

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

**Independent Auditor's Report To The Members Of**  
**JSK Securities Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the annexed financial statements of **JSK Securities Limited** (the Company), which comprise the statement of financial position as at June 30, 2023, the statement of profit or loss and 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 and other comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss, 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.

**Information Other than the Financial Statements and Auditors' Report thereon**

Management is responsible for the other information presented along with the financial statements and the auditors' report thereon. With respect to the Company the other information comprises only the Director's Report on the operations of the Company.

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.

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**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 is responsible for overseeing the Company's financial reporting process.

**Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the Company was in compliance with requirement of section 78 of the Securities Act, 2015, and the relevant requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016 as on the date of statement of financial position.

The Engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

LAHORE; October 19, 2023  
UDIN: AR202310104gOn4SPtCI

*Shinewing Hameed Chaudhri & Co.*  
**SHINEWING HAMEED CHAUDHRI & CO.,**  
CHARTERED ACCOUNTANTS



**JSK SECURITIES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Operating fixed assets	6	1,139,120	1,218,425
Intangible assets	7	10,122,672	10,122,672
Long term investments	8	62,264,382	51,279,210
Security deposits	9	1,446,339	1,508,339
		<u>74,972,513</u>	<u>64,128,646</u>
<b>CURRENT ASSETS</b>			
Trade debts	10	6,761,740	5,139,947
Loan advances and other receivables	11	1,531,145	1,699,605
Short term investments	12	12,506,893	14,860,041
Tax deducted at source		1,047,590	697,886
Cash and bank balances	13	850,459	739,818
		<u>22,697,827</u>	<u>23,137,297</u>
<b>TOTAL ASSETS</b>		<u><b>97,670,340</b></u>	<u><b>87,265,943</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 1,000,000 ordinary shares of Rs.100 each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital	14	77,100,000	77,100,000
Reserves	15	28,477,054	17,491,882
Accumulated losses		(23,856,273)	(23,188,431)
Loan from a sponsor	16	10,000,000	10,000,000
		<u>91,720,781</u>	<u>81,403,451</u>
<b>NON-CURRENT LIABILITIES</b>			
Staff retirement benefits - gratuity		791,746	554,522
Security deposit	17	-	740,000
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	4,338,267	3,821,196
Unearned rental income		233,333	448,402
Taxation	19	586,213	298,372
		<u>5,157,813</u>	<u>4,567,970</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	20		
		<u><b>97,670,340</b></u>	<u><b>87,265,943</b></u>

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

Sahar Saifullah Khan  
Chief Executive Officer



Director



**JSK SECURITIES LIMITED  
STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
Operating revenue	21	10,055,299	5,095,499
Other income	22	863,004	1,455,786
<b>Gross profit</b>		<b>10,918,303</b>	<b>6,551,285</b>
Administrative expenses	23	(8,578,561)	(9,910,470)
Other expenses	24	(2,353,147)	-
Bank charges		(15,664)	(5,280)
<b>Loss before taxation</b>		<b>(29,069)</b>	<b>(3,364,465)</b>
Taxation	25	(638,773)	(327,191)
<b>Loss after taxation</b>		<b>(667,842)</b>	<b>(3,691,656)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified subsequent to statement of profit or loss</b>			
Unrealised gain on remeasurement of investment at fair value through other comprehensive income		10,985,172	2,745,620
<b>Total Comprehensive income / (loss)</b>		<b>10,317,330</b>	<b>(946,036)</b>

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

*Sahar Saifullah Khan*  
Chief Executive Officer

SHC

*[Signature]*  
Director

**JSK SECURITIES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss for the year before taxation	(29,069)	(3,364,465)
Adjustments for non-cash charges and other items:		
Depreciation	176,605	192,746
Profit on deposit account	(349,149)	(208,001)
Provision for gratuity - net	237,224	103,057
<b>Loss before working capital changes</b>	<b>35,611</b>	<b>(3,276,663)</b>
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
Trade receivables	(1,621,793)	(3,544,554)
Loan advances and other receivables	168,460	(178,000)
Short term investments	2,353,148	(10,802,744)
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	517,071	2,181,641
Unearned rental income	(215,069)	(737,678)
	<b>1,201,817</b>	<b>(13,081,335)</b>
<b>Cash generated from / (used in) operations</b>	<b>1,237,428</b>	<b>(16,357,998)</b>
Taxes paid	(700,636)	(513,748)
<b>Net cash generated from / (used in) operating activities</b>	<b>536,792</b>	<b>(16,871,746)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Security deposit (repaid) / received	(678,000)	180,000
Fixed capital expenditures	(97,300)	(45,000)
Loan received from sponsor	-	10,000,000
<b>Net cash (used in) / generated from investing activities</b>	<b>(775,300)</b>	<b>10,135,000</b>
<b>CASH GENERATED FROM FINANCING ACTIVITIES</b>		
Profit received on deposit account	349,149	208,001
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>110,641</b>	<b>(6,528,745)</b>
<b>Cash and cash equivalents - at beginning of the year</b>	<b>739,818</b>	<b>7,268,563</b>
<b>Cash and cash equivalents - at end of the year</b>	<b>850,459</b>	<b>739,818</b>

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

*Sahar Saifullah Khan*  
Chief Executive Officer

SHC

*[Signature]*  
Director

**JSK SECURITIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Reserves					Total
	Share Capital	Share Premium	Unrealised gain on remeasurement of investments at FVTOCI	Sub-total	Accumulated losses	Loan from sponsor
Balance as at June 30, 2021	77,100,000	5,000,000	9,746,262	14,746,262	(19,496,775)	-
<b>Total comprehensive income for the year ended June 30, 2022</b>						<b>72,349,487</b>
Loss for the year	-	-	-	-	(3,691,656)	-
Other comprehensive income	-	-	2,745,620	2,745,620	-	-
Loan received during the year	-	-	2,745,620	2,745,620	(3,691,656)	-
Balance as at June 30, 2022	-	-	2,745,620	2,745,620	-	2,745,620
<b>Total comprehensive income for the year ended June 30, 2023</b>						<b>(946,036)</b>
Loss for the year	-	-	-	-	-	10,000,000
Other comprehensive income	-	-	2,745,620	2,745,620	(3,691,656)	-
Balance as at June 30, 2023	77,100,000	5,000,000	12,491,882	17,491,882	(23,188,431)	10,000,000
<b>Total comprehensive income for the year ended June 30, 2023</b>						<b>81,403,451</b>
Loss for the year	-	-	-	-	(667,842)	-
Other comprehensive income	-	-	10,985,172	10,985,172	-	-
Balance as at June 30, 2023	-	-	10,985,172	10,985,172	(667,842)	-
<b>Total comprehensive income for the year ended June 30, 2023</b>						<b>10,317,330</b>
Balance as at June 30, 2023	77,100,000	5,000,000	23,477,054	28,477,054	(23,856,273)	10,000,000
<b>Total comprehensive income for the year ended June 30, 2023</b>						<b>91,720,781</b>

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

*Sahar Saifullah Khan*  
Chief Executive Officer

**CHS**

*[Signature]*  
Director



**JSK SECURITIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

JSK Securities Limited (the Company) was incorporated in Pakistan on June 09, 2006 as a single member company under the repealed Companies Ordinance, 1984 now the Companies Act, 2017 (the Act). The Company was incorporated pursuant to the corporatisation policy of the Securities and Exchange Commission of Pakistan to enable the individual members of Stock Exchanges to transfer their membership along with all entitlements related thereto, to a corporate entity. The status of the Company was first converted into a Private Limited Company with effect from November 21, 2007 and then a Public Limited Company with effect from June 16, 2009.

The Company is a Trading Right Entitlement Certificate holder of the Pakistan Stock Exchange Limited (PSX) and is also a member of Pakistan Mercantile Exchange Limited (PMEX). The Company is principally engaged in shares brokerage and trading and consultancy services. The head office of the Company is situated at office no. 1111, Islamabad Stock Exchange tower, Jinnah Avenue, Islamabad.

**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 (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions 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.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for investments at fair value through profit or loss. The Company follows trade date basis of accounting in preparation of these financial statements.

**2.3 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency. All financial information has been rounded off to the nearest thousand of Rupees unless otherwise stated.

**3. NEW AND AMENDED STANDARDS AND INTREPRETATIONS**

**3.1 Standards, amendments and interpretations to accounting and reporting standards that became effective during the year**

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

**(a) IAS 37 Provisions, Contingent Liabilities and Contingent Assets**

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



**(b) IAS 16 Property, Plant and Equipment**

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

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

**3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company**

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

**(a) IAS 1 Presentation of Financial Statements****Effective: January 01, 2024**

The amendments clarify how to classify a debt and other liabilities as current or non-current. The IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify the following:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

**(b) IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors****Effective: January 01, 2023**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. 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 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.

**(c) IAS 1 Presentation of Financial Statements****Effective: January 01, 2023**

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

The Company has assessed that the impact of above amendments is not expected to be significant.

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



#### 4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognized prospectively.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

##### (a) Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicators of impairment are identified.

##### (b) Provision for impairment of trade debts

The Company assesses the recoverability of its trade debts if there is objective evidence that the Company will not be able to collect all the amount due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments are considered indications that the trade debt is impaired.

##### (c) Income taxes

In making the estimates for income taxes, the Company takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

No critical judgment has been used in applying the accounting policies.

#### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### 5.1 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to statement of profit or loss by applying reducing balance method at the rates specified in note 6. Depreciation on additions to fixed assets is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is disposed-off.

Normal repairs and replacements are taken to statement of profit or loss. Major improvements and modifications are capitalised and assets replaced, if any, other than those kept as stand-by, are retired.

Gain / loss on disposal of fixed assets, if any, is taken to statement profit or loss.

##### 5.2 Trading Right Entitlement Certificate / Stock Exchange Membership Card

The stock exchange membership card was swapped under the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 with the shares of ISE Towers REIT Management Company Limited (formerly Islamabad Stock Exchange Limited) and Trading Right Entitlement Certificate (TREC) of PSX. The carrying amount of TREC was ascertained at each reporting date and any impairment loss identified was taken to the statement of profit or loss.



### 5.3 Financial assets

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

#### **Initial recognition and measurement of financial assets**

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

#### **Equity instruments**

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1).

For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

- **Fair value through other comprehensive income (FVTOCI)**

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value. Reclassification of fair value gains and losses to unappropriated profits shall be made with in statement of changes in equity.

- **Fair value through profit or loss (FVTPL)**

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

### 5.4 Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

### 5.5 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Further, applying 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. Based on the Company's experience, collection history, historical loss rates / bad debts and normal receivable aging, the shift from an incurred loss model to an ECL model has no material impact on the financial position and / or financial performance of the Company.

## **5.6 Trade debts**

### **Measurement**

These are initially recognised at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less provision for doubtful debts, if any.

### **Impairment**

These are classified at amortized cost and are initially recognised and measured at fair value of consideration receivable. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

## **5.7 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash-in-hand and balances at banks.

## **5.8 Staff retirement benefits - Gratuity**

The Company operates an un-funded gratuity scheme for its employees. Provision is made annually, based on the managements best estimate, to cover obligation under the scheme.

## **5.9 Trade and other payables**

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

## **5.10 Taxation**

### **(a) Current and prior year**

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantively enacted by the end of the reporting period and is based on current rates of taxation being applied on the taxable income for the year, after taking into account tax credits and rebates available, if any, and taxes paid under the Final Tax Regime. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalised during the year.

### **(b) Deferred**

Deferred tax is recognised using the statement of financial position method on all temporary differences arising between the tax basis of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liability is recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised.

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the statement of financial position date.



**5.11 Revenue recognition**

Revenue is recognised 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 consideration received or receivable on the following basis:

- capital gains and losses on sale of investments are recorded on the date of sale;
- dividend income is accounted for when the right of receipt is established; and
- brokerage and consultancy incomes are recognised on 'accrual basis'.

**5.12 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an 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 reporting date and adjusted to reflect the current best estimate.

**5.13 Off-setting of financial assets and liabilities**

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

**6. OPERATING FIXED ASSETS - tangible**

	Furniture and fixtures	Electric and gas fittings	Office equipment	Computers and accessories	Vehicles	Total
	----- Rupees -----					
<b>COST</b>						
Balance as at July 01, 2021	1,147,496	389,649	569,260	890,993	2,593,462	5,590,860
Addition	20,000	-	25,000	-	-	45,000
Balance as at June 30, 2022	1,167,496	389,649	594,260	890,993	2,593,462	5,635,860
Balance as at July 01, 2022	1,167,496	389,649	594,260	890,993	2,593,462	5,635,860
Additions during the year	35,300	-	-	62,000	-	97,300
Balance as at June 30, 2023	<u>1,202,796</u>	<u>389,649</u>	<u>594,260</u>	<u>952,993</u>	<u>2,593,462</u>	<u>5,733,160</u>
<b>DEPRECIATION</b>						
Balance as at July 01, 2021	680,858	241,861	261,480	832,688	2,207,802	4,224,689
Charge for the year	48,331	15,276	32,573	19,434	77,132	192,746
Balance as at June 30, 2022	<u>729,189</u>	<u>257,137</u>	<u>294,053</u>	<u>852,122</u>	<u>2,284,934</u>	<u>4,417,435</u>
Balance as at July 01, 2022	729,189	257,137	294,053	852,122	2,284,934	4,417,435
Charge for the year	46,617	13,251	30,021	25,010	61,706	176,605
Balance as at June 30, 2023	<u>775,806</u>	<u>270,388</u>	<u>324,074</u>	<u>877,132</u>	<u>2,346,640</u>	<u>4,594,040</u>
<b>BOOK VALUE AS AT</b>						
JUNE 30, 2022	<u>438,307</u>	<u>132,512</u>	<u>300,207</u>	<u>38,871</u>	<u>308,528</u>	<u>1,218,425</u>
<b>BOOK VALUE AS AT</b>						
JUNE 30, 2023	<u>426,990</u>	<u>119,261</u>	<u>270,186</u>	<u>75,861</u>	<u>246,822</u>	<u>1,139,120</u>
Depreciation rate (%)	10	10	10	33.33	20	



**7. INTANGIBLE ASSETS**

	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Trading Right Entitlement Certificate (TREC)	<b>7.1</b>	<b>5,112,672</b>	5,112,672
Room at Islamabad Stock Exchange		<b>2,500,000</b>	2,500,000
Membership of Pakistan Mercantile Exchange Ltd.		<b>2,510,000</b>	2,510,000
		<b>10,122,672</b>	<b>10,122,672</b>

- 7.1** In accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act), the Company received TREC of PSX and equity shares of ISE Towers REIT Management Company Limited in lieu of its membership card. The Company's entitlement in respect of shares was determined on the basis of the valuation of its assets and liabilities as approved by the SECP. The Company has been allotted with 3,034,603 shares of ISE Towers REIT Management Company Limited, having face value of Rs.10 each, out of which 1,820,762 shares have been kept in a blocked account. The allocation of the carrying amount of membership card to the composite assets i.e. TREC and equity shares was made based on the guidance given by the Technical Committee of the Institute of Chartered Accountants of Pakistan.

**8. LONG TERM INVESTMENT**

	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
- at FVTOCI			
ISE Towers REIT Management Company Limited.			
3,034,603 ordinary shares of Rs.10 each		<b>43,971,397</b>	43,971,397
Adjustment arising from remeasurement to fair value	<b>8.3</b>	<b>18,292,985</b>	7,307,813
		<b>62,264,382</b>	<b>51,279,210</b>

- 8.1** Out of total shares, 1,820,762 (2022: 1,820,762) shares have been kept in a blocked account as detailed in note 7.1.
- 8.2** 1,213,841 shares of ISE Towers REIT Management Company Ltd. are also pledged with Pakistan Stock Exchange Limited. Fair value of these shares as at June 30, 2023 is not available.
- 8.3** Shares have been valued on the basis of break-up value per share of Rs.20.51 (2022: Rs.16.90). This value was determined based on the latest available un-audited financial statements of the ISE Towers REIT Management Company Limited for the financial year ended June 30, 2023.

**9. SECURITY DEPOSITS**

	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Pakistan Mercantile Exchange Ltd. (PMEX)	<b>1,000,000</b>	1,000,000
Central Depository Company of Pakistan	<b>100,000</b>	100,000
National Clearing Company Of Pakistan Ltd.	<b>300,000</b>	300,000
Others	<b>46,339</b>	108,339
	<b>1,446,339</b>	<b>1,508,339</b>

**10. TRADE DEBTS**

Balance as at June 30,	<b>6,761,740</b>	<b>5,139,947</b>
<b>10.1</b> The aging of due from clients as at reporting date is as follows:		
Not due	<b>747,891</b>	1,421,225
6 - 30 days	<b>933,522</b>	3,003,019
31 - 60 days	<b>2,143,071</b>	163,070
61 - 90 days	<b>432,858</b>	105,645
91 - 180 days	-	5,833
181 days or more	<b>2,504,398</b>	441,155
	<b>6,761,740</b>	<b>5,139,947</b>

- 10.2 These include receivable amounting Rs.5,487,086 (2022: Rs.4,137,314) from National Clearing Company Of Pakistan Limited against trading.
- 10.3 Customers assets held in central depository system consisted of 45.283 million shares having value of Rs.809.745 million.

**11. LOAN ADVANCES AND OTHER RECEIVABLES**

	Note	2023 Rupees	2022 Rupees
Due from Associated Company	11.1	-	336
Exposure deposits with PMEX		317,095	317,095
Exposure deposits with NCCPL		1,100,000	1,100,000
Rent		-	198,000
Others		114,050	84,174
		<u>1,531,145</u>	<u>1,699,605</u>

- 11.1 It represents due from JSK Feeds Limited amounting to Rs. Nil (2022:Rs. 336) on account of sharing of expenses.

**12. SHORT TERM INVESTMENTS - Quoted**

(at fair value through statement of profit or loss)

No. of shares		Name of the Company	Market value	
2023	2022		2023	2022
----- Rupees -----				
40,500	40,500	Cnergyico Pk Limited.	115,020	216,270
10,000	10,000	Fauji Fertilizer Bin Qasim Ltd.	117,800	202,400
13,752	11,460	Gul Ahmad Textile Mills Ltd.	244,923	387,463
45,000	45,000	K-Electric Ltd.	77,400	136,800
100,500	100,500	Kohinoor Spinning Mills Ltd.	236,175	323,610
2,000	2,000	Oil & Gas Development Company Ltd.	156,000	157,340
990	990	Pakistan Petroleum Ltd.	58,549	66,835
45,000	45,000	Pakistan Telecommunication Co.Ltd.	270,450	313,200
16,662	15,500	Telecard Ltd.	109,969	167,865
1,785	768	Ghani Value Glass Ltd	70,008	50,688
1,150	1,000	Octopus Digital Ltd	42,999	71,310
10,000	10,000	Pakistan Refinery Limited	135,600	178,900
604,000	604,000	Saif Power Limited	10,872,000	12,587,360
891,339	886,718		12,506,893	14,860,041

- 12.1 As at June 30, 2023, shares having value of Rs.960,910 (2022: Rs. 1,104,450) are pledged with Pakistan Stock Exchange Limited.
- 12.2 No shares belonging to customer are pledged with National Clearing Company of Pakistan as margin against trading.

**13. CASH AND BANK BALANCES**

	2023 Rupees	2022 Rupees
Cash at banks in	61	-
current accounts:		
- client accounts	482,680	463,500
- house accounts	40,100	39,600
	522,780	503,100
Saving account - house account	327,618	236,718
	<u>850,459</u>	<u>739,818</u>



**14. SHARE CAPITAL****Issued, subscribed and paid-up:**

2023	2022		2023	2022
No. of shares		Note	Rupees	Rupees
321,000	321,000	Ordinary shares of Rs.100 each fully paid in cash	32,100,000	32,100,000
450,000	450,000	Ordinary shares of Rs.100 each issued for consideration otherwise than cash	45,000,000	45,000,000
<b>771,000</b>	<b>771,000</b>		<b>77,100,000</b>	<b>77,100,000</b>

**15. RESERVES**

Capital reserve - share premium	15.1	5,000,000	5,000,000
Unrealised gain on available for sale investments		23,477,054	12,491,882
		<b>28,477,054</b>	<b>17,491,882</b>

15.1 This represents the share premium received, on issuance of 100,000 @ Rs.50 per share, during the financial year ended June 30, 2011.

**16. LOAN FROM SPONSOR - Unsecured**

The Company, during the preceding year, has obtained loan aggregating Rs.10 million (in two tranches of Rs.5 million each) from its sponsor Ms. Sahar Saifullah Khan (Chief Executive) to meet the Company's working capital requirements. The loan is interest free and is repayable at discretion of the Company with in a period of three years. The loan is unsecured and is subordinated to all other indebtedness of the Company. As per the requirements of the ICAP TR-32 (Accounting Directors' Loan) the loan has been classified as part of equity.

**17. SECURITY DEPOSIT**

It represent security deposit received against rented out property.

**18. TRADE AND OTHER PAYABLES**

	Note	2023 Rupees	2022 Rupees
Creditors		53,974	53,974
Accrued expenses		209,393	244,160
Payable to clients	18.1	2,692,487	2,513,922
Tax deducted at source		197,396	254,383
Others		1,185,017	754,757
		<b>4,338,267</b>	<b>3,821,196</b>

18.1 It includes an amount of Rs.2.147 million payable to National Clearing Company of Pakistan Limited.

**19. TAXATION - Net**

Opening balance	298,372	329,039
Add: provision made during the year for:		
- current year	586,213	298,372
- prior year's	52,560	28,819
	<b>638,773</b>	<b>327,191</b>
Less: adjustments / payment against completed assessments	350,932	357,858
Closing balance	<b>586,213</b>	<b>298,372</b>

- 19.1 The income tax assessments of the Company have been finalised by the Income Tax Department or deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 upto the year ended June 30, 2021.

**20. CONTINGENCIES AND COMMITMENTS**

There was no known contingent liability / commitment as at June 30, 2022 and June 30, 2023.

**21. OPERATING REVENUE**

	Note	2023 Rupees	2022 Rupees
Brokerage income		751,341	500,271
Dividend income		5,073,942	1,989,148
Rental income		3,715,069	2,606,080
Maintenance Fee income		514,947	-
		<u>10,055,299</u>	<u>5,095,499</u>

**22. OTHER INCOME**

Gain on sale of short term investments		-	33,305
Profit on deposit account		349,149	208,001
Gain on remeasurement of short term investments		-	244,109
Payable balances written back		513,855	964,491
Others		-	5,880
		<u>863,004</u>	<u>1,455,786</u>

**23. ADMINISTRATIVE EXPENSES**

Salaries and benefits	23.1	2,153,815	1,507,223
Directors remuneration		3,500,000	3,300,000
Travelling		2,250	1,150
Vehicle's running and maintenance		115,682	270
Communication		332,468	208,676
Printing and stationery		32,440	23,708
Depreciation	6	176,605	192,746
Repair and maintenance		108,665	81,046
Utilities		619,516	528,472
Rent, rates and taxes		311,465	813,228
Insurance		78,056	166,759
Auditors' remuneration:			
- statutory audit fee		183,500	125,000
- prior year (over)/under provision		(35,675)	94,175
- half year review		31,500	31,500
- other services		-	101,250
		<u>179,325</u>	<u>351,925</u>
Fee and subscription		216,809	253,828
Brokerage expenses		350,266	1,717,943
Entertainment		114,039	399,646
Legal and professional charges (other than Auditors')		52,300	163,850
Others		234,860	200,000
		<u>8,578,561</u>	<u>9,910,470</u>

- 23.1 These include Rs.153,224 (2022: Rs.103,057) in respect of staff retirement benefits- gratuity.



**24. OTHER EXPENSES**

**24.1** This represents loss on remeasurement of short term investment.

**25. TAXATION**

	<b>2023</b>	2022
	<b>Rupees</b>	Rupees
Current	<b>586,213</b>	298,372
Prior year	<b>52,560</b>	28,819
	<b><u>638,773</u></b>	<u>327,191</u>

**26. TRANSACTIONS WITH RELATED PARTIES**

The related parties of the Company comprise of directors, key management personnel and Associated Companies. The Company in the normal course of business carries-out transactions with various related parties. Amounts due from and to related parties and other transactions with them have been disclosed in the relevant notes to these financial statements note 11 and note 16.

**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES****27.1 Financial Risk Factors**

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 to minimise potential adverse effects on the Company's financial performance.

Risk management is carried-out by the Company's finance department under policies approved by the board of directors. The Company's finance department evaluates financial risks based on principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the board of directors.

**27.1.1 Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

**(a) Currency risk**

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

**(b) 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 change in market interest rates. At the reporting date, the Company is not exposed to any interest rate risk.

**(c) Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of 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 instruments or its issuer or factors affecting all similar financial instruments traded in the market.

The Company's investments in shares of quoted Companies are exposed to price risk due to change in the prices of shares of quoted companies.

A change of 10% in the price of shares of quoted Companies at reporting date would have decreased / increased profit before tax for the year by Rs.1,251 thousand (2022: Rs.1,486 thousand).



**27.1.2 Credit risk exposure and concentration of credit risk**

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk primarily arises from trade receivables, advances and other receivables, investments and balances with banks. To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

**Exposure to credit risk**

The maximum exposure to credit risk as at June 30, 2023 along with comparative is tabulated below:

	2023 Rupees	2022 Rupees
Long term investments	62,264,382	51,279,210
Security deposits	1,446,339	1,508,339
Trade debts	6,761,740	5,139,947
Advances and other receivables	1,531,145	1,699,605
Short term investments	12,506,893	14,860,041
Bank balances	850,398	739,818
	<u>85,360,897</u>	<u>75,226,960</u>

Based on past experience, the Company's management believes that no impairment loss allowance is necessary in respect of trade receivables and there are reasonable grounds to believe that the amounts will be realised in short course of time.

**27.1.3 Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Company's treasury department aims at maintaining flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

Particulars	Carrying amount	Contractual cash flows	Less than one year
	----- Rupees -----		
<b>As at June 30, 2023</b>			
<b>Trade and other payables</b>	<u>4,140,871</u>	<u>4,140,871</u>	<u>4,140,871</u>
<b>As at June 30, 2022</b>			
<b>Trade and other payables</b>	<u>3,566,813</u>	<u>3,566,813</u>	<u>3,566,813</u>



## 27.2 Fair value hierarchy

The below table analyzes financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1. Quoted prices (unadjusted) in active markets for identical assets or liabilities:
- Level 2. Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e., as price) or indirectly (i.e., derived from prices): and
- Level 3. Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

The following table presents the Company's assets that are measured at fair value as at June 30, 2023:

	Level 1	Level 2	Level 3
	Rupees		
<b>As at June 30, 2023</b>			
<b>Assets</b>			
Long term investments	-	-	62,264,382
Short term investments	12,506,893	-	-
<b>As at June 30, 2022</b>			
<b>Assets</b>			
Loan term investments	-	-	51,279,210
Short term investments	14,860,041	-	-

## 27.3 Fair value measurement of financial instruments

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

### Valuation techniques used to determine fair values

**Level 1:** The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

At June 30, 2023, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

## 27.4 Financial instruments by category

	2023				2022			
	Amortised cost	At fair value through OCI	At fair value through PL	Total	Amortised cost	At fair value through OCI	At fair value through PL	Total
	Rupees				Rupees			
<b>Financial assets as per statement of financial position</b>								
Long term investment	-	62,264,382	-	62,264,382	-	51,279,210	-	51,279,210
Security deposits	1,446,339	-	-	1,446,339	1,508,339	-	-	1,508,339
Trade debts	6,761,740	-	-	6,761,740	5,139,947	-	-	5,139,947
Loan advances and other receivables	1,531,145	-	-	1,531,145	1,699,605	-	-	1,699,605
Short term investments	-	-	12,506,893	12,506,893	-	-	14,860,041	14,860,041
	9,739,224	62,264,382	12,506,893	84,510,499	8,347,891	51,279,210	14,860,041	74,487,142



Financial liabilities as per statement of financial position	Financial liabilities measured at amortised cost	
	2023	2022
	--- Rupees ---	
Security deposit	-	740,000
Trade and other payables	4,338,267	3,821,196
Loan from a sponsor	10,000,000	10,000,000
	<b>14,338,267</b>	<b>14,561,196</b>

## 28. CAPITAL RISK MANAGEMENT

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

## 29. REMUNERATION OF CHIEF EXECUTIVE

Remuneration amounting Rs.3,500 thousand (2022: Rs.3,300 thousand) has been paid to Chief Executive of the Company.

30. NUMBER OF EMPLOYEES	2023	2022
Number of employees as at June 30,	3	3
Average number of employees during the year	3	3

## 31. LIQUID CAPITAL STATEMENT

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustment s	Net Adjusted Value
1.1	Property & Equipment	1,139,120	100.00%	-
1.2	Intangible Assets	10,122,672	100.00%	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
1.4	<b>Investment in Debt Securities</b>			
	<b>If listed then:</b>			
	i. 5% of the balance sheet value in the case of tenure upto 1 year	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years	-	10.00%	-
	<b>If unlisted then:</b>			
	i. 10% of the balance sheet value in the case of tenure upto 1 year	-	10.00%	-
1.5	<b>Investment in Equity Securities</b>			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. 139[Provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.]	12,506,893	1,876,034	10,630,859
	ii. If unlisted, 100% of carrying value.	62,264,382	100.00%	-
1.6	<b>Investment in subsidiaries</b>	-	100.00%	-
1.7	<b>Investment in associated companies/undertaking</b>			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher	-	-	-
	ii. If unlisted, 100% of net value	-	100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity	1,446,339	100.00%	-
1.9	Margin deposits with exchange and clearing house.	1,417,095	-	1,417,095
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	114,050	100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	-	-	-
	ii. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	-	100.00%	-
	iii. In all other cases 100% of net value	1,047,590	100.00%	-



1.16	<b>Receivables from clearing house or securities exchange(s)</b>			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MM gains	-	-	-
	claims on account of entitlements against trading of securities in all markets including MM gains	5,487,086	-	5,487,086
1.17	<b>Receivables from customers</b>			
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut	-	-	-
	<b>i. Lower of net balance sheet value or value determined through adjustments.</b>			
	ii. In case receivables are against margin trading, 5% of the net balance sheet value	-	5.00%	-
	<b>ii. Net amount after deducting haircut</b>			
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,	-	-	-
	<b>iii. Net amount after deducting haircut</b>			
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	375,921	-	375,921
	<b>iv. Balance sheet value</b>			
	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	898,733	445,979	452,754
1.18	<b>v. Lower of net balance sheet value or value determined through adjustments</b>			
	vi. 142 [In the case of amount of receivable 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;	-	100.00%	-
	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.]			
1.19	<b>Cash and Bank balances</b>			
	i. Bank Balance-proprietary accounts	367,718	-	367,718
	ii. Bank balance-customer accounts	482,680	-	482,680
	iii. Cash in hand	61	-	61
1.20	<b>Subscription money against investment in IPO/ offer for sale (asset)</b>			
	144[ i. No haircut may be applied in respect of amount paid as subscription money provided that shares have not 145[been] allotted or are not included in the investments of securities broker.			
	ii. 146[In case of investments in IPO where shares have been allotted but not yet credited in CDS account, 25% haircuts will be applicable on the value of such securities.			
	iii. In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VaR based haircut whichever is higher, will be applied on Right shares.]			
1.20	<b>Total Assets</b>	<b>97,670,340</b>		<b>19,214,174</b>
<b>2. Liabilities</b>				
2.1	<b>Trade Payables</b>			
	i. Payable to exchanges and clearing house	2,146,785	-	2,146,785
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	508,929	-	508,929
2.2	<b>Current Liabilities</b>			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	209,393	-	209,393
	iii. Short-term borrowings	-	-	-
	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	586,213	-	586,213
	ix. Other liabilities as per accounting principles and included in the financial statements	1,706,493	-	1,706,493
2.3	<b>Non-Current Liabilities</b>			
	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	791,746	-	791,746
	iii. <b>Advance against shares for increase in Capital of Securities broker:</b> 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.			
2.4	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	-	-	-
	<b>Subordinated Loans</b>			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	10,000,000	100%	-
		-	-	-
2.5	<b>Total Liabilities</b>	<b>15,949,559</b>		<b>5,949,559</b>



## 3. Ranking Liabilities Relating to :

3.1	<b>Concentration in Margin Financing</b> The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees	-	-	-
3.2	<b>Concentration in securities lending and borrowing</b> The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	<b>Net underwriting Commitments</b> <b>(a) in the case of right issues :</b> If the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting <b>(b) in any other case :</b> 12.5% of the net underwriting commitments	-	-	-
3.4	<b>Negative equity of subsidiary</b> The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	<b>Foreign exchange agreements and foreign currency positions</b> 5% of the net position in foreign currency Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	<b>Amount Payable under REPO</b>	-	-	-
3.7	<b>Repo adjustment</b> <b>In the case of financier/purchaser</b> the total amount receivable under Repo less the 110% of the market value of underlying securities. <b>In the case of financee/seller</b> 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	<b>Concentrated proprietary positions</b> 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	-	967,608	967,608
3.9	<b>Opening Positions in futures and options</b> 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	<b>Short sell positions</b> i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts	-	-	-
3.11	<b>Total Ranking Liabilities</b>	-	967,608	967,608
		81,720,781	Liquid Capital	12,297,007

## Calculations Summary of Liquid Capital

- (i) Adjusted value of Assets (serial number 1.19)  
(ii) Less: Adjusted value of liabilities (serial number 2.5)  
(iii) Less: Total ranking liabilities (series number 3.11)

## 32. CALCULATION OF CAPITAL ADEQUACY LEVEL

	Note	Amount in Rupees
Total Assets		97,670,340
Less: book value of TREC as per audited financial statements		(5,112,672)
Add: Notional value of TREC as determined by PSX	1	2,500,000
		95,057,668
Less:		
- total liabilities		(5,949,559)
- revaluation surplus (created upon revaluation of fixed assets)		-
<b>Capital Adequacy Level</b>		<b>89,108,109</b>

## Note:

- (1) The notional value of TREC has been determined based on the guidance given by the Pakistan Stock Exchange in its Rule Book.



**33. PATTERN OF SHAREHOLDING**

As at June 30, 2023, Ms. Sahar Saifullah Khan (Chief Executive) held more than 5% of the issued, subscribed and paid-up capital of the Company.

**34. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on  
of directors of the Company.

06 OCT 2023

by the board

**35. FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no material rearrangements and reclassifications have been made in these financial statements.

Sahar Saifullah Khan  
Chief Executive Officer

SHC

  
Director