REANDA
Reanda Haroon Zakaria & Company
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF H.M IDREES H. ADAM (PRIVATE) LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **H.M IDREES H. ADAM (Private) Limited** which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity, the statement of cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity, 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, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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 skepticism throughout the audit. We also:

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

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

b) the statement of financial position, the statement of profit or loss, statement of other comprehensive income, the statement of changes in equity, 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 Company's business; and

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

e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, section 62 of the Futures Market Act 2016 and the relevant requirements of Securities Brokers (Licensing 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 **Farhan Ahmed Memon**.

REANDA HAROON ZAKARIA & COMPANY CHARTERED ACCOUNTANTS

Reanda Haroon Zakaria & Co.

Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 24 OCT 2022

UDIN: AR202210147BnR8rI14Z

AS ON JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	7	**62,319,697**	9,225,898
Investment property	8	**2,610,000**	3,132,000
Investment at fair value through OCI	9	**83,201,174**	122,414,055
Intangible assets	10	**5,020,133**	5,030,049
Long term security deposits	11	**4,520,000**	4,520,000
Deferred tax asset	12	**12,349,413**	-
		170,020,417	144,322,003
Current Assets			
Trade debts- consider good		**449,144**	437,393
Short term loan	13	-	41,000,000
Short term deposits and other receivables	14	**5,133,561**	28,722,513
Short term investments	15	**273,908,608**	304,369,717
Receivable from associates	16	-	15,067,038
Tax refunds due from government		**7,165,125**	3,325,018
Cash and bank balances	17	**2,774,825**	8,421,960
		289,431,263	401,343,639
Total Assets		**459,451,680**	545,665,642
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
17,000,000 Ordinary shares of Rs. 10 each		**170,000,000**	170,000,000
Issued, subscribed and paid up capital	18	**141,439,260**	141,439,260
Reserve		**305,252,701**	392,984,043
Revaluation Surplus	19	**1,352,189**	1,502,432
Shareholders' Equity		**448,044,150**	535,925,735
Non-Current Liability			
Deferred tax liabilty	12	-	694,633
Long term security deposits		**75,000**	75,000
Current Liability			
Trade and other payables	20	**11,332,530**	8,970,275
Contingencies and Commitments	21		
Total Equity and Liabilities		**459,451,680**	545,665,642

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

Director

	Note	2022 Rupees	2021 Rupees
Operating revenue	22	**6,345,698**	8,700,191
Gain on re-measurement of investment carried at fair value through profit and loss - Net		**(41,983,766)**	44,503,176
Gain on disposal of investment carried at fair value through profit and loss - Net		**(10,989,333)**	94,748,143
		(46,627,401)	147,951,510
Operating expenses	23	**(29,804,060)**	(18,689,503)
Operating (Loss) / Profit		**(76,431,461)**	129,262,007
Other income	24	**16,751,606**	37,049,425
Financial cost	25	**(170,584)**	(64,458)
(Loss) / Profit before taxation		**(59,850,439)**	166,246,974
Taxation - current	26	**11,181,735**	(2,335,402)
(Loss) / Profit after taxation		**(48,668,704)**	163,911,573

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

H M IDREES H. ADAM (P) LTD.

Director

REANDA HAROON ZAKARIA & COMPANY CHARTERED ACCOUNTANTS

	Issued, subscribed and paid up capital	Reserve					Shareholders equity
		Capital	Surpuls of Revaluation of Property	Revaluaution surplus transferred to equity	Revenue	Sub Total	
	----------------------- Rupees -----------------------						
Balance as at June 30, 2020	89,439,260	56,944,075	-	-	78,186,730	135,130,805	224,570,065
Profit for the year	-	-	-	-	163,911,573	163,911,573	163,911,573
Reserves transferred on merger	-	70,847,815	-	-	-	70,847,815	70,847,815
Share issued other than cash	52,000,000	-	-	-	-	-	-
Revaluation Surplus	-	-	1,502,432	-	-	1,502,432	1,502,432
Gain on remeasurement At fair through OCI-Net	-	24,596,281	-	-	-	24,596,281	24,596,281
Total comprehensive income for the year	52,000,000	95,444,096	1,502,432		163,911,573	260,858,101	260,858,101
Balance as at June 30, 2021	**141,439,260**	**152,388,172**	**1,502,432**		**242,098,303**	**394,486,475**	**535,925,735**
Loss for the year	-	-	-	-	**(48,668,704)**	**(48,668,704)**	**(48,668,704)**
Transered to equity	-	-	-	**150,243**		**150,243**	**150,243**
Less: Transferred to equity in respect of incremental depreciation	-	-	**(150,243)**	-	-	-	**(150,243)**
Loss on remeasurment of investment at FV-OCI	-	**(39,212,881)**	-	-	-	**(39,212,881)**	**(39,212,881)**
Total comprehensive income for the year	-	**(39,212,881)**	**(150,243)**	**150,243**	**(48,668,704)**	**(87,731,342)**	**(87,881,585)**
Balance as at June 30, 2022	**141,439,260**	**113,175,291**	**1,352,189**	**150,243**	**193,429,599**	**308,107,322**	**448,044,150**

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

H. M. IDREES H. ADAM (PVT) LTD.

Director

REANDA HAROON ZAKARIA & COMPANY CHARTERED ACCOUNTANTS

FOR THE YEAR ENDED JUNE 30, 2022

	2022 *Rupees*	*2021* *Rupees*
(Loss) / Profit after taxation	**(48,668,704)**	163,911,573
Reserves transferred on merger	**-**	70,847,815
Revaluation Surplus	**1,352,189**	1,502,432
(Loss) / Gain on remeasurement At fair through OCI-Net	**(39,212,881)**	24,596,281
Total comprehensive (loss) / income for the year	**(86,529,396)**	260,858,101

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

Director

FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	**(59,850,439)**	166,246,974
Adjustment for non-cash charges and other items		
Depreciation	**7,456,772**	1,161,050
Realized profit	**10,989,333**	(94,748,143)
Unrealized gain	**41,983,766**	(44,503,176)
Gain on disposal of fixed asset	**-**	(78,667)
Amortization	**9,916**	14,800
Finance cost	**170,584**	64,458
	60,610,372	(138,089,678)
Cash Generated before working capital changes	**759,933**	28,157,296
Working Capital Changes		
(Increase) in current assets		
Trade debts- consider good	**(11,751)**	(14,203)
Other Receivables	**-**	(15,067,038)
Trade deposits and short term prepayments	**23,588,952**	(25,318,500)
	23,577,201	(40,399,741)
Increase in current liabilities		
Trade and other payables	**2,362,255**	6,476,546
Cash generated from / (used in) operations after working capital changes	**26,699,389**	(5,765,899)
Taxes paid	**-**	849,690
Net cash generated from / (used in) operating activities	**26,699,389**	(4,926,209)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	**60,550,571**	
Proceeds from disposal of fixed assets	**-**	1,500,000
Acquisition/disposal of short term investment	**(92,897,095)**	(42,976,695)
Net cash used in investing activities	**(32,346,524)**	(41,476,695)
Net decrease in cash and cash equivalent (A+B)	**(5,647,135)**	(46,402,904)
Cash and cash equivalents at beginning of year	**8,421,960**	54,824,863
Cash and cash equivalents at end of year	**2,774,825**	8,421,960

The annexed notes from 1 to 39 form an integral part of these financial statements.

H.M. IDREES H. ADAM (PVT) LTD.

Chief Executive Officer

Director

REANDA HAROON ZAKARIA & COMPANY CHARTERED ACCOUNTANTS

1 CORPORATE INFORMATION, OPERATIONS AND LEGAL STATUS

H. M. Idress H. Adam is a (Private) Limited (the Company) was incorporated in Pakistan on March 08, 2013 as a single member private limited company under the Companies Act, 2017. On June 7,2017 the status of the company changed from Single Member Company to Private Limited Company . The Company is a corporate member of the Pakistan Stock Exchange. The principal objects of the Company include share brokerage, money market transactions, consultancy services, underwriting etc. The registered office of the company is Office No. 901, 9th Floor, New Karachi Stock Exchange Building, Off I.I. Chundrigar Road, Karachi-74000, Pakistan.

2 A novel strain of coronavirus (COVID - 19) that first surfaced in China was classified as pandemic by the World Health Organization (WHO) on March 11, 2020 impacting countries globally. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of business, travel bans, quarantines, social distancing, and closure of non - essential services etc. These measures have resulted in a overall economic slowdown, disruptions to businesses and significant volatility in Pakistan Stock Exchange (PSX). However, currently, the potential impact of COVID-19 remain uncertain, including among other things on economic conditions, businesses and consumers. The company is conducting business with some modifications to employees working and cancellation of certian events, among other modifications while following all necessary Standard Operating Procedures (SOP's). The company will continue to actively monitor the situation and may take further action that alter its business operations as may be required by federal, provisional and local authorities or that are in the best interest of the employees, customers and stock holders. However management based on its assessment considered that there would be no significant impact that will adversely affect its business, results of operations and financial conditions in future periods.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

Where 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.

Preparation of financial statements also include disclosure required by Securities Brokers (Licensing and Operations) Regulations, 2016.

3.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for certain investments which are measured at fair value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information

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

3.4 *Use of estimates and judgments*

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

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

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

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the financial statements are described as follows: -

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

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

c) Intangible Assets
The Company reviews the value of the intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of intangible assets with a corresponding effect on impairment.

d) Investments stated at Fair Value
The Company has determined fair value of certain investments by using quotations from active market. The value exist at specific point in time and may affect carrying values in future.

e) Trade and Other Receivables
The Company reviews its debtors portfolio regularly to assess amount of any provision required against such trade debtors and provisions are made to the extent the amount is considered doubtful.

3.5 *Standards, amendments and interpretations which became effective during the year*

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below :

The company has adopted the following accounting standards, interpretations and the amendments on IFRSs which became effective for the current year:

- IAS 7 – Statement of Cash flow - Disclosure Initiative - (Amendments).
- IAS 12 – Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments).

The adoption of the above amendments to accounting standards did not have any effect on the financial statements.

4 *NEW / REVISED ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED ACCOUNTING STANDARDS, AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE*

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July, 2020 other than those disclosed in note are considered not to be relevant or do not have any significant effect on the company's financial statements and are therefore not stated in these financial statements.

Standards, interpretations and amendments to published approved accounting standards 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 01 July, 2020:

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) - Effective for periods beginning on or after 1 January 2022

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)- Effective for periods beginning on or after July 2021

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) - Effective for periods beginning on or after 01 July 2021

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

5.1 IFRS 9 'Financial Instruments'

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. Changes in accounting policies if any, resulting from adoption of IFRS 9 have been applied retrospectively. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for sale. IFRS 9, classifies financial assets in the following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL

- 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.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities.

(ii) Classification and measurement of financial assets and financial liabilities

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss. Trade and other receivables are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9. Given the Company's experience of collection history and no historical loss rates / bad debts and normal receivable aging, the move from an incurred loss model to an expected loss model has not had an impact on the financial position and / or financial performance of the Company.

Loss allowance on debt securities are measured at 12 months expected credit losses as those are determined to have low credit risk at the reporting date. Since there is no loss given default, therefore no credit loss is expected on these securities. Loss allowance on other securities and bank balances is also measured at 12 months expected credit losses. Since these assets are short term in nature, therefore no credit loss is expected on these balances.

5.2 Property and equipment

5.2.1 Owned

These are stated at cost less accumulated depreciation and impairment, if any. Subsequent to initial recognition these are stated at revalued amount less accumulated depreciation and accumulated impairment except for freehold land which is stated at revalued amount. Such costs include the cost of replacing parts of fixed assets when that cost is incurred. Maintenance and normal repairs are charged to profit and loss account as and when incurred. Depreciation is charged to profit and loss account over the useful life of the asset on a systematic basis applying the reducing balance method at the rates specified in note 7 to the financial statements.

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

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amount.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposals, if any, are included in the profit and loss account.

5.3 *Impairment of nnon-financial asset*

The carrying amounts of the Company's assets, for which policy is given separately, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists the assets' recoverable amount, being higher of value in use and fair value less cost to sell, is estimated. An impairment loss is recognised wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are charged to profit and loss account.

5.4 *Financial assets and liabilities*

5.4.1 *Initial Recognition*

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received plus or minus transaction costs (except financial asset at FVTPL where transaction costs are charged to profit or loss). These are subsequently measured at fair value or amortized cost as the case may be.

5.4.2 *Classification of financial assets*

The Company classifies its financial instruments in the following categories:

- at amortized cost.
- at fair value through other comprehensive income ("FVTOCI"), or
- at fair value through profit or loss ("FVTPL").

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost
Financial assets that meet the following conditions are subsequently measured at amortized cost:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI
Financial assets that meet the following conditions are subsequently measured at FVTOCI:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income provided that the investment is neither held for trading nor its a contingent consideration in a business combination.

fair value through OCI.

5.4.3 Classification of Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

5.4.4 Subsequent measurement

Financial assets at FVTOCI
These are measured at fair value, with gains or losses arising from changes in fair value recognized in OCI.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities at FVTPL
Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

5.4.5 Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets that are measured at amortized cost.

The company measures loss allowance at an amount equal to life time ECLs, except for the following, which are measured at 12 months ECL:

- Debt security that are determined to have low credit risk at the reporting date.

- Other debt security and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivable are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information n and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

5.4.6 Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

5.5 Settlement date accounting

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognized at the settlement date. Trade date is the date on which the Company commits to purchase or sale an asset.

5.6 Financial instruments

5.6.1 Financial assets and liabilities

Financial assets include investments, deposits, loans, advances, other receivables, receivable from funds and cash and bank balances.

Financial liabilities include accrued expenses and other liabilities and liabilities against assets subject to finance lease. Financial liabilities are classified according to the substance of the contractual agreement entered into.

At the time of initial recognition, all the financial assets and liabilities are measured at cost, which is the fair value of the consideration given or received for it. Transaction costs are included in the initial measurement of all financial assets and liabilities except for transaction costs that may be incurred on disposal. The particular recognition method adopted for recognition of financial assets and liabilities subsequent to initial recognition is disclosed in the policy statement associated with each item.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Corresponding income on the asset and charge on the liability is also off-set.

5.6.3 *Related party transactions and transfer pricing*

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at arm's length prices which are determined in accordance with the methods prescribed in the Companies Act, 2017.

5.7 *Employee retirement benefits-defined contribution plan*

The Company operates recognised provident fund scheme for all its eligible employees. Equal monthly contributions are made, both by the Company and its employees, to the fund at the rate of 10 percent of basic salary.

5.8 *Cash and cash equivalents*

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalent consist of bank balances and running finances under mark-up arrangements.

5.9 *Trade debts and other receivables*

Trade debts and other receivables are recognized and carried at original invoiced amount. When a trade debt is uncollectible, it is written off and charge to profit and loss account. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

5.10 *Trade and other payables*

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

5.11 *Proposed dividend and transfer between reserves*

Dividends declared and transfer between reserves, except appropriations which are required by the law, made subsequent to the balance sheet date are considered as non adjusting events and are recognized in the financial statements in the year in which such dividends are declared or transfers between reserves are made.

5.12 *Revenue recognition*

Commission income is recognised on accrual basis.

Gains and losses on sale of marketable securities are recognised on the date of sale.

Dividend income is recorded when the right to receive the dividend is established. Return on securities other than shares is recognised on accrual basis.

Return on bank deposits are recognised on accrual basis. Other income is recognised as and when earned.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, if it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.14 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. The Company has only one reportable segment.

5.15 Taxation

Current

The charge for current taxation is based on taxable income at current rates of taxation after taking into consideration available tax credits, rebates and tax losses, if any. However, for income covered under final tax regime, taxation is based on applicable tax rules under such regime. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

a) Recognition of taxation and deferred taxation;
b) Determining the useful lives of operating fixed assets;
c) Classification of investments; and
d) Impairment of financial assets.

Particulars	Offices	Office equipment	Computers and related accessories	Vehicles	Furniture and fixture	Motorcycle	Solar System	Generator	House	Total
	Rupees									
Net book value as at June 30, 2021	4,762,380	220,831	24,971	3,812,179	405,537	-	-	-	-	9,225,898
Additions	-	-	-	-	-	78,500	2,432,071	540,000	57,500,000	60,550,571
Depreciation charge	(476,238)	(44,166)	(8,240)	(762,436)	(81,107)	(1,308)	(324,276)	(9,000)	(5,750,000)	(7,456,772)
Net book value as at June 30, 2022	4,286,142	176,665	16,730	3,049,743	324,429	77,192	2,107,795	531,000	51,750,000	62,319,697
As at June 30, 2022										
Cost	4,802,400	1,187,171	755,025	10,536,014	1,361,000	78,500	2,432,071	540,000	57,500,000	79,192,181
Accumulated depreciation	(516,258)	(1,010,506)	(738,294)	(7,486,271)	(1,036,571)	(1,308)	(324,276)	(9,000)	(5,750,000)	(16,872,485)
Net book value	4,286,142	176,665	16,731	3,049,743	324,429	77,192	2,107,795	531,000	51,750,000	62,319,697
Net book value as at June 30, 2020	-	260,633	37,270	6,186,557	506,921	-	-	-	-	6,991,381
Additions Transferred through merger	4,802,400	14,500	-	-	-	-	-	-	-	4,816,900
Disposals										
- Cost	-	-	-	1,640,000	-	-	-	-	-	-
- Depreciation	-	-	-	(218,667)	-	-	-	-	-	1,640,000
	-	-	-	(1,421,333)	-					(1,421,333)
Depreciation charge	(40,020)	(54,302)	(12,299)	(953,045)	(101,384)	-	-	-	-	(1,161,050)
Net book value as at June 30, 2021	4,762,380	220,831	24,971	3,812,179	405,537	-	-	-	-	9,225,898
As at June 30, 2021										
Cost	4,802,400	1,187,171	755,025	10,536,014	1,361,000	-	-	-	-	18,641,610
Accumulated depreciation	(40,020)	(966,340)	(730,054)	(6,723,835)	(955,463)	-	-	-	-	(9,415,712)
Net book value	4,762,380	220,831	24,971	3,812,179	405,537	-	-	-	-	9,225,898
Depreciation rate	10%	20%	33%	20%	20%	20%	20%	20%	10%	

8 INVESTMENT PROPERTY

	2022	2021
Cost		
Opening	**5,220,000**	5,220,000
Closing	**5,220,000**	5,220,000
Accumulated depreciation		
Opening at July 01	**(2,088,000)**	(1,566,000)
Charge for the year	**(522,000)**	(522,000)
Closing	**(2,610,000)**	(2,088,000)
NBV at June 30	**2,610,000**	3,132,000
Rate of depreciation	**10%**	10%

8.1 These represents three offices in new stock exchange building.

9 INVESTMENTS - AT FAIR VALUE THROUGH OCI

2022	*2021*		*2022*	*2021*
Number of Shares			***Rupees***	***Rupees***
3,205,906	3,205,906	The shares of Pakistan Stock Exchange	**32,796,418**	71,523,763
3,034,603	3,034,603	The shares of Islamabad REIT Management	**50,404,756**	50,890,292
			83,201,174	122,414,055

9.1 This represents shares of Pakistan Stock Exchange Limited (PSX) formerly Karachi Stock Exchange Limited (KSEL) acquired in pursuance of corporatization and demutualization of PSX as a public company limited by shares. As per the arrangements the authorized and paid-up capital of PSX is Rs.10,000,000,000 and Rs.8,014,766,000 respectively with a par value of Rs. 10 each. The paid-up capital of PSX is equally distributed among 200 members of PSX by issuance of 4,007,383 shares to each member.

10 INTANGIBLE ASSETS

	2022 Rupees	*2021* Rupees
Membership Card of Pakistan Mercantile Exchange Ltd.	**2,500,000**	2,500,000
Pakistan Stock Exchange Trading Rights Entitlement Certificate	**2,500,000**	2,500,000
Software for trading	**20,133**	30,049
	5,020,133	5,030,049

10.1 Pakistan Stock Exchange Trading Rights Entitlement Certificate

Trading Rights Entitlement Certificate (TREC)	**2,500,000**	2,500,000
Decline in Value of (TREC)	**(2,500,000)**	(2,500,000)
	-	-

During the year company has surrender its TREC of Islamabad stock exchange.

10.2 Software for trading

Opening net book value	**30,049**	44,850
Amortization charge	**(9,916)**	(14,800)
Closing net book value	**20,133**	30,049
Cost	**1,104,500**	1,104,500
Accumulated amortization	**(1,084,367)**	(1,074,451)
	20,133	30,049

10.3 Rate of amortization

Rate of amortization	**33%**	33%

11 LONG TERM DEPOSITS

Pakistan Stock Exchange Limited (Formerly Karachi Stock Exchange Ltd.)	**200,000**	200,000
Pakistan Mercantile Exchange Limited	**2,500,000**	2,500,000
PMEX Clearing House Deposit	**500,000**	500,000
National Clearing Company of Pakistan Limited	**200,000**	200,000
Central Depository Company	**100,000**	100,000
Future Contracts	**1,000,000**	1,000,000
Others	**20,000**	20,000
	4,520,000	4,520,000

11.1 This represents Railway land deposit with Pakistan Stock Exchange Limited.

12 DEFERRED TAX (ASSET)/DEFERRED TAX LIABILITY

Relating to taxable temporary difference		
Accelerated tax deprecation	**662,600**	510,141
Gain on remeasurement of investments at FVTPL	**(8,047,962)**	5,176,118
Relating to deductible temporary difference		
Decelerated. tax amortization	**(123,211)**	(150,786)
Brought forward losses	**(4,840,840)**	(4,840,840)
	(12,349,413)	694,633

13 SHORT TERM LOAN

- Unsecured and interest free

Loan Receivable from Humaira Naveed	**-**	41,000,000

14 SHORT TERM DEPOSITS

Future exposure and other receivables	**5,133,561**	28,722,513

2022	2021		2022	2021
Number of Shares			*Rupees*	*Rupees*
4,800	4,800	Adamjee Insurance Company Limited	**151,488**	199,056
35,000	35,000	Allied Bank Limited	**2,415,000**	2,595,250
38,800	38,800	Askari Bank Limited	**676,284**	881,924
267	1,500	Attock Refinery limited	**46,933**	384,675
5,500	5,000	Avanceon limited	**428,505**	458,400
14,500	84,000	Azgard Nine Limited	**149,060**	2,846,760
500	-	AISHA STEEL MILLS LIMITED	**5,525**	-
-	24,500	Al Shaheer Corporation Limited	**-**	488,285
-	80,000	Amreli Steels Limited	**-**	3,475,200
18,480	18,480	Bank Al-Falah Limited	**591,360**	594,686
104,118	29,118	Bank Islami Pakistan	**1,253,581**	327,286
16,537	15,750	Bank of Khyber	**248,055**	255,150
562	8,000	Bank of Punjab	**3,046**	67,200
100,500	-	BALOCHISTAN GLASS LIMITED	**834,150**	-
2,500	50,000	Bolan Castings Limited	**124,550**	6,305,500
7,525	24,000	Byco Petroleum Pakistan Limited	**40,184**	278,640
24,500	24,500	Crescent steel & Allied	**1,020,915**	2,057,510
382,000	392,000	Dewan Cement Limited	**2,062,800**	4,413,920
50,000	50,000	Deewan Farroqui spinning Limited	**119,500**	177,000
1,000	-	D.G khan cement Limited	**62,500**	-
113,520	113,020	Descon Oxychem Limited	**1,782,264**	3,033,457
-	1,000	Engro polymer and chemical limited	**-**	47,240
1,000	1,000	Engro powergen qadirpur Limited	**22,570**	21,400
31,500	30,000	Fauji Cement Company Limited	**446,355**	690,000
500	-	FAUJI FERTILIZER BIN QASIM LIMITED	**10,120**	-
2,000	-	Fauji foods limited	**13,260**	-
57,500	10,000	Flying Cement Limited	**412,850**	212,800
4,500	-	Gul ahmed textile	**152,145**	-
300	3,500	Ghandara Nissan limited	**17,814**	382,305
3,500	-	GHANI GLOBAL GLASS LIMITED	**38,640**	-
500	3,500	Ghani Global Holdings Limited	**8,255**	173,740
1,000	4,000	Ghandhara Industries Limited	**157,970**	1,116,080
-	181,000	Hum Network Limited	**-**	1,451,620
-	525,984	Hascol petroleum limited	**-**	4,697,037
25,500	29,000	Hub Power Company Limited	**1,738,335**	2,310,430
400	2,000	International Industries Limited	**41,492**	422,040
-	1,500	International Steels Limited	**-**	140,115
1,208,500	1,208,500	Japan Power Generation Limited	**-**	-
3,000	3,000	JS Bank Limited	**12,000**	17,130
10,000	10,000	Jahangir Siddiqui & Co. Limited	**132,200**	225,600
85,000	527,500	K-Electric	**258,400**	2,204,950
246,500	-	KOT ADDU POWER COMPANY LIMITEI	**6,786,145**	-
34,914	33,437	Maple Leaf Cement Factory Limited	**954,898**	1,570,870
100,000	100,000	Media Times Limited	**199,000**	394,000
11,871	12,950	MCB Bank	**1,459,896**	2,069,799
		C/f	**24,878,044**	46,987,055

Energyico Pk Limited	[illegible]
Crescent Steel & Allied Products	41.67
Dewan Cement Limited	5.40
Dewan Farooque Spinning Mills	2.39
D.G. Khan Cement Company Limited	62.50
Descon Oxychem Limited	15.70
Engro Powergen Qadirpur Limited	22.57
Fauji Cement Company Limited	14.17
Fauji Fertilizer Bin Qasim Limited	20.24
Fauji Foods Limited	6.63
Flying Cement Company Limited	7.18
Gul Ahmed Textile Mills Limited	33.81
Ghani Global Glass Limited	11.04
Ghani Global Holdings Limited	16.51
Ghandhara Industries Limited	157.97
Ghandhara Nissan Limited	59.38
The Hub Power Company Limited	68.17
International Industries Limited	103.73
Js Bank Limited	4.00
Kot Addu Power Company Limited	27.53
K-Electric Limited	3.04
Mcb Bank Limited	122.98
Media Times Limited	1.99
Maple Leaf Cement Factory Limited	27.35
National Bank Of Pakistan	27.95
Nishat (Chunian) Limited	44.79
Netsol Technologies Limited	99.74
Nishat Mills Limited	73.91
Oil & Gas Development Company	78.67
Pak Elektron Limited	15.89
Pakistan International Airlines Corporation Limited - (A)	3.47
Pakistan International Bulk Terminal Limited	6.02
Pioneer Cement Limited	60.33
Pakistan Petroleum Limited	67.51
Pakistan Refinery Limited	17.89
Pakistan State Oil Company Limited	171.84
Pakistan Telecommunication	6.96
The Searle Company Limited	109.02
Silkbank Limited	1.18
Summit Bank Limited	2.24
Sui Northern Gas Pipelines Limited	34.21
Telecard Limited	10.83
Tpl Properties Limited	20.16
Treet Corporation Limited	29.18
Trg Pakistan Limited - Class 'A'	77.33
United Bank Limited	113.13
Unity Foods Limited	20.07
Waves Singer Pakistan Limited	12.73
Worldcall Telecom Limited	1.33
Yousaf Weaving Mills Limited	4.95

15.3 Detail of pledged securities is as follows:

Securites pledged with financial institutions	7,608,685
Securites pledged on account of clients	6,616,267
	14,224,952

16 RECEIVABLE FROM ASSOCIATES

Receivable from Naveed H.M. Idress	16.1	-	15,067,038

16.1 Amount receivable from Naveed H.M Idress on account of acquisition by H.M idress on meger through court order dated 16- June 2021.

17 CASH AND BANK BALANCES

	Note	2022 Rupees	2021 Rupees
Cash in hand		**29,011**	21,074
Cash at bank - current accounts		**2,736,608**	8,381,826
- saving accounts		**9,206**	19,060
		2,774,825	8,421,960

18 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022	2021			
Number of Shares		Ordinary shares of Rs.10 each		
100	100	fully paid in cash	**1,000**	1,000
8,943,826	8,943,826	fully paid other than cash	**89,438,260**	89,438,260
5,200,000	5,200,000	Ordinary shares issued other than cash	**52,000,000**	52,000,000
14,143,926	14,143,926		**141,439,260**	141,439,260

19 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT

Gross Revaluation		
Opening balance	**1,502,432**	-
Less: Transferred to equity in respect of incremental depreciation	**(150,243)**	-
	1,352,189	-

20 TRADE AND OTHER PAYABLES

Trade creditors		**2,518,112**	7,406,623
Accrued expenses		**568,659**	1,446,288
Unearned rent		**-**	60,500
Other payable		**1,327,594**	56,863
Bank Overdraft	20.1 & 20.2	**6,918,164**	-
		11,332,530	8,970,275

20.1 Short term running finance facility from Habib Metropolitan Bank amounting to Rs 50 millions with markup of 3 months kibor plus 2.5% per annum against pledge of shares remained unavailed at the end of the year.

20.2 Short term running finance facility from JS Bank amounting to Rs 60 millions with markup of 3 months kibor plus 2.5% per annum against pledge of shares, T bills and PIB's.

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

No complain is pending against the company with Pakistan Stock Exchange Limited at year end.

22 OPERATING REVENUE

Gross commission		**10,897,445**	14,439,128
Sales tax		**(1,145,821)**	(1,684,855)
		9,751,624	12,754,273
Commission to agents and dealers		**(3,405,926)**	(4,054,082)
		6,345,698	8,700,191

23 OPERATING EXPENSES

Salaries, allowances and other benefits		**9,571,000**	8,320,500
Clearing houses and related charges		**1,645,934**	2,621,724
Printing and stationery		**85,244**	90,512
Utilities		**688,245**	570,150
Rent rate and taxes		**530,750**	342,300
Auditors' remuneration	23.1	**275,000**	250,000
Fees and subscription		**841,132**	505,112
Legal & professional charges		**367,133**	1,298,900
Traveling and conveyance		**1,239,639**	869,285
Repairs and maintenance		**818,107**	1,170,881
Depreciation	7	**7,456,772**	1,683,050
Amortization	10	**9,916**	14,800
Miscellaneous and general expenses		**6,275,187**	952,288
		29,804,060	18,689,502

23.1 Auditors' remuneration

Audit remuneration	**210,980**	191,800
Net capital	**23,760**	21,600
Liquid Capital	**23,760**	21,600
Certification	**16,500**	15,000
	275,000	250,000

24 OTHER INCOME

Clearing houses and related charges		**46,830**	39,182
Custody fee		**20,927**	119,498
Rent income		**1,226,980**	1,541,000
Dividend income		**3,739,599**	5,630,522
T-bills profit		**5,268,605**	-
Interest income		**969,390**	737,939
Other commission		**4,914,718**	367,514
Gain on disposal of vehicle		-	78,667
Future Cash Margin Profit		**564,558**	535,103
Gain on merger	24.1	-	28,000,000
		16,751,606	37,049,425

under:

Assets:	
Property	**4,802,400**
Long term deposite	**10,000**
Investment at fair value through OCI	**32,427,739**
Investment at fair value through PnL	**95,051,400**
Tax refund during the government	**252,213**
Cash	**19,806,495**
	152,350,247
Equities and Liabilities:	
Share capital issued	**52,000,000**
Reserves	**70,847,815**
Surplus on revaluation of property	**1,502,432**
	124,350,247
Gain on merger	**28,000,000**

	2022	2021
25 *FINANCIAL COST*	***Rupees***	***Rupees***
Mark up on short term borrowings	**48,851**	13,913
Bank charges	**121,733**	50,545
	170,584	64,458

26 *TAXATION*

Current	**(1,862,311)**	(1,233,399)
Deferred tax		
For the year	**13,044,046**	(1,102,003)
	11,181,735	(2,335,402)

27 *REMUNERATION TO DIRECTOR*

Managerial remuneration	**430,000**	430,000
Number of persons	**3**	4

The Director has also provided with free traveling in according with term of services.

28 *FINANCIAL INSTRUMENTS BY CATEGORY*

Financial Assets		
Investment at fair value through profit or loss		
Short term investments	**273,908,608**	304,369,717
Loans and receivables		
Long term deposits	**4,520,000**	4,520,000
Trade debts	**449,144**	437,393
Cash and bank balances	**2,774,825**	8,421,960
	7,743,969	13,379,353
	281,652,577	317,749,070
Financial Liabilities		
Financial liabilities - at amortized cost		
Trade and other payables	**11,332,530**	8,970,275

performance.

Risk managed and measured by the Company are explained below: -

a) Credit risk
b) Liquidity risk
c) Market risk
d) Operational risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

Exposure to credit risk

Credit risk of the Company arises principally from the investments, trade debts, Loan and advances, accrued income, deposits, other receivables and bank balances. 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 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.

Out of the total financial assets of Rs. 281 (2021 : Rs. 348.10) million the financial assets which are subject to credit risk amounted to Rs. 281 (2021 : Rs. 348.10) million.

The carrying amount of following financial assets represents the maximum credit exposure: -

	2022	*2021*
	Rupees	***Rupees***
Long term security deposits	**4,520,000**	4,520,000
Investments - short term	**273,908,608**	304,369,717
Trade debts- consider good	**449,144**	437,393
Bank Balances	**2,745,814**	8,400,886
	281,623,566	317,727,997

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities, including estimated interest payments: -

	2022			
	Carrying Amount	*On Demand*	*Contractual Cash flows*	*Less than one year*
	---Rupees---			
Financial Liabilities				
Trade and other payables	**11,332,530**	**(11,332,530)**	**11,332,530**	**11,332,530**

	2021			
	Carrying Amount	*On Demand*	*Contractual Cash flows*	*Less than one year*
	---Rupees---			
Financial Liabilities				
Trade and other payables	8,970,275	(8,970,275)	8,970,275	8,970,275

c) ***Market Risk***

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines. Market risk comprises of three types of risk: currency risk, interest rate risk and price risk.

Currency risk

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. At year end, the Company is not exposed to any currency risk.

Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At year end, the company is not to exposes to interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows: -

	2022	2021
Variable Rate Instruments	***(Percentage)***	
Financial Liabilities		
- Short term loan		
Average rate	**Nil**	Nil

those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

30 CAPITAL RISK MANAGEMENT

The Company's objective 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 to reduce the cost of capital. The company finances its operations through equity, short term borrowings and by managing working capital.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital which is the sum of equity and net debt. Equity comprises of share capital, capital and revenue reserves. Net debt is arrived at by deducting cash and bank balances from borrowings. During the year, the Company's strategy was to maintain leveraged gearing. The gearing ratios worked out as follows:-

	2022 *Rupees*	*2021* *Rupees*
Total borrowings	-	-
Cash and bank balances	(2,774,825)	(8,421,960)
Net debt	(2,774,825)	(8,421,960)
Total equity	448,044,150	535,925,735
Total Capital	445,269,324	527,503,775
Gearing ratio	0%	0%

30.1 Gearing ratio is NIL due to NIL borrowings at the year end

31 RELATED PARTY TRANSACTIONS

Related parties comprises associated companies, directors, key management personnel of member companies and various other related parties that has an interest in the Company that gives it significant influence over the Company. Transitions with related party are disclosed below.

	2022 *Rupees*	*2021* *Rupees*
Transactions during the year		
Loan to associate	-	41,000,000
Assets acquired during the year	-	152,350,247
Equities and liabilities acquired during the year	-	124,350,247

32 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND DIRECTORS

The aggregate amount charged in the financial statements for remuneration, including certain benefits, to the Chief Executive Officer and the directors of the Company is as follows: -

	Directors	
	2022	*2021*
	------- *Rupees* -------	
Managerial remuneration	5,280,000	5,280,000
Number of persons	3	4

33 *NET CAPITAL BALANCE*

CURRENT ASSETS

Cash in hand		**29,011**
Cash at bank		
- Pertaining to brokerage house		**220,882**
- Pertaining to clients		**2,524,932**
House balance		**(6,820)**
Bank balance restricted to trade creditors		**2,518,112**
Total bank balances	33.1	**2,768,005**
Trade Receivables		
Book value		**449,144**
Less: Outstanding for more than 14 days		**(449,144)**
	33.2	**-**
Investment in listed securities in the name of brokerage house		**173,326,191**
Less: 15% discount		**(25,998,929)**
	33.3	**147,327,262**
Treasury Bill		**133,378,836**
Securities purchased for client where payment has not been received in 14 days	33.4	**437,490**
Total Current Assets	A	**283,911,593**

CURRENT LIABILITIES

Trade Payables		
Book value		**2,518,112**
Less: Overdue for more than 30 days		**(940,932)**
	33.5	**1,577,180**
Other liabilities	33.6	**9,644,712**
Total Current Liabilities	**B**	**11,221,892**
NET CAPITAL BALANCE	**A minus B**	**272,689,701**

33.1 Cash at Bank

- Pertaining to brokerage house	
Current Accounts	**211,792**
Saving Accounts	**9,090**
	220,882
- Pertaining to clients	
Current Accounts	**2,524,932**
Saving Accounts	**-**
	2,524,932

33.2 Trade Receivables

Aging of trade receivables

This amount is based on 14 days Net capital aging of trade receivables

33.3 Investment in Listed Securities

Others - ordinary shares	**173,326,191**
Less: 15% discount	**(25,998,929)**
	147,327,262

33.4 Securities Held on Behalf of Client Where Payment Has Not Been Received in 14 Days

The amount represents lower of securities held and receivable above 14 days from clients.

33.5 Investment in Listed Securities

This amount is based on 30 days Net capital aging of trade payables

33.6 Other Liabilities

Trade payable over due for more than 30 days	**940,932**
Accrued expenses	**568,659**
Short Term Running Finance	**6,918,164**
Other payable	**1,327,594**
	9,755,349

S. No.	*Head of Account*	*Value in Pak Rupees*	*Hair Cut / Adjustments*	*Net Adjusted Value*
1	**ASSETS**			
1.1	Property & Equipment	64,929,697	100.00%	-
1.2	Intangible Assets	5,020,133	100.00%	-
1.3	Investment in Govt. Securities (150,000*99)	133,378,836	133,378,836	133,378,836
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.	173,326,191	25,998,929	147,327,262
	ii. If unlisted, 100% of carrying value.	50,404,756	50,404,756	-
	iii.Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been alloted or are not included in the investments of securities broker.	-	-	-
	iv.100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable.	-	100%	-
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 Securites 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.	4,520,000	100%	-
1.9	Margin deposits with exchange and clearing house.	-	-	-
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	5,133,561	100%	-

1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)			
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties			
1.13	Dividends receivables.			
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. *(**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	-	-	-
	ii. Receivables other than trade receivables		-	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.		-	-
	claims on account of entitlements against trading of securities in all markets including MtM gains.			
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***	-	-	-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***			
	iii. Incase receivalbes 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***	-	-	-
	v. Incase 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***	449,144	437,490	437,490
	vi. 100% haircut in the case of amount receivable form related parties.	-	100%	-
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietory accounts	220,882	-	220,882
	ii. Bank balance-customer accounts	2,524,932	-	2,524,932
	iii. Cash in hand	29,011	-	29,011
1.19	**Total Assets**	**439,937,142**		**283,918,413**

2 LIABILITIES

2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house		-	-
	ii. Payable against leveraged market products			
	iii. Payable to customers	2,518,112	-	2,518,112
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	1,896,253	-	1,896,253
	iii. Short-term borrowings	6,918,164	-	6,918,164
	iv. Current portion of subordinated loans	-		
	v. Current portion of long term liabilities	-		
	vi. Deferred Liabilities	-		
	vii. Provision for bad debts	-		-
	viii. Provision for taxation	-		
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	**Non-Current Liabilities**			
	i. Long-Term financing			
	a. Long-Term financing obtained from financial instituion: Long term portion of financing obtained from a financial institution including amount due against finance lease	-	-	-
	b. Other long-term financing			
	ii. Staff retirement benefits			
	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.			
	iv. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.4	**Subordinated Loans**			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.			
	ii. Subordinated loans which do not fulfill the conditions specified by SECP			
2.5	**Total Liabilites**	**11,332,529**		**11,332,529**

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 securites 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**			
	(a) in the case of right issuse : if the market value of securites 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 issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting.			
	(b) in any other case : 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 cuurency 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 securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securites 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.	-	-	-

S. No.	*Head of Account*	*Value in Pak Rupees*	*Hair Cut / Adjustments*	*Net Adjusted Value*
3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	**Short selll positions**			
	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 proprietory 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 Liabilites**	-	-	-
		428,604,613	Liquid Capital	**272,585,883**

Calculations Summary of Liquid Capital

(i)	Adjusted value of Assets (serial number 1.19)	**283,918,413**
(ii)	Less: Adjusted value of liabilities (serial number 2.5)	**(11,332,529)**
(iii)	Less: Total ranking liabilities (series number 3.11)	**-**
		272,585,883

35 PATTERN OF SHAREHOLDING

Patten of shareholding and changes therein are as follows:

S.No	Share Holders	Shares Held	% of Holdings
1)	Naveed	7,213,403	51%
2)	Imran	6,930,197	49%
3)	Abdullah	325	0.002%
4)	Zarar Haider	1	0.000%
		14,143,926	100%

36 ENTITY WIDE INFORMATION

The Company constitutes as a single reportable segment, operating in Pakistan.

37 NUMBER OF EMPLOYEES

	2022	2021
Number of employees at the year end	14	12
Average number of employees for the year	14	12

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company on ____________________.

39 GENERAL

The figures have been round off to the nearest rupee.

Chief Executive Officer

H.M. IDREES H. ADAM (PVT) LTD.

Director

HAROON ZAKARIA & COMPANY CHARTERED ACCOUNTANTS