47,452,875)
- Other comprehensive income	-	-	-	-
	-	(47,452,875)	-	(47,452,875)
Balance as at June 30, 2022	139,000,000	127,528,044	5,900,852	272,428,896

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive

Director

FDM Capital Securities (Private) Limited

Statement of Cash Flows

For the year ended June 30, 2022

	Note	2022	(Restated) 2021
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(44,979,441)	136,318,053
Adjustment for non-cash and other items:			
- Depreciation on property and equipment	4	4,519,303	1,669,135
- Trade debts written off	19	1,610,290	323,645
- Profit on saving accounts	20	(1,404,217)	(185,090)
- Profit on deposits placed with NCCPL / PSX	20	(1,228,954)	(1,968,467)
- Reversal of provision against expected credit losses	20	-	(2,423,612)
- Rental income	20	(480,000)	(360,000)
- Gain on sale of operating fixed assets	20	(378,467)	(103,934)
- Finance costs	21	2,859,805	636,486
Cash (used in) / generated from operating activities before working capital changes		(39,481,681)	133,906,216
Effects of working capital changes			
(Increase) / decrease in current assets			
- Trade debts		21,555,031	(50,041,719)
- Short term investments		46,652,753	(79,314,404)
- Deposits, loans and other receivables		53,580,911	(63,032,037)
Increase / (decrease) in current liabilities			
- Trade and other payables		(72,713,275)	71,866,693
- Payable to provident fund		98,374	-
		49,173,794	(120,521,467)
Cash generated from operations		9,692,113	13,384,749
Income tax paid		(2,917,748)	(2,709,752)
Finance costs paid		(43,683)	(174,093)
Long term deposits placed		-	100,000
Net cash generated from operating activities		6,730,682	10,600,904
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(23,656,705)	(3,542,979)
Proceeds from sale of operating fixed assets		9,137,000	600,000
Profit received on saving accounts		1,174,507	185,090
Profit received on deposits placed with NCCPL / PSX		1,063,968	1,968,467
Rental income received		200,000	360,000
Net cash used in investing activities		(12,081,230)	(429,422)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of right shares		-	9,000,000
Loan obtained from directors		-	31,000,000
Net cash generated from investing activities		-	40,000,000
Net (decrease) / increase in cash and cash equivalents		(5,350,548)	50,171,482
Cash and cash equivalents at the beginning of the year		159,576,708	109,405,226
Cash and cash equivalents at the end of the year		154,226,160	159,576,708

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive

Director

1. INTRODUCTION

1.1 **FDM Capital Securities (Private) Limited** ('the Company') was incorporated in Pakistan on July 29, 2001 as a private limited company under the Companies Ordinance, 1984 (which has now been repealed by the enactment of the Companies Act, 2017 in May 2017). The Company is a Trading Rights Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (PSX) and is categorized as a 'Trading and Self-Clearing' broker under the Securities and Exchange Commission of Pakistan (SECP). The Company is also a member of Pakistan Mercantile Exchange Limited (PMEX).

The principal activities of the Company are investments, share brokerage and Initial Public Offer (IPO) underwriting.

1.2 The address of all business units of the Company are as follows:

Registered Office:

The registered office of the Company is situated at Room Nos. 620-621, Stock Exchange Building, Stock Exchange Road, Karachi.

Branch Office:

The Branch office of the Company is situated at Suit No. 506, 5th Floor, Emerald Tower, Near 2 Talwar, Block-5, Clifton, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements of the Company 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

- 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 directives issued, under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investments in equity instruments and mutual funds which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(a) Useful lives and residual values of property and equipment
(b) Effective interest rate use to determine the present value of future cash flows of long term loan from
(c) Provision for taxation

2.5 New Accounting Pronouncements

2.5.1 *Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2022.*

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

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

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

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and equipment

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.

3.2 Intangible assets

Trading Right Entitlement Certificate (TREC) and Membership card of PMEX

The useful lives of these assets are indefinite and hence, no amortization is charged by the Company.

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

3.3 Trade debts

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.

3.4 Cash and cash equivalents

Cash in hand and at banks are carried at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand and bank balances.

3.5 Taxation

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 realized or the deferred income tax liability is settled.

A deferred tax asset is recognized only to the extent that the entity has sufficient taxable temporary differences or their is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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 recognized deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

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 realize the asset and settle the liability simultaneously.

3.6 Provisions and contingent liabilities

Provisions

A provision is recognized 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 recognized for future operating losses.

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.

3.7 Financial assets

3.7.1 *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) fair value through other comprehensive income (FVOCI).
(c) 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 amortized cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.7.2 *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 or 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 in accordance is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized 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 recognized 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 recognized in other comprehensive income is not reclassified from equity to profit or loss.

Dividends received from investments measured at fair value through profit or loss 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

3.7.3 *Impairment*

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

For trade debts , 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 recognizes 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 amortized cost are deducted from the gross carrying amount of the assets.

3.7.4 *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.

3.8 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.

3.9 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to setoff the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

3.10 Revenue

Revenue from trading activities - brokerage commission

Commission revenue arising from sales / purchase of securities on clients' behalf is recognized on the date of settlement of the transaction by the clearing house.

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.

4. PROPERTY AND EQUIPMENT

	Office premises	Furniture and fixtures	Office equipment	Vehicles	Computers	Total
	Rupees					
At June 30, 2020						
Cost	30,731,465	462,735	2,128,307	13,065,629	5,626,302	52,014,438
Accumulated depreciation	(24,835,176)	(374,752)	(1,573,898)	(8,057,709)	(5,525,756)	(40,367,291)
Net book value	5,896,289	87,983	554,409	5,007,920	100,546	11,647,147
Movement during the year ended June 30, 2021						
Opening net book value	5,896,289	87,983	554,409	5,007,920	100,546	11,647,147
Additions	-	1,920,949	911,732	-	710,298	3,542,979
Disposals:						
- Cost	-	-	-	(2,400,000)	-	(2,400,000)
- Accumulated depreciation	-	-	-	1,903,934	-	1,903,934
	-	-	-	(496,066)	-	(496,066)
Depreciation charge	(589,629)	(13,211)	(63,643)	(916,842)	(85,810)	(1,669,135)
Closing net book value	5,306,660	1,995,721	1,402,498	3,595,012	725,034	13,024,925
At June 30, 2021						
Cost	30,731,465	2,383,684	3,040,039	10,665,629	6,336,600	53,157,417
Accumulated depreciation	(25,424,805)	(387,963)	(1,637,541)	(7,070,617)	(5,611,566)	(40,132,492)
Net book value	5,306,660	1,995,721	1,402,498	3,595,012	725,034	13,024,925
Movement during the year ended June 30, 2022						
Opening net book value	5,306,660	1,995,721	1,402,498	3,595,012	725,034	13,024,925
Additions	-	-	69,660	22,677,000	910,045	23,656,705
Disposals:						
- Cost	-	-	-	(16,546,629)	-	(16,546,629)
- Accumulated depreciation	-	-	-	7,788,096	-	7,788,096
	-	-	-	(8,758,533)	-	(8,758,533)
Depreciation charge	(530,666)	(199,572)	(146,336)	(3,252,206)	(390,523)	(4,519,303)
Closing net book value	4,775,994	1,796,149	1,325,822	14,261,273	1,244,556	23,403,794
At June 30, 2022						
Cost	30,731,465	2,383,684	3,109,699	16,796,000	7,246,645	60,267,493
Accumulated depreciation	(25,955,471)	(587,535)	(1,783,877)	(2,534,727)	(6,002,089)	(36,863,699)
Net book value	4,775,994	1,796,149	1,325,822	14,261,273	1,244,556	23,403,794
Annual rates of depreciation	10%	10%	10%	20%	30%	

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

Particular of Assets	Cost	Accumulated Depreciation	Book value	Sale Proceeds	Gain/ (loss) disposals	Particulars of purchaser	Relationship with buyer	Mode of disposal
Civic BGW-232	3,781,956	2,898,961	882,995	1,000,000	117,005	Mr.Sarfaraz Uddin	None	Negotiation
Civic BPM-640	3,768,087	2,083,880	1,684,207	1,587,000	(97,207)	M/s.EN Sons Enterprises	None	Negotiation
Honda BRV - BG-5304	3,115,586	2,318,663	796,923	800,000	3,077	M/s.Al-Haram Automobiles	None	Negotiation
Peugeot-BK-6378	5,881,000	486,592	5,394,408	5,750,000	355,592	Mr. Salman Yaqoob	None	Negotiation
	16,546,629	7,788,096	8,758,533	9,137,000	378,467			

5. INTANGIBLE ASSETS	Note	2022	2021
		Rupees	
Trading Rights Entitlement (TRE) Certificate			
Cost		8,170,850	8,170,850
Less: Accumulated Impairment		(5,670,850)	(5,670,850)
	5.1	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited		1,000,000	1,000,000
		3,500,000	3,500,000

5.1 Pursuant to the promulgation of the Stock Exchanges (Corporatization, Demutualization and Integration) Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012, the Company received a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of Pakistan Stock Exchange Limited (PSX). This is being carried at cost less accumulated impairment computed based on the notional value of the TREC as notified by PSX.

6. LONG TERM DEPOSITS AND ADVANCES	Note	2022	2021
		Rupees	
Trading deposits			
- National Clearing Company of Pakistan Limited	6.1	1,400,000	1,400,000
- Central Depository Company of Pakistan Limited		100,000	100,000
		1,500,000	1,500,000
Advances			
- Pakistan Mercantile Exchange Limited (PMEX)	6.2	2,500,000	2,500,000
		4,000,000	4,000,000

6.1 These includes basic deposits and security deposits (including the security deposit relating to DFC market).

6.2 This represent an advance made to Pakistan Mercantile Exchange Limited (PMEX) for acquiring an office space at NCEL Building Project.

7. TRADE DEBTS	Note	2022	2021
		Rupees	
Trade receivables - gross		52,384,526	75,549,847
Less: Provision against expected credit losses	7.2	(2,121,114)	(2,121,114)
		50,263,412	73,428,733

7.1 As of the reporting date, the Company held equity securities having fair value of Rs. 882.514 million (2021: Rs. 1,103 million) owned by its clients, as collaterals against trade debts.

7.1.1 Total customer assets held in central depository system including collaterals against trade payable amounts to Rs.2,896.49 million (2021:Rs.3,514.68 million).

7.2 Movement in provision against expected credit losses	Note	2022	2021
		Rupees	
Balance at the beginning of the year		2,121,114	4,544,726
Reversed during the year	20	-	(2,423,612)
Balance at the end of the year		2,121,114	2,121,114

8 SHORT TERM INVESTMENTS -
At fair value through profit or loss

	Note	2022	2021
Investment in equity securities			
- Quoted equity securities	8.1	146,747,799	194,706,922
- Unquoted equity securities	8.2	1,473,014	1,473,014
		148,220,813	196,179,936
Units of mutual funds	8.3	2,186,370	880,000
		150,407,183	197,059,936

8.1 Investment in quoted equity securities

2022	2021	Name of Investee	Scrip Symbol	2022	2021
Number of shares				Market value in Rupees	
25,000	125,000	AISHA STEEL MILLS LIMITED	ASL	276,250	3,113,750
10,000	10,000	AISHA STEEL MILLS LIMITED - PREFERENCE SHARES	ASLPS	132,700	351,000
25,000	50,000	AMRELI STEELS LIMITED	ASTL	586,000	2,172,000
25,000	25,000	ASKARI BANK LIMITED	AKBL	435,750	568,250
-	10,661	ASKARI GENERAL INSURANCE COMPANY LIMITED	AGIC	-	217,804
-	2,500	ATTOCK REFINERY LIMITED	ATRL	-	641,125
33,750	-	AVANCEON LIMITED	AVN	2,629,463	-
-	50,000	AZGARD NINE LIMITED	ANL	-	1,694,500
50,000	50,000	BANK AL HABIB LIMITED	BAHL	2,903,000	3,506,000
50,000	50,000	BANK ALFALAH LIMITED	BAFL	1,600,000	1,609,000
25,000	-	BANKISLAMI PAKISTAN LIMITED	BIPL	301,000	-
10,000	-	BECO STEEL LIMITED	BECO	168,700	-
-	10,250	BERGER PAINTS PAKISTAN LIMITED	BERG	-	894,620
20,000	-	BESTWAY CEMENT LIMITED	BWCL	2,539,600	-
-	5,000	BUXLY PAINTS LIMITED	BUXL	-	275,000
22,000	20,000	CENTURY INSURANCE COMPANY LIMITED	CENI	374,000	380,000
25,120	25,120	CHERAT CEMENT COMPANY LIMITED	CHCC	2,337,165	4,455,786
25,033	24,333	CHERAT PACKAGING LIMITED	CPPL	2,826,726	4,840,077
5,000	1,000	CNERGYICO PK LIMITED	CNERGY	26,700	11,610
10,000	10,000	CRESCENT STEEL & ALLIED PRODUCTS LIMITED	CSAP	416,700	839,800
-	25,000	DESCON OXYCHEM LIMITED	DOL	-	671,000
-	250	ENGRO CORPORATION LIMITED	ENGRO	-	73,653
25,000	25,000	ENGRO FERTILIZERS LIMITED	EFERT	2,216,000	1,756,750
50,000	50,000	ENGRO POLYMER & CHEMICALS LIMITED	EPCL	3,981,500	2,362,000
25,000	25,000	ENGRO POWERGEN QADIRPUR LIMITED	EPQL	564,250	535,000
100,000	100,000	FAUJI CEMENT COMPANY LIMITED	FCCL	1,417,000	2,300,000
100,000	100,000	FAUJI FERTILIZER BIN QASIM LIMITED	FFBL	2,024,000	2,641,000
50,000	50,000	FAUJI FERTILIZER COMPANY LIMITED	FFC	5,511,000	5,305,000
25,000	50,000	FAUJI FOODS LIMITED	FFL	165,750	903,000
25,000	25,000	FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED	FCEPL	1,707,000	2,877,000

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2022	2021	Name of Investee	Scrip Symbol	2022	2021
Number of shares				Market value in Rupees	
5,000	5,000	GADOON TEXTILE MILLS LIMITED	GADT	1,350,000	1,292,300
15,000	25,000	GHANDHARA TYRES & RUBBER COMPANY LIMITED	GTYR	510,150	2,195,750
40,300	40,300	GHANI GLASS LIMITED	GHGL	1,645,449	1,942,460
-	125,000	GHANI GLOBAL GLASS LIMITED	GGGL	-	3,382,500
28	525	GHANI GLOBAL HOLDINGS LIMITED	GGL	462	26,061
20,000	20,000	GLAXOSMITHKLINE PAKISTAN LIMITED	GLAXO	2,498,600	3,313,400
25,000	40,000	GUL AHMED TEXTILE MILLS LIMITED	GATM	845,250	2,029,200
25,000	10,000	HI-TECH LUBRICANTS LIMITED	HTL	991,250	709,100
50,000	-	HUM NETWORK LIMITED	HUMNL	356,000	-
10,021	10,291	IBL HEALTHCARE LIMITED	IBLHL	520,992	1,143,639
8,750	8,750	ICI PAKISTAN LIMITED	ICI	6,339,813	7,602,000
5,750	5,750	IGI HOLDINGS LIMITED	IGIHL	636,813	1,112,970
50,000	20,000	INTERLOOP LIMITED	ILP	3,050,000	1,400,600
10,000	11,000	INTERNATIONAL INDUSTRIES LIMITED	INIL	1,037,300	2,321,220
25,000	25,000	INTERNATIONAL STEELS LIMITED	ISL	1,484,000	2,335,250
-	75,000	JAHANGIR SIDDIQUI & COMPANY LIMITED	JSCL	-	1,692,000
-	50,000	JS BANK LIMITED	JSBL	-	285,500
850,000	250,000	K-ELECTRIC LIMITED	KEL	2,584,000	1,045,000
25,000	25,000	KOHAT CEMENT COMPANY LIMITED	KOHC	3,253,250	5,162,250
-	40,000	KOT ADDU POWER COMPANY LIMITED	KAPCO	-	1,774,000
125,000	100,000	LOTTE CHEMICAL PAKISTAN LIMITED	LOTCHEM	2,952,500	1,544,000
25,000	75,000	MAPLE LEAF CEMENT FACTORY LIMITED	MLCF	683,750	3,523,500
8,255	8,255	MARI PETROLEUM COMPANY LIMITED	MARI	14,361,554	12,583,839
15,000	10,000	MCB BANK LIMITED	MCB	1,844,700	1,598,300
-	15,000	MERIT PACKAGING LIMITED	MERIT	-	264,900
3,000	-	MILLAT TRACTORS LIMITED	MTL	2,617,770	-
50,000	11,600	MUGHAL IRON AND STEEL INDUSTRIES LTD	MUGHAL	2,882,000	1,211,040
25,000	25,000	NATIONAL BANK OF PAKISTAN	NBP	698,750	914,250
10,000	-	NETSOL TECHNOLOGIES LIMITED	NETSOL	997,400	-
25,000	20,000	NISHAT (CHUNIAN) LIMITED	NCL	1,119,750	1,005,800
50,000	50,000	NISHAT CHUNIAN POWER LIMITED	NCPL	745,500	751,000
50,000	50,000	NISHAT POWER LIMITED	NPL	975,000	982,500
25,000	-	OCTOPUS DIGITAL LIMITED	OCTOPUS	1,782,750	-
10,000	-	OIL & GAS DEVELOPMENT COMPANY LIMITED	OGDC	786,700	-
7,500	7,500	PACKAGES LIMITED	PKGS	2,991,450	4,089,000
25,000	50,000	PAK ELEKTRON LIMITED	PAEL	397,250	1,753,000
100,000	100,000	PAKGEN POWER LIMITED	PKGP	1,849,000	2,466,000
10,001	-	PAKISTAN ALUMINIUM BEVERAGE CANS LIMITED	PABC	315,332	-
100,000	100,000	PAKISTAN INTERNATIONAL BULK TERMINAL LIMITED	PIBTL	602,000	1,138,000
7,500	7,500	PAKISTAN NATIONAL SHIPPING CORPORATION	PNSC	361,950	545,250
2,502	3,551	PAKISTAN OXYGEN LIMITED	PAKOXY	316,503	550,405
10,000	10,000	PAKISTAN PETROLEUM LIMITED	PPL	675,100	868,300
30,000	-	PAKISTAN REINSURANCE COMPANY LIMITED	PAKRI	262,500	-
1,652,953	1,702,953	PAKISTAN STOCK EXCHANGE LIMITED	PSX	16,909,709	37,992,881
24,600	1,261	PANTHER TYRES LIMITED	PTL	797,040	87,173
25,000	25,000	PIONEER CEMENT LIMITED	PIOC	1,508,250	3,276,750
4,500	5,000	RUPALI POLYESTER LIMITED	RUPL	171,000	170,000
50,000	50,000	SAIF POWER LIMITED	SPWL	1,042,000	867,000
15,555	15,555	SERVICE GLOBAL FOOTWEAR LIMITED	SGF	625,000	899,546
50,000	50,000	SHABBIR TILES & CERAMICS LIMITED	STCL	731,500	1,667,500
500	500	SIEMENS PAKISTAN ENGINEERING CO. LTD.	SIEM	324,995	328,815
25,000	25,000	SITARA PEROXIDE LIMITED	SPL	356,500	707,250
25,000	25,000	STANDARD CHARTERED BANK (PAKISTAN) LTD.	SCBPL	477,750	847,000
-	25,000	SUI NORTHERN GAS PIPELINES LIMITED	SNGP	-	1,214,500
-	50,000	SUI SOUTHERN GAS COMPANY LIMITED	SSGC	-	665,000
12,298	5,694	SYNTHETIC PRODUCTS ENTERPRISES LIMITED	SPEL	173,279	244,899
20,000	11,000	SYSTEMS LIMITED	SYS	6,597,200	6,162,420
500	-	TELECARD LIMITED	TELE	5,415	-
5,500	6,000	THAL LIMITED	THALL	1,482,910	2,536,680
56,250	-	THE BANK OF PUNJAB	BOP	304,875	-
50,000	25,000	THE HUB POWER COMPANY LIMITED	HUBC	3,408,500	1,991,750
27,500	-	THE ORGANIC MEAT COMPANY LIMITED	TOMCL	600,600	-
70,000	-	TPL PROPERTIES LIMITED	TPLP	1,411,200	-
25,000	21,500	TREET CORPORATION LIMITED	TREET	729,500	1,064,035
70,000	60,000	TRG PAKISTAN LIMITED - CLASS 'A'	TRG	5,413,100	9,979,800
1,916	6,466	TRI-PACK FILMS LIMITED	TRIPF	316,140	1,186,511
30,000	-	UNITY FOODS LIMITED	UNITY	602,100	-
23,287	23,287	WAVES SINGER PAKISTAN LIMITED	WAVES	296,444	634,804
-	160,000	WORLDCALL TELECOM LIMITED	WTL	-	633,600
20	20	ZEAL PAK CEMENT FACTORY LIMITED - FREEZE	ZELP	-	-
4,904,889	4,643,372			146,747,799	194,706,923

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

	June 30 , 2022		June 30, 2021	
	Number of securities	Fair value	Number of securities	Fair value
	Rupees			
Clients	188,000	11,179,285	338,000	42,136,815
Brokerage House	2,916,892	71,040,627	2,936,578	117,553,391
	3,104,892	82,219,912	3,274,578	159,690,206

8.1.2 The number and fair value of securities pledged with Banks are as follows:

	June 30 , 2022		June 30, 2021	
	Number of securities	Fair value	Number of securities	Fair value
	Rupees			
Clients	796,400	45,915,968	935,200	54,694,710
Brokerage House	454,621	23,493,563	464,621	40,580,888
	1,251,021	69,409,531	1,399,821	95,275,598

8.2 Investment in unquoted equity securities

This represents the investment in 200,000 ordinary shares (2021: 200,000 ordinary shares) of M/s.Dawood Family Takaful Limited.

8.3 Investment in units of mutual funds

2021	2022	Name of Funds	Fund Symbol	2022	2021
Number of units				Market value in Rupees	
50,000	50,000	HBL GROWTH FUND - CLASS A	HGFA	257,500	415,000
50,000	50,000	HBL GROWTH FUND - CLASS B SEGMENT	HGFB	645,000	-
150,000	150,000	HBL INVESTMENT FUND - CLASS A	HIFA	300,000	465,000
150,000	150,000	HBL INVESTMENT FUND - CLASS B SEGMENT	HIFB	970,500	-
134	-	AL HAMRA DAILY DIVIDEND FUND	ALHDDF	13,370	-
400,134	400,000			2,186,370	880,000

9. DEPOSITS, LOANS AND OTHER RECEIVABLES

	2022	2021
	Rupees	
Deposits		
Deposits placed with NCCPL in respect of:		
- Exposure margin on Ready Market	5,200,000	29,100,000
- Exposure margin on DFCs	10,978,390	34,313,426
- Deposits placed with NCCPL in respect of Loss on DFCs	1,772,605	5,760,425
- Exposure margin and loss on GEM	124,775	-
	18,075,770	69,173,851
Loans		
Loan to employees - unsecured	35,000	571,000
Other receivables		
Receivable from director	-	2,646,694
Dividend receivable	-	103,000
-Receivable from NCCPL against profit held on Deliverable Futures Contracts	535,540	-
Rent receivable	280,000	-
Profit receivable on saving accounts	229,710	-
Profit receivable on deposits with NCCPL / PSX	164,986	-
Others	267,324	-
	1,477,560	2,749,694
	19,588,330	72,494,545

10. INCOME TAX REFUNDABLE

	Note	2022 Rupees	2021 Rupees (Restated) (refer note 28)
Opening balance		3,521,281	6,632,540
Advance tax paid during the year		2,917,748	2,709,752
Less: Provision for current tax for the year		(2,473,434)	(5,821,011)
		3,965,595	3,521,281

11. CASH AND BANK BALANCES

	Note	2022 Rupees	2021 Rupees
Cash in hand		10,527	42,674
Cash at bank:			
- current accounts		143,611,497	159,425,071
- saving accounts	11.1	10,604,136	108,963
		154,215,633	159,534,034
		154,226,160	159,576,708

11.1 This amount carries interest ranging from 6% to 7.5% per annum (2021: 5% to 6%).

11.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 88.10 million (2021: Rs. 138.30 million).

12. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022 (Number of shares)	2021 (Number of shares)		2022 Rupees	2021 Rupees
		Authorized capital		
1,500,000	1,500,000	Ordinary shares of Rs. 100/- each	150,000,000	150,000,000
		Issued, subscribed and paid up capital		
		Ordinary shares of Rs.100/- each		
1,390,000	1,390,000	Issued for cash	139,000,000	139,000,000

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

12.2 As of the reporting date, the pattern of shareholding of the Company was as follows:

	June 30, 2022		June 30, 2021	
Shareholder name	**Shares held**	**% of holding**	Shares held	% of holding
Mohammad Farooq Moosa	1,299,997	93.52%	1,299,997	93.52%
Mohammad Munir	90,003	6.48%	90,003	6.48%
	1,390,000	100%	1,390,000	100%

13. LOANS FROM DIRECTORS

	Note	2022 Rupees	2021 Rupees
Opening balance		28,059,123	2,500,000
Loan received during the year		-	31,000,000
Effect of discounting of the loan credited to equity		-	(5,900,852)
Effect of unwinding of loan during the year	21	2,846,219	459,975
		30,905,342	28,059,123
Less: Current maturity shown under current liabilities		(30,905,342)	-
		-	28,059,123

13.1 The company received an interest free loan from it's director for the purpose of working capital financing. Since the loan is to be repaid after 2 years from the date of disbursement, it has been discounted at the company's borrowing rate of KIBOR + 3%. Hence the company measured it at its present value 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).

14. TRADE AND OTHER PAYABLES

	2022	2021
	Rupees	
Creditors	87,720,491	137,494,005
Exposure withheld	14,410,645	30,648,528
Commission payable to dealers	1,083,054	2,894,288
Accrued expenses	1,536,190	2,719,195
Profit on DFCs payable to clients	426,285	1,391,203
Withholding income tax payable	215,437	1,254,242
Others	529,760	2,233,676
	105,921,862	178,635,137

15. CONTINGENCIES AND COMMITMENTS

As of the reporting date, there were no material contingencies and commitments to report (2021: None).

16. COMMISSION REVENUE

	Note	2022	2021
		Rupees	
Brokerage commission		68,963,076	136,754,291
Book building and IPO commission		612,081	633,060
		69,575,157	137,387,351

17. (LOSS) / INCOME FROM INVESTMENTS - net

	2022	2021
Capital (loss) / gain:		
- Realized gain on disposal - net	9,738,933	8,203,590
- Net change in unrealized (loss) / gain	(64,344,589)	71,110,814
	(54,605,656)	79,314,404
Other returns:		
- Dividend income on investment in quoted equity securities	10,103,796	5,252,876
- Dividend income on investment in mutual funds	1,145,805	-
	11,249,601	5,252,876
	(43,356,055)	84,567,280

18. ADMINISTRATIVE EXPENSES

	Note	2022	2021
Commission to dealers		29,723,093	58,672,045
Salaries, benefits and allowances	*18.1*	14,550,163	10,921,306
Communication expense		6,036,624	3,066,616
Depreciation	*4*	4,519,303	1,669,135
Repairs and maintenance		3,910,883	4,102,561
Directors' remuneration	*23*	2,784,000	2,784,000
PSX, SECP and CDC charges		2,399,316	2,194,020
NCCPL charges		1,326,192	1,678,683
Electricity charges		1,826,261	647,962
Entertainment expenses		1,722,160	1,070,378
Legal and professional charges		618,004	474,550
Printing and stationery		474,900	471,078
Insurance		256,700	-
Auditor's remuneration	*18.2*	960,000	851,600
Miscellaneous		1,868,296	1,946,155
		72,975,895	90,550,089

18.1 This includes Rs. 49,187/- in respect of staff retirement benefits.

		Note	2022	2021
18.2	Auditor's remuneration		——— Rupees ———	
	Audit fee		700,000	600,000
	Certification and advisory services		260,000	251,600
			960,000	851,600

19. OTHER EXPENSES

	2022	2021
Trade debts written off	1,610,290	323,645
Zakat	544,760	1,300,000
Donation	5,000	-
	2,160,050	1,623,645

20. OTHER INCOME

	Note	2022	2021
Profit on saving accounts		1,404,217	185,090
Profit on deposits placed with NCCPL / PSX		1,228,954	1,968,467
Reversal of provision against expected credit losses	7.2	-	2,423,612
Rental income		480,000	360,000
Gain on sale of operating fixed assets		378,467	103,934
Others		3,305,569	2,132,539
		6,797,207	7,173,642

21. FINANCE COSTS

	Note	2022	2021
Interest on unwinding of loans from directors	13	2,846,219	459,975
Markup on short term borrowings		13,586	176,511
		2,859,805	636,486

22. TAXATION

	2022	2021 (Restated) (refer note 28)
Current tax	2,473,434	5,821,011

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

22.2 *Relationship between tax expense and accounting (loss) / income*	2022	2021
	——— Rupees ———	
(Loss) / profit before taxation	(44,979,441)	136,318,053
Accounting tax expense as per applicable rate	(13,044,038)	39,532,235
Tax effect of income taxed under FTR / reduced rate	(4,660,089)	(4,335,894)
Tax effect of exempt / notional income	18,659,931	(20,622,136)
Effect of carryforward of prior year tax losses	-	(8,446,918)
Effect of minimum tax and others taxable adjustments-net	1,517,630	(306,276)
	2,473,434	5,821,011

23. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

Particulars	2022			2021		
	Chief Executive	Director	Total	Chief Executive	Director	Total
Managerial Remuneration (Rupees)	1,392,000	1,392,000	2,784,000	1,392,000	1,392,000	2,784,000
Number of persons	1	1	2	1	1	2

23.1 Presently, the Company has no 'executives' as defined in the Fifth Schedule to the Companies Act, 2017.

23.2 In addition to the above emoluments, the Chief Executive and Director of the Company have been provided with Company-maintained cars.

24. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel including directors and their close family members and major shareholders of the Company. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Remuneration of the Chief Executive and Directors is disclosed in note 23 to the financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

24.1 Name of the related party, relationship with the Company and the nature of transaction / balance	2022	2021
	Rupees	
<u>KEY MANAGEMENT PERSONNEL</u>		
Mr. Muhammad Farooq (CEO / Director)		
Trade payable at year end	66,424	115,658
Mr. Muhammad Munir (Director)		
Transactions during the year		
Loan received	-	31,000,000
Balance at year end		
Trade receivable / (payable) at year end	306,516	(982,443)
<u>CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL</u>		
Mr. Faizan Farooq		
Trade payable at year end	1,059,938	1,333,112
Mr. Qasim Farooq		
Trade payable at year end	43,886	33,410
Ms. Anjum Banoo		
Trade payable at year end	439,818	1,645,985
Mr. Abdul Basit Munir		
Trade receivable at year end	2,260	1,382
Mr. Muqeet Munir		
Trade payable at year end	2,177	82,192

24.2 The Company has a practice of not charging any commission from its directors and their spouses / children in respect of trading in securities carried out on their behalf.

24.3 The Company's branch office (referred to in note 1.2) has been rented out to the Company by Mr. Faizan Farooq (son of the Chief Executive). The rental arrangement is on a non-arm's length basis whereby the Company has been granted a right of use the said office premises for a nominal rent of Rs. 1,000 per month.

25. FINANCIAL INSTRUMENTS

25.1 Financial risk analysis

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market 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

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

- Credit risk
- Liquidity risk
- Market risk

25.1.1 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

The maximum exposure to credit risk at the reporting date was as follows:

	Note	2022	2021
		Rupees	
Long term deposits		1,500,000	1,500,000
Trade debts	*(a)*	50,263,412	73,428,733
Deposits, loans and other receivables		19,588,330	72,494,545
Bank balances	*(b)*	154,215,633	159,534,034
		225,567,375	306,957,312

Note (a) - Credit risk exposure on trade debts

Credit risk of the Company mainly arises from deposits with banks, trade debts, short term deposits, loans and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, 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.

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

	June 30, 2022		June 30, 2021	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	Rupees			
Past due 1-30 days	35,003,345	-	69,012,706	54,942
Past due 31-180 days	11,171,095	-	2,824,508	44,618
Past due 181-365 days	4,395,732	-	767,633	159,616
More than 365 days	1,814,354	2,121,114	2,945,000	1,861,938
	52,384,526	2,121,114	75,549,847	2,121,114

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:

	Short term rating	Credit rating agency	2022	2021
			Rupees	
Askari Bank Limited	A-1+	PACRA	-	6,050
Bank Al-Falah Limited	A-1+	PACRA	5,033,024	128,332
Bank Al-Habib Limited	A-1+	PACRA	7,370,730	21,279,709
Habib Bank Limited	A-1+	JCR-VIS	6,555,353	676,564
Habib Metropolitan Bank Limited	A-1+	PACRA	127,627,784	137,443,379
JS Bank Limited	A-1+	PACRA	1,000,000	-
Meezan Bank Limited	A-1+	JCR-VIS	6,628,742	-
			154,215,633	159,534,034

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. As of the reporting date, the Company was exposed to the following concentrations of credit risk:

	June 30, 2022			June 30, 2021		
	Total exposure	Concentration	% of total exposure	Total exposure	Concentration	% of total exposure
	Rupees					
Trade debts	50,263,412	7,750,460	15%	73,428,733	3,821,574	5%
Bank balances	154,215,633	127,627,784	83%	159,534,034	137,443,379	86%
		135,378,244			141,264,953	

25.1.2 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 following are the contractual maturities of financial liabilities:

	June 30, 2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
Non-derivative financial liabilities	---------- Rupees ----------					
Trade and other payables	105,176,665	105,176,665	105,176,665	-	-	-

	June 30, 2021					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
Non-derivative financial liabilities	---------- Rupees ----------					
Trade and other payables	175,147,219	175,147,219	175,147,219	-	-	-
Accrued markup	30,097	30,097	30,097	-	-	-
	175,177,316	175,177,316	175,177,316	-	-	-

25.1.3 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. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risks: foreign currency risk, price risk and interest rate risk. The market risks associated with the Company's business activities are discussed as under:

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/ mark up 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. Presently, daily stock market fluctuation is controlled by regulatory authorities which reduces the volatility of prices of equity securities. The Company manages price risk by monitoring the exposure in quoted 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 securities and mutual funds 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 on 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, the amount realized on 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 securities in particular sectors of the market.

Sensitivity analysis

The table below summarizes Company's price risk as of June 30, 2022 and 2021 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end 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 investment portfolio.

	Fair value (Rupees)	Hypothetical price change	Estimated fair value after hypothetical change in prices (Rupees)	Hypothetical effect on profit / loss before tax (Rupees)
June 30, 2022	**148,934,169**	**10% increase**	**163,827,586**	**14,893,417**
		10% decrease	**134,040,752**	**(14,893,417)**
June 30, 2021	195,586,922	10% increase	215,145,614	19,558,692
		10% decrease	176,028,229.80	(19,558,692)

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.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective interest rate (%)		Carrying amounts (Rs.)	
	2022	2021	2022	2021
Financial assets				
Variable rate instruments				
Balance held in saving accounts	6-7.5%	5% - 6%	10,604,136	108,963

Fair value sensitivity analysis for fixed rate instruments

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 profit or loss and equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

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
	------------- Rupees -------------	
As at June 30, 2022		
Cash flow sensitivity - Variable rate financial instruments	106,041	(106,041)
As at June 30, 2021		
Cash flow sensitivity - Variable rate financial instruments	1,090	(1,090)

		2022	2021
25.2	**Financial instruments by category**	------------- Rupees -------------	
25.2.1	**Financial assets**		
	At fair value through profit or loss		
	Short term investments	150,407,183	197,059,936
	At amortized cost		
	Long term deposits	1,500,000	1,500,000
	Trade debts	50,263,412	73,428,733
	Deposits, loans and other receivables	19,588,330	72,494,545
	Cash and bank balances	154,226,160	159,576,708
		225,577,902	306,999,986
25.2.2	**Financial liabilities**		
	At amortized cost		
	Loans from directors	30,905,342	28,059,123
	Trade and other payables	105,176,665	175,177,316
	Accrued markup	-	30,097
		136,082,007	203,266,536

26. FAIR VALUE OF ASSETS AND LIABILITIES

The Company measures fair value of its assets and liabilities 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:

	Level 1	Level 2	Level 3	Total
	Rupees			
June 30, 2022				
Short term investments	148,934,169	-	1,473,014	150,407,183
June 30, 2021				
Short term investments	195,586,922	-	1,473,014	197,059,936

27. CAPITAL RELATED DISCLOSURES

27.1 Capital management

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.

Following is the capital analysis of what company manages as capital:

	2022	2021
	--------- Rupees -------	
Borrowings:		
Loan from directors	33,500,000	33,500,000
Shareholders' equity:		
Issued, subscribed and paid up capital	139,000,000	139,000,000
Unappropriated profits	127,528,044	174,980,919
	266,528,044	313,980,919
	300,028,044	347,480,919

The Company is not subject to any externally imposed capital requirements other than the ones specified in notes 27.2 and 27.3 below.

27.2 Capital Adequacy Level

The Capital Adequacy Level as defined by the Central Depository Company of Pakistan Limited (CDC) is calculated as follows:

	Note	2022	2021
		Rupees	
Total assets	27.2.1	409,354,474	526,606,128
Less: Total liabilities		(136,925,578)	(206,724,357)
Less: Revaluation reserves (created upon revaluation of fixed assets)		-	-
Capital Adequacy Level		272,428,896	319,881,771

27.2.1 While determining the value of the total assets of the Company, notional value of the TRE certificate as determined by Pakistan Stock Exchange Limited has been considered.

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27.3 Liquid Capital [as per the requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016]

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	23,403,794	23,403,794	-
1.2	Intangible Assets	3,500,000	3,500,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	112,943,381	18,452,726	94,490,655
	ii. If unlisted, 100% of carrying value.	3,101,884	3,101,884	-
	iii.100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities.	34,361,918	34,361,918	-
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,500,000	1,500,000	-
1.9	Margin deposits with exchange and clearing house.	18,075,770	-	18,075,770
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	2,500,000	2,500,000	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	229,710	-	229,710
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. *(Securities purchased under repo arrangement shall not be included in the investments.)*	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months PLUS ii. Advance tax to the extent it is netted with provision of taxation.	4,000,595	4,000,595	-
	iii. Receivables other than trade receivables	547,324	547,324	-
1.16	Receivables from clearing house or securities exchange(s)			
	i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	700,526	-	700,526

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.17	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. *i. Lower of net balance sheet value or value determined through adjustments.*	-	-	-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. *ii. Net amount after deducting haircut*	-	-	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, *iii. Net amount after deducting haricut*	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. *iv. Balance sheet value*	28,922,608	-	28,922,608
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. *v. Lower of net balance sheet value or value determined through adjustments*	21,032,028	606,333	20,425,695
	vi. 100% haircut in the case of amount receivable from related parties.	308,776	308,776	-
1.18	Cash and Bank balances			
	I. Bank Balance-proprietary accounts	66,124,888	-	66,124,888
	ii. Bank balance-customer accounts	88,090,745	-	88,090,745
	iii. Cash in hand	10,527	-	10,527
1.19	*Subscription money against investment in IPO / offer for sale (asset)* 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.	-	-	-
1.20	Total Assets	409,354,474		317,071,124
2. Liabilities				
2.1	Trade Payables			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	87,720,491	-	87,720,491
2.2	Current Liabilities			
	i. Statutory and regulatory dues	745,197	-	745,197
	ii. Accruals and other payables	17,554,548	-	17,554,548
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	30,905,342	-	30,905,342
	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 statements	-	-	-
2.3	Non-Current Liabilities			
	i. Long-Term financing	-	-	-
	a. 100% haircut may be allowed against Long-Term financing obtained from financial institution including amount due against finance leases	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements.	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.4	Subordinated Loans	-	-	-
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted.	-	-	-
2.5	*Advance against shares for increase in capital of securities broker*			
	100% haircut may be applied 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	Total Liabilities	136,925,578		136,925,578
3. Ranking Liabilities Relating to :				
3.1	Concentration in Margin Financing			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
3.2	Concentration in securities lending and borrowing			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	Net underwriting Commitments			
	<u>(a) in the case of right issues :</u> if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	<u>(b) in any other case :</u> 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions			
	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	-	-	-
3.7	Repo adjustment			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	Concentrated proprietary positions			
	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	-	-	-
3.9	Opening Positions in futures and options			
	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		-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met		-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
	Short sell positions			
3.10	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilities	-	-	-
		272,428,896	Liquid Capital	180,145,546

28. CORRECTION OF A PRIOR PERIOD ERROR

Tax refundable due from government / Provision for taxation

During the year ended June 30, 2021, the Company computed normal taxable income as provided the provision for current tax as per the applicable rate of tax. However, while computing the taxable income, the effect of prior year business loss were erroneously ignored / omitted and could not be accounted for in computing taxable income. Resultantly, the current tax expenses reported higher excluding the benefit on carryforward of business losses and other taxable adjustment that amounts to Rs. 9.029 million.

In these financial statement, the above error has been duly rectified retrospectively and the corresponding figures impacted by the error have been restated as follows:

	Taxation - Net payable	Tax refundable due from government	Unappropriated profit
		Rupees	
a) Effects of restatement on statement of Financial position			
Balance as at June 30, 2021 (as previously reported)	5,508,616	-	165,951,022
(Decrease) in tax payable / Increase in income tax refundable	(5,508,616)	3,521,281	9,029,897
Balance as at June 30, 2021 (as restated)	-	3,521,281	174,980,919
b) Effects of restatement on statement of Profit or loss			Taxation
Balance as at June 30, 2021 (as previously reported)			14,850,908
(Decrease) in tax payable / Increase in income tax refundable			(9,029,897)
Balance as at June 30, 2021 (as restated)			5,821,011

29. GENERAL

29.1 Reclassification of corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purpose of comparison and better presentation. Following reclassifications have been made in these financial statements.

Reclassified from component	Reclassified to component	Amount (Rupees)
Pakistan Mercantile Exchange Limited (PMEX) *(Long term deposits)*	Pakistan Mercantile Exchange Limited (PMEX) *(Long term advances)*	2,500,000
Exposure and loss deposit with NCCPL *(Deposits, loans and other receivables)*	Exposure margin on Ready Market *(Deposits, loans and other receivables)*	29,100,000
Exposure and loss deposit with NCCPL *(Deposits, loans and other receivables)*	Exposure margin on DFCs *(Deposits, loans and other receivables)*	34,313,426

Reclassified from component	Reclassified to component	Amount (Rupees)
Exposure and loss deposit with NCCPL *(Deposits, loans and other receivables)*	Deposits placed with NCCPL in respect of Loss on DFCs *(Deposits, loans and other receivables)*	5,760,425
Accrued expenses *(Trade and other payables)*	Withholding income tax payable *(Trade and other payables)*	52,058
Accrued expenses *(Trade and other payables)*	Others *(Trade and other payables)*	2,233,676
Brokerage commission expense *(Operating revenue)*	Commission to dealers *(Administrative expenses)*	58,672,045
Dividend income *(Operating revenue)*	Dividend income *((Loss) / income from investments - net)*	5,252,876
Capital gain on investment-net *(Statement of profit or loss)*	Realized gain on disposal - net *((Loss) / income from investments - net)*	8,203,590
Net unrealized gain on remeasurement of investments to fair value *(Statement of profit or loss)*	Net change in unrealized (loss) / gain *((Loss) / income from investments - net)*	71,110,814
Profit on future cash margin *(Operating revenue)*	Profit on deposits placed with NCCPL / PS *(Other income)*	1,966,938
Profit on BMC cash deposit *(Operating revenue)*	Profit on deposits placed with NCCPL / PS *(Other income)*	1,529
Rent, rates and taxes *(Administrative expenses)*	Miscellaneous *(Administrative expenses)*	7,010
Bank charges *(Finance cost)*	Miscellaneous *(Administrative expenses)*	72,897
Miscellaneous *(Administrative expenses)*	Trade debts written off *(Other expenses)*	323,645
Miscellaneous *(Administrative expenses)*	Zakat *(Other expenses)*	1,300,000

29.2 Number of employees

Number of persons employed by the Company as on the year end were 37 (2021: 31) and average number of employees during the year were 38 (2021: 26).

29.3 Date of authorization of financial statements for issue

These financial statements were approved by the Board of Directors of the Company in their meeting held on NOV. 04, 2022.

29.4 Level of rounding

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

Chief Executive

Director