# SHAJARPAK SECURITIES (PRIVATE) LIMITED

Financial Statements For The Year Ended 30 June 2022

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CHARTERED ACCOUNTANTS

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### INDEPENDENT AUDITORS' REPORT

To the members of Shajarpak Securities (Private) Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of Shajarpak Securities (Private) Limited (the Company), which comprise the statement of financial position as at 30 June 2022, and 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 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 30 June 2022 and of the profit and 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 Auditors' 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. The other information comprises the directors' report, but does not include the financial statements and our auditors' report thereon.

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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 not been provided with the directors' report hence 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.

### 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.

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- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors report is Mr. Rashid Rahman Mir.

Rahman Saffaraz Rahim Iqbal Rafiq, CHARTERED ACCOUNTANTS

Lahore: 3 0 SEP 2022

UDIN: AR202210146TI8a2Chvi

# SHAJARPAK SECURITIES (PRIVATE) LIMITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

EQUITY AND LIABILITIES	NOTE	2022	2021	PROPERTY AND ASSETS	NOTE	2022	2021
		Rupees	Rupees			Rupees	Rupees
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Share capital	'n	000,000,00	900,000,000	Property and equipment	7	5,148,615	5,317,380
Capital reserve				Intangible assets	00	4.082.025	4 257 805
Fair value reserve-measurement of equity securities at FVOCI		2,684,837	4,487,471	Long term deposits		1,223,000	1,023,000
Revenue reserve						10,453,640	10.598,185
Unappropriated profit		13,718,891	8,991,946				10
NON-CURRENT LIABILITIES		76,403,728	63,479,418				
Deferred liabilities	7	ij.	×				
CURRENT LIABILITIES	5	11	33	CURRENT ASSETS			37
Trade and other payables	٠,	18,622,994	35,380,759	Trade debts	6	11,169,606	5,062,666
				Short term investments  Loans, advances and prepayments - considered	01	32,191.008	24,758,785
				pood		1,449.736	839,600
				Taxes recoverable/ adjustable	=	685,150	860,838
CONTINGENCIES AND COMMITMENTS	9	*	æ	Cash and bank balances	12	39,077,582	56,740,102
					į	84,573,082	88,261,991
	1				Ų.		
		95.026.722	98.860.177			95 076 722	771 098 86

The annexed notes 1 to 27 form an integral part of these financial statements.

DIRECTOR

CHINESELMINE OFFICER



# SHAJARPAK SECURITIES (PRIVATE) LIMITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Rupees	2021 Rupees
Operating income	13	9,731,613	17,104,894
Gain on sale of securities - net	14	216,184	962,997
Other income	15	5,684,950	2.198.064
		15,632,747	20,265,955
Operating expenses	16	(9,508,243)	(12,628,601)
Finance cost	_	(5,626)	(4,060)
		(9,513,869)	(12,632,661)
Profit before taxation	_	6,118,878	7,633,294
Taxation	17	(1,091,518)	(1,364,562)
Profit after taxation for the year	=	5,027.360	6,268,732
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX:			
Items that will never be reclassified subsequently to the statement profit or loss:	of		
Unrealized (loss)/ gain on investment in equity instruments designated "FVOCI"	l as	(2,103,049)	2.234,323
Items that may be reclassified subsequently to the statement of profit of	r.	1 5	50
Other comprehensive (loss)/ income for the year		(2,103,049)	2,234,323
Total comprehensive income for the year	ā	2.924.311	8,503,055
Earnings per share-basic and diluted	18 =	1.00	1.77

The annexed notes 1 to 27 form an integral part of these financial statements.

DIRECTOR

HIEF EXECUTIVE OFFICER

### SHAJARPAK SECURITIES (PRIVATE) LIMITED

### STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 30 JUNE 2022

Share capital

Capital reserve

Fair value

Revenue reserve

Unappropriated profit/(loss)

Total

		unrealized		
		Rup	ees	
Balance as at 01 July 2020	35,000,000	1,072,982	3,903,380	39,976,362
Right issue 1.5 for 3.5 share (Rs.10 each)	15,000,000	5 <del>-</del>		15,000,000
Profit after taxation for the year Other comprehensive gain for the year	-	2,234,323	6,268,732	6,268,732 2,234,323
Gain/ (Loss) realized on disposal of investments in equity securities classified as at fair value through other comprehensive income	-	1,180,166	(1,180,166)	353
	-	3,414,489	5,088,566	8,503,055
Balance as at 30 June 2021	50,000,000	4,487,471	8,991,946	63,479,417
Right issue 1 for 5 shares (Rs.10 each)	10,000,000		÷	10,000,000
Profit after taxation for the year Other comprehensive loss for the year	11 -	(2,103,049)	5,027,360	5,027,360 (2,103,049)
Gain/ (Loss) realized on disposal of investments in equity securities classified as at fair value through other comprehensive income		300,415	(300,415)	945
Mailgratine	•	(1,802,634)	4,726,945	2,924,311
Balance as at 30 June 2022	60,000,000	2,684,837	13,718,891	76,403,728

The annexed notes 1 to 27 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER



# SHAJRPAK SECURITIES (PRIVATE) LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Rupees	2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation Adjustments for:		6,118,878	7,633,294
Depreciation		257,765	247,018
Amortization on computer software		175,780	195,312
Gain on sale of securities	1	(216,184)	(962,997)
Dividend income		(5,649,063)	(2,160,271)
Finance cost		5,626	4,060
	_	(5,426,077)	(2,676,878)
Operating cash flows before working capital changes		692,801	4,956,416
CHANGES IN WORKING CAPITAL			
(Increase)/ decrease in current assets:	-		
Trade debts		(6,106,940)	1,954,531
Loans and advances		(610,136)	(170,310)
Taxes refundable/ adjustable		175,689	685,051
Decrease in current liabilities:		(16.868.860)	(25 (20 500)
Trade and other payables	L	(16,757,765)	(27,638,788)
Cash used in operations		(22,606,350)	(25,169,516)
Finance cost paid		(5,626)	(4,060)
Income tax paid		(1,091,518)	(1,364,562)
Net cash used in operating activities	1	(23,703,494)	(21,581,722)
CASH FLOW FROM INVESTING ACTIVITIES	57.	2 1 2 30 30 40	: 300 - 12 - 17 - 17 - 17 - 17 - 17 - 17 - 17
Fixed capital expenditure		(89,000)	(276,700)
Long term deposits		(200,000)	er winder
Increase in short term investments		(15,905,133)	(11,609,002)
Proceeds from sale of investments		6,586,044	7,456,090
Dividend received	500	5,649,063	2,160,271
Net cash used in investing activities	=	(3,959,026)	(2,269,341)
CASH FLOW FROM FINANCING ACTIVITIES			
Right shares issued	575	10,000,000	15,000,000
Net cash generated from financing activities	_	10,000,000	15,000,000
Net decrease in cash and cash equivalents during the year		(17,662,520)	(8,851,063)
Cash and cash equivalents at the beginning of the year	5m 40 5 (arc.)	56,740,102	65,591,165
Cash and cash equivalents at the end of the year	12	39,077,582	56,740,102

ALL Mon

SHIEF EXECUTIVE OFFICER



# SHAJARPAK SECURITIES (PRIVATE) LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 1 STATUS AND NATURE OF BUSINESS

Shajarpak Securities (Private) Limited (the Company) is incorporated in Pakistan on 23 December 2013 and its registered office is situated at 415-424 Alfalah Building, The Mall, Lahore, Pakistan while its principal place of business is situated at 101, Lahore Stock Exchange Building, Lahore, Pakistan. The Company is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited and principal activities of the Company include shares brokerage, investment in securities, portfolio management and other dealings related to shares and securities.

### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of compliance

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

International Financial Reporting Standards (IFRS) 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, the provisions of and directives issued under the Companies Act, 2017 have been followed."

The management has voluntarily adopted IFRS instead of International Financial Reporting Standard for Small and Medium-Sized Entities (SMEs) issued by International Accounting Standard Board (IASB) and accordingly excessive disclosures has been given to achieve fair presentation of the financial statements.

## 2.2 Initial application of a standard, amendment or an interpretation to an existing standard and forthcoming requirements

### a) Standards and interpretations that became effective but not relevant to the Company:

The following standards (revised or amended) and interpretations became effective for the current financial year but are either not relevant or do not have any material effect on the financial statements of the Company other than increased disclosures in certain cases:

- IFRS 9 Financial Instruments (Amendment regarding interest rate benchmark reform-Phase-2).
- 1AS 39 Financial Instruments: Recognition and Measurement (Amendment regarding interest rate benchmark reform-Phase-2).
- IFRS 7 Financial Instruments: Disclosures (Amendment regarding interest rate benchmark reform-Phase-2).
- IFRS 16 Leases- (Amendment regarding interest rate benchmark reform-Phase-2).
- IFRS-16 Leases- (Amendment to Covid-19 related rent concession beyond 30 June 2021).

### b) Forthcoming requirements not effective in current year and not considered relevant:

The following standards (revised or amended) and interpretations of approved accounting standards are only effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than increased disclosures in certain cases:

- IFRS 3 Business Combinations (Amendments updating a reference to the Conceptual Framework)-(applicable for annual periods beginning on or after 1 January 2022).
- IFRS 9 Financial Instruments (Amendments to 10 percent test for derecognition of financial liabilities in fee)(applicable for annual periods beginning on or after 1 January 2022).



- IFRS 10/ IAS 28 Consolidated Financial Statements and Investment in Associates (Amendment regarding the sale
  - or contribution of assets between an investor and its associate or joint venture) (Application date not yet finalized).
- IAS 16- Property, Plant and Equipment (Amendments regarding proceeds before intended use) (applicable for annual periods beginning on or after 1 January 2022).
- IAS 1- Presentation of Financial Statements (Amendment regarding classification of liabilities as current and noncurrent)- (Effective for annual periods beginning on or after 1 January 2023).
- IAS 1- Presentation of Financial Statements (Amendments regarding the disclosure of accounting policies)-(Effective for annual periods beginning on or after 1 January 2023).
- IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors (Amendments regarding the definition of accounting estimates)- (Effective for annual periods beginning on or after 1 January 2023).
- IAS 12- Income Taxes (Amendments regarding deferred tax related to assets and liabilities arising from single transaction)-(effective for annual periods beginning on or after 1 January 2023).
- IAS 16- Property, Plant and Equipment (Amendments prohibiting 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)-(effective for annual periods beginning on or after 1 January 2022).
- IAS 37- Provisions, Contingent Liabilities and Contingent Assets (Amendments regarding the costs to include when assessing whether a contract is onerous)-(effective for annual periods beginning on or after 1 January 2022).
- IAS 41 Agriculture (Amendment regarding taxation in fair value measurement) (effective for annual periods beginning on or after 1 January 2023).

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 First Time Adoption of International Financial Reporting Standards
- IFRS 17 Insurance Contracts

### 2.3 Accounting convention

These financial statements have been prepared under the "Historical Cost Convention" except for financial instruments which are stated at fair value. The financial statements, except for cash flow information, have been prepared under the accrual basis of accounting.

### 2.4 Judgments, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Taxation	(note 2.7)
Useful lives of depreciable assets and residual value	(note 2.9)
Intangible assets	(note 2.10)

### 2.5 Provisions

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, and it is probable that outflow of economic benefits will be required to settle the obligation. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

### 2.6 Trade and other payables

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

### 2.7 Taxation

### Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credit and rebates, if any available under the Income Tax Ordinance, 2001.

### Deferred

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the current rate of taxation. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax is charged and credited to income except in the case of items credited or charged to equity in which case it is included in equity.

### 2.8 Impairment

The carrying amounts of the Company's assets are reviewed at the statement of financial position date to determine whether there is any indication of impairment, if any such indication exists, the assets' recoverable amount is estimated and impairment losses are recognized.

### 2.9 Property and equipment and depreciation

### Owned assets

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged on additions during the year from the month in which property and equipment become available for use while no depreciation is charged from the month of deletions/disposals.

Depreciation is charged to profit on reducing balance method so as to write off the value of assets over their estimated useful lives at rates disclosed in note 7. Depreciation methods, residual values and useful lives of assets are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

Minor renewals or replacements, maintenance, repairs, gains or losses on disposal of property and equipment are included in the statement of profit or loss currently. Major renewals and improvements are capitalized.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as net difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

### 2.10 Intangible assets

Intangible assets acquired by the Company are stated at cost less accumulated amortization and impairment losses, if any. Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization is charged to the statement of profit or loss on a reducing balance method basis so as to write off the value of assets over their estimated useful lives at rates disclosed in note 8. Amortization is charged on additions during the year from the month in which intangible assets become available for use while no amortization is charged from the month of deletions/ disposals. Amortization methods, residual values and useful lives of assets are reviewed at each financial year end and adjusted if impact on amortisation is significant.



Intangible assets having indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company. However, the carrying amount is reviewed at each statement of financial position date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

### 2.11 Trade debts and other receivables

These are initially recorded at fair value and subsequently measured at amortized cost. Debts considered irrecoverable are written off/ provided for in the year in which these are so determined by the management. Any allowance for doubtful debts is not created.

### 2.12 Indirect tax on commission

This is shown as a deduction from commission income in statement of profit or loss.

### 2.13 Revenue recognition

Brokerage and service charges are recognized as and when services are provided on accrual basis. Capital gains or losses on sale of investments are taken to income as and when these actually arise. Dividend is recognized when the shareholders right to receive dividend is established.

### 2.14 Cash and cash equivalents

These consist of cash in hand, balances with banks and other short term highly liquid investments that are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

### 2.15 Financial instruments

### Initial recognition

Financial assets and financial liabilities are recognized when entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on trade date basis, except for sale and purchase of securities in future market, which are accounted for at the settlement date.

### Initial measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs on initial recognition that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

### Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

All the financial assets of the Company as at the statement of financial position date are carried under following categories.

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

### Financial liabilities

Financial liabilities and equity instruments issued by Company are classified according to the substance of the contractual arrangements entered into. Financial liabilities are subsequently measured at amortized cost, using the effective interest method.

### Derecognition

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

### Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Income is recognized on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL, of which interest income is included in net gains or losses.

The effective interest method applied to financial liability is of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognized on an effective interest basis other than those financial liabilities designated as at FVTPL, of which the interest expense is included in net gains or losses.

### Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

### 2.16 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when the Company has a legally enforceable right to set off the recognized asset and liability or intend either to settle on net basis or to realize the assets and settle the liabilities simultaneously. Corresponding income on the asset and charge on the liability is also offset.

### 2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

### 2.18 Foreign currency transactions

Assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date, except those covered under forward exchange contracts which are stated at contracted rate. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. All exchange differences are included in profit or loss for the year.

### 2.19 Related parties transactions

Transactions with related parties are carried out at arm's length and priced at comparable uncontrolled market price.

Parties are said to be related if they are generally considered to be able to influence the operating and financial decisions of the Company and vice versa.

### 2.20 Presentation and functional currency

Figures in these financial statements are rounded off to the nearest Pakistan rupee, which is the Company's presentation and functional currency. Comparative figures have been reclassified and rearranged, wherever necessary to facilitate comparison. Significant reclassifications and rearrangements are disclosed in relevant notes.



2022 Note Rupces

10,000,000

60,000,000

2021 Rupees

35,000,000

15,000,000

50,000,000

### SHARE CAPITAL

	2022	2021		
	Number	of shares		
Authorized capital				
Ordinary shares of Rs. 10/- each	10,000,000	10,000,000	100,000,000	100,000,000
Issued, subscribed and paid up capital				
Ordinary shares of Rs. 10/- each				
- Fully paid in cash	5,000,000	4,900,000	50,000,000	49,000,000
- Fully paid bonus shares		100,000	200	1,000,000
- Right shares issued	1,000,000	2. Mar. 4. 200	10,000,000	7 1042 5 14 5 7 7 1
	6,000,000	5,000,000	60,000,000	50,000,000
Reconciliation of opening and closing issued, se	ubscribed and paid-u	ip capital		
Opening balance	5,000,000	3,500,000	50,000,000	35,000,000

All the shares are similar with respect to their rights on voting, board selection, first refusal and block voting.

### DEFERRED LIABILITIES

Right issue during the year

Deferred taxation

Closing balance

Deferred tax is recognized in past years in respect of all temporary differences arising from carrying values of assets and liabilities in the financial statements and their tax base. The Company in accordance with its policies and as matter of prudence has not recognised deferred tax asset of Rs. 1,598,649 /- (2021; Rs. 700,017/-). The deferred tax asset not recognised is mainly on account of unused tax losses and minimum tax adjustable.

1,000,000

6,000,000

1,500,000

5,000,000

### TRADE AND OTHER PAYABLES

Trade payables		5.1	18,091,347	25,399,252
Accrued and other liabilities	2932		390,637	9,585,463
Taxes payables	140		141,010	396,044
			18,622,994	35,380,759

This includes balances amounting to Rs. 495,870/- (2021: Rs. 1,050,701/-) due to directors, chief executive and other related parties.

### CONTINGENCIES AND COMMITMENTS

The Company is not exposed to any contingent liability and has not made any commitment at the year end (2021: Nil).



Description						
nescribinon	Stock		0.0000000		Air	
	exchange	Furniture and	Office	Committee	conditioning	Total
	room on leasehold	fittings	equipment	Computers	equipment	LOIGI
			6			
Cost			¥	Kupees		
COST						
Balance as at 01 July 2020	5,495,700	215,178	754,171	1,104,356	77,720	7,647,125
Additions during the year	u B	33,200	159,000	84,500		276,700
Disposals			ā		33	
Balance as at 30 June 2021	5,495,700	248,378	913,171	1.188,856	77.720	7.923.825
Additions during the year		14,000	75,000			89.000
Disposals	ı		Ĭ	g		
Balance as at 30 June 2022	5,495,700	262,378	988,171	1,188,856	77,720	8,012,825
Accumulated depreciation						
Balance as at 01 July 2020	819,992	123,083	411,965	954,147	50,240	2,359,427
Charge for the year	116,893	16,304	59,461	50,238	4,122	247,018
On disposals	94		•	r		16
Balance as at 30 June 2021	936,885	139,387	471,426	1,004,385	54,362	2,606,445
Charge for the year	113,970	17,749	67,200	55,342	3,504	257,765
On disposals Release of the 20 Line 2022	1 050 055	761 1251	, , , , , , ,		4 6	
Datance as at 50 June 2022	1,000,000	951,751	929,626	1,059,727	27,866	2,864,210
Carrying amount- 30 June 2022	4,444,845	105,242	449,546	129,129	19,854	5,148,615
Carrying amount- 30 June 2021	4,558,815	108,991	441,745	184,471	23,358	5,317,380
Rates of depreciation %	2.5	15	15	30	15	

			Note	2022 Rupees	2021 Rupees
8	INTANGIBLE ASSETS				
	Trading Right Entitlement Certificate (TREC)	lab.	8.1	2,500,000	2,500,000
	Computer software		8.2	1,582,025	1,757,805
			75	4,082,025	4,257,805
8.1	PSX vide notice no. PSX/N - 225 dated 16 Fe which amount to Rs. 2.5 million.	bruary 2021 have notified	the notional fees of Tradi	ng Right Entitler	ment Certificate
		14			
8.2	Computer software				
	Cost				
	Opening balance			3,523,000	3,523,000
	Additions during the year				0.7
	Disposals during the year		_	- 12	12
	Closing balance		2	3,523,000	3,523,000
	Accumulated amortization				
	Opening balance			1,765,195	1,569,883
	Charged during the year			175,781	195,312
	On disposal				
	Closing balance			1,940,975	1,765,195
			<u>1</u>	1.502.036	1 2/2 202
		55		1,582,025	1,757,805
	Amortization rate	5/2	<u>~</u>	10%	10%
8.3	The Company has no internally generated goodwi	il			
9	TRADE DEBTS	, \$10.			
	These are unsecured but considered good by the r	management.	<u>2</u>	11,169,606	5,062,666
10	SHORT TERM INVESTMENTS				
		880			
	At fair value through OCI ¥	31			
	Ouoted shares	*17	10.1	24,004,450	16,916,569
	Unquoted shares		10.2	8,186,558	7,842,216
	di di		10.2	32,191,008	24,758,785
			=	32,191,008	64,730,733

### 10.1 Quoted shares:

	150	2022			2021	,
Name of investee	Number of ,	Cost	Carrying value	Number of	Cost	Carrying value
	snares	Rupees	Rupees	shares -	Rupees	Rupees
Bunny's Limited	13,000	516,550	277,420	13,000	\$16,550	536,120
Oil and Gas Development Corp. Limited	25,000	2,762,773	1,966,750	25,000	2,762,773	2,375,750
Engro Fertilizers Limited	100,000	7,612,664	8,864,000	56,018	3,725,682	3,936,385
Engro Corporation Limited	12,500	3,808,085	3,213,625	5,400	1,852,655	1,590,894
Engro Polymer and Chemicals Limited				20,000	972,000	944,800
Octopus Digital Limited	10,425	693,146	743,407			
Hascol Petroleum Limited	45,000	1,648,572	189,900	41,395	1,627,725	369,657
Jahangir Siddiqui and Company Limited	10,000	308,300	132,200	10,000	308,300	225,600
Maple Leaf Cement Factory Limited	10,000	437,000	273,500	10,000	437,000	469,800
Millat Tractors Limited	7,200.	5,684,732	6,282,648	3,798	2,800,107	4,100,359
Cherat Cement Company Limited	11,000	1,412,239	1,023,440	11,000	1,412,239	1,951,180
Panther Tyres Limited	7,221	455,316	233,960	6,018	395,984	416,024
Service Global Footware Limited	20,000	980,200	803,600	14		
	271,346	26,319,577	24,004,450	201,629	16,811,016	16,916,569



Note

2022 Rupees

2021 Rupees

### 10.2 Unquoted shares:

		2022			2021	
Name of investee	Number of shares	Cost	Carrying value	Number of	Cost	Carrying value
	shares.	Rupees	Rupees	shares	Rupees	Rupees
Lahore Stock Exchange Ltd.	337,590	3,460,298	8,186,558	337,590	3,460,298	7,842,216
	337,590	3,460,298	8,186,558	337,590	3,460,298	7,842,216

★ Shares having carrying value of Rs. 8,186,558/- (2021: Rs. 7,842,216/-) have been pledged against Base Minimum Capital (BMC) and shares having carrying value of Rs. 11,173,386/- (2021; Rs. 11,666,324/-) have been pledged against market exposure for trade of shares with Pakistan Stock Exchange. Further the unquoted shares have been taken at breakup value as per latest available audited financial statements for the half year ended 31 December 2021.

### 11 TAXES RECOVERABLE/ ADJUSTABLE

Advance income tax	3,166,893	2,198,461
Less : provision for taxation	(2,481,743)	(1,337,623)
Taxes recoverable/ adjustable	685,150	860,838

### CASH AND BANK BALANCES

Cash in hand Cash at bank

Current accounts 39,077,582 56,740.102 39,077,582

12.1 It includes Rs. 12,577,334/- (2021: Rs 25,399,252/-) pertaining to clients kept in separate bank accounts.

### OPERATING INCOME Commission income

Less: Federal excise duty	(1,557,058)	(2,736,783)
	9,731,613	17,104,894
Gain on sale of securities - net		

6,586,044	7,456,090
(6,369,860)	(6,493,093)
216,184	962,997
	(6,369,860)

### OTHER INCOME

### Income from financial assets:

Dividend income in the form of: Cash Bonus shares

Markup income

	3,108,733	1,395,781
	2,540,330	564,490
15.1	5,649,063	2,160,271
	24,628	18,264
	5 673 691	2 178 535

11,288,671

19,841,677

### Income from non-financial assets:

Income from physical shares processing Commission from IPO

6,609	7,270
4,650	12,259
11,259	19,529
5,684,950	2,198,064

15.1 It includes dividends related to investments disposed off during the year amounting to Rs. 200,000 (2021: 50,000).



		No	to.	2022	2021
		2110	L	Rupees	Rupees
16	OPERATING EXPENSES				
	CEO commission				2.516.858
	Staff salaries and allowances			4.498.323	5,278,346
	Printing and stationery			67.590	53,593
	Entertainment			165.944	113,108
	Travelling and conveyance			51,660	33.815
	Repairs and maintenance			62,280	389,625
	Postage and courier			52,639	53.674
	Newspaper and periodicals			6.068	22.083
	Rent, rates and taxes			17.898	19,425
	Telephone and internet expenses			502.392	461.417
	Electricity expenses			387,756	317,163
	PSX related charges			192.511	354,760
	NCCPL charges			163,603	264,550
	Central depository expenses (net)			55,336	10.894
	Fees and subscriptions			1.286,046	1,127,022
	Depreciation			257,764	247,018
	Insurance charges			5.093	1.218
	Amortization of software			175,780	195.312
	Office maintenance			98.487	95.124
	Auditors' remuneration		16.1	303.000	275,000
	Other auditors' fees			171,334	
	Regulatory fee			3.015	
	Assets replacement fund			9.192	¥2.
	Other expenses			91,974	97,543
	Medical expenses		5.55	882.558	697,696
			-	9.508.243	12.628.601
16.1	Auditors' remuneration consist of:				
	Audit fee			200,000	181.500
	Taxation services			67,000	60,500
	Other certifications			36,000	33,000
			=	303,000	275,000
17	TAXATION				
	Current	, 17	A .	1.117.181	1.337,623
	Deferred taxation	17	2	10.00	
	Prior year			(25.663)	26,939
	SELECTION SECTION SECT		375	1.091.518	1,364,562

17.1 Provision for the current year has been made at the current tax rate after taking into account tax rebates and tax credits available. The income tax assessments of the Company have been finalized up to tax year 2021.

### 17.2 Relationship between tax expense and accounting profit:

The Company has not prepared reconciliation between tax expense and accounting profit as it charged to minimum tax fixed tax/alternate corporate tax during current and previous year and the relation between tax expense and accounting profit is not meaningful.

### 18 EARNINGS PER SHARE - BASIC AND DILUTED

Earnings per share is calculated by dividing the profit/ (loss) after tax for the year by the weighted average number of shares outstanding during the year as follows:

Profit after tax	5,027,360	6.268,732
Weighted average number of ordinary shares in issue during the period	5,002,740	3,532,877
Earnings per share	1.00	1.77

The Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised, therefore no figure for diluted earnings per share has been presented.



2022

2021

Note 2022 2021 Rupees Rupees

### 19 REMUNERATION OF DIRECTORS, EXECUTIVES AND CHIEF EXECUTIVE

No remuneration or benefits of any kind, to any of the chief executive, directors and executives of the Company, were charged in these financial statements other than disclosed in note 19. The aggregate amount charged in the accounts for the year for remuneration including certain benefits to chief executive of the Company are as follows:

	2021	2021	
Description	Chief executive	Total	Total
	Rupe	Rupees	
Managerial remuneration			
Provident fund	설		18
Commission	97	14	2,516,858
Gramity expense			2010000
		-	2,516,858
No. of persons	1	1	1

### 20 TRANSACTIONS WITH RELATED PARTIES

The Company, in the normal course of business, carries out transactions with various related parties which comprise of associated Company and key management personnel. Balances due to/ due from related parties are disclosed in note 5. Remaneration of directors and chief executive is disclosed in note 19. Total amount of transactions with directors, chief executives and other related parties are as follows:

### Relationship

Directors, chief executives and other related parties

### Nature of transaction

Commission on trading of securities

160,024

Following are the related parties of the Company;

Name	Relationship	Basis of relationship	Shareholding	
Mr. Omer Bin Aamir	Chief executive (CEO)	Key management person	-	
Khawaja Ahmed Arsalan	Director	Shareholding	25%	
Khawaja Ahmed Imran	Director	Shareholding	25%	
Khawaja Ahmed Usman	Director	Shareholding	25%	
Khawaja Ahmed Hassan	Director	Shareholding	25%	
Miss. Momina Omer	Family member	Spouse of CEO	8 5 1	
Miss. Rubina Arsalan	Family member	Spouse of director		
Miss, Sarah Khalid Usman	Family member	Spouse of director	(4)	
Miss. Ayesha Hassan	Family member	Spouse of director		
hajarpak Fabrics Private Limited	Associated Company	Common directorship		



### 21 FINANCIAL INSTRUMENTS

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

### 21.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from trade debts. Out of the total financial assets of Rs. 85,002,096/- (2021: Rs. 88,374,153/-) the financial assets which are subject to credit risk are amounted to Rs. 85,002,096/- (2021: Rs. 88,374,153/-)

To manage exposure to credit risk in respect of trade debts management performs credit reviews taking into account the customer's financial position, past experience and obtain advance payments from certain parties.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2022 Rupees	2021 Rupees
Long term deposits	1.223.000	1,023,000
Trade debts	11,169,606	5,062,666
Short term investments	32,191,008	24,758,785
Loans, advances and prepayment	1,340,900	789,600
Bank balances	39,077,582	56,740,102
	85,002,096	88.374.153

All the trade debts at the statement of financial position date represent domestic parties. The aging of trade debts at the reporting date is:

Due for I-14 days	4,204,443 4,20	34,443
Due for more than 14 days	6,965,163 85	58,223
	11,169,606 5,06	52,666

In the opinion of the management, no provision is necessary for balances due for more than 14 days as these are considered good based on payment history.

### Credit risk related to bank balance

The bank balance represents low credit risk as this is placed with bank having good credit rating assigned by independent credit rating agency. The credit quality of bank balance can be assessed with reference to external credit rating as follows:

Bank name	Rating	Rating Rating		2022	2021
	agency	Short term	Long term	Rupees	Rupees
Bank Al-Habib Limited	PACRA	A1+	AAA	34,053,719	39,174,971
Summit Bank Limited	VIS	A3	BBB-	326,520	2,041,520
MCB Bank Limited	PACRA	AI+	AAA	4,596,343	15,523,611
Meezan Bank Limited	VIS	Alt	AAA	101,000	
				39,077,582	56,740,102

### 21.2 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 to manage liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations' commitments of the Company are short term in nature.

The following are the contractual maturities of the financial liabilities:

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve nionths	One to two years
			Rupees		
30 June 2022					
Trade and other payables	18,481,984	18,481,984	18,481,984	and the second	
	18,481,984	18,481.984	18,481,984		,
30 June 2021					
Trade and other payables	34,984,715	34,984,715	34,984,715		
	34,984,715	34.984,715	34,984,715	10-112	



### 21.3 Market risk

Market tisk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

### 21.3.1 Currency risk

The Company is not exposed to any currency risk as it does not hold any foreign currency receivables and payables.

### 21.3.2 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 rate. Sensitivity to interest/ mark up rate risk arises from mismatches of financial assets and liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies.

### 21.3.3 Other price risk

Other price risk is the risk that the fair value or future each flows of a financial instrument will fluctuate because 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 instrument or its issuer, or factors effecting all similar financial instruments traded in the market. Company is exposed to equity price risk since it has investment in quoted equity securities amounting to Rs. 24,004,450/- (2021; Rs. 16,916,569/-) and unquoted equity securities amounting to Rs. 8,186,558/- (2021; Rs. 7,82,216/-) at the statement of financial position date.

The carrying value of investment subject to equity price risk are based on quoted market prices and unquoted shares break-up value as per latest available audited financial statements. Market and breakup prices are subject to fluctuation and consequently the amount recognized in the subsequent sale of an investment may significantly differ from the reported values.

The Company's strategy is to hold its equity investments for long period of time. Thus, the Company's management is not concerned with short term price fluctuations provided that the underlying business, economic and management characteristics of the investor, remain favourable. The Company strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. The Company manages price risk by monitoring exposure in quoted equity securities and implementing strict discipline in internal risk management and investment policies.

### Sensitivity analysis

The table below summarizes the Company's equity price risk as of 30 June 2022 shows the effects of a hypothetical 10% increase and a 10% decrease in market and break-up prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios, results could be worse because of the nature of equity markets.

Had all equity investments been measured at fair values as required by IFRS 9 "Financial Instruments", the impact of hypothesical change would be as follows:

	Fair value	Flypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase/ (decrease) in profit before tax
30 June 2022	32,191,008	10% increase	35,410,109	3.219.101	3,219,101
		10% decrease	28,971,907	(3,219,101)	(3,219,101)
30 June 2021	24,758,785	1095 increase	27,234,664	2,475,879	2,475,879
		10% decrease	22,282,907	(2,475,879)	(2,475,879)

### 21.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs

The table below analyses equity instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized;

		Level 1	Level 2	Level 3
30 June 2022	Equity securities	24,004,450	8,186,558	-
30 June 2021	Equity securities	16,916,569	7,842,216	

As at 30 June 2022, the fair value of all financial instruments has been based on the valuation methodology outlined below:



### Long term deposits

Long term deposits do not carry any rate of return. The fair value of these has been taken at book value as it is not considered materially different and readily exchangeable.

### Other financial instruments

The fair values of all other financial instruments are considered to approximate their book values as they are short term in nature.

### Categories of financial instruments

Pinancial Instrument	Categories of financial instrument	2022 Rupees	2021 Rupees
Financial assets			
Long term deposits	At amortized cost	1,223,000	1,023,000
Trade debts	At amortized cost	11,169,606	3,062,666
Loans, advances and prepayment	At amortized cost	1,340,900	789,600
Cash and bank balances	At amortized cost	39,077,582	56,740,100
		52,811,088	63,615,368
Short term investments	At fair value through OCI	32,191,008	24,758,785
	TO ESCAPE PORTUNITARIO DE	85,002,096	88,374,153
Financial liabilities			
Trade and other payables	At amortized cost	18,481,984	34,984,715
		18,481,984	34,984,715

### 22 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain creditors and market confidence, sustain future development of business, safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce dobts. The capital adequacy level of the Company is as follows:

	2022 Rupees	2021 Rupees
Total assets	95,026,722	98,860,176
Less: Total liabilities	(18,622,994)	(35,380,759)
Less: Revaluation reserves (created upon revaluation of fixed assets)		
	76,403,728	63,479,417

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

Consistently with others in the industry, the Company monitors capital on the basis of the net debt-to-equity ratto. This ratio is calculated as not debt + equity. Not debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Equity comprises of share capital, reserves and unappropriated profit. The Company has nil amount of borrowings/net debts at the year end, therefore gearing ratios of the Company is not applicable.

### 23 DISCLOSURES UNDER SECURITIES BROKERS (LICENSING AND OPERATIONS) REGULATIONS, 2016

Following additional disclosures not elsewhere disclosed in these financial statements are being provided to comply with the requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016:

### 23.1 NET CAPITAL BALANCE

The Net Capital Balance as required under Second Schedule of Securities Brokers (Licensing and Operations) Regulations 2016 (the regulations) read with Rule 2(d) of the Securities and Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities and Exchange Commission of Pakistan (SECP) is calculated as follows:



			RUPEES
T ASSETS			
nd or in bank	As per book value	23.2 (i)	39,077,582
ivable	Book value less overdue for more than 14 days	23.2 (ii)	7,635,201
in listed securities in the aker	Securities on the exposure list marked to market less 15% discount	23.2 (iii)	20,403,783
purchased for customers	Securities purchased for the customer and held by the broker where the payment has not been received within fourteen days		1950
Ds' corporate bonds of not SBB grade assigned by a g Company in Pakistan	Marked to market less 10% discount		1 m sa 11
	Marked to market less 5% discount		830
current asset specified by assion	At market value		
T LIABILITIES			67,116,566
bles	Book value less overdue for more than 30 days	23.2 (iv)	8,102,545
bles	As classified under the generally accepted accounting principles	23.2 (v)	10,520,449
			18,622,994
ä	Net capital balance as at 30 Jun	ie 2022	48,493,572
e net capital balance of the Cor	прапу		Rupees
oank balances	20		
d			92
k Bank balances pertaining to Bank balances pertaining to			26,500,248 12,577,334
ivable	爱		39,077,582
Total receivables Less: Outstanding for more Outstanding for 14 days or			11,169,606 (3,534,405) 7,635,201
in listed securities			
In the name of Broker - mari Less: 15% discount	ket value		24,004,450 (3,600,668)
ables			20,403,783
Total payables Less: Due for more than 30 da Due for 30 days or less	ays		18,891,347 (9,988,802) 8,102,545
bles			
		E1	9,988,802 531,647 10,520,449
ы	Total payables Less: Due for more than 30 d Due for 30 days or less fes Trade payables - Due for more	Total payables Less: Due for more than 30 days Due for 30 days or less  for  Trade payables - Due for more than 30 days Acented liabilities and other payables	Total payables Less: Due for more than 30 days Due for 30 days or less  tes  Trude payables - Due for more than 30 days Acented liabilities and other payables



### 23.3 LIQUID CAPITAL

The Liquid Capital Balance as required under third Schedule of Securities Brokers (Licensing and Operations) Regulations 2016 (the regulations) issued by the Securities and Exchange Commission of Pakistan (SECP) is calculated as follows;

S. No.	Head of account	Value in Pak Rupecs	Hair Cut / adjustments	Net adjusted value			
Asset							
1.1	Property and equipment	5,148,615	5,148,615	(76)			
1.2	Intangible assets	4,082,025	4,082,025				
1.3	Investment in Govt, securities	- 1					
1.4	Investment in debt securities						
	If listed then:						
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-		-			
	iii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.  iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.						
	If unlisted than:						
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	- 1	3. 1	763			
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	- 31					
	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		a a constant	Committee.			
	Exchange for respective securities whichever is higher.	24,004,450	3,659,639	20,344,811			
	ii. If unlisted, 100% of carrying value.	8,186,558	8,186,558	Y84			
	iii. In case any securities are pledged, except those pledged in favour of securities exchange	27.505-54					
	or clearing house against margin requirements or pledged in favour of hanks against short-		1				
	tenn tinancing arrangements, 100% haircut shall be applied for the purposes of computation						
	of adjusted value of assets.	- 32	37.0	581			
1.6	Investment in subsidiaries	0.0	22.3				
1.7	Investment in associated companies/undertaking						
	i. If listed 20% or VAR of each securities as computed by the Securities Exchange for						
	respective securities whichever is higher.	-	-				
	ii. If unlisted, 100% of net value.  Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or	-		-			
1.8	Statutory or regulatory deposits basic deposits with the exchanges, clearing house or central depository or any other entity.	800,000	500,000				
1.9	Margin deposits with exchange and clearing house.	200,000	-	200,000			
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	10.	18.	- 62			
1.11	Other deposits and prepayments	331.836	331,836				
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.						
	100% in respect of markup accrued on loans to directors, subsidiaries and other related porties	92.4	52				
1.13	Dividends receivables.						
1.14							
	Amounts receivable against REPO financing. Amount paid as purchaser under the REPO agreement.		87				
1.15	Securities purchased under REPO arrangement shall not be included in the investments.						
1.13	Advances and receivables other than trade receivables						
	Short term loans to employees.: Loans are secured and due for repayment within 12 months.			- 8*			
	(ii) Advance tax to the extent it is netted with provision of taxation						
	(iii) In all other cases	4,482,130	4,482,130				
1.16	Receivables from clearing house or securities exchange(s)						
	(i) 100% value of claims other than those on account of entitlements ugainst trading of securities in all markets including MTM gains.			34			
	<ul> <li>(ii) Receivables on entitlements against trading of securities in all markets including MTM gains.</li> </ul>	5,514,013	194	5,514,013			
1.17	Receivables from customers	(2)					
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based baircan, (ii) each deposited as collateral by the financer (iii) market value of any securities deposited as collateral after applying VAR based haircan. i. Lower of net balance shoet value or value determined through adjustments.	Je.	32	32			
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value.  ###################################						
	iii. In case receivables are against securities barrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,			17.50 22.50 12.50			
	<ol> <li>Net amount after deducting haircost</li> <li>In case of other trade receivables not more than 5 days overdue, 0% of the net balance</li> </ol>			-			
	sheet value, iv. Balance sheet value	1,946,761	1.2	1,946,761			



	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	3,708,832	1,740,700	1,968,132
	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 baircuts. v. Lower of net balance sheet value or value determined through adjustments.		0.19(122	1,000,100
	vi. 100% haircut in the case of amount receivable from related parties.	. Xe		374
1.18	Cash and bank balances	340		
	i. Bank balance proprietary accounts	26,500,248		26,500,248
	ii. Bank balance customer accounts	12.577,334		12,577,334
	iii. Cash in hand			
1.19	Subscription money against investment in IPO/ offer for sale (asset)			
	Amount paid as subscription money if shares have not been allotted or are not included in the investments of securities broker.		30 11	9.
1.20	Total assets	97,482,802	10 111 001	/6 UEL 200
		97,482,802	28,431,502	69,051,299
2. Liab				
2.1	Trade payables			
	i. Payable to exchanges and clearing house		-	
	ii. Payable against leveraged market products			
	iii. Payable to customers	18,091,347		18,001,347
2.2	Current liabilities		arrian a hiving	1277
	i. Statutory and regulatory dues		0.00	
	ii. Accruals and other payables	531,642		331,617
	ini. Short term borrowings	Zon :		
	iv. Current portion of subordinated loons	19 1	5-	- 19
	v. Current partion of long term liabilities	- 4	- 4	
	vi. Deferred liabilities		USB CONTRACT	
	vii. Provision for taxation		7.	- 2
	viii. Other liabilities as per accounting principles and included in the financial statements		-	
2,3	Non-current liabálities			
	i. Long term financing			
	ii. Staff retirement benefits			
	iii. Other liabilities as per accounting principles and included in the financial statements			
2.4	Subordinated leans			
	100% of subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted			
2.5	Advance against shares for increase in capital of securities broker			
	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.	18		99
2.6	Total Babilities	18,622,994		10 (44 04)
	king liabilities relating to:	10,022,994	*	18,622,994
			Life and the land	
3.1	Concentration in margin financing			
	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	20.0		
3.2	Concentration in securities lending and horrowing			
3.5	The state of the s			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPI, (ii) Cash margins poid and			
	(iii) The market value of scourities plodged as margins exceed the 110% of the market value		- 10	
	of shares berrowed			
3.3	Net underwriting commitments			
	(a) in the case of right issues; 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	A I	. 8	Ø
	securities.  In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the horizon multiplied by the net underwriting commitments			
	(b) in any other case: 12.5% of the net underwriting commitments	37	8.	160



.11	Total ranking liabilities	- 151		- 10 to 50
	ii. In case of preprietary 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 baircuts.	*	ı	13
	i. In case of customer positions, the market value of shares sold short in rendy 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	э		
.10	Short sell positions			
	ii. In case of proportary positions , the total margin requirements in respect of open positions to the extent not already met	70	维	15
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cosh deposited by the customer and the value of securities held as collateral/pledged with securities exchange after applying VAR haircuits	0	78	73
3.9	Opening positions in futures and options			
	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	8	19	
3.8	Concentrated proprietary positions			
	In the case of financier/ purchaser the total amount receivable under REPO less the 110% of the market value of underlying securities.  In the case of financee/ seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any each deposited by the purchaser.	7.	-	ea
3.7	REPO adjustment			
3.6	Amount payable under REPO		- 1	Ethiopia
3.5	Foreign exchange agreements and foreign currency positions 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency.	10	7.0	::3
	subsidiary) exceed the total liabilities of the subsidiary			
3,4	Negative equity of subsidiary  The amount by which the total assets of the subsidiary (excluding any amount due from the	- 1		

Liquid capital as at 30 June 2022

50,428,305

### 24 NUMBER OF EMPLOYEES

Number of employees as at 30 June 2022 were 7 (2021: 7).

Average number of employees during the year were 7 (2021: 7).

### 25 EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

There are no significant netivities since 30 June 2022 causing any adjustment/ disclosure in these financial statements.

### 26 CORRESPONDING FIGURES

Corresponding figures have been rearranged, wherever necessary for the purposes of comparison and better presentation. However, no significant reclassification has been made during the year.

27 DATE OF AUTHORIZATION

These financial statements were authorized for issue on

by the Board of Directors.

DIRECTOR

CHIEF EXECUTIVE OFFICER

