ABA ALI HABIB SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2022

ABA ALI HABIB SECURITIES (PRIVATE) LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

By the grace of Allah Almighty, the Directors of Aba Ali Habib Securities Private Limited ("Company") are pleased to present the Annual Audited Accounts along with the Auditor Report for the year ended June 30, 2022.

FINANCIAL PERFORMANCE

During 2022, Pakistan's economy under performed. The economy hit due to political disability, interest rate hikes and destabilized dollar. The continued pressure hikes of the energy prices increased business cost, consumer buying power and dependence on investment consumption. The country negative micro and macro-economic factors affected the exchange rate, country reserve and foreign direct investment sentiments.

The Company tried to maintain it revenue growth however the economic conditions and market sentiments decreased revenue to 117.01 million compared to 146.79 million for the year ended 2022. Same, the Earning per share has been slightly decreased by per share against previous year. The company continues to be committed to enhancing its product base through innovation and governance structure which remains an integral part of the Company's vision to positively enhance the quality services for its clients. The overview of the financial performance is as follow;

PKR Million	2022	2021 (Million
Operating revenue	117.01	146.79
Gross profit/(loss)	(9.3)	432.94
Profit/(loss) before tax	(18.37)	416.91
Profit/(loss) after tax	(18.75)	409.94
EPS	(0.94)	20.5

FUTURE OUTLOOK

The evolution of the pandemic, the availability and accessibility of the vaccine, digitalization, fluctuating demand and supply patterns along with the external trade conditions will be the key factors for the economic outlook of the country and growth of the Company. Despite all the challenges, the Company remains cautiously optimistic about the performance in the coming year on the back of strong growth strategy and highly committed workforce supported by continuous initiatives for operational excellence. Company shall remain committed to delivering quality services, offering product diversification to its customer and the Company will continue to work tirelessly to keep its employees, business partners and communities in their investment growth.

Auditor

The auditor of the company M/S Naveed Zafar Jaffery & Co., Chartered Accountants retire at the conclusion of the AGM and being offer themselves for reappointment as the auditor for the next year.

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS.

Aba Ali Habib
Director

Place: Karachi
Dated: 27 October, 2022

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Beaumont Road, Karachi-Pakistan.
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ABA ALI HABIB SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

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

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

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the directors' report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 scepticism throughout the audit. We also:

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

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

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

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

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

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

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the unconsolidated financial statements were prepared

The engagement partner on the audit resulting in this independent auditor's report is **Azeem H. Siddiqui – FCA.**

Naveed Zafar Ashfaq Jaffery & Co
Chartered Accountants

Dated : October 27, 2022
Karachi :
UDIN : AR2022102322mNP5yVpM

ABA ALI HABIB SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Notes	2022	2021
		---------- (Rupees) ----------	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Share Capital			
20,000,000 (2021: 20,000,000) Ordinary Shares of Rs. 10/- each		**200,000,000**	200,000,000
Issued, subscribed and paid-up capital	5	**200,000,000**	200,000,000
Unappropriated profit		**767,704,283**	786,489,516
		967,704,283	986,489,516
Non Current Liabilities			
Deferred taxation	6	**269,524**	287,069
Current Liabilities			
Trade and other payables	7	**89,411,764**	215,204,644
Short term borrowings	8	**97,422,500**	37,172,501
Accrued markup		**3,682,259**	5,880,664
		190,516,523	258,257,809
TOTAL EQUITY AND LIABILITIES		**1,158,490,330**	1,245,034,394
Contingencies and commitments	9	-	-
ASSETS			
Non-Current Assets			
Property and equipment	10	**8,889,716**	11,112,145
Intangible assets	11	**2,500,000**	2,500,000
Long term deposits	12	**2,185,000**	2,185,000
Long term investment	13	**8,439,750**	8,439,750
		22,014,466	24,236,895
Current Assets			
Trade debts - considered good	14	**49,339,751**	132,674,648
Receivable against margin financing	15	**34,967,127**	51,108,757
Receivable against margin trading	16	**290,978,296**	267,342,939
Short term investments	17	**571,455,772**	466,165,537
Short term deposits	18	**3,863,027**	86,696,964
Advances and other receivables	19	**3,468,811**	2,285,450
Advance tax - net of provision		**126,012,678**	124,186,912
Cash and bank balances	20	**56,390,402**	90,336,292
		1,136,475,864	1,220,797,499
TOTAL ASSETS		**1,158,490,330**	1,245,034,394

The annexed notes form an integral part of these financial statements.

Chief Executive **Director**

ABA ALI HABIB SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		---------- (Rupees)	----------
Operating revenue	21	**117,018,972**	146,799,755
Capital gain/(loss) on sale of equity securities at FVTPL-net		**77,667,520**	90,616,278
Loss on re-measurement of equity securities at FVTPL- net		**(113,199,160)**	296,782,789
		81,487,332	534,198,822
Administrative expenses	22	**(90,803,522)**	(101,257,938)
Operating (loss)/profit		**(9,316,190)**	432,940,884
Other income	23	**3,206,169**	3,708,488
		(6,110,021)	436,649,372
Finance costs	24	**(12,259,467)**	(19,731,699)
(Loss)/profit before taxation		**(18,369,488)**	416,917,673
Taxation	25	**(415,745)**	(6,977,341)
(Loss)/profit after taxation for the year		**(18,785,233)**	409,940,332
(Loss)/earning per share - basic and diluted	26	**(0.94)**	20.50

The annexed notes form an integral part of these financial statements.

Chief Executive — **Director**

ABA ALI HABIB SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	---------- (Rupees) ----------	
(Loss)/profit after taxation for the year	**(18,785,233)**	409,940,332
Other comprehensive income	-	-
Total comprehensive (loss)/income for the year	**(18,785,233)**	409,940,332

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

ABA ALI HABIB SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	---------- (Rupees) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(18,369,488)	416,917,673
Adjustments for :		
- Depreciation	2,222,429	1,971,141
- Capital (gain)/loss on sale of investment	(77,667,520)	(90,616,278)
- Unrealized (gain) in the value of investment at 'fair value through profit or loss'	113,199,160	(296,782,789)
- Dividend income	(8,915,370)	(29,310,638)
- Finance income	(2,298,442)	(1,461,755)
- Finance cost	11,253,944	18,509,122
	37,794,201	(397,691,198)
Cash generated from operating activities before working capital changes	19,424,714	19,226,476
(Decrease) /Increase in current assets:		
Trade debts - considered good	83,334,897	(125,095,154)
Receivable against margin financing	16,141,630	(26,843,372)
Receivable against margin trading	(23,635,357)	(267,342,939)
Advances and other receivables	(1,231,719)	1,751,382
Short term deposits	82,833,937	(83,961,157)
Increase/(decrease) in current liabilities:		
Trade and other payables	(125,792,880)	68,035,597
	31,650,508	(433,455,643)
Finance cost paid	(13,452,349)	(17,281,827)
Taxes paid	(2,540,108)	(10,985,208)
Net cash generated/(used in) from operating activities	35,082,764	(442,496,202)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	-	(3,521,000)
Payment for / proceeds from short term investment	(140,821,875)	765,537,770
Dividend income	9,244,780	27,588,671
Finance income	2,298,442	1,461,755
Long term deposits	-	(500,000)
Net cash (used in)/generated from investing activities	(129,278,654)	790,567,197
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loans from related parties- unsecured	-	-
Short term borrowings	60,250,000	(383,028,707)
Net cash generated from/(used in) financing activities	60,250,000	(383,028,707)
Net (decrease) in cash and cash equivalents during the year	(33,945,890)	(34,957,712)
Cash and cash equivalents at the beginning of the year	90,336,292	125,294,004
Cash and cash equivalents at the end of the year	56,390,402	90,336,292

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

ABA ALI HABIB SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
Balance as at June 30, 2020	200,000,000	376,549,184	576,549,184
Total Comprehensive income for the year ended June 30, 2021	-	409,940,332	409,940,332
Balance as at June 30, 2021	200,000,000	786,489,516	986,489,516
Total Comprehensive loss for the year ended June 30, 2022	-	(18,785,233)	(18,785,233)
Balance as at 30 June, 2022	**200,000,000**	**767,704,283**	**967,704,283**

The annexed notes form an integral part of these financial statements.

Chief Executive **Director**

ABA ALI HABIB SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

Aba Ali Habib Securities (Private) Limited The company was incorporated on 8th May 1996 as a private limited company under the repealed Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017).

The Company is a TREC (Trading Right Entitlement Certificate) holder of Pakistan Stock Exchange Limited (Formerly: Karachi Stock Exchange Limited) and Pakistan Mercantile Exchange Limited. The Company is principally engaged in brokerage of shares, stocks, securities, securities research and other related services.

The address of the company's office is as follows:

Registered address

Room No: 419, 4th Floor Stock Exchange Building, Stock Exchange Road, Karachi.

Branch addresses

Room No: 403, 4th Floor Stock Exchange Building, Stock Exchange Road, Karachi.
Suite No 505, 5th Floor Business Plaza, Mumtaz Hussan Road off I.I Chundrigarh Road Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

ii) Provisions of and directives issued under the Companies Act 2017.

Where provisions of and of directives issued under the Companies Act, 2017 differ with the requirements of IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except, for certain property and equipment and intangible assets, which have been stated at revalued amounts and financial assets and financial liabilities which have been stated at their fair values.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to nearest rupee.

2.4 Significant accounting estimates and judgements

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of management estimates in these financial statements relate to the following:

(a) Determination of the residual values and useful lives of property and equipments and intangible assets (refer note 4.1, 4.2 & 10.1)

(b) Trade debts (refer note 4.9)

(c) Current tax and deferred tax (refer note 4.10)

(d) Provisions (refer note 4.12)

3 New accounting pronouncements

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

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

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

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

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

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

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

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

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

a. requiring companies to disclose their material accounting policies rather than their significant accounting policies;
b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
c. clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

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

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

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

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

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

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

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

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

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

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

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

4 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies and methods of computation have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Property and equipment

Owned

Property and equipment (except for office premises) are stated at cost less accumulated depreciation and impairment losses, if any. Office premises are stated at revalued amount less accumulated depreciation and impairment loss, if any.

Depreciation is charged to profit and loss account by applying the reducing balance method systematically on yearly basis at the rates specified in note 10. Depreciation on additions to property and equipment is charged from the month in which an item is acquired while no depreciation is charged in the month the item is disposed off. Surplus on revaluation of property and equipment is credited to surplus on revaluation of fixed assets account. To the extent of incremental depreciation charged on revalued assets, the related surplus on revaluation of fixed assets - net of deferred tax is transferred directly to equity.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such an indication exists the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the estimated recoverable amount, assets are written down to the recoverable amount; and the impairment losses are recognised in the profit and loss account.

The residual value, depreciation method and the useful lives of each part of property and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal of assets, if any are included in profit and loss account for the current year.

Normal repairs and maintenance costs are charged to profit and loss account in the period of its occurrence, while major renovations and improvements are capitalized only when it is probable that the future economic benefits associated with the item will flow to the entity and its cost can be measured reliably. Disposal of assets is recognized when significant risk and rewards incidental to the ownership have been transferred to the buyers.

Right-of-use asset

The right-of-use asset is initially measured based on the initial measurement of lease liability, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. If ownership of the leased asset transfer to the company at the end of the year or the cost reflect the exercise of purchase option.

The right-of-use asset is subsequently measured at cost model. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term. If [illegible]

Lease liability

At the commencement date of lease company recognizes lease liabilities measured at the present value of lease payment to be made over the lease term. The lease payments include lease payments(substance fixed payments) less any lease incentive receivables, variable lease payment that depend on an index or rate and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the company and payment of penalties for terminating the lease, if the lease term reflect the company exercising the option to terminate variable lease payments that do not depend on an index and rate are recognized as expense (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs).

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date the amount of lease liability increased to reflect the accretion of interest and reduce for the lease payment made. In addition the carrying amount of lease liability remeasured if there is modification , a change in the lease term , lease payment, or change in the assessment of an option to purchase the underlying asset.

4.2 Intangible assets

This represents Trading Right Entitlement Certificate of Pakistan Stock Exchange.

TRE Certificate is considered to have indefinite useful life and stated at revalued amount. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and when carrying value exceeds estimated recoverable amount, these are written to their estimated recoverable amount.

4.3 Borrowing costs

Borrowing costs are interest or other costs incurred by the Company in connection with the borrowing of funds. Borrowing cost that is directly attributable to a qualifying asset, i.e., an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, is capitalized as part of cost of that asset. All other borrowing costs are charged to income in the period in which they are incurred.

4.4 Financial assets

4.4.1 Classification and initial measurement

The Company classifies its financial assets in the following three categories:

(a) financial assets measured at amortized cost.

(b) fair value through other comprehensive income (FVOCI);

(c) fair value through profit or loss (FVTPL); and

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when either:

(a) 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; or

(b) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company to at initial recognition.

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

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

4.4.2 Subsequent measurement

(a) Financial assets measured at amortized cost

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

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

(b) *Financial assets at FVOCI*

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

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) *Financial assets at FVTPL*

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit and loss account.

4.4.3 Impairment

The Company's only financial asset that is subject to the impairment requirements of IFRS 9 is trade receivables.

The Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Company measures expected credit losses on trade receivables in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit and loss account, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

4.4.4 De-recognition

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

4.5 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss account.

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

4.6 Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount of the asset. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

4.7 Long term deposits

These are stated at cost which represents the fair value of consideration given.

4.8 Trade debts

Trade and other receivables are recognized at fair value and subsequently measured at amortised cost less impairment losses, if any. Actual credit loss experience over past years is used to base the calculation of expected credit loss. Trade and other receivables considered irrevocable are written off.

4.10 Taxation

Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is not recognised for the following temporary differences; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill. be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

4.10 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized on the following basis:

- Brokerage income is recognized as and when such services are provided.
- Interest income is recognized on a time proportion basis that takes into account the effective yield.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealized capital Gains / (losses) arising from mark to market of investments classified as at financial assets at fair value through profit or loss are included in profit and loss account for the period in which they arise.
- All other incomes are recognized on an accrual basis.

4.11 Expenses

All expenses are recognized in the profit and loss account on an accrual basis.

4.12 Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

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

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

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

4.13 Creditors, accrued and other liabilities

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in future for goods and services received.

4.14 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statement only when company has legally enforceable right to offset and the company intends to either settle on net basis, or to realize the asset and to settled the liability simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the financial statements only when permitted by accounting and reporting standards as applicable in Pakistan.

4.15 Dividend

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

4.16 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks. Running finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of cash flow statement.

4.17 Earning per share

Earning per share is calculated by dividing the profit after taxation for the year by the weighted average number of shares outstanding during the year.

	2022	2021
	---------- (Rupees) ----------	

5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

This comprises fully paid-up ordinary shares of Rs. 10 each as follows:

2022	2021		2022	2021
------ (No. of shares) ------				
6,500,000	6,500,000	Issued for cash	65,000,000	65,000,000
13,500,000	13,500,000	Issued as bonus shares	135,000,000	135,000,000
20,000,000	20,000,000		200,000,000	200,000,000

5.1 Pattern of shareholding of the companv.

	No of Shares	Percentage
Zahid Ali Habib	200	0.001%
Aba Ali Habib	19,999,380	99.997%
Abid Ali Habib	200	0.001%
Farida Haji Karim	100	0.001%
Muhammad Munir	10	0.000%
Raza Arif	10	0.000%
Shahid Ali Habib	100	0.001%
	20,000,000	

5.2 There is only one class of shares and all shares rank equallt and there are no arrangements among shareholders in respect of voting rights, board resolution. Right of first refusal and block voting.

6 DEFERRED TAXATION-Net

	2022	2021
Deferred tax liability in respect of:		
- Capital loss on short term investments	-	-
- Other temporary differences	269,524	287,069
	269,524	287,069

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

Deferred tax asset amounting to Rs.14.14 million has not been recognized in respect of the unrealized capital losses on short term investments because it is not probable that future capital gain on securities will be available against which the company can use the benefits therefrom.

6.2 DEFERRED TAX IN RESPECT OF OTHER TEMPORARY DIFFERENCES

	2022	2021
Deferred tax liabilities recognized	686,204	287,069
Deferred tax asset recognized	(416,680)	-
	269,524	287,069

6.2.1 Deferred tax liabilities

	2022	2021
Accelerated depreciation	269,524	287,069
Long term investment	249,395	-
Advances and Other receivables	167,285	-
	686,204	287,069

6.2.2 Deferred tax assets

	2022	2021
Provision for doubtful debts and other receivables	296,432	-
Future profit and cash margin withheld	120,248	-
Deferred tax assets available for recognition	416,680	-

		Note	2022	2021
			---------- (Rupees) ----------	
7	**TRADE AND OTHER PAYABLES**			
	Trade payables	7.1	56,606,637	89,665,409
	Future profit and cash margin withheld		27,438,449	113,920,756
	Sales tax payable		161,533	1,356,080
	Withholding tax payable		1,147,784	1,776,308
	CDC and NCSS payable		3,856	3,856
	Accrued expenses		1,278,803	2,590,990
	Dealers payable		720,150	3,481,920
	Other payables		2,054,554	2,409,325
			89,411,764	215,204,644

7.1 This includes amounting to Rs. 281,600 pertaining to related party (2021: 18,475)

8 **SHORT TERM BORROWINGS - Secured**

From banking companies and other financial institutions other than related parties:

	2022	2021
JS Bank Limited	3,237,416	1,104,008
Soneri Bank Limited	92,987,126	2,054,396
Askari Bank Limited	-	777,113
Bank Alfalah Limited	98,586	4,877,079
Bank Al Habib Limited	1,099,372	28,359,905
	97,422,500	37,172,501

8.1 Short term running finance facilities are available from these commercial banks, under mark-up arrangements, amounting to Rs. 19 million (2021: Rs. 19 million). These facilities have various maturity dates up to September 30, 2023 (2021: September 30, 2022). These arrangements are secured against pledge of marketable securities. These running finance facilities carry mark-up ranging from 1 month KIBOR + 1.5% to 2.0% , 3 month KIBOR + 1.50% (2021: 1 month KIBOR + 1.5% to 2.0% , 3 month KIBOR + 1.50%) calculated on a daily product basis that is payable quarterly.

8.2 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at June 30, 2022 amounted to Rs. 518.67 million (2021: Rs. 524.97 million). Total value of securities pledged with financial institutions, indicating separately securities belonging to customers, is as under:

	June 30, 2022		June 30, 2021	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Client	6,996,965	288,091,797	6,521,500	520,707,900
House	4,278,000	230,583,005	175,000	4,263,500
Total	11,274,965	518,674,802	6,696,500	524,971,400

8.3 The client securities comprise of directors securities pledged with banks on their mandate.

9 **CONTINGENCIES AND COMMITMENTS**

Contingencies

There are no contingencies as at June 30, 2022 (2021: Nil).

Commitments

A bank guarantee of Rs. 45 million (2021: Rs. 35 million) has been provided to National Clearing Company of Pakistan Limited for deposit of Margin/Exposure to National Clearing Company of Pakistan Limited against the security of pledge of shares and personal guarantee of director Mr. Aba Ali Habib.

		Note	2022	2021
			---------- (Rupees) ----------	
10	**PROPERTY AND EQUIPMENT**	10.1	8,889,716	11,112,145

11 INTANGIBLE ASSETS

Trading Right Entitlement Certificate	2,500,000	2,500,000
	2,500,000	2,500,000

11.1 This represents TREC received by the Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 as amended by the Stock Exchanges (Corporatization, Demutualization and Integration) (Amendment) Act, 2015. These have been carried at cost less accumulated impairment losses.

11.2 PSX vide notice no. PSX/N - 225 dated February 16, 2021 have notified the notional fees of a Trading Right Entitlement Certificate

12 LONG TERM DEPOSITS

	Note	2022	2021
		---------- (Rupees) ----------	
Clearing house deposit		200,000	200,000
Pakistan Stock Exchange		10,000	10,000
Booth deposit		75,000	75,000
SLB exposure		100,000	100,000
National Clearing Company of Pakistan Limited	12.1	1,200,000	1,200,000
Pakistan Mercantile Exchange	12.2	500,000	500,000
Central Depository Company		100,000	100,000
		2,185,000	2,185,000

12.1 This represent the basic deposit to access system of National Clearing Company Limited.

12.2 The basic deposit with Pakistan Mercantile Exchange Limited for exposure in commodity market.

13 LONG TERM INVESTMENTS

Unquoted Equity Securities	13.1	8,439,750	8,439,750

13.1 This represents 843,975 share of LSE Financial Service Limited purchased at par value of Rs. 10 and having fair value on equity method basis is Rs. 18 per share.

14 TRADE DEBTS - Considered Good

Trade debts- considered good	14.1 & 14.2	49,339,751	132,674,648
		49,339,751	132,674,648

14.1 This includes receivable from related parties amounting to Rs. 39.59 million (2021:Rs 94.30 million).

14.2 Aging analysis

Within 5 days	7,076,948	115,828,648
Above 5 days	42,262,802	16,846,000
	49,339,751	132,674,648

15 RECEIVABLE AGAINST MARGIN FINANCING

Considered good	15.1	34,967,127	51,108,757

15.1 This includes Margining financing facility provided to clients on markup basis ranging from 15% to 18% (2021 : 14% to 16 %) per annum.

10.1

	2022			
	Furniture and fixtures	**Motor vehicle**	**Computer and accessories**	**Total**
COST				
As at July 1, 2021	**200,000**	**17,249,250**	**100,000**	**17,549,250**
Additions during the year	-	-	-	-
Disposal during the year	-	-	-	-
As at 30 June, 2022	**200,000**	**17,249,250**	**100,000**	**17,549,250**
ACCUMULATED DEPRECIATION				
As at July 1, 2021	189,692	6,152,567	94,846	6,437,105
For the year	2,062	2,219,337	1,031	2,222,429
On disposals	-	-	-	-
As at 30 June, 2022	**191,754**	**8,371,903**	**95,877**	**8,659,534**
Written down value as at 30 June 2022	**8,246**	**8,877,347**	**4,123**	**8,889,716**

	2021			
	Furniture and fixtures	Motor vehicle	Computer and accessories	Total
COST				
As at July 1, 2020	200,000	13,728,250	100,000	14,028,250
Additions during the year	-	3,521,000	-	3,521,000
Disposal during the year	-	-	-	-
As at June 30, 2021	200,000	17,249,250	100,000	17,549,250
ACCUMULATED DEPRECIATION				
As at July 1, 2020				
For the year	187,115	4,185,292	93,558	4,465,964
On disposals	2,577	1,967,275	1,288	1,971,141
As at June 30, 2021	189,692	6,152,567	94,846	6,437,105
Written down value as at June 30, 2021	10,308	7,575,683	5,154	11,112,145
Depreciation rates per annum (%)	20	20	20	

		Note	2022	2021
			---------- (Rupees) ----------	
16	**RECEIVABLE AGAINST MARGIN TRADING**			
	Considered good	16.1	290,978,296	267,342,939

16.1 This includes Margining trading facility provided to members on markup basis ranging from 12% to 16% per annum.

		Note	2022	2021
17	**SHORT TERM INVESTMENTS - At fair value through profit or loss**			
	Quoted equity securities	17.1	571,455,692	466,165,537
	Unquoted equity securities	17.2	80	-
			571,455,772	466,165,537

17.1 Fair value of shares pledged with PSX and NCCPL is as follow;

	June 30, 2022		June 30, 2021	
	Number of	Amount	Number of	Amount
Client	-	-	2,371,000	187,395,760
House	3,422,962	168,419,381	5,381,962	327,420,372
Total	3,422,962	168,419,381	7,752,962	514,816,132

17.2 Unquoted securities includes 50 shares of Security Leasing Corporation Limited.

17.3

1,614,962 shares of PSX, 80,000 shares of PIOC, 67,500 shares of TRG, 40,000 shares of TREET, 15,000 shares of LUCK, 30,000 shares of CHCC and 9,000 shares of NML are pledged against Base Minimum Capital (BMC) refer note 32.1

		Note	2022	2021
18	**SHORT TERM DEPOSITS**			
	MTS and DFC deposit with NCCPL	18.1	3,863,027	86,696,964

18.1 This represents amounts of deposits held at the year end against exposure arising out of trading in securities in accordance with the regulation of PSX and NCCPL, respectively. This amount also includes deposit against MTS exposure of Rs. 2.093 million.

		Note	2022	2021
19	**ADVANCES AND OTHER RECEIVABLES**			
	Advance to staff		3,345,706	301,518
	Other receivables		123,106	1,983,932
			3,468,811	2,285,450
20	**CASH AND BANK BALANCES**			
	In hand		10,077	568,981
	At banks:			
	- Current accounts			
	client	20.1	55,885,039	89,665,409
	house		50,000	50,902
	- Saving accounts	20.2	445,286	51,000
			56,390,402	90,336,292

20.1 This include Rs. 55.88 million (2021 Rs. 89.665 million) pertaining to clients.

20.2 Interest rate on saving accounts ranges from 6% to 12% (2021: from 4% - 7%) per annum.

		Note	2022	2021
21	**OPERATING REVENUE**			
	Brokerage income		51,464,036	100,832,588
	Income from MFS & MTS		55,587,346	9,687,244
	IPO and book building commission		1,052,219	6,969,285
	Dividend income		8,915,370	29,310,638
			117,018,972	146,799,755

	Note	2022	2021
		---------- (Rupees) ----------	

22 ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2022	2021
Salaries, commission and allowances		38,829,699	45,097,669
Electricity charges		3,378,687	1,632,033
Rent expense		1,296,096	853,636
Laga expenses		23,919,551	38,034,025
CDC charges		2,678,570	3,666,748
Travelling expenses		297,822	231,110
Office repair and maintenance		1,307,053	158,438
Legal and professional charges		1,297,402	1,145,716
Auditors' remuneration	22.1	350,000	350,000
Telephone and mobile		1,047,880	781,283
Depreciation	10.1	2,222,429	1,971,141
Printing and stationery		138,476	125,708
Computer hardware and software fees		434,621	71,152
Entertainment expenses		694,796	893,947
Vehicle running expense		291,876	-
IT service charges		4,600,498	2,750,367
Miscellaneous and general expenses		727,444	97,537
Donations	22.2	4,345,504	2,005,919
Courier and postage		45,117	31,509
Research and marketing		2,900,000	1,360,000
		90,803,522	101,257,938

22.1 Auditors' remuneration

	2022	2021
Audit fee	150,000	150,000
Other certifications	200,000	200,000
	350,000	350,000

22.2

Company has paid donation to different approved institution during the year and director has no interest there in.

23 OTHER INCOME

	2022	2021
Profit on saving accounts	2,298,442	1,461,755
Profit on exposure deposit	907,728	2,246,732
	3,206,169	3,708,488

24 FINANCE COSTS

	2022	2021
Bank charges	1,005,523	1,222,576
Mark-up on running finance	11,253,944	18,509,122
	12,259,467	19,731,699

25 TAXATION

	2022	2021
Current tax	1,818,231	8,314,940
Prior years adjustment	(1,384,941)	(771,066)
	433,290	7,543,874
Deferred (income)	(17,545)	(566,533)
	415,745	6,977,341

26 (LOSS)/EARNING PER SHARE - BASIC AND DILUTED

		2022	2021
(Loss)/Profit after taxation for the year		(18,785,233)	409,940,332
Weighted average number of ordinary shares	(No. of shares)	20,000,000	20,000,000
(Loss)/Earning per share - basic and diluted		(0.94)	20.50

27 CASH AND CASH EQUIVALENTS

	2022	2021
Cash and bank balances	56,390,402	90,336,292
	56,390,402	90,336,292

28 REMUNERATION OF THE CHIEF EXECUTIVE AND DIRECTORS

The aggregate amounts charged in these financial statements in respect of remuneration including benefits applicable to the chief executive and directors of the Company are given below:

	2022		2021	
	Chief Executive	**Director**	Chief Executive	Directors
	Rupees			
Basic	**600,000**	**600,000**	720,000	-
Conveyance	**560,000**	**500,000**	240,000	-
Utility	**851,358**	**761,358**	180,000	-
House rent allowance	**800,000**	**800,000**	60,000	-
Total	**2,811,358**	**2,661,358**	1,200,000	-
No of person(s)	1	2	1	2

28.1 The Chief Executive Officer is provided with the Company maintained car, in accordance with the Company policy.

29 TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes major shareholders, associated companies with or without common directors, retirement benefit funds and directors and key management personnel and their close family members. Amounts due from/to related parties, and remuneration of directors and executives are disclosed in the relevant notes.

	2022	2021
	---------- (Rupees) ----------	
Associated Company		
Abid Ali Habib Securities Private Limited		
Related Parties Transactions		
Opening Balance	8,319,656	-
Received During the year	281,152,710	-
Transfer during the year	(287,428,827)	-
Closing Balance	2,043,539	-
Abid Ali Habib Securities Private Limited		
Amount paid during the year	74,423,991	76,467,529
Zahid Ali Habib		
Amount received during the year	159,607,603	210,582,661
Amount paid during the year	159,607,603	210,582,661
Aba Ali Habib		
Amount received during the year	131,049,251	68,666,751
Amount paid during the year	131,049,251	59,904,848

	2022	2021
	---------- (Rupees) ----------	
Abid Ali Habib		
Amount received during the year	7,500,000	-
Amount paid during the year	7,500,000	-
Commission earned from related parties	1,249,679	3,740,392
Balances with related parties		
Abid Ali Habib Securities (pvt) Ltd	2,043,539	8,319,656
Aba Ali habib	37,546,697	8,761,903
Farida Haji Karim	800	18,475

30 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Board of Directors of the Company has overall responsibility for the establishment and oversight of Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

30.1 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 placement 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 trade debts, loans and advances, trade deposits, bank balances and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits accordingly 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.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions are salted / paid for upon delivery.

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

	Note	2022	2021
		---------- (Rupees) ----------	
Long term deposits	12	**2,185,000**	2,185,000
Long term investment	13	**8,439,750**	8,439,750
Trade debts - considered good	14	**49,339,751**	132,674,648
Short term Investment	17	**571,455,772**	466,165,537
Short term deposits	18	**3,863,027**	86,696,964
Advances and other receivables	19	**3,468,811**	2,285,450
Bank balances	20	**56,390,402**	90,336,292
		695,142,513	**788,783,640**

All balances are denominated in local currency.

Bank Balances

The analysis below summarizes the credit quality of the Company's bank balances (including profit receivables) as at June 30, 2022 and June 30, 2021:

Bank balances	**56,380,325**	89,767,311

The credit quality of the Company's cash and cash equivalents, held with various commercial banks and financial institutions is assessed with reference to external credit ratings thereof, ranging from AAA to BBB assigned by reputable credit rating agencies.

30.2 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 difficulties 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:

	2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
		----------Rupees----------				
Financial liabilities						
Trade and other payables	**89,411,764**	**89,411,764**	-	-	-	-
Shor Term Borrowing	**97,422,500**	**97,422,500**				
Accrued mark-up	**3,682,259**	**3,682,259**	-	-	-	-
	190,516,523	**190,516,523**	-	-	-	-

	2021					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
		----------Rupees----------				
Financial Liabilities						
Trade and other payables	215,204,644	215,204,644	-	-	-	-
Short Term Borrowing	37,172,501	420,201,208				
Accrued mark-up	5,880,664	5,880,664	-	-	-	-
	258,257,809	**641,286,515**	-	-	-	-

30.3 Market risk

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

30.4 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2022	2021
	---------- (Rupees) ----------	
Fixed rate investment		
- Bank balances in profit and loss sharing accounts	**56,380,325**	89,767,311
- Receivable against margin financing	**34,967,127**	51,108,757
- Receivable against margin trading	**290,978,296**	267,342,939
	382,325,748	408,219,006

The Company have fixed rate financial instrument at fair value through profit or loss.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company, at present, is not exposed to currency risk as all transactions are carried out in Pak Rupees.

30.5 Other price risk

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

Presently, the Company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities.

Interest rate sensitivity analysis

A summary of the Company's interest rate gap position, categorized by the earlier of contractual re-pricing or maturity dates as at year end was as follows:

	2022			
	Effective rate of mark-up / return (%)	Exposed to interest rate risk	Not exposed to interest rate risk	Total
	-----Rupees-----			
Financial assets				
Long term deposits	-	-	2,185,000	2,185,000
Trade debts	-	-	49,339,751	49,339,751
Advances and other receivables	-	-	3,863,027	3,863,027
Short term deposits	-	-	3,468,811	3,468,811
Receivable against margin financing	14% TO 16%	34,967,127	-	34,967,127
Receivable against margin trading	10% to 15%	290,978,296	-	290,978,296
Short term investments	-	-	571,455,772	571,455,772
Bank balances	10% to 15%	445,286	55,935,039	56,380,325
		326,390,709	686,247,400	1,012,638,109
Financial liabilities				
Trade and other payables	-	-	89,411,764	89,411,764
short term borrowings	Variable	97,422,500	-	97,422,500
Accrued mark-up	Variable	3,682,259	-	3,682,259
		101,104,759	89,411,764	190,516,523
Cumulative gap		225,285,950	596,835,636	822,121,586

	2021			
	Effective rate of mark-up / return (%)	Exposed to interest rate risk	Not exposed to interest rate risk	Total
	----------Rupees----------			
Financial assets				
Long term deposits	-	-	2,185,000	2,185,000
Trade debts	-	-	132,674,648	132,674,648
Advances and other receivables	-	-	86,696,964	86,696,964
Short term deposits	-	-	2,285,450	2,285,450
Receivable against margin financing	14% TO 16%	51,108,757	-	51,108,757
Receivable against margin trading	10% to 15%	267,342,939	-	267,342,939
Short term investments	0	-	466,165,537	466,165,537
Bank balances	10% to 15%	51,000	89,716,311	90,336,292
		318,502,696	779,723,910	1,098,795,586
Financial liabilities				
Trade and other payables	0	-	215,204,644	215,204,644
short term borrowings	Variable	37,172,501	-	37,172,501
Accrued mark-up	Variable	5,880,664	-	5,880,664
		43,053,164	215,204,644	258,257,809
Cumulative gap		275,449,531	564,519,265	840,537,777

30.6 Operational risk

Operational risk is the risk of direct and indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risk arise from all of the Company's activities.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirement for the reconciliation and monitoring of transaction;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirement for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

30.7 Capital Risk Management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.
The Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

31 MEASURMENT OF FAIR VALUES

A number of the company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (Unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quote prices included in Level 1 that are observables for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:inputs for the asset or liability that are based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy a, then the fair value measurements is categorized in its entirety in the same level of the fair value heirchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

At the year end, following financial instrument is carried at fair value which requires classification in the above mentioned levels

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
		---Rupees---		
Financial Asset				
Quoted equity securities	571,455,692	-		571,455,692

	2021			
	Level 1	Level 2	Level 3	Total
		---Rupees---		
Financial Asset				
Quoted equity securities	466,165,537	-		466,165,537

The company values its intangible assets at revalued amounts, consequently, they are stated at revalued amount, being the fair value at the date of revaluation, less any subsequent amortization and subsequent impairment losses, if any.

Details of the company's intangible assets and information about their fair value hierarchy as at June 30, 2022 and June 30, 2021 are as follows

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
		---Rupees---		
Trading Right Entitlement Certificate (TREC)	-	**2,500,000**		2,500,000
As at June 30, 2022	-	**2,500,000**		2,500,000

	2021			
	Level 1	Level 2	Level 3	Total
		---Rupees---		
Trading Right Entitlement Certificate (TREC)	-	2,500,000		2,500,000
As at June 30, 2021	-	2,500,000		2,500,000

There were no transfers between levels of hierarchy during the year.

32 CAPITAL

32.1 Base Minimum Capital

In compliance with regulation 19.2 the rule book of PSX every TREC holder registered as a broker under brokers and agent registration rule 2001, is required to maintain base minimum capital in the and form as prescribed in the rule on the basis of assets under custody (AUC). The company Bse Minimum Capital as at 30 June 2022 is Rs. 38.07 million while requirement was of Rs. 29.17 million.

The notional value of TREC and the breakup value of shares for the purpose BMC is determined by the PSX as under.

	Note	30-Jun-22	30-Jun-21
Investment in listed Securities	**17.3**	**38,076,426**	38,932,102
1,614,962 shares of PSX, 80,000 shares of PIOC, 67,500 shares of TRG, 40,000 shares of TREET, 15,000 shares of LUCK, 30,000 shares of CHCC and 9,000 shares of NML at market value after applying haircut			
Trading Right Entitlement Certificate	11	**2,500,000**	2,500,000
		40,576,426	41,432,102

32.2 Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

32.3 Capital Adequacy Level

The Capital adequacy level as defined by CDC is calculated as follows:

Total assets	**1,158,490,330**	1,245,034,394
Total liabilities	**(190,786,047)**	(258,544,878)
Capital adequacy level	**967,704,283**	986,489,516

32.3.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate as at year ended June 30,2022 as determined by Pakistan Stock Exchange has been considered.

33.4 Liquid Capital

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

S.No	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	8,889,716	8,889,716	-
1.2	Intangible Assets	2,500,000	2,500,000	-
1.3	Investment in Govt. Securities (Difference between BV and SV on the date on the basis of PKRV published by NIFT)	-	-	-
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure up to 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 up to 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.	571,455,772	85,718,366	485,737,406
	ii. If unlisted, 100% of carrying value.	8,439,750	8,439,750	-
	iii. In case any securities are pledged, except those pledged on favour of securities exchange or clearing house against margin requirements or pledged in favour of banks against short-term financing arrangements, 100% haircut shall be applied for the purposes of computation of adjusted value of assets.	-	-	-
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 Securitas 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.	2,185,000	2,185,000	-
1.9	Margin deposits with exchange and clearing house.	3,863,027	-	3,863,027
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Advance Tax and Other	126,012,678	126,012,678	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
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	**Advances and receivables other than trade receivables**			
	1) No haircut may be applied on short term loan to employees provided these loans are secured and due for repayment within 12 months	3,345,706	-	3,345,706
	2) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	-	-	-
	3) In all other cases, 100% of net value	123,106	123,106	-
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.	-	-	-
	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 finance (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.***	34,967,127	4,166,007	30,801,120
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***	290,978,296	14,548,915	276,429,381

hy:

1.17	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, *iii. Net amount after deducting haircut*			
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. *iv. Balance sheet value*	7,076,948		7,076,948
	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*	2,672,567	1,247,476	1,425,090
	vi. 100% haircut in the case of amount receivable form related parties.	39,590,236	39,590,236	-
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietary accounts	545,286	-	545,286
	ii. Bank balance-customer accounts	55,835,039	-	55,835,039
	iii. Cash in hand	10,077	-	10,077
1.19	**Total Assets**	1,158,490,331		865,069,081

2. Liabilities

2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	56,606,637		56,606,637
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	1,309,317		
	ii. Accruals and other payables	4,961,062		4,961,062
	iii. Short-term borrowings	97,422,500		97,422,500
	iv: Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities	269,524		269,524
	vii. Provision for bad debts			
	viii. Provision for taxation	415,745		
	ix. Other liabilities as per accounting principles and included in the financial statements	29,801,263		29,801,263
2.3	**Non-Current Liabilities**			
	i. Long-Term financing			
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease			-
	b. Other long-term financing			
	ii. Staff retirement benefits			
	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.			
	iv. Other liabilities as per accounting principles and included in the financial statements			
2.4	**Subordinated Loans**			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.		-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP	-		-
2.5	**Total Liabilities**	190,786,047		189,060,985

3. Ranking Liabilities Relating to :

	Concentration in Margin Financing			
3.1	The amount calculated client-to- client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances.	-	29,684,908	29,684,908
	Concentration in securities lending and borrowing			
3.2	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	-	-	-
	Net underwriting Commitments			
3.3	**(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	-	-	-
	Negative equity of subsidiary			
3.4	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
	Foreign exchange agreements and foreign currency positions			
3.5	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
	Repo adjustment			
3.7	**In the case of financier/purchaser** the total amount receivable under Repo less the 110% of the market value of underlying securities. **In the case of finance/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
	Concentrated proprietary positions			
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
	Opening Positions in futures and options			
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
	Short sell positions			
3.10	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilities**	-	29,684,908	29,684,908

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.19)	865,069,081
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(189,060,985)
(iii) Less: Total ranking liabilities (series number 3.11)	(29,684,908)
	646,323,187

Note: Commission may issue guidelines and clarifications in respect of the treatment of any component of Liquid Capital including any modification, deletion and inclusion in the calculation of Adjusted value of assets and liabilities to address any practical difficulty.

34 **NUMBER OF EMPLOYEES**

The total number of employees and average number of employees at the year end and during the year respectively are as follows :

	2022	2021
	Number	
Total employees of the company at year end	**51**	48
Average number of employees during the year	**52**	52

35 **CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified for the purpose of comparison.

Reclassified from	**Reclassified to**	**Amount (Rupees)**
Dividend income (Other Income)	Dividend income (Operating Revenue)	29,310,638

36 **DATE OF AUTHORIZATION**

These financial statements have been authorized for issue by the Board of Directors of the Company on 27-10-2022.

37 **GENERAL**

The figure has been rounded to nearest rupees.

Chief Executive | **Director**