

Saz Capital Securities (Private) Limited
Financial Statements
For the year ended
June 30, 2023



Passion Beyond
Numbers

DIRECTOR'S REPORT

On behalf of the Board of Directors I am pleased to present the Annual report together with the company's Audited Financial Statement and Auditors Report for the Financial year ended 30th June 2023. The Summarized results for the year ended 30th June 2023 are as under:

Financial results	2023
Operating Revenue	8,910,389
Loss before Taxation	(4,264,193)
Taxation	479,736
Loss after Tax	(3,784,457)


AUDITORS:

The auditors M/S UHY Hassan Naeem & co retire at the conclusion of the meeting being eligible, they have offered themselves for re-appointment.

CONCLUSION:

The Directors appreciate assistance and co-operation extended by customers and employees of the company.

For and on behalf of the Board



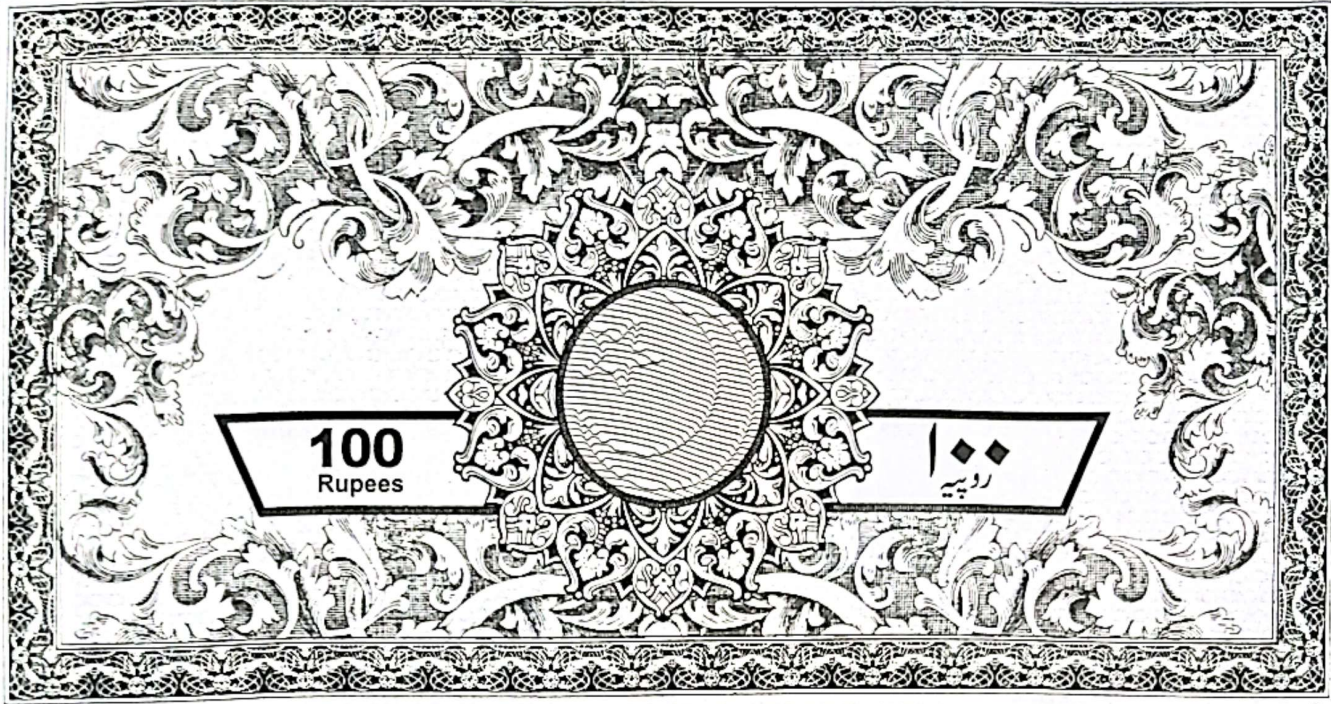
Chief Executive

Date: 30 OCT 2023

Karachi



Director



(RUPEES ONE HUNDRED ONE)

R ALI STAMP VENDOR
 118, Shoo # 58, SITE Market
 SITE Karachi
 DATE.....
 ADD: 809717 SIDDIQUE
 H ADDRESS..... Advocate
 15125/LC/KHI
 ATTACHED.....
 R'S SIGNATURE.....
 is not valid for Divorce & Free Will

25 OCT 2023



UNDERTAKING

I, Muhammad Asif Sultan Chief Executive Officer of SAZ Capital Securities (Private) Limited, a TRE Certificate Holder of Pakistan Stock Exchange Limited having our registered office at Room no 607-608 & 609, 6th floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi, herein after called the "company" do hereby undertake that:

- I. There are no transactions entered into by the broker during the year, which are fraudulent, illegal or in violation of any securities market laws;
- II. The company is complied with Corporate Governance Code For Securities Brokers as per the criteria specified in Annexure D of Securities Brokers (Licensing and Operations) Regulations, 2016;

Date: 30 OCT 2023
 R ALI STAMP VENDOR
 118, Shoo # 58, SITE Market
 SITE Karachi
 DATE.....
 ADD: 809717 SIDDIQUE
 H ADDRESS..... Advocate
 15125/LC/KHI
 ATTACHED.....
 R'S SIGNATURE.....
 is not valid for Divorce & Free Will

 Muhammad Asif Sultan
 Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the members of SAZ CAPITAL SECURITIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of SAZ CAPITAL SECURITIES (PRIVATE) LIMITED ("the Company"), which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss, the statement of changes in equity, and the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of changes in equity and statement of cash flow together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit for the year then ended, the changes in equity and its cash flows for the period 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirement 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 operation, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of 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 period 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).
- e) the company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared

The engagement partner on the audit resulting in this independent auditor's report is **Imran Iqbal**.

UHY Hassan Naeem & Co.

KARACHI

DATE: October 30, 2023

UDIN: AR202310215Te7k6cjFt

SAZ CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

		(Restated)	(Restated)
	<i>Note</i>	2023	As a
		(Rupees)	1st July
			2021
		(Rupees)	(Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	6,226,859	7,350,729
Investment property	5	2,592,500	2,897,500
Intangible assets	6	2,750,000	2,750,000
Long term investment	7	18,234,438	33,375,238
Long term deposits	8	12,860,000	11,876,500
Deferred tax asset		-	2,863,279
		42,663,797	61,113,247
CURRENT ASSETS			
Investment at fair value through profit and loss	9	10,037,372	27,698,193
Tax refundable		2,705,567	2,705,567
Trade debts	10	5,399,174	1,286,212
Advances, deposits, prepayments and other receivables	11	11,445,969	25,991,968
Cash and bank balances	12	158,504,310	456,824,508
		188,092,392	514,506,448
		<u>230,756,189</u>	<u>575,619,695</u>
SHARE CAPITAL AND RESERVES			
Authorized capital	13.1	<u>150,000,000</u>	<u>150,000,000</u>
Share capital			
Issued, subscribed and paid-up capital	13.2	92,500,000	92,500,000
Capital Reserves			
Surplus/(Deficit) - Investment at Fair value through OCI		(1,577,502)	13,563,298
Revenue reserves			
Accumulated Profit/(Loss)		90,872,757	108,496,237
		181,795,255	214,559,535
NON CURRENT LIABILITIES			
Deferred taxation	14	-	594,002
CURRENT LIABILITIES			
Trade and other payable	15	48,960,934	361,060,160
CONTINGENCIES AND COMMITMENTS			
	16		
		<u>230,756,189</u>	<u>575,619,695</u>

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



 Chief Executive



 Director

SAZ CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2023

	<i>Note</i>	2023 (Rupees)	2022 (Rupees)
Revenue from Contract with Customers	17	8,910,389	9,776,966
Operating and administrative expenses	18	(22,989,711)	(25,553,632)
Other income	19	9,815,129	12,225,427
NET PROFIT/(LOSS) BEFORE TAXATION		<u>(4,264,193)</u>	<u>(3,551,239)</u>
Taxation	20	479,736	(10,287,784)
NET PROFIT/(LOSS) AFTER TAXATION		<u><u>(3,784,457)</u></u>	<u><u>(13,839,023)</u></u>

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



Chief Executive



Director

SAZ CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023 (Rupees)	2022 (Rupees)
Profit/(loss) for the year	(3,784,457)	(13,839,023)
Other Comprehensive Income/ (Loss)		
Items that will not be subsequently reclassified in profit or loss		
Unrealised gain/ (loss) on revaluation of investments at fair value through other comprehensive income	(4,600,669)	(10,540,131)
	(4,600,669)	(10,540,131)
Total Comprehensive Income/(Loss)	(8,385,126)	(24,379,154)

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



Chief Executive



Director

SAZ CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

Share capital	Capital Reserves	Revenue Reserves	
Issued, subscribed and paid-up capital	Surplus/ (Deficit) - Investment (FVTOCI)	Accumulated Profit/ (Loss)	

-----Rupees-----

Balance as at June 30, 2021	92,500,000	13,563,298	108,496,237	214,559,535
Profit/(loss) for the year	-	-	(13,839,023)	(13,839,023)
Other comprehensive loss	-	(10,540,131)	-	(10,540,131)
Balance as at June 30, 2022	92,500,000	3,023,167	94,657,214	190,180,381
Profit/(loss) for the year	-	-	(3,784,457)	-
Other comprehensive loss	-	(4,600,669)	-	-
Balance as at June 30, 2023	92,500,000	(1,577,502)	90,872,757	181,795,255

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



 Chief Executive



 Director

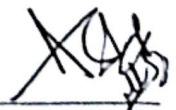
SAZ CAPITAL SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	2023 (Rupees)	2022 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(4,264,193)	(3,551,239)
Adjustment for non-cash items:		
Depreciation	1,222,379	1,924,492
Adjustment in property and equipment	(220,000)	
Capital (gain)/ Loss - on investment at fair value through P&L	4,301,602	4,076,564
Operating profit before working capital changes	5,303,981	6,001,056
Changes in working capital		
(Increase)/Decrease in trade debts	(5,248,043)	1,135,081
(Increase)/Decrease in advances, deposits and prepayments	(173,312)	10,378,412
(Increase)/Decrease in long term depoists	16,500	(1,000,000)
Increase/(Decrease) in trade and other payable	(4,844,407)	(307,254,819)
Net changes in working capital	(10,249,262)	(296,741,326)
Taxes paid	(2,064,929)	(538,941)
Net cash generated from operating activities	(11,274,403)	(294,830,450)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	-	(1,498,000)
Short term investment	(2,892,379)	12,175,034
Net cash generated from investing activities	(2,892,379)	10,677,034
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from financing activities	-	-
Net increase in cash and cash equivalent	(14,166,782)	(284,153,416)
Cash and cash equivalent at beginning of the year	172,671,092	456,824,508
Cash and cash equivalent at end of the year	158,504,310	172,671,092

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



Chief Executive



Director

SAZ CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 Legal Status and Nature of Business

Saz Capital Securities (Private) limited was incorporated under the repealed Companies Ordinance, 1984 on June 20, 2001 as a private limited company. The Company is a corporate member of Pakistan Stock Exchange Limited. The registered office of the company is located at room no 607-608 & 609, 6th floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi and the company does not have any branch office. The principal activities of the Company are investment and share brokerage.

2 Basis of Preparation

2.1 Statement of Compliance

These financial statements are prepared in accordance with the provisions of the Companies Act, 2017. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except Investments that are carried at fair value.

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgments

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

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

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

The estimates and judgments that have a significant effect on the financial statements that are in respect of the following:

- Property and equipment (note 4)
- Taxation (note 20)

2.5 New Accounting pronouncements

The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Description effective for periods		Effective for periods beginning on or after
IAS 1	Presentation of Financial Statements (Amendments)	January 01, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 01, 2023
IAS 12	Income Taxes (Amendments)	January 01, 2023
IAS 7	Statement of Cash Flows (Amendments)	January 01, 2023
IFRS 4	Insurance Contracts (Amendments)	January 01, 2023
IFRS 3	Financial Instruments: Disclosures	January 01, 2023
IFRS 16	Leases (Amendments)	January 01, 2024

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material effect on the Company's financial statements in the period of initial application.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2023:

- IFRS 1 (First Time Adoption of International Financial Reporting Standards)
- IFRS 17 (Insurance Contracts)
- IFRIC 12 (Service concession arrangements)

3 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 applied consistently to all the years presented.

3.1 Taxation

Income tax expense comprises of current, deferred and prior year tax. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity

Current

Provision for current tax is based on taxable income at the enacted or substantially enacted rates of taxation after taking in to account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years which arises from assessments/ developments made during the year, if any.

Deferred Tax

Deferred tax is recognized using balance sheet method, in respect of temporary differences between the carrying amounts of asset and liabilities for financial reporting purposes and the amounts used for taxation purpose. The amount of deferred tax provided is based on the expected manner of realization or settlement or the carrying amount of assets and liabilities, using the enacted or substantively enacted rates or taxation.

The company recognizes deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.2 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as

appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost incurred to replace a component of an item of property and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account in the period in which they are incurred.

Depreciation on all property and equipment is charged to the profit and loss account using Straight Line method over the asset's useful life at the rates stated Note no. 4. The depreciation on property and equipment is charged full in the month of acquisition and no depreciation is charged in the month of disposal. Gains or losses on disposal of an item of property and equipment are recognized in the profit and loss account. The assets' residual value and useful life are reviewed at each financial year end, and adjusted if appropriate.

3.3 Intangible Assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Trading Right Entitlement Certificate(TREC)

This is stated at cost less impairment if any, the carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and when the carrying amount exceeds its estimated recoverable amount, is it written down to its estimated recoverable amount.

Software

Costs directly associated with identifiable software that will have probable economic benefits exceeding costs beyond one year, are recognized as an intangible asset. Direct costs include the purchase costs of software and other directly attributable costs of preparing the software for its intended use.

Computer software is measured initially at cost and subsequently stated at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization

Intangible assets with indefinite useful lives are not amortized, instead they are systematically tested for impairment at each reporting date. Intangible assets with finite useful lives are amortized at straight line basis over the useful life of the asset (at the rate specified in note 6 to these financial statements).

3.4 Trade debts and other receivables

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

3.5 Provisions

A provision is recognized in the financial statements when the company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

3.6 Trade and Other Payable

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.7 Revenue recognition

Brokerage Commission, advisory finance income and other income are recognized as and when services are rendered.

Dividend income is recognized when the right to receive the dividend is established

Income on continuous funding system transactions and bank deposits is recognized on a time proportionate basis that takes in to account the effective yield.

Mark-up income from investment in margin financing system is calculated on outstanding balance at agreed rates and recorded in profit and loss account.

3.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances and highly liquid short term investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.9 Contingent Liabilities

A Contingent liability is disclosed when the company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the company; or the company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of obligation cannot be measured with sufficient liability.

3.10 Financial Instruments

3.10.1 *Initial recognition, classification and measurement*

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

- (a) Financial assets measured at amortized cost.
- (b) fair value through other comprehensive income (FVOCI);
- (c) fair value through profit or loss (FVTPL)

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

- (i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount.
- (ii) It is an investment in equity instrument which is designated as at fair value through OCI in accordance with the irrevocable election available to the Company at initial recognition.

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

(c) *Financial assets at FVTPL*

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on different bases.

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

Subsequent measurement

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest /markup income calculated using effective interest rate method, and impairment are recognized in the statement of profit and loss account. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit and loss account.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit and loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never classified to the profit and loss account.

Financial asset at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest/markup or dividend income, are recognized in the statement of profit and loss account.

Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/ markup income, and impairment are recognized in the statement of profit and loss account.

Non Derivative financial assets

All non-derivative financial assets are initially recognized on trade date i.e. date on which the company becomes party to the respective contractual provisions. Non-derivative financial asset comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The company derecognizes the financial asset. When the contractual rights to the cash flows from the asset expires or it transfer the right to receive the contractual cash flow in a transaction in which substantially all risk and rewards of ownership of the financial assets are transferred or it neither transferred nor retain substantially all the of the risk and rewards of ownership and does not retain control over the transferred asset.

Offsetting of financial assets and financial liabilities

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

Financial Liabilities

Financial Liabilities are initially recognized on trade date i.e. the date on which the company becomes party to these respective contractual provisions. Financial Liabilities include markup bearing borrowings and trade and other payables. The company derecognizes the financial liabilities when contractual obligations are discharged, cancelled or expire. Financial liability other than fair value through profit and loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortized cost using effective interest rate method.

Impairment

Financial assets

The company recognized loss allowances for Expected Credit Losses (ECLs) in respect of financial asset measured at amortized cost.

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

- debt securities that are determined to have low credit risk at reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables are always measured at an amount equal to lifetime ECLs.

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

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

The gross carrying amount of financial asset is written off when the company has no reasonable expectations of recovering a financial asset in its entirety or a proportion thereof. The company individually makes an assessment with respect to the timing and amount of write-off based on whether there is reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for the recovery of amounts due.

Non- financial assets

The carrying amounts of company's non- financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment, if such indication exists, the asset's recoverable amount, being higher of value in use and fair value less cost to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together in to smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

4 PROPERTY AND EQUIPMENT

	2023					
	Office Building	Office Equipment	Furniture and fixtures	Computers	Motor vehicles	Total
	------(Rupees)-----					
As at July 01, 2022 (restated)						
Cost	6,051,005	1,591,000	600,000	1,494,332	11,756,000	21,492,337
Accumulated depreciation	(6,022,488)	(264,344)	(568,773)	(1,492,861)	(6,067,133)	(14,415,599)
Net book value at the beginning of the year	28,517	1,326,656	31,227	1,471	5,688,867	7,076,738
Changes during the year						
Additions during the year	-	-	-	-	-	-
Adjustment	220,000	-	-	-	-	220,000
Disposals - cost	-	-	-	-	-	-
Depreciation charge for the year	(12,426)	(198,998)	(4,684)	(441)	(853,330)	(1,069,879)
Disposals - Accumulated depreciation	-	-	-	-	-	-
Net book value at the end of the year	236,091	1,127,658	26,543	1,030	4,835,537	6,226,859
Analysis of net book value						
As at June 30, 2023						
Cost	6,271,005	1,591,000	600,000	1,494,332	11,756,000	21,712,337
Accumulated depreciation	(6,034,914)	(463,342)	(573,457)	(1,493,302)	(6,920,463)	(15,485,478)
Net book value at the end of the year	236,091	1,127,658	26,543	1,030	4,835,537	6,226,859
Depreciation rate (% per annum)	5%	15%	15%	30%	15%	

	2022 - Restated					
	Office Building	Office Equipment	Furniture and fixtures	Computers	Motor vehicles	Total
	------(Rupees)-----					
As at July 01, 2021 (restated)						
Cost	6,051,005	33,000	600,000	1,494,332	11,816,000	19,994,337
Accumulated depreciation	(5,494,671)	(30,228)	(563,262)	(1,492,231)	(5,063,215)	(12,643,607)
Net book value at the beginning of the year	556,334	2,772	36,738	2,101	6,752,785	7,350,730
Changes during the year						
Additions	-	1,558,000	-	-	-	1,558,000
Disposals - cost	-	-	-	-	(60,000)	(60,000)
Depreciation charge for the year	(527,817)	(234,116)	(5,511)	(630)	(1,003,918)	(1,771,992)
Disposals - Accumulated depreciation	-	-	-	-	-	-
Net book value at the end of the year	28,517	1,326,656	31,227	1,471	5,688,867	7,076,738
Analysis of net book value						
As at June 30, 2022 (restated)						
Cost	6,051,005	1,591,000	600,000	1,494,332	11,756,000	21,492,337
Accumulated depreciation	(6,022,488)	(264,344)	(568,773)	(1,492,861)	(6,067,133)	(14,415,599)
Net book value at the end of the year	28,517	1,326,656	31,227	1,471	5,688,867	7,076,738
Depreciation rate (% per annum)	5%	15%	15%	30%	15%	

5 INVESTMENT PROPERTY

	2023	
	Investment Property	Total
	------(Rupees)-----	
As at July 01, 2022		
Cost	3,050,000	3,050,000
Accumulated depreciation	(305,000)	(305,000)
Net book value at the beginning of the year	2,745,000	2,745,000
Addition during the year	-	-
Disposals - cost	-	-
Depreciation for the year	(152,500)	(152,500)
Disposals - Accumulated depreciation	-	-
Net book value at the end of the year	2,592,500	2,592,500
Analysis of Net Book Value		
Cost	3,050,000	3,050,000
Accumulated depreciation	(457,500)	(457,500)
Net book value as at June 30, 2023	2,592,500	2,592,500
Rate of ammortization per annum (%)	5%	
	2022	
	Investment Property	Total
	------(Rupees)-----	
As at July 01, 2021		
Cost	3,050,000	3,050,000
Accumulated depreciation	(152,500)	(152,500)
Net book value at the beginning of the year	2,897,500	2,897,500
Addition during the year	-	-
Disposals - cost	-	-
Depreciation for the year	(152,500)	(152,500)
Disposals - Accumulated depreciation	-	-
Net book value at the end of the year	(152,500)	2,745,000
Analysis of Net Book Value		
Cost	3,050,000	3,050,000
Accumulated depreciation	(305,000)	(305,000)
Net book value as at June 30, 2022	2,745,000	2,745,000
Rate of depreciation per annum (%)	5%	

6. INTANGIBLE ASSETS

	2023		
	PMEX	TREC - PSX	Total
	------(Rupees)-----		
As at July 01, 2022			
Cost	250,000	5,000,000	5,250,000
Accumulated ammortization	-	(2,500,000)	(2,500,000)
Net book value at the beginning of the year	<u>250,000</u>	<u>2,500,000</u>	<u>2,750,000</u>
Addition during the year	-	-	-
Disposals - cost	-	-	-
Ammortization for the year	-	-	-
Disposals - Accumulated ammortization	-	-	-
Net book value at the end of the year	<u>250,000</u>	<u>2,500,000</u>	<u>2,750,000</u>
Analysis of Net Book Value			
Cost	250,000	5,000,000	5,250,000
Accumulated ammortization	-	(2,500,000)	(2,500,000)
Net book value as at June 30, 2023	<u>250,000</u>	<u>2,500,000</u>	<u>2,750,000</u>
Rate of ammortization per annum (%)	<u>-</u>	<u>-</u>	
	2022		
	PMEX	TREC - PSX	Total
	------(Rupees)-----		
As at July 01, 2021			
Cost	250,000	5,000,000	5,250,000
Accumulated ammortization	-	(2,500,000)	(2,500,000)
Net book value at the beginning of the year	<u>250,000</u>	<u>2,500,000</u>	<u>2,750,000</u>
Addition during the year	-	-	-
Disposals - cost	-	-	-
Ammortization for the year	-	-	-
Disposals - Accumulated ammortization	-	-	-
Net book value at the end of the year	<u>250,000</u>	<u>2,500,000</u>	<u>2,750,000</u>
Analysis of Net Book Value			
Cost	250,000	5,000,000	5,250,000
Accumulated ammortization	-	(2,500,000)	(2,500,000)
Net book value as at June 30, 2022	<u>250,000</u>	<u>2,500,000</u>	<u>2,750,000</u>
Rate of ammortization per annum (%)	<u>-</u>	<u>-</u>	

6.1 This represents TREC acquired on surrender of Stock Exchange membership Card. According to the Stock Exchanges (Corporatisation, Demutualization and Integration) Act 2012, the TRE Certificate may only be transferred once the company intending to carry out shares brokerage business in the manner to be prescribed.

		2023	2022
		(Rupees)	
7. LONG TERM INVESTMENT			
Investment at fair value through OCI	7.1 & 7.2	<u>18,234,438</u>	<u>22,835,107</u>
7.1 Investment in quoted securities:			
Investment in shares of Pakistan Stock Exchange	7.1.1	<u>8,000,836</u>	<u>11,060,615</u>
7.1.1	This represents 1,081,194 (2022: 1,081,194) shares of Pakistan Stock Exchange which are pledge with PSX against Base Minimum Capital.		
7.2 Investment in private company			
Fair value			
Investment in unlisted securities	7.2.1	<u>10,233,602</u>	<u>11,774,492</u>
Book value			
Investment in unlisted securities		<u>9,000,000</u>	<u>9,000,000</u>
7.2.1	The company has an investment of Rs. 9 million (2022: Rs.9 million) in shares of Profound Professional (Private) Limited (PPPPL). PPPPL is incorporated in Pakistan as private limited company with a paid-up capital of Rs. 150 million as at 30 June 2023. The company owns 180,000 shares of Rs. 100 each (2022: 180,000 shares) representing 12% ownership . Break-up value per share of this investment is Rs. 56.85. This break-up value per share is based on audited financial statements of PPPPL for the period ended 30 June 2023.		

		(Restated)	
		2023	2022
		(Rupees)	
8. LONG TERM DEPOSITS			
Deposits with:			
- National Clearing Company Pakistan Limited		1,400,000	1,410,000
- Central Depository Company		100,000	100,000
- Pakistan Mercantile Exchange		750,000	750,000
- NCEL Building Management Limited		10,000,000	10,000,000
- Mobilink deposit		-	6,500
- National Commodity Deposit		610,000	610,000
		<u>12,860,000</u>	<u>12,876,500</u>

		2023	2022
		(Rupees)	
9. SHORT TERM INVESTMENT - FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT			
Investment in quoted securities	9.1 & 9.2	<u>9,521,016</u>	<u>11,446,595</u>
Investment in mutual funds		<u>516,356</u>	<u>-</u>
		<u>10,037,372</u>	<u>11,446,595</u>

9.1. Investments in quoted securities are stated at fair value at the year-end, using the year-end market prices.

9.2. Investments in quoted securities are stated at fair value at the year-end, using the year-end market prices. This investment pledge with Pakistan Stock Exchange Limited amounting to Rs 7,543,016 against Base Minimum Capital. National Clearing Company Pakistan Limited amounting to Rs 1,978,000 against Ready RMS and Future Contract.

10. TRADE DEBTS

2023
2022
(Rupees)

Trade debts	10.1	6,392,307	151,131
less: Loss allowance	10.2	(993,133)	-
		<u>5,399,174</u>	<u>151,131</u>

10.1 The aging analysis of trade debts are as follows:

Past due 1 - 90 days	829,222	60,603
Past due 91 - 180 days	668,010	4,330
Past due 181 days - 1 year	4,792,274	37,998
More than one year	102,801	48,200
	<u>6,392,307</u>	<u>151,131</u>

10.2 Provision for expected credit loss

Opening	-	-
Provision recorded during the year	993,133	-
Less: Provision reversed during the year	-	-
	<u>993,133</u>	<u>-</u>

10.3 Trade debts due from related parties

Name of related party	Gross amount due	Past due amount	Provision for expected credit losses	Reversal of provision for expected credit losses	Amount due written off	Net amount due	Maximum amount outstanding at any time during the year (8.3.1)
Ana Abdul Samad	33,494	33,494	-	-	-	33,494	33,494
Adnan	4,225,167	4,225,167	-	-	-	4,225,167	14,526,139
Shumaila Bano	358,338	358,338	-	-	-	358,338	5,469,179
	<u>4,616,999</u>	<u>4,616,999</u>				<u>4,616,999</u>	

10.3.1 Maximum amount outstanding at any time during the year calculated by reference to month-end balances.

10.3.2 Aging analysis of trade debts due from related parties

Name of related party	Not past due	Past due				Total gross amount due
		Past due 0-30 days	Past due 91-180 days	Past due 181-365 days	Past due 365 days	
Ana Abdul Samad	-	-	33,494	-	-	33,494
Adnan	-	-	-	4,225,167	-	4,225,167
Shumaila Bano	-	358,338	-	-	-	358,338
	-	<u>358,338</u>	<u>33,494</u>	<u>4,225,167</u>	-	<u>4,616,999</u>

11. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax	10,322,601	8,371,938
Advance for Motor vehicle	900,000	900,000
Necpl's Exposure deposit	202,655	50,056
Other	20,713	-
	<u>11,445,969</u>	<u>9,321,994</u>

12. CASH AND BANK BALANCES

Cash at bank		
Current accounts	-	-
Saving accounts	158,504,310	172,671,092
	<u>158,504,310</u>	<u>172,671,092</u>
Cash in hand	-	-
	<u>158,504,310</u>	<u>172,671,092</u>

12.1. Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 48.633 million (2022: 53.094 million).

13. SHARE CAPITAL**13.1. Authorized share capital**

Authorized share capital comprises of 1,500,000 (2022: 1,500,000) Ordinary shares of Rs. 100 each.

13.2. Issued, subscribed and paid up capital

	2023	2022
	(Rupees)	
Issued, subscribed and paid up capital comprises of:		
Ordinary share capital	92,500,000	92,500,000
	<u>92,500,000</u>	<u>92,500,000</u>

13.2.1 The breakup of ordinary and preference share capital is as follows:

2023	2022		2023	2022
(Numbers)	(Numbers)		(Rupees)	(Rupees)
		Ordinary shares		
		Ordinary shares of Rs. 100 each		
<u>925,000</u>	<u>925,000</u>	full paid in cash	<u>92,500,000</u>	<u>92,500,000</u>

13.2.2 Reconciliation of number of shares outstanding

	2023	2022
	(Numbers)	(Numbers)
Ordinary shares		
Number of shares outstanding at the beginning of the year	925,000	925,000
Issued for cash	-	-
	<u>925,000</u>	<u>925,000</u>

14 DEFERRED TAXATION

Deferred tax arises due to following elements:

Deferred tax liability arises due to:

Accelerated depreciation

Deferred tax asset arises due to:

Carried forward tax losses, minimum taxes and tax credits

Deferred tax liability

-	928,642
-	(334,640)
-	594,002
2023	2022

15 TRADE AND OTHER PAYABLE

(Rupees)

Credit balances of clients

15.1

Other liabilities

Auditor's remuneration payable

48,632,918	53,094,728
328,016	710,613
-	-
48,960,934	53,805,341

15.1 Credit balances of clients held by the company in separate bank accounts.

16 CONTINGENCIES AND COMMITMENTS

16.1 There were no contingencies and commitments as at June 30, 2023.

2023 2022
(Rupees)

17. REVENUE FROM CONTRACT WITH CUSTOMERS

Brokerage Income

17.1

8,910,389	9,776,966
-----------	-----------

17.1 Brokerage commission

Commission on IPO

Return on cash margin on future contract

less: Sales tax return

10,016,797	10,620,233
-	164,215
45,967	214,315
(1,152,375)	(1,221,797)
8,910,389	9,776,966

18. OPERATING AND ADMINISTRATIVE EXPENSES

Salaries and allowances

Utilities

Rent, rates and taxes

Fees and subscription

Legal and professional

Communication Expenses

Software expenses

Auditors remuneration

18.1

Expected credit loss

Transaction Charges

Insurance

Depreciation of property and equipment

4

Depreciation of investment property

5

Bank Charges

Miscellaneous

17,237,750	19,931,250
453,285	423,039
733,093	602,234
110,809	244,309
228,850	173,656
359,306	402,513
760,963	731,884
301,000	339,445
993,133	-
286,439	670,811
77,400	60,000
1,069,879	1,771,992
152,500	152,500
2,340	2,730
222,964	47,269
22,989,711	25,553,632

2023

2022

(Rupees)

18.1 AUDITORS REMUNERATION

Annual audit fee

301,000	272,525
301,000	272,525

19. OTHER INCOME

Gain/(loss) on investment at fair value through P&L

Profit on bank deposit

Rental Income

Other

Dividend income

(4,301,602)	(4,076,564)
13,346,952	14,557,400
242,000	1,364,000
508,537	-
19,242	380,591
9,815,129	12,225,427

20. TAXATION

The Company has filed return for the tax year 2022. According to Income Tax Ordinance 2001, the return filed is deemed to be an assessment order unless modified by Commissioner of Income Tax.

Provision for taxation

Current

- Current year

- Prior year

114,266	378,318
-	6,452,185
114,266	6,830,503
(594,002)	3,457,281
(479,736)	10,287,784

Deferred

Net tax charge

20.1. The company has tax losses in the previous years, on which deferred tax asset amounting to Rs. 0.654 million will arise. However, as there is losses on account of operating income therefore deferred tax asset has not been recorded.

20.1. Relationship between tax expense and accounting profit

Profit/(loss) before taxation

Tax at the applicable rate 29% (2022:29%)

Tax effect of income taxed under FTR

Deferred tax asset reversed

Prior year tax

(4,264,193)	10,051,589
(1,236,616)	(1,029,859)
1,244,771	1,128,921
(199,882)	3,736,537
-	6,452,185
(191,727)	10,287,784

21. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

21.1 Financial instrument by category

21.1.1 Financial assets

2023			
At fair value through profit or loss account	At fair value through OCI	At amortized cost	Total
Long term loan, advances and deposits	-	12,860,000	12,860,000
Long term investment	18,234,438	-	18,234,438
Investment at fair value through P&L	-	-	10,037,372
Trade debts	-	5,399,174	5,399,174
Tax refundable	-	2,705,567	2,705,567
Advances, deposits and prepayments	-	11,445,969	11,445,969
Bank balances	-	158,504,310	158,504,310
10,037,372	18,234,438	190,915,020	219,186,830

2022 - Restated			
At fair value through profit or loss held for trading	At fair value through OCI	At amortized cost	Total
Long term loan, advances and deposits	-	12,876,500	12,876,500
Long term investment	22,835,107	-	22,835,107
Investment at fair value through P&L	-	-	11,446,595
Trade debts	-	151,131	151,131
Tax refundable	-	2,705,567	2,705,567
Advances, deposits and prepayments	-	9,321,994	9,321,994
Bank balances	-	172,671,092	172,671,092
11,446,595	22,835,107	197,726,284	232,007,986

21.1.2 Financial Liabilities at amortized cost

2023	
Amount	Total
Trade and other Payables	48,960,934
48,960,934	48,960,934

2022	
Amount	Total
Trade and other Payables	53,805,341
53,805,341	53,805,341

21.2 Financial risk management

The company primarily invests in marketable securities and are subject to varying degrees of risk.

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

Credit risk
 Liquidity risk
 Market risk
 Operational risk

21.2.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking in to account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Exposure to Credit risk

Credit risk of the company arises principally from the trade debts, short term investments, loans and advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The company allow to trade in fututre contracts after taking appropriate margins.

Credit risk is minimised due to the fact that the company invest only in high quality financial assets, all transactions are settled/paid for upon delivery. The company doesnot expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is as follows:

	2023	(Restated) 2022
	(Rupees)	
Long term deposits	12,860,000	12,876,500
Investment at fair value thourgh other comprehensive income	18,234,438	22,835,107
Investment at fair value through profit and loss	10,037,372	11,446,595
Advances, depsoits, prepayments and other receivable	1,123,368	950,056
Trade debts	5,399,174	151,131
Bank Balances	<u>158,504,310</u>	<u>172,671,092</u>
	<u>206,158,662</u>	<u>220,930,481</u>

Bank Balances

The Analysis below summarizes the credit quality of the company's bank balance:

	2023	2022
	(Rupees)	
AA+	49,149	49,149
AA	158,429,089	172,605,871
A+	10,000	-
A	16,072	16,072
	<u>158,504,310</u>	<u>172,671,091</u>

The credit rating agency are PACRA and JCR-VIS.

21.2.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of business.

		2023				
		carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities						
Trade and other payables		48,960,934	48,960,934	48,960,934	-	-
		<u>48,960,934</u>	<u>48,960,934</u>	<u>48,960,934</u>	<u>-</u>	<u>-</u>

		2022				
		carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities						
Trade and other payables		53,805,341	53,805,341	53,805,341	-	-
		<u>53,805,341</u>	<u>53,805,341</u>	<u>53,805,341</u>	<u>-</u>	<u>-</u>

On the balance sheet date, the company has cash and bank balances of Rs. 158.50 million (2022: 172.67 million) for repayment of liabilities

21.2.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, management manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. Currently there is no currency risk as all financial assets and liabilities are in PKR.

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 risk. The company is not exposed to interest rate risk as there is no interest based liability or asset.

Other price risk

Other price risk is the risk that fair value or future cash 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 factor affecting all or similar financial instrument traded in the market.

The company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The company manages the equity price through diversification and all instruments are made thorough surplus funds.

The company is exposed to other price risk on investment in listed shares. The company manages the risk through portfolio diversification, as per recommendation of Investment committee of the company. The committee regularly monitors the performance of investees and assess the financial performance on on-going basis.

The 10 percent increase/(decrease) in market value of these instruments with all other variables held constant impact on profit and loss account of the company is as follows:

	Before Tax	
	10% Increase	10% Decrease
as at 30th June 2023	1,003,737	(1,003,737)
as at 30th June 2022	1,144,660	(1,144,660)

21.3 Fair value of Financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in any orderly transaction between market participants at the measurement date. The management is of the view that the fair values of the financial assets and liabilities are not significantly different from their carrying values in the financial statements.

The company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Following is the fair value hierarchy of assets and liabilities carried at fair value:

	2023		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
Investment in quoted securities	18,038,208	-	10,233,602
	18,038,208	-	10,233,602
	----- (Rupees) -----		
	2022		
	Level 1	Level 2	Level 3
	----- (Rupees) -----		
Investment in quoted securities	22,507,210	-	11,774,492
	22,507,210	-	11,774,492

21.4 Capital risk management

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

22 CAPITAL ADEQUACY LEVEL

Total Assets	230,756,189	244,579,724
Less: Total Liabilities	(48,960,934)	(53,805,341)
Less: Revaluation Reserves	-	-
Capital Adequacy Level	181,795,255	190,774,383

While determining the value of total assets of TREC holder, the Notional value of the TREC held by Say Capital Securities (Private) Limited as at year ended 30th June 2023 determined by Pakistan Stock Exchange has been considered.

23 LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
Assets				
1.1	Property & Equipment	8,819,359	8,819,359	-
1.2	Intangible Assets	2,750,000	2,750,000	-
1.3	Investment in Govt. Securities	-	-	-
1.4	Investment in Debt. Securities	516,356	-	490,538
1.5	(i) Investment in Equity Securities (listed)	17,521,852	15,899,892	1,621,960
	(ii) Investment in Equity Securities (Unlisted)	10,233,602	10,233,602	-
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking	-	-	-
1.8	Statutory or regulatory deposits.	750,000	750,000	-
1.9	Margin deposits with exchange and clearing house.	223,368	-	223,368
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	10,610,000	10,610,000	-
1.12	Accrued interest, profit or mark-up	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-
1.15	Advances and receivables other than trade receivables;			
	(i) Advance tax	13,028,168	13,028,168	-
	(ii) Short term loan to employees	-	-	-
	(iii) In other cases	900,000	900,000	-
1.16	Receivables from clearing house or securities exchange(s)	-	-	-
1.17	Receivables from customers			
	i. Receivables against margin financing	-	-	-
	ii. Trade receivables not more than 5 days overdue	62,270	-	62,270
	iii. Trade receivables are overdue, or 5 days or more	2,104,870	993,133	1,111,737
	iii. Trade receivables from related parties	4,225,167	4,225,167	-
1.18	Cash and Bank balances			
	i. Bank Balance-proprietary accounts	109,866,392	-	109,866,392
	ii. Bank balance-customer accounts	48,637,918	-	48,637,918
	iii. Cash in hand	-	-	-

1.19	Subscription money against investment in IPO/ offer for sale (asset)			
Total Assets		230,249,322		162,014,183
Liabilities				
2.1	Trade Payables			
	i. Payable to customers	48,632,918	-	48,632,918
2.2	Current liabilities			
	i. Accruals and other payables	328,016	-	328,016
2.3	Non-Current liabilities	-	-	-
	i. Other liabilities	-	-	-
2.4	Subordinated Loans	-	-	-
2.5	Advance against shares for Increase in Capital.	-	-	-
Total Liabilities		48,960,934		48,960,934
Ranking Liabilities Relating to :				
3.1	Concentration in Margin Financing	-	-	-
3.2	Concentration in securities lending and borrowing	-	-	-
3.3	Net underwriting Commitments	-	-	-
3.4	Negative equity of subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	Repo adjustment	-	-	-
3.8	Concentrated proprietary positions	-	1,408,185	1,408,185
3.9	Opening Positions in futures and options	-	-	-
3.10	Short sell positions	-	-	-
Total Ranking Liabilities		-	1,408,185	1,408,185
Grand Total		181,288,388	1,408,185	111,645,064

24 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
 Rupees					
Managerial remuneration	1,200,000	3,600,000	4,080,000	1,200,000	3,600,000	4,080,000
	1,200,000	3,600,000	4,080,000	1,200,000	3,600,000	4,080,000
Number of persons (including those who worked part of the year)	1	3	3	1	3	3

25. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related Parties Comprise of associated companies , directors, key management personnel and close family members of the directors. Transactions with related parties may be carried out at negotiated rates. Remuneration and benefits to executives of the company are in accordance with the terms of their employment.

Details of transactions and balances with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

Name of the related party	Relationship with the related party	Transactions during the year and year end balances	2023 (Rupees)	2022 (Rupees)
Muhammad Asif	CEO/Shareholder	Remuneration	1,200,000	1,200,000
Muhammad Ashraf	Director/Shareholder	Remuneration	1,200,000	1,200,000
Abdul Hafeez	Director/Shareholder	Remuneration	1,200,000	1,200,000
Adnan	Director/Shareholder	Remuneration	1,200,000	1,200,000
Ana Abdul Samad	Director/Shareholder	Receivable / (Payable)	33,494	(12,447)
Adnan	Director/Shareholder	Receivable / (Payable)	4,225,167	(5,362)
Shumaila Bano	Spouse of Director	Receivable / (Payable)	358,338	(817)
Abdul Hafeez	Director/Shareholder	Receivable / (Payable)	(19,956)	565
Aena Sufian	Daughter of CEO	Receivable / (Payable)	(4,186)	(4,211)
Ana Abdul Samad	Director/Shareholder	Receivable / (Payable)	(12,039)	(12,039)
Mohammad Aslam Motiwala	Father of Director	Receivable / (Payable)	(1,305,276)	(8,591,697)
Muhammad Ashraf	Director/Shareholder	Receivable / (Payable)	(50,332)	(338,419)
Muhammad Asif	CEO/Shareholder	Receivable / (Payable)	(40,732)	(23,369)
Noor Jehan Bano	Mother of Director	Receivable / (Payable)	(112,536)	(1,597,017)
Rabia Ashraf	Spouse of Director	Receivable / (Payable)	(42,176)	(6,216)
Salma Asif	Spouse of Director	Receivable / (Payable)	(600)	-

26. CORRECTION OF A PRIOR PERIOD ERROR

During the year, company discovered error in relation to recognizing 10 million for advance to NCEL Building Management Limited as "Property and equipment" which should have been recognized as "Long term deposit".

During the year, the Company has recognized above said advance as "Long term deposit". In these financial statements, the effects of the said advance have been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Since these restatements have a material effect on the statement of financial position as of the beginning of the earliest period presented i.e. July 01, 2021, the same has also been presented in these financial statements in accordance with the requirements of IAS 1 'Presentation of Financial Statements'.

The retrospective correction of the above error has its effects on the corresponding figures presented in these financial statements as follows:

Statement of financial position As at 30 June 2022

	As at 01 July 2021		As at 30 June 2022			
	30-Jun-21	Increase/ (Decrease)	30-Jun-21 (Restated)	30-Jul-22	Increase/ (Decrease)	30-Jun-22 (Restated)
			----- Rupees -----			
Property and equipment	17,350,729	(10,000,000)	7,350,729	17,076,738	(10,000,000)	(2,649,271)
Long term investment	1,876,500	10,000,000	11,876,500	2,876,500	10,000,000	21,876,500
Net impact on equity		-			-	

27. OTHER DISCLOSURES UNDER REGULATION 34(2) OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016:

The disclosures under the regulation 34(2), other than disclosed elsewhere in these annual financial statements are as follows:

27.1 Pattern of Shareholding

	2023	2022	2023	2022
	% of Holding		Number of Shares	
Ana Abdul Samad (Director)	43%	43%	400,000	400,000
Muhammad Asif Sultan (CEO)	42%	42%	386,248	386,248
Muhammad Ashraf (Director)	15%	15%	138,749	138,749
Adnan (Director)	0.0001%	0.0001%	1	1
Muhammad Rizwan (Director)	0.0001%	0.0001%	1	1
Abdul Hafeez (Director)	0.0001%	0.0001%	1	1
	100.00%	100.00%	925,000	925,000

27.2 During the year there was no movement in shareholding of more than 5% of the shares.

27.3 As at June 30, 2023, neither company's securities pledged with financial institutions, nor customer securities maintained with the company pledged with financial institutions.

27.4 As at June 30, 2023, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs. 2,027 million (2022: Rs. 2,371 million).

28 NUMBER OF EMPLOYEES

	2023	2022
	(Number of employees)	
Total number of employees at 30 June.	18	25
Average Number of employees	21	24

29 CORREPPONDING FIGURES

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current year.

30 DATE OF AUTHORIZATION

These financial statements were approved by the Company's board of directors and authorised for

issue on 30 OCT 2023.





Chief Executive



Director