

**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, 2023, and the statement of profit or loss, the 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, 2023, and of the profit, other comprehensive income, 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.

Emphasis of Matter

We draw attention to Note 4.1 of the financial statements, which describes the correction of errors identified during the audit process. As disclosed in the note, the specific errors have been rectified accordingly. The impact of these corrections is material to the financial statements. Management has provided appropriate explanations and evidence supporting the adjustments made.

Our opinion is not modified with respect to this matter.

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.

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, and Futures Brokers (Licensing and Operations) Regulations, 2018 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
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 07 OCT 2023

UDIN: AR202310147WMpI6dbR4

H. M. IDREES H. ADAM (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS ON JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees Restated	2021 Rupees Restated
<u>ASSETS</u>				
Non-Current Assets				
Property and equipment	7	84,793,962	71,924,497	19,897,898
Investment property	8	2,088,000	2,610,000	3,132,000
Investment at fair value through OCI	9	86,115,142	83,201,174	122,414,055
Intangible assets	10	5,013,489	5,020,133	5,030,049
Long term security deposits	11	4,561,480	4,520,000	4,520,000
Deferred tax asset	12	8,047,266	12,658,901	-
		<u>190,619,339</u>	<u>179,934,705</u>	<u>154,994,002</u>
Current Assets				
Trade debts- consider good	13	652,961	449,144	437,393
Short term Loan		-	-	41,000,000
Short term deposits and other receivables	14	3,428,076	5,133,561	28,722,513
Short term investments	15	265,745,517	273,908,608	304,369,717
Receivable from Associates		-	-	15,067,039
Tax refunds due from government		9,239,891	7,165,125	3,325,018
Cash and bank balances	16	1,955,770	2,774,825	8,421,960
		<u>281,022,215</u>	<u>289,431,263</u>	<u>401,343,640</u>
Total Assets		<u><u>471,641,554</u></u>	<u><u>469,365,968</u></u>	<u><u>556,337,642</u></u>
<u>EQUITY AND LIABILITIES</u>				
Share Capital and Reserves				
Authorized Capital				
47,000,000 (2022: 17,000,000)				
Ordinary shares of Rs. 10 each		<u>470,000,000</u>	<u>170,000,000</u>	<u>170,000,000</u>
Issued, subscribed and paid up capital	17	446,665,180	141,439,260	141,439,260
Reserve		16,264,733	316,519,178	405,158,475
Revaluation Surplus		-	-	-
Shareholders' Equity		<u>462,929,913</u>	<u>457,958,438</u>	<u>546,597,735</u>
Non-Current Liability				
Deferred tax liability		-	-	694,633
Long term security deposits		75,000	75,000	75,000
Current Liability				
Trade and other payables	18	8,636,641	11,332,530	8,970,274
Contingencies and Commitments				
Total Equity and Liabilities	19	<u><u>471,641,554</u></u>	<u><u>469,365,968</u></u>	<u><u>556,337,642</u></u>

The annexed notes from 1 to 36 form an integral part of these financial statements.



 Chief Executive Officer






 Director

H. M. IDREES H. ADAM (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	<i>Note</i>	<i>2023 Rupees</i>	<i>2022 Rupees Restated</i>	<i>2021 Rupees Restated</i>
Operating revenue	20	4,805,717	6,345,698	8,700,191
(Loss)/ gain on re-measurement of investment carried at fair value through profit and loss - Net		(12,144,923)	(41,983,766)	44,503,176
Gain / (loss) on disposal of investment carried at fair value through profit and loss - Net		<u>15,760,044</u>	<u>(10,989,333)</u>	<u>94,748,143</u>
		8,420,838	(46,627,401)	147,951,510
Operating expenses	21	<u>(39,965,759)</u>	<u>(30,871,259)</u>	<u>(18,689,502)</u>
Operating (loss)/ profit		(31,544,921)	(77,498,660)	129,262,008
Other income	22	39,423,088	16,751,606	37,049,425
Financial cost	23	<u>(1,663,467)</u>	<u>(170,584)</u>	<u>(64,458)</u>
Profit/ (Loss) before taxation		6,214,700	(60,917,639)	166,246,975
Taxation	24	(4,157,193)	11,491,223	(2,335,402)
Profit/ (Loss) after taxation		<u>2,057,507</u>	<u>(49,426,416)</u>	<u>163,911,573</u>

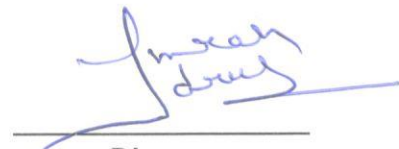
The annexed notes from 1 to 36 form an integral part of these financial statements.

ph.



Chief Executive Officer





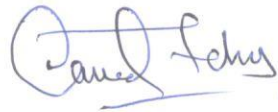
Director

H. M. IDREES H. ADAM (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees <i>Restated</i>
Profit/ (Loss) after taxation	2,057,507	(49,426,416)
Profit / (Loss) on remeasurement At fair value through OCI-Net	2,913,968	(39,212,881)
Total comprehensive income / (loss) for the year	<u>4,971,474</u>	<u>(88,639,297)</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

Pls.



Chief Executive Officer



Director

H. M. IDREES H. ADAM (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Reserve</u>					<i>Shareholders equity</i>
	<u>Capital Reserve</u>			<i>Revenue</i>	<i>Sub Total</i>	
	<i>Issued, subscribed and paid up capital</i>	<i>Surpluses of Revaluation of Property</i>	<i>Capital</i>			
----- Rupees -----						
Balance as at June 30, 2021 as previously reported	141,439,260	1,502,432	152,388,172	240,595,871	392,984,043	535,925,735
Effect of correction of errors	-	(1,502,432)	-	12,174,432	12,174,432	10,672,000
Balance as at June 30, 2021 (Restated)	141,439,260	-	152,388,172	252,770,303	405,158,475	546,597,735
Loss for the year (Restated)	-	-	-	(49,426,416)	(49,426,416)	(49,426,416)
Loss on remeasurment of investment at FV-OCI	-	-	(39,212,881)	-	(39,212,881)	(39,212,881)
Total comprehensive income/ (loss) for the year	-	-	(39,212,881)	(49,426,416)	(88,639,297)	(88,639,297)
Balance as at June 30, 2022 (Restated)	141,439,260	-	113,175,291	203,343,887	316,519,178	457,958,438
Profit for the year	-	-	-	2,057,507	2,057,507	2,057,507
Bonus shared issued @ Rs. 10 per share	305,225,920	-	-	(305,225,920)	(305,225,920)	-
Gain on remeasurment of investment at FV-OCI	-	-	2,913,968	-	2,913,968	2,913,968
Total comprehensive income/ (loss) for the	305,225,920	-	2,913,968	(303,168,413)	(300,254,446)	4,971,474
Balance as at June 30, 2023	446,665,180	-	116,089,259	(99,824,526)	16,264,733	462,929,913

The annexed notes from 1 to 36 form an integral part of these financial statements.

Plm.

[Signature]

Chief Executive Officer




[Signature]

Director

H. M. IDREES H. ADAM (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	2023 <i>Rupees</i>	2022 <i>Rupees</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	6,214,700	(60,917,639)
Adjustment for non-cash charges and other items		
Depreciation	11,384,833	8,523,972
Realized (profit)/ loss	(15,760,044)	10,989,333
Unrealized (gain)/ loss	12,144,923	41,983,766
Gain on disposal of fixed asset	(2,625,917)	-
Amortization	6,644	9,916
Finance cost	1,663,467	170,584
	6,813,906	61,677,571
Cash Generated before working capital changes	13,028,606	759,933
Working Capital Changes		
(Increase)/ decrease in current assets		
Trade debts- consider good	(203,817)	(11,751)
Trade deposits and short term prepayments	1,705,485	23,588,952
	1,501,668	23,577,201
Increase / (decrease) in current liabilities		
Trade and other payables	2,391,288	2,362,255
Cash generated from operations after working capital changes	16,921,562	26,699,389
Taxes paid	(1,620,323)	(1,977,796)
Finance cost paid	(1,663,467)	(170,584)
Net cash generated from operating activities	13,637,772	24,551,009
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(26,456,381)	60,550,571
Proceeds from disposal of fixed assets	5,350,000	-
Payment of deposits	(41,480)	-
Acquisition/disposal of short term investment	11,778,211	(97,666,881)
Net cash used in investing activities	(9,369,650)	(37,116,309)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/ addition of short term running finance	(5,087,177)	6,918,164
Net cash used in financing activities	(5,087,177)	6,918,164
Net decrease in cash and cash equivalent (A+B+C)	(819,055)	(5,647,135)
Cash and cash equivalents at beginning of year	2,774,825	8,421,960
Cash and cash equivalents at end of year	1,955,770	2,774,825

The annexed notes from 1 to 36 form an integral part of these financial statements.



Chief Executive Officer





Director

H. M. IDREES H. ADAM (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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, 902, and 903 9th Floor, New Karachi Stock Exchange Building, Off I.I. Chundrigar Road, Karachi-74000, Pakistan.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 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

2.3 Functional and presentation currency

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

2.4 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.

2.5 *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 :

2.6 *New standards, interpretations and amendments*

The company has adopted the following accounting standards, interpretations and the amendments od 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.

3 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, 2023 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.

4 RECITIFICATION OF ERROR

4.1 The Management of the company erroneously missed to record the cost of two offices at the time of merger of Naveed H.M.Idrees-(Pvt) Ltd in 2021, each valued Rs. 5,336,000/- Further, the amount of Rs. 1,502,432 was wrongly classified as revaluation surplus instead of making the part of unappropriated profit. Accordingly the financial statements for the year ended 2021 and 2022 are restated to rectify the errors of previous periods as per Para # 10.19 of International Accounting and Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs).

The error has been rectified by restating the comparative figures, opening balances of the corresponding period, and opening unappropriated profits of the corresponding period. Following are the effects of rectification of prior period errors:

<i>The effects of adjustments are summarized below:</i>	<i>Note</i>	<i>Previously reported</i>	<i>Adjustment Increase / (Decrease)</i>	<i>Re-stated</i>
		----- Rupees -----		
Effect of error on financial statements for year ended June 30, 2021				
Statement of financial position				
Non-Current Assets				
Property and equipment- Offices	7	4,802,400	10,672,000	15,474,400
NBV of offices		4,802,400	10,672,000	15,474,400
Statement of changes in equity				
Unappropriated profit		240,595,871	12,174,432	252,770,303
Surpuls of Revaluation of Property		1,502,432	(1,502,432)	-
		242,098,303	10,672,000	252,770,303
Effect of error on financial statements for year ended June 30, 2022				
Statement of financial position				
Non-Current Assets				
Property and equipment- Offices	7	4,802,400	10,672,000	15,474,400
Accumulated depreciation- Offices		(516,258)	(1,067,200)	(1,583,458)
Deferred tax asset		12,349,413	309,488	12,658,901
NBV of offices		16,635,555	9,914,288	26,549,843
Statement of changes in equity				
Unappropriated profit		193,429,599	9,914,288	203,343,887
Statement of profit or loss				
Depreciation expense		7,456,772	1,067,200	8,523,972
Deferred tax		(13,044,046)	(309,488)	(13,353,534)
		(5,587,274)	757,712	(4,829,562)

5 SIGNIFICANT ACCOUNTING POLICIES

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.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that 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.

The residual values and useful lives of assets are reviewed at each financial year end and adjusted, if appropriate.

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

5.3 Impairment of non-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.

Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized or at 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 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.

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

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.

5.6.2 Offsetting of financial assets and financial liabilities

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.

5.13 Provisions

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.

8 INVESTMENT PROPERTY	<i>Note</i>	2023 <i>Rupees</i>	2022 <i>Rupees</i>
Cost			
Opening		5,220,000	5,220,000
Additions (at Cost)		-	-
Disposals (at NBV)		-	-
Closing		<u>5,220,000</u>	<u>5,220,000</u>
Accumulated depreciation			
Opening at July 01		<u>(2,610,000)</u>	(2,088,000)
Charge for the year		<u>(522,000)</u>	(522,000)
Closing		<u>(3,132,000)</u>	(2,610,000)
NBV at June 30		<u>2,088,000</u>	<u>2,610,000</u>
Rate of depreciation		<u>10%</u>	<u>10%</u>

8.1 These represents three offices in new stock exchange building.

9 INVESTMENTS - AT FAIR VALUE THROUGH OCI

2023	2022		2023	2022
<i>Number of Shares</i>			<i>Rupees</i>	
3,205,906	3,205,906	The shares of Pakistan Stock Exchange	23,723,704	32,796,418
3,034,603	3,034,603	The shares of Islamabad REIT Management	62,391,438	50,404,756
<u>6,240,509</u>	<u>6,240,509</u>	9.2	<u>86,115,142</u>	<u>83,201,174</u>

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.

9.2 These shares have been kept with PSX for meeting BMC requirement

10 INTANGIBLE ASSETS	2023 <i>Rupees</i>	2022 <i>Rupees</i>
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	13,489	20,133
	<u>5,013,489</u>	<u>5,020,133</u>
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)	<u>(2,500,000)</u>	<u>(2,500,000)</u>
	<u>-</u>	<u>-</u>

In previous years the company has been surrendered its TREC of Islamabad stock exchange.

	Note	2023 Rupees	2022 Rupees
10.2 Software for trading			
Opening net book value		20,133	30,049
Amortization charge		(6,644)	(9,916)
Closing net book value		<u>13,489</u>	<u>20,133</u>
Cost		1,104,500	1,104,500
Accumulated amortization		<u>(1,091,011)</u>	<u>(1,084,367)</u>
		<u>13,489</u>	<u>20,133</u>
10.3 Rate of amortization			
		<u>33%</u>	<u>33%</u>

11 LONG TERM DEPOSITS

Pakistan Stock Exchange Limited		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	11.1	61,480	20,000
		<u>4,561,480</u>	<u>4,520,000</u>

11.1 This represents Railway land deposit with Pakistan Stock Exchange Limited amounting to Rs. 20,000/- and 41,480 to K- Electric.

12 DEFERRED TAX (ASSET)/DEFERRED TAX LIABILITY

Relating to taxable / (deductable) temporary difference

Accelerated tax depreciation		(388,119)	353,112
Gain on remeasurement of investments at FVTPL		(1,153,869)	(8,047,962)
Decelerated. tax amortization		(6,590)	(123,211)
Brought forward losses		(6,808,177)	(4,840,840)
		<u>(8,047,266)</u>	<u>(12,658,901)</u>

13 TRADE RECEIVABLES

- Related party (director)			
- Zarar Haider - considered good		3,460	2,785
- Others			
- Clients - considered good		649,501	446,359
		<u>652,961</u>	<u>449,144</u>

13.1 The maximum outstanding balance due from related party at the end of any month amounts to Rs. 3,460 (2022: Rs. 2,785).

13.2 Total value of securities pertaining to clients' and are in their respective sub - accounts amounts to Rs. 102.14 (2022: Rs. 116.83) Million.

	2023 Rupees	2022 Rupees
14 SHORT TERM DEPOSITS		
Future exposure and other receivables	<u>3,428,076</u>	<u>5,133,561</u>

15 SHORT TERM INVESTMENTS

- At fair value through profit and loss

2023	2022		2023	2022
Number of Shares			Rupees	Rupees
35,000	35,000	Allied Bank Limited	2,345,000	2,415,000
4,800	4,800	Adamjee Insurance Company Limited	108,624	151,488
44,620	38,800	Askari Bank Limited	578,275	676,284
14,000	14,500	Azgard Nine Limited	84,000	149,060
500	500	Aisha Steel Mills Limited	2,700	5,525
1,042	267	Attock Refinery Limited	178,838	46,933
2,300	5,500	Avanceon Limited	101,292	428,505
18,480	18,480	Bank Alfalah Limited	562,531	591,360
2,500	2,500	Bolan Castings Limited	82,500	124,550
500	100,500	Balochistan Glass Limited	5,150	834,150
-	104,118	Bankislami Pakistan Limited	-	1,253,581
16,537	16,537	The Bank Of Khyber	223,084	248,055
618	562	The Bank Of Punjab	2,144	3,046
7,505	7,525	Cnergyico Pk Limited	21,314	40,184
24,500	24,500	Crescent Steel & Allied Products Ltd	526,750	1,020,915
50,000	-	Crescent Star Insurance Limited	72,500	-
442,000	382,000	Dewan Cement Limited	1,834,300	2,062,800
50,000	50,000	Dewan Farooque Spinning Mills Ltd	105,000	119,500
-	1,000	D.G. Khan Cement Company Limited	-	62,500
113,520	113,520	Descon Oxychem Limited	2,749,454	1,782,264
1,000	1,000	Engro Powergen Qadirpur Limited	22,800	22,570
35,437	31,500	Fauji Cement Company Limited	416,739	446,355
-	500	Fauji Fertilizer Bin Qasim Limited	-	10,120
1,000	2,000	Fauji Foods Limited	5,740	13,260
18,500	57,500	Flying Cement Company Limited	102,490	412,850
300	-	Ghandhara Automobiles Limited	10,914	-
-	4,500	Gul Ahmed Textile Mills Limited	-	152,145
4,000	3,500	Ghani Global Glass Limited	23,360	38,640
550	500	Ghani Global Holdings Limited	5,429	8,255
1,000	1,000	Ghandhara Industries Limited	80,540	157,970
-	300	Ghandhara Automobiles Limited	-	17,814
26,500	25,500	The Hub Power Company Limited	1,843,879	1,738,335
400	400	International Industries Limited	29,296	41,492
1,208,500	1,208,500	Japan Power Generation Limited -Free	-	-
3,000	3,000	Js Bank Limited	14,670	12,000
10,000	10,000	Jahangir Siddiqui & Company Limited	95,000	132,200
500	246,500	Kot Addu Power Company Limited	10,400	6,786,145
452,500	85,000	K-Electric Limited	778,390	258,400
500	-	Lotte Chemical Pakistan Limited	13,750	-
11,871	11,871	Mcb Bank Limited	1,358,873	1,459,896
100,000	100,000	Media Times Limited	160,000	199,000
414	34,914	Maple Leaf Cement Factory Limited	11,729	954,898
76,500	76,500	National Bank Of Pakistan	1,490,220	2,138,175
-	4,000	Nishat (Chunian) Limited	-	179,160
2,780,894	2,829,094	<i>C/f</i>	16,057,588	27,195,379

2023	2022		2023	2022
Number of Shares			Rupees	Rupees
2,780,894	2,829,094	B/f	16,057,588	27,195,379
14,483	11,000	Netsol Technologies Limited	1,083,763	1,097,140
1,000	1,000	Nishat Mills Limited	56,770	73,910
-	4,500	Oil & Gas Development Company Ltd	-	354,015
2,500	-	National Refinery Limited	375,000	-
11,000	13,500	Pak Elektron Limited	99,550	214,515
525,500	525,000	Pakistan International Airlines corp. Ltd - (1,765,680	1,821,750
84,711	9,711	Pakistan International Bulkterminal Lt	348,162	58,460
-	500	Pioneer Cement Limited	-	30,165
3,628	29,178	Pakistan Petroleum Limited	214,560	1,969,807
7,718	85,218	Pakistan Refinery Limited	104,656	1,524,550
3,967	14,967	Pakistan State Oil Company Limited	440,377	2,571,929
500	500	Pakistan Telecommunication company	3,005	3,480
750	1,000	The Searle Company Limited	28,740	109,020
-	48,000	Silkbank Limited	-	56,640
80,000	115,000	Summit Bank Limited	140,000	257,600
1,000	1,000	Sui Northern Gas Pipelines Limited	39,370	34,210
2,500	2,500	Silver Star Insurance Companylimited	-	-
352,837	230,500	Telecard Limited	2,328,724	2,496,315
3,212	149,335	Tpl Properties Limited	40,022	3,010,594
6,500	448,000	Treet Corporation Limited	102,895	13,072,640
499,000	945,744	Trg Pakistan Limited - Class 'A'	45,972,870	73,134,384
11,800	11,800	United Bank Limited	1,386,972	1,334,934
5,297	360,297	Unity Foods Limited	82,792	7,231,161
4,000	107,500	Waves Singer Pakistan Limited	24,600	1,368,475
800	-	Waves Home Appliances Limited	3,544	-
1,145,000	1,132,500	Worldcall Telecom Limited	1,248,050	1,506,225
500	500	Yousaf Weaving Mills Limited	1,280	2,475
5,549,097	7,077,844		71,948,969	140,529,772
15.1 Investment in T-Bills			193,796,548	133,378,836
			265,745,517	273,908,608

15.2 The market value of each security is as follows :

Securities are valued using market rate as June 30, 2023 was a holiday of PSX.

	2023	2022
Allied Bank Limited	67.00	69.00
Adamjee Insurance Company Limited	22.63	31.56
Askari Bank Limited	12.96	17.43
Azgard Nine Limited	6.00	10.28
Aisha Steel Mills Limited	5.40	11.05
Attock Refinery Limited	171.63	175.78
Avanceon Limited	44.04	77.91
Bank Alfalah Limited	30.44	32.00
Bolan Castings Limited	33.00	49.82
Balochistan Glass Limited	10.30	8.30
Bankislami Pakistan Limited	-	12.04
The Bank Of Khyber	13.49	15.00
The Bank Of Punjab	3.47	5.42
Cnergyico Pk Limited	2.84	5.34
Crescent Steel & Allied Products Limited	21.50	41.67

Crescent Star Insurance Limited	1.45	-
Dewan Cement Limited	4.15	5.40
Dewan Farooque Spinning Mills Limited	2.10	2.39
D.G. Khan Cement Company Limited	-	62.50
Descon Oxychem Limited	24.22	15.70
Engro Powergen Qadirpur Limited	22.80	22.57
Fauji Cement Company Limited	11.76	14.17
Fauji Foods Limited	5.74	6.63
Flying Cement Company Limited	5.54	7.18
Ghandhara Automobiles Limited	36.38	-
Gul Ahmed Textile Mills Limited	-	33.81
Ghani Global Glass Limited	5.84	11.04
Ghani Global Holdings Limited	9.87	16.51
Ghandhara Industries Limited	80.54	157.97
Ghandhara Automobiles Limited	-	59.38
The Hub Power Company Limited	69.58	68.17
International Industries Limited	73.24	103.73
Js Bank Limited	4.89	-
Jahangir Siddiqui & Company Limited	9.50	-
Kot Addu Power Company Limited	20.80	27.53
K-Electric Limited	1.72	3.04
Lotte Chemical Pakistan Limited	27.52	-
Mcb Bank Limited	114.47	122.98
Media Times Limited	1.50	1.99
Maple Leaf Cement Factory Limited	28.33	-
National Bank Of Pakistan	19.48	27.95
Nishat (Chunian) Limited	-	44.79
Netsol Technologies Limited	74.83	99.74
Nishat Mills Limited	56.77	73.91
Oil & Gas Development Company Limited	-	78.67
National Refinery Limited	150.00	-
Pak Elektron Limited	9.05	-
Pakistan International Airlines Corporation Limited - (A)	3.36	-
Pakistan International Bulk Terminal Limited	4.11	6.02
Pioneer Cement Limited	-	60.33
Pakistan Petroleum Limited	59.14	-
Pakistan Refinery Limited	13.56	17.89
Pakistan State Oil Company Limited	111.01	171.84
Pakistan Stock Exchange Limited	7.40	-
Pakistan Telecommunication Company Ltd.	6.01	6.96
The Searle Company Limited	32.32	109.02
Silkbank Limited	-	1.18
Summit Bank Limited	1.75	2.24
Sui Northern Gas Pipelines Limited	39.37	34.21
Telecard Limited	5.60	-
Tpl Properties Limited	12.46	20.16
Treet Corporation Limited	15.83	29.18
Trg Pakistan Limited - Class 'A'	92.13	-
United Bank Limited	117.54	-
Unity Foods Limited	15.63	20.07
Waves Singer Pakistan Limited	6.15	12.73
Waves Home Appliances Limited	4.43	-
Worldcall Telecom Limited	1.09	1.33
Yousaf Weaving Mills Limited	2.56	-

	Note	2023 Rupees	2022 Rupees
15.3 Detail of pledged securities is as follows:			
Securities pledged with financial institutions	15.5	10,973,458	7,608,685
Securities pledged on account of clients		-	6,616,267
Securities pledged with NCCPL/PSX	15.4	68,299,953	40,170,041
		<u>79,273,412</u>	<u>54,394,993</u>

15.4 This represents securities that are pledged with NCCPL/ PSX for meeting ready and future margin requirements.

15.5 There are no securities pledged with financial institutions belonging to the customers.

	Note	2023 Rupees	2022 Rupees
16 CASH AND BANK BALANCES			
Cash in hand		18,187	29,011
Cash at bank - current accounts		1,919,191	2,736,608
- saving accounts		18,392	9,206
	16.1	<u>1,937,583</u>	<u>2,745,814</u>
		<u>1,955,770</u>	<u>2,774,825</u>

16.1 Bank balance pertains to:

- Clients	1,809,023	2,524,932
- Brokerage house	128,560	220,882
	<u>1,937,583</u>	<u>2,745,814</u>

17 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023 Number of Shares	2022 Number of Shares	Ordinary shares of Rs.10 each	2023 Rupees	2022 Rupees
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
30,522,592	-	Bonus shares	305,225,920	-
<u>44,666,518</u>	<u>14,143,926</u>		<u>446,665,180</u>	<u>141,439,260</u>

17.1 Pattern of Shareholding

The pattern of shareholding and changes therein are as follows:

Name of shareholders'	Shareholding Percentage	Variation in Shareholding	Existing shareholding	Bonus shares issued	Previous shareholding
	%	%	Qty	Qty	Qty
Naveed	51%	216%	22,779,927	15,566,524	7,213,403
Imran	49%	216%	21,885,562	14,955,365	6,930,197
Abdullah	0.002%	216%	1,026	701	325
Zarar Haider	0.00001%	200%	3	2	1
	100%	847%	44,666,518	30,522,592	14,143,926

18 TRADE AND OTHER PAYABLES

	Note	2023 Rupees	2022 Rupees
Trade creditors		1,803,024	2,518,112
Accrued expenses		144,022	568,659
Other payable		4,858,608	1,327,594
Bank Overdraft	18.1 & 18.2	1,830,987	6,918,164
		8,636,641	11,332,530

18.1 Short term running finance facility from Habib Metropolitan Bank amounting to Rs 50 millions with markup of 3 months kibor plus 2% (2022: 2.5%) per annum against pledge of shares, T-Bills and government securities unavailed at the end of the year.

18.2 Short term running finance facility from JS Bank amounting to Rs. 80 (2022: Rs. 60) millions with markup of 3 months kibor plus 2% (2022: 2.5%) per annum against pledge of shares and T-bills.

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

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

There are no any other contingencies at the year end (2022: nil).

20 OPERATING REVENUE

	2023 Rupees	2022 Rupees
Gross commission	5,930,558	10,897,445
Sales tax	(653,997)	(1,145,821)
	5,276,561	9,751,624
Commission to agents and dealers	(470,844)	(3,405,926)
	4,805,717	6,345,698

	Note	2023 Rupees	2022 Rupees
21 OPERATING EXPENSES			
Salaries, allowances and other benefits	29	18,626,250	9,571,000
Clearing houses and related charges		2,841,566	1,645,934
Printing and stationery		121,534	85,244
Utilities		770,259	688,245
Rent rate and taxes		544,875	530,750
Auditors' remuneration	21.1	539,420	275,000
Fees and subscription		750,259	841,132
Legal & professional charges		285,000	367,133
Traveling and conveyance		1,803,897	1,239,639
Repairs and maintenance		956,774	818,107
Depreciation	7	11,384,833	8,523,972
Amortization	10	6,644	9,916
Miscellaneous and general expenses		1,334,448	6,275,187
		<u>39,965,759</u>	<u>30,871,259</u>

21.1 Auditors' remuneration

Reanda Haroon Zakaria & Company

- Statutory audit	225,720	210,980
- Certifications	217,700	64,020
	<u>443,420</u>	<u>275,000</u>

Nasir Javaid Maqsood Imran Chartered Accountants

- PSX System audit	53,000	-
- NCCPL audit	43,000	-
	<u>539,420</u>	<u>275,000</u>

22 OTHER INCOME

Clearing houses and related charges		26,270	46,830
Custody fee		20,270	20,927
Rent income		1,065,750	1,226,980
Dividend income		4,215,511	3,739,599
T-bills profit		29,752,620	5,268,605
Interest income		1,171,212	969,390
Other commission		-	4,914,718
Gain on disposal of vehicle		2,325,917	-
Future Cash Margin Profit		545,529	564,558
Gain on merger	22.1	-	-
		<u>39,423,088</u>	<u>16,751,606</u>

22.1 In the year 2021, H. M. IDREES H. ADAM (PRIVATE) LIMITED merged with Naveed H.M Idress (Pvt.) Limited through court order dated 16 June 2021, details of merged asset and liabilities are as under:

Assets:

Property	4,802,400
Long term deposit	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
	<u>152,350,247</u>

Equities and Liabilities:

Share capital issued	52,000,000
Reserves	70,847,815
Surplus on revaluation of property	1,502,432
	<u>124,350,247</u>
Gain on merger	<u>28,000,000</u>

	Note	2023 Rupees	2022 Rupees
23 FINANCIAL COST			
Mark up on short term borrowings		-	48,851
Bank charges		1,663,467	121,733
		<u>1,663,467</u>	<u>170,584</u>

24 TAXATION

Current	24.1	603,947	1,862,311
Prior year		(1,058,389)	-
Deferred tax		4,611,635	(13,353,534)
		<u>4,157,193</u>	<u>(11,491,223)</u>

24.1 Current tax

- Normal		-	-
- Alternate Corporate Tax Section 113C		-	-
- Turnover Tax Section 113		65,957	1,355,816
- FTR	24.2	537,996	506,495
		<u>603,947</u>	<u>1,862,311</u>

24.2 FTR

- Tax on dividend		<u>537,990</u>	<u>506,495</u>
-------------------	--	----------------	----------------

25 PROVISION FOR IMPAIRMENT LOSSES & TREATMENT OF RECEIVABLES

The aging of trade debts as at the statement of financial position date is summarized below: -

	2023		2022	
	Gross	Impairment	Gross	Impairment
----- Rupees -----				
Balance outstanding				
Past due 1 - 14 days	208,984	-	-	-
Past due 15 - 30 days	3,405	-	4,764	-
Past due 31 - 60 days	127	-	3,061	-
Past due 61 - 90 days	891	-	6,761	-
Past due 91 - 365 days	5,759	-	6,001	-
365 days or more	433,795	-	428,557	-
	652,961	-	449,144	-

25.1 Treatment of receivables

Receivables are recorded on settlement basis of accounting and provision is made based on market practices and past performance.

25 FINANCIAL INSTRUMENTS BY CATEGORY

	2023 Rupees	2022 Rupees
Financial Assets		
Investment at fair value through profit or loss		
Short term investments	265,745,517	273,908,608
Loans and receivables		
Long term deposits	4,561,480	4,520,000
Trade debts	652,961	449,144
Cash and bank balances	1,955,770	2,774,825
	7,170,211	7,743,969
	272,915,728	281,652,577
Financial Liabilities		
Financial liabilities - at amortized cost		
Trade and other payables	8,636,641	11,332,530

26 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks potential adverse effects on the Company's financial 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. 272.92 (2022 : Rs. 281.65) million the financial assets which are subject to credit risk amounted to Rs. 272.92 (2022 : Rs. 281.65) million.

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

	2023 <i>Rupees</i>	2022 <i>Rupees</i>
Long term security deposits	4,561,480	4,520,000
Investments - short term	265,745,517	273,908,608
Trade debts- consider good	652,961	449,144
Bank Balances	1,937,583	2,745,814
	<u>272,897,541</u>	<u>281,623,566</u>

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.

b) **Liquidity 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: -

	2023			
	<i>Carrying Amount</i>	<i>On Demand</i>	<i>Contractual Cash flows</i>	<i>Less than one year</i>
	----- Rupees -----			
Financial Liabilities				
Trade and other payables	8,636,641	(8,636,641)	8,636,641	8,636,641
	2022			
	<i>Carrying Amount</i>	<i>On Demand</i>	<i>Contractual Cash flows</i>	<i>Less than one year</i>
	----- Rupees -----			
Financial Liabilities				
Trade and other payables	11,332,530	(11,332,530)	11,332,530	11,332,530

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: -

	2023	2022
	(Percentage)	
Variable Rate Instruments		
Financial Liabilities		
- Short term loan		
Average rate	Nil	Nil

Price risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

27 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:-

	2023 Rupees	2022 Rupees
Total borrowings	1,830,987	6,918,164
Cash and bank balances	(1,955,770)	(2,774,825)
Net debt	(124,783)	4,143,339
Total equity	462,929,913	457,958,438
Total Capital	462,805,130	462,101,778
Gearing ratio	-0.03%	0.90%

28 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. Transactions with related party are disclosed below.

	2023 Rupees	2022 Rupees
Loan from Humaira Naveed:		
Amount received & paid by the company	1,500,000	-
Balance at year end	-	-
Trade debtor	3,460	2,785
Trade creditor	2,569	2,053

29 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:-

	Chief Executive		Directors	
	2023	2022	2023	2022
	----- Rupees -----		----- Rupees -----	
Managerial remuneration	2,235,000	2,235,000	4,610,000	5,280,000
Number of persons	1	1	3	3

29.1 In addition to above, chief executive and director are also allowed trading of shares without commission charges, Company maintained vehicle and reimbursement of various house hold expenses.

29.2 Family members of directors are paid training cost fees amounting to Rs. 7.96 million for learning day-to-day business activities of the company.

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1	ASSETS			
1.1	Property & Equipment	84,793,962	84,793,962	-
1.2	Intangible Assets	5,013,489	5,013,489	-
1.3	Investment in Govt. Securities	193,796,548	-	193,796,548
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 security on the cutoff date as computed by the clearing house for respective security whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital)	95,672,673	15,866,031	79,806,642
	ii. If unlisted, 100% of carrying value.	62,391,438	62,391,438	-
1.6	Investment in subsidiaries			
	100% of net value.	-	-	-
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.			
	100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC	4,561,480	4,561,480	-
1.9	Margin deposits with exchange and clearing house.	3,428,076	-	3,428,076
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	-	-	-
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.)	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.15	Advances and receivables other than trade Receivables;			
	(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	-	-	-
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	-	-	-
	(iii) In all other cases 100% of net value	-	-	-
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.	-	-	-
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.) In case receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut	-	-	-
	iii.) In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haircut	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	206,491	-	206,491
	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	443,010	438,634	438,634
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. vi. Lower of net balance sheet value or value determined through adjustments	3,460	3,460	-
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	128,560	-	128,560
	ii. Bank balance-customer accounts	1,809,023	-	1,809,023
	iii. Cash in hand	18,187	-	18,187
1.19	Subscription money against investment in IPO / offer for sale (asset)			

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	(i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	(ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities.	-	-	-
	(iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.	-	-	-
1.20	Total Assets	452,266,397	173,068,494	279,632,161

2 LIABILITIES

2.1	Trade Payables	-	-	-
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	1,803,024	-	1,803,024
2.2	Current Liabilities	-	-	-
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	5,002,630	-	5,002,630
	iii. Short-term borrowings	1,830,987	-	1,830,987
	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	-	-	-
	ii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	iii. Staff retirement benefits	-	-	-
	Note: (a) 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases.	-	-	-
	(b) Nil in all other cases	-	-	-
2.4	Subordinated Loans	-	-	-
	i. 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 allowed in respect of advance against shares if:			
	a. The existing authorized share capital allows the proposed enhanced share capital			
	b. Board of Directors of the company has approved the increase in capital			
	c. Relevant Regulatory approvals have been obtained	-	-	-
	d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed.			
	e. Auditor is satisfied that such advance is against the increase of capital.			
2.6	Total Liabilities	8,636,641	-	8,636,641

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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			
	(a) in the case of right issue: 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 issue 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 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.	-	2,298,644	2,298,644

<i>S. No.</i>	<i>Head of Account</i>	<i>Value in Pak Rupees</i>	<i>Hair Cut / Adjustments</i>	<i>Net Adjusted Value</i>
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	-	-	-
3.10	Short sell positions			
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilities	-	2,298,644	2,298,644
		443,629,756	170,769,850	268,696,876

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	279,632,161
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(8,636,641)
(iii) Less: Total ranking liabilities (series number 3.11)	<u>(2,298,644)</u>
	<u><u>268,696,876</u></u>

31 NET CAPITAL BALANCE

31.1 Net Capital Balance requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements are put in place to ensure sufficient solvency margins and are based on excess of specified current assets over current liabilities.

31.2 The Net Capital Balance as required under the Second Schedule of Securities Brokers (Licensing and Operations) Regulations, 2016 read with the SECP guidelines is calculated as follows;

	<i>Note</i>	<i>2023 Rupees</i>
<u>CURRENT ASSETS</u>		
<i>Cash in hand</i>		18,187
<i>Cash at bank</i>		
- Pertaining to brokerage house		128,560
- Pertaining to clients		1,809,023
<i>Total bank balances</i>	31.3	1,937,583
<i>Trade Receivables</i>		
Book value		652,961
Less: over due for more than 14 days		(443,976)
Balance generated within 14 days and / or not yet due	31.4	208,985
Securities held on behalf of client where payment has not been received in 14 days	31.5	430,485
<i>Investment in listed securities</i>		
Securities on the exposure list marked to market		71,948,969
Less: 15% discount		(10,792,345)
	31.6	61,156,624
<i>Investment in listed securities</i>		193,796,548
<i>Total Current Assets</i>	A	<u>257,548,412</u>
<u>CURRENT LIABILITIES</u>		
<i>Trade Payables</i>		
Book value		1,803,024
Less: over due for more than 30 days		(5,428)
	31.7	<u>1,797,596</u>
Other liabilities	31.8	<u>6,839,045</u>
<i>Total Current Liabilities</i>	B	<u>8,636,641</u>
NET CAPITAL BALANCE	A minus B	<u><u>248,911,771</u></u>

	<i>Note</i>	<i>2023 Rupees</i>
31.3 Cash at bank		
- <i>Pertaining to brokerage house</i>		
Saving		26,668
Current account		<u>101,892</u>
- <i>Pertaining to clients</i>		
Saving		
Current account	31.3.1	<u>1,809,023</u>

31.3.1 Restricting it to trade payables:

Trade payable
Current account

31.4 Trade receivables

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

31.5 Securities held on behalf of clients where payment has not been received in 14 days

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

31.6 Investment in listed securities

Listed equity securities	71,948,969
Less: shares pledged with PSX for meeting BMC requirement	-
Amount eligible for discount	<u>71,948,969</u>
Less: 15% discount	<u>(10,792,345)</u>
	<u>61,156,624</u>

31.7 Trade payable

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

31.8 Other liabilities

Trade payable over due for more than 30 days	5,428
Accrued expenses	144,022
Other liabilities	<u>6,689,595</u>
	<u>6,839,045</u>

	Note	2023 Rupees	2022 Rupees
32 CAPITAL ADEQUACY LEVEL			
<i>The Capital adequacy level as required by CDC is calculated as follows:</i>			
Total Assets		471,641,554	469,365,968
Less: Total liabilities	32.1	(8,711,641)	(11,407,530)
Less: Revaluation Reserves (created upon revaluation of Fixed Assets)		-	-
Capital Adequacy Level		462,929,913	457,958,438

32.1 While determining the value of the total assets of the TREC Holder, Notional value of TREC held by such participant as at year ended June 30, 2023 as determined by Pakistan Stock Exchange Limited has been considered.

33 ENTITY WIDE INFORMATION

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

	2023	2022
34 NUMBER OF EMPLOYEES		
Number of employees at the year end	9	14
Average number of employees for the year	11	14

35 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company on 07 OCT 2023.

36 GENERAL

The figures have been round off to the nearest rupee.

Handwritten initials

Handwritten signature of Chief Executive Officer

Chief Executive Officer



Handwritten signature of Director

Director