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Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

AUDITED FINANCIAL STATEMENTS OF INTERMARKET SECURITIES LIMITED FOR THE YEAR ENDED JUNE 30, 2022

AUDITED FINANCIAL STATEMENTS
OF
INTERMARKET SECURITIES LIMITED
FOR THE YEAR ENDED
JUNE 30, 2022

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
KARACHI, LAHORE & ISLAMABAD

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CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
Tel. No.: (021) 34549345-9
E-Mail :info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

INDEPENDENT AUDITORS' REPORT

To the members of Intermarket Securities Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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Report on Other Legal and Regulatory Requirements

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

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Rafiq Dosani**.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi
Date: 07 OCT 2022

UDIN: AR202210210bWVsB9coj

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Board of Directors of Intermarket Securities Limited (IMS) is pleased to present the Annual Report of IMS as a Public Limited (Unquoted) entity for the financial year ended June 30, 2022. These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Act, 2017.

The Directors' Report is prepared under section 226 of the Companies Act 2017.

NATURE OF BUSINESS

Intermarket Securities Limited is a Public Limited Company (Unlisted) and TREC holder of Pakistan Stock Exchange Limited (PSX). The Company is engaged in the business of share brokerage, underwriting, investment, portfolio management and other related brokerage activities.

MANAGEMENT OBJECTIVES AND STRATEGIES

Our objective and strategy going forward is to remain focused on enhancing our brokerage services, providing excellent financial advisory, controlling risk, optimizing and expanding products and services and staying firm on the ethical and regulatory standards.

THE DIRECTORS ARE PLEASED TO REPORT THAT

a) The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;

b) Proper books of accounts of the Company have been maintained;

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements;

e) The system of internal control is sound and has been effectively implemented and monitored;

f) The Company on account of statutory payment of taxes, duties, levies and charges has no outstanding liability as at the balance sheet date;

g) Earnings per share (EPS) of the company for the year ended June 30th 2022 is Rs. (4.13). Lower trading volumes and a weak stock market in the year were the major reasons.

FINANCIAL STATEMENTS

The Financial statements of the company have been audited and approved without qualification by the auditors of the company, Rahman Sarfraz Rahim Iqbal Rafiq Chartered Accountants.

UAN (92 21) 111 467 000
info@imsecurities.com.pk
www.imsecurities.com.pk

MARKET REVIEW

The KSE-100 Index lost 12% in FY22 and 32% in US$ terms. A weak top-down environment, exemplified by the change in government and inconsistent economic policies, was the main reason behind the poor market performance. Global factors also contributed to weak Index performance, on the back of the continuing Russia-Ukraine war, the sharp rise in global commodity prices, and the march of the US$. A sharp increase in inflation prints forced the SBP to nearly double the Policy Rate to 15% in less than a year (global central banks including the US Fed also tightened), while the government introduced high-one off taxation in the Budget for the large corporates. Funds flowed from equities towards fixed income instruments, with cyclical sectors such as Cement and Steel witnessing the bulk of the selling. More defensive sectors such as Fertilizers, Food and Oil Exploration fared relatively better.

Due to the aforementioned factors, investor confidence remained on the weaker side. This reflected in thinner trading activity, with volumes on the KSE-100 contracting by more than 55% in FY22. Foreign investors continued to exit, particularly as Pakistan was downgraded to the MSCI Frontier Markets Index. Local mutual funds also saw AUMs shift towards fixed income avenues. As a result, local individuals once again did most of the buying. Pakistan equities are undoubtedly cheap on valuations, both relative to their own history as well as in comparison to the region, but a more settled political environment and more sustainable economic policies are needed for meaningful rerating to begin.

AUDITORS

As recommended by the Finance Committee, the present auditors M/s Rahman Sarfraz Rahim Iqbal Rafiq Chartered Accountants retire and being eligible, have offer themselves for re-appointment.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2022 is as under;

Name	No. of Shares	Shareholding %
Erum Bilwani	25,673,630	51%
Muhammad Uraib Bilwani	24,666,819	49%
Syed Raza Haider Jafri	1	0.00%
Muhammad Rehan Alam	1	0.00%

ACKNOWLEDGEMENTS

We would like to acknowledge the Securities and Exchange Commission of Pakistan, Central Depository Company of Pakistan Limited, National Clearing Company of Pakistan Limited and the management of Pakistan Stock Exchange Limited for their efforts to strengthen the capital markets and measures to protect investor rights.

For and on behalf of the Board of Directors

Wajid Hussain
Chief Executive Officer

Syed Raza Haider Jafri
Director

Intermarket Securities Limited

Statement of Financial Position

As at June 30, 2022

	Note	2022	2021
ASSETS		Rupees	
Non-current assets			
Property and equipment	4	**23,932,043**	28,751,989
Intangible assets	5	**3,141,273**	3,301,590
Long term investment	6	**30,127,296**	30,127,296
Long term deposits	7	**4,994,395**	15,724,395
		62,195,007	77,905,270
Current assets			
Short term investments	8	**244,498,577**	49,878,288
Trade debts	9	**406,285,279**	374,534,138
Receivables against margin financing	10	**129,109,608**	177,216,440
Advances, deposits, prepayment and other receivables	11	**96,497,225**	582,150,417
Taxation - net		**49,759,503**	54,134,741
Short term loan	12	**42,646,012**	61,456,012
Cash and bank balances	13	**170,686,381**	297,971,450
		1,139,482,585	1,597,341,485
Total assets		**1,201,677,592**	1,675,246,756
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
100,000,000 (2021: 100,000,000) ordinary shares of Rs.10/- each		**1,000,000,000**	1,000,000,000
Issued, subscribed and paid-up capital	14	**503,404,510**	503,404,510
Revenue reserves			
Unappropriated profit		**346,995,991**	555,068,168
		850,400,501	1,058,472,678
Non-current liabilities			
Deferred taxation	15	**2,379,634**	-
Current liabilities			
Short term borrowings - secured	16	**134,177,740**	-
Provident fund payable to employees		-	7,335,105
Trade and other payables	17	**205,222,970**	609,438,973
Accrued markup on short term borrowings		**9,496,747**	-
		348,897,457	616,774,078
Contingencies and commitments	18	-	-
Total equity and liabilities		**1,201,677,592**	1,675,246,756

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive **Director**

Intermarket Securities Limited

Statement of Profit or Loss

For the year ended June 30, 2022

	Note	2022	2021
		Rupees	
Operating revenue	19	**296,411,666**	539,996,245
Capital (loss) / gain on sales of short term investments		**(120,207,428)**	57,608,760
Net change in unrealized (loss) / gain on remeasurement of short term investment		**(77,918,558)**	4,652,094
		98,285,680	602,257,099
Administrative expenses	20	**(275,086,769)**	(364,552,556)
Other income	21	**4,737,886**	9,205,265
		(270,348,883)	(355,347,291)
Finance costs	22	**(21,782,180)**	(12,233,341)
(Loss) / profit before taxation		**(193,845,383)**	234,676,467
Taxation	23	**(14,226,794)**	(44,008,735)
(Loss) / profit after taxation		**(208,072,177)**	190,667,732

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive

Director

Intermarket Securities Limited

Statement of Comprehensive Income

For the year ended June 30, 2022

	2022	2021
	Rupees	
(Loss) / profit before taxation	**(208,072,177)**	190,667,732
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	**(208,072,177)**	190,667,732

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive

Director

Intermarket Securities Limited

Statement of Changes in Equity
For the year ended June 30, 2022

	Issued, subscribed and paid up share capital	Revenue reserve Unappropriated profits	Capital reserve Surplus on revaluation of investment	Total
	Rupees			
Balance as at June 30, 2020	503,404,510	361,540,344	2,860,092	867,804,946
Total comprehensive income for the year ended June 30, 2021				
- Profit after taxation	-	190,667,732	-	190,667,732
- Other comprehensive income	-	-	-	-
	-	190,667,732	-	190,667,732
Transfer of revaluation gain on disposal of investment at fair value through OCI	-	2,860,092	(2,860,092)	-
Balance as at June 30, 2021	**503,404,510**	**555,068,168**	-	**1,058,472,678**
Total comprehensive loss for the year ended June 30, 2022				
- Profit after taxation	-	**(208,072,177)**	-	**(208,072,177)**
- Other comprehensive income	-	-	-	-
	-	**(208,072,177)**	-	**(208,072,177)**
Balance as at June 30, 2022	**503,404,510**	**346,995,991**	-	**850,400,501**

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive

Director

Intermarket Securities Limited

Statement of Cash Flows

For the year ended June 30, 2022

	Note	2022	2021
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(193,845,383)	234,676,467
Adjustments for:			
- Depreciation on property and equipment	4	4,479,254	5,455,148
- Amortization of intangible assets	5.2	160,317	200,397
- Net change in unrealized (gain) / loss on investments		77,918,558	(4,652,094)
- Capital (gain) / loss on investment		120,207,428	(57,608,760)
- Loss on disposal of property and equipment	20	541,374	515,323
- Provision for expected credit losses on trade debts		-	5,084,982
- Receivables and deposits written off	20	13,873,584	7,297,161
- Irrecoverable amount due from dealers written off		-	2,018,182
- Property and equipment written off		664,878	5,518,375
- Intangible assets written off		-	695,608
- Finance costs	22	21,782,180	12,233,341
		239,627,573	(23,242,338)
		45,782,190	211,434,130
Changes in working capital items			
(Increase) / decrease in current assets			
- Short term investments		(392,746,275)	109,407,189
- Trade debts		(45,624,725)	(13,337,803)
- Receivables against margin financing		48,106,832	(45,177,956)
- Advances, deposits, prepayments and other receivables		485,653,192	(436,512,315)
- Short term loan		18,810,000	-
		114,199,024	(385,620,885)
(Decrease) / increase in current liabilities			
- Trade and other payables		(404,216,004)	460,349,445
- Provident fund payable to employees		(7,335,105)	7,335,105
Cash (used in) / generated from operations		(251,569,895)	293,497,795
Finance costs paid		(12,285,433)	(13,917,936)
Income tax paid		(7,471,922)	(16,900,624)
Net cash (used in) / generated from operating activities		(271,327,249)	262,679,235
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	4	(1,716,205)	(11,235,979)
Purchase of intangible assets	5.2	-	(350,900)
Proceeds from disposal of fixed assets		850,645	2,672,203
Long term deposits refunded / (paid)		10,730,000	(13,440,290)
Net cash generated from / (used in) investing activities		9,864,440	(22,354,966)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance repaid		-	(5,467,266)
Net cash used in financing activities		-	(5,467,266)
Net (decrease) / increase in cash and cash equivalents		(261,462,809)	234,857,003
Cash and cash equivalents at the beginning of the year		297,971,450	63,114,447
Cash and cash equivalents at the end of the year	24	36,508,641	297,971,450

The annexed notes from 1 to 29 form an integral part of these financial statements.

Chief Executive

Director

1. LEGAL STATUS AND OPERATIONS

1.1 Intermarket Securities Limited ('the Company') was incorporated in Pakistan as a private limited company on September 06, 2002 under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced by Companies Act, 2017 ('the Act'). In the year 2009, the status of the Company was changed to public unlisted company. The Company is a Trading Rights Entitlement Certificate (TREC) of holder of Pakistan Stock Exchange Limited. The registered office of the Company is situated at 5th Floor, Ext. Block, Bahria Complex IV, Ch. Khaliq-ur-Zaman Road, Clifton, Karachi. The principal activities of the Company are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.

1.2 The geographical location of Company's offices are as follows:

Branch office -	2nd Floor, Bahria Complex IV, Ch. Khalique-uz-zaman Road, Gizri, Karachi.
Branch office -	Office # 139 and 140, 3rd Floor, Stock Exchange Building, Stock Exchange Road, Karachi.
Branch office -	Office # 103, 1st Floor, Balad Trade Centre, Block-3, BMCHS, Bahadurabad, Karachi.
Branch office -	Office # 409, 4th Floor, Stock Exchange Building, Stock Exchange Road, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Provisions of, and directives, issued under the Companies Act, 2017.

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

2.2 Basis of measurement of items in the financial statements

Items in these financial statements have been measured at their historical cost, except for Short term investments in quoted equity securities which are carried at fair value.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these financial statements is included in the following notes:

Area of Judgement	Brief description of the judgement applied
Deferred tax assets	Whether deferred tax assets should be recorded on realized and unrealized losses on short term investments in securities - availability of future taxable profit on securities with in next three tax years against which such losses can be utilised
Timing of revenue recognition	*Underwriting and Financial Advisory services:* Whether performance obligation is satisfied at a point in time or over time that is whether the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs

(b) Assumptions and other major sources of estimation uncertainty

There are no assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

2.5 New accounting pronouncements

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

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

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

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

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after January 01, 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 01, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.

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

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

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

  a. requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  c. clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

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

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

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

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

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property and equipment

Owned

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the carrying amount 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. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 4. Depreciation is charged when the asset is available for use till the asset is disposed off. Further, when the written down value of the item of assets falls below Rs.25,000 the same is charged directly to the statement of profit or loss.

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

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2022 did not require any adjustment.

3.2 Intangible assets

3.2.1 *Computer software*

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the reducing balance method over assets estimated useful life at the rates stated in note 5.2, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

Amortization is charged from the date the assets are put to use while no amortization is charged after the date when the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the statement of profit or loss.

3.2.2 *Membership cards and privileges*

These are stated at cost less impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.3 Financial instruments

3.3.1 ***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.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place.

The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost;
(b) financial assets measured at fair value through other comprehensive income (FVOCI); and
(c) financial assets measured at 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 it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.3.2 *Subsequent measurement*

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.3.3 *Impairment*

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade debts and receivables from margin financing, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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

3.3.4 *De-recognition*

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

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.4 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL).

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

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

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

3.5 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.6 Trade debts and receivables against margin financing

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized on the settlement date as this is the point in time that the payment of the consideration by the customer becomes due.

3.7 Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at amortized cost. For the purpose of cash flow statement cash and cash equivalents comprise bank balances and short term borrowings.

3.3 **Staff retirement benefits - Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the employee.

The Company operates a defined contribution plan i.e. recognized provident fund ("the Fund") for all of its eligible employees in accordance with trust deed and rules made thereunder. Monthly contributions at the rate 10.00% of basic salary are made to the Fund by the Company and the employees.

When an employee has rendered service to the Company during a period, the Company recognises the contribution payable to a defined contribution plan in exchange for that service as an expense in profit or loss and as a liability in the statement of financial position (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they are discounted using the discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds (or when there is no deep market in such bonds, the government bonds) having term consistent with the estimated term of the post-employment benefit obligations.

3.9 **Taxation**

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.10 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

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

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

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

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 the obligation cannot be measured with sufficient reliability.

3.11 Operating revenue

Revenue from trading activities - brokerage commission

Commission revenue arising from sales / purchase of securities on client's behalf is recognized on the date of settlement of transaction by the clearing house.

The Company does not expect to have contracts where the period between the services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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Revenue from advisory and consultancy services

Revenue is recognized when the performance obligation is satisfied i.e. when services are provided.

Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

Mark up / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

4. PROPERTY AND EQUIPMENT - owned assets

	Leasehold land	Furniture & fixture	Office equipment	Vehicles		Computer	Office premises	Leasehold improvement	Total
				Owned	Musharika				
					Rupees				
As at June 30, 2020									
Cost	6,903,077	4,653,408	6,888,995	3,492,030	15,519,525	15,341,364	12,674,940	14,240,803	79,714,142
Accumulated depreciation	-	(1,894,041)	(3,521,184)	(2,685,173)	(7,037,455)	(12,214,367)	(6,556,581)	(12,110,100)	(46,018,901)
Net book value	6,903,077	2,759,367	3,367,811	806,857	8,482,070	3,126,997	6,118,359	2,130,703	33,695,241
For the year ended June 30, 2021									
Opening net book value	6,903,077	2,759,367	3,367,811	806,857	8,482,070	3,126,997	6,118,359	2,130,703	33,695,241
Additions during the period	-	237,403	1,508,254	119,000	-	5,642,139	-	2,665,000	10,171,796
Disposals/write off during the period									
Cost	-	(4,370,208)	(5,148,847)	-	(7,354,047)	(12,556,872)	-	(180,803)	(29,610,777)
Acc. Depreciation	-	1,802,843	3,048,982	-	4,149,174	10,802,063	-	147,815	19,950,877
	-	(2,567,365)	(2,099,865)	-	(3,204,873)	(1,754,809)	-	(32,988)	(9,659,900)
Depreciation for the period	-	-	-	3,681,632	(3,681,632)	-	-	-	-
Transfer during the period	-	(32,727)	(253,832)	(176,146)	(1,595,565)	(1,422,323)	(611,836)	(1,362,719)	(5,455,148)
Closing net book value	6,903,077	396,678	2,522,368	4,431,343	-	5,592,004	5,506,523	3,399,996	28,751,989
As at June 30, 2021									
Cost	6,903,077	520,603	3,248,402	7,292,662	4,483,846	8,426,631	12,674,940	16,725,000	60,275,161
Accumulated depreciation	-	(123,925)	(726,034)	(2,861,319)	(4,483,846)	(2,834,627)	(7,168,417)	(13,325,004)	(31,523,172)
Net book value	6,903,077	396,678	2,522,368	4,431,343	-	5,592,004	5,506,523	3,399,996	28,751,989
For the year ended June 30, 2022									
Opening net book value	6,903,077	396,678	2,522,368	4,431,343	-	5,592,004	5,506,523	3,399,996	28,751,989
Additions during the period	-	-	104,640	-	-	1,611,565			1,716,205
Disposals/Write off during the year									
Cost	-	-	-	(4,171,468)	-	(1,042,828)	-	(350,000)	(5,564,296)
Acc. Depreciation	-	-	-	2,729,689	-	450,953	-	326,757	3,507,399
	-	-	-	(1,441,779)	-	(591,875)	-	(23,243)	(2,056,897)
Depreciation for the period	-	(39,668)	(257,129)	(654,372)	-	(1,857,982)	(550,653)	(1,119,450)	(4,479,254)
Transfer during the period	-	-	-	-	-	-	-	-	-
Closing net book value	6,903,077	357,010	2,369,879	2,335,192	-	4,753,712	4,955,870	2,257,303	23,932,043
As at June 30, 2022									
Cost	6,903,077	520,603	3,353,042	7,605,040	-	8,995,368	12,674,940	16,375,000	56,427,070
Accumulated depreciation	-	(163,593)	(983,163)	(5,269,848)	-	(4,241,656)	(7,719,070)	(14,117,697)	(32,495,027)
Net book value	6,903,077	357,010	2,369,879	2,335,192	-	4,753,712	4,955,870	2,257,303	23,932,043
Rate of Depreciation	0%	10%	10%	20%	20%	30%	10%	33%	

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		Note	2022	2021
5.	**INTANGIBLE ASSETS**		Rupees	
	Membership card right and privileges			
	Trading Rights Entitlement (TRE) Certificate	5.1	**2,500,000**	2,500,000
	Computer software	5.2	**641,273**	801,590
			3,141,273	3,301,590

5.1	**Trading Right Entitlement Certificate (TREC)**			
	Cost	5.1.1	**3,894,750**	3,894,750
	Accumulated impairment		**(1,394,750)**	(1,394,750)
		5.1.2	**2,500,000**	2,500,000

5.1.1 This represents the Trading Rights Entitlement Certificate (TREC) received by the Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 as amended by the Stock Exchanges (Corporatization, Demutualization and Integration) (Amendment) Act, 2015. This is being carried at cost less accumulated impairment losses.

5.1.2 PSX vide notice no. PSX/N - 225 dated February 16, 2021 have notified the notional value of a Trading Right Entitlement Certificate amounting to Rs. 2.5 million.

		Note	2022	2021
5.2	**Computer software**		Rupees	
	Net carrying amount			
	Opening net book value		**801,590**	1,346,695
	Additions during the year		-	350,900
	Write-off		-	(695,608)
	Amortisation charge	20	**(160,317)**	(200,397)
	Closing net book value		**641,273**	801,590
	Gross carrying amount			
	Cost		**4,259,802**	4,259,802
	Accumulated amortisation		**(3,618,529)**	(3,458,212)
	Net book value		**641,273**	801,590
	Amortisation rate (per annum)		**20%**	20%

6.	**LONG TERM INVESTMENT - *at cost***			
	Coastal Company Limited - unquoted public company	6.1	**30,127,296**	30,127,296

6.1 This represents shares of Coastal Company Limited which were acquired when the collateral relating to short term loan amounting to Rs. 36 million was realized in the form of shares of this NBFC. Shares are in the name of spouse of director and not in the name of the Company. An agreement was made between spouse of director and the Company under which the proceeds from sale of investment including gain/(loss) would be rendered back to the Company. As per reporting date, shares are freezed but arrangement would be made for conversion into marketable lot.

		Note	2022	2021
7.	**LONG TERM DEPOSITS**		Rupees	
	Trading deposits			
	- Pakistan Stock Exchange Limited		-	12,500,000
	- National Clearing Company of Pakistan Limited		**1,500,000**	1,500,000
	- Central Depository Company of Pakistan Limited		**100,000**	100,000
			1,600,000	14,100,000
	Security deposits			
	- Deposits against leased office premises		**2,605,095**	1,585,095
	- Pakistan Mercantile Exchange Limited		**750,000**	-
	- Others	29.1	**39,300**	39,300
			3,394,395	1,624,395
			4,994,395	15,724,395

		Note	2022	2021
			Rupees	
8.	**SHORT TERM INVESTMENTS - At fair value through profit or loss**			
	Quoted equity securities	*8.1*	**219,470,968**	49,878,288
	Units of mutual funds	*8.2*	**25,027,609**	-
			244,498,577	49,878,288

		2022	2021
8.1	**Investment in quoted equity securities**		
	Cost of investments	**296,764,377**	49,253,139
	Unrealised gain/ (loss):		
	Balance as at July 01	**625,149**	(4,026,945)
	Unrealised (loss)/ gain for the year	**(77,918,558)**	4,652,094
		(77,293,409)	625,149
	Closing balance	**219,470,968**	49,878,288

8.1.1 The number and fair value of securities pledged with PSX and NCCPL are as follows:

	June 30 , 2022		June 30, 2021	
	Number of securities	**Fair value**	Number of securities	Fair value
		(Rupees)		(Rupees)
Clients	**7,991,200**	**149,928,923**	17,593,483	227,465,656
Brokerage House	**22,939,850**	**87,780,498**	2,589,389	36,433,321
	30,931,050	**237,709,421**	20,182,872	263,898,977

8.1.2 The number and fair value of securities pledged with financial institutions are as follows:

	June 30, 2022		June 30, 2021	
	Number of securities	**Fair value**	Number of securities	Fair value
		(Rupees)		(Rupees)
Clients	**6,952,812**	**68,141,496**	-	-
Brokerage House	**9,847,520**	**149,952,132**	1,500	111,380
	16,800,332	**218,093,628**	1,500	111,380

		Note	2022	2021
			Rupees	
8.2	**Investment in mutual funds**			
	Cost of investment		**25,000,000**	-
	Unrealised gain for the year		**27,609**	-
	Closing balance		**25,027,609**	-

		Note	2022	2021
9.	**TRADE DEBTS**			
	Gross receivables			
	Equity brokerage	*9.1*	**408,127,795**	382,862,121
	Advisory and consultancy fees		**203,400**	-
			408,331,195	382,862,121
	Less: Provision for expected credit losses	*9.2*	**(2,045,916)**	(8,327,983)
			406,285,279	374,534,138

9.1 Trade debts - Equity brokerage

9.1.1 Trade debts includes Rs. 75.415 million (2021: Rs. 87.452 million) due from related parties. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 35.423 million (2021: Rs. 48.239 million).

9.1.2 The Company holds capital securities having fair value of Rs. 1,828.41 million (2021: Rs. 1,671.96 million) owned by its clients including related parties, as collaterals against trade debts.

9.2 Movement in provision for expected credit losses	**2022**	2021
	Rupees	
Balance at the beginning of the year	**8,327,983**	3,243,001
Charged during the year	**-**	5,084,982
Written-off during the year	**(6,282,067)**	-
Balance at the end of the year	**2,045,916**	8,327,983

10. RECEIVABLE AGAINST MARGIN FINANCING

Receivable against margin financing	**129,109,608**	177,216,440

10.1 Margin financing facility is provided to clients on markup basis with ceiling upto KIBOR + 8.00% per annum (2021: KIBOR + 8%).

11. ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

	Note	**2022**	2021
		Rupees	
Advances			
Advance to staff	*11.1*	**4,390,869**	6,192,260
Advance against IPO		**-**	15,000,000
		4,390,869	21,192,260
Deposits			
Deposits placed with NCCPL in respect of:			
- Exposure margin on Margin Trading		**15,500,000**	103,000,000
- Exposure margin on DFCs		**-**	210,500,000
- Exposure margin on Ready Market		**-**	150,000,000
- Exposure margin on Gem Market		**20,000**	-
- Loss on Margin Trading		**21,320,931**	20,692,247
- Loss on DFCs (net of demand)	*29.1*	**194,460**	4,488,025
		37,035,391	488,680,272
Prepayments			
Against leased office premises		**5,678,501**	4,480,287
Other receivables			
Due from related parties	*11.2*	**43,641,221**	45,285,999
Loan to director	*11.3*	**770,800**	-
Receivable against sale of office		**-**	6,840,000
Future profit receivable	*29.1*	**2,552,175**	13,881,680
Receivables from employees against sale of car	*29.1*	**-**	1,639,919
Receivable from dealers		**229,649**	-
Others	*29.1*	**2,198,619**	150,000
		49,392,464	67,797,598
		96,497,225	582,150,417

11.1 This represents interest free advances provided in accordance with the Company's policy and these has been secured against the provident fund balance.

11.2 Due from related parties

	2022	2021
	Rupees	
Intertechnologies (Private) Limited	42,522,234	42,522,234
Intermarket Xpress (Private) Limited	-	1,800,618
Vision Commodities (Private) Limited	1,118,987	963,147
	43,641,221	45,285,999

11.3 Reconciliation loan to director:

Erum Bilwani

Opening balance	-	-
Disbursement made during the year	20,000,000	-
Repayment received during the year	(20,000,000)	-
Closing balance	-	-

Rehan Alam

Opening balance	-	-
Disbursement made during the year	2,000,000	-
Repayment received during the year	(1,229,200)	-
Closing balance	770,800	-

12. SHORT TERM LOAN

This represents balance amount due from an ex-client on account of interest free loan amounting to Rs. 100 million. Collaterals amounting to Rs. 49 million were realized from cash margin and transfer of shares of Coastal Company Limited (formerly known as National Asset Management Company). Balance outstanding Rs. 42.65 million (2021: Rs. 61.45 million) is secured against commercial plot in Peshawar.

13. BANK BALANCES

	Note	2022	2021
		Rupees	
Cash at bank			
- current accounts		149,676,000	222,179,508
- saving accounts	*13.1*	21,010,381	75,791,942
	13.2	170,686,381	297,971,450

13.1 Markup on these balances ranges from 6.50% to 12.75% (2021: 3.00% to 7.00%) per annum on daily product basis.

13.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 167.76 million (2021: Rs. 240.51 million).

14. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022	2021		2022	2021
(Number of shares)			Rupees	
50,340,451	50,340,451	Ordinary shares of Rs.10/- each fully paid in cash	503,404,510	503,404,510

14.1 Pattern of shareholding

Categories of shareholders	June 30, 2022		June 30, 2021	
	Number of shares held	**% of shares held**	Number of shares held	% of shares held
Individuals				
Ms. Erum Bilwani	**25,673,629**	**51.000%**	25,673,629	51.000%
Mr. Muhammad Uraib Bilwani	**24,666,820**	**49.000%**	24,666,820	49.000%
Mr. Syed Raza Haider Jafri	**1**	**0.00%**	1	0.00%
Mr. Faisal Nasrullah	**-**	**-**	1	0.00%
Mr. Rehan Alam	**1**	**0.00%**	-	-
	50,340,451	**100.00%**	50,340,451	100.00%

14.2 There are no agreements among shareholders in respect of voting rights, board selection, rights of first refusal and block voting.

15. DEFERRED TAXATION	*Note*	**2022**	2021
		Rupees	
Deferred tax liability / (asset) in respect of:			
- Capital loss on short term investments	*15.1*	-	-
- Other temporary differences	*15.2*	**2,379,634**	-
		2,379,634	-

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

Deferred tax asset amounting to Rs. 24.77 million (2021: Rs. 6.32 million) has not been recognized in respect of the realized and unrealized capital losses on short term investments amounting to Rs. 198.12 million (2021: Rs. 62.26 million) because it is not probable that future capital gain on securities will be available against which the Company can use the benefits therefrom.

15.2 Deferred tax in respect of other temporary differences	*Note*	**2022**	2021
		Rupees	
Deferred tax liability - accelerated depreciation		**3,378,014**	3,435,153
Deferred tax asset recognized	*15.2.1*	**(998,380)**	(3,435,153)
		2,379,634	-

15.2.1 Deferred tax assets

	2022	2021
Intangible assets	**405,064**	-
Provision for doubtful debts and other receivables	**593,316**	-
Investments	**-**	3,435,153
Deferred tax assets available for recognition	**998,380**	3,435,153
Deferred tax assets actually recognized	**998,380**	3,435,153
Unrecognized deferred tax assets	**-**	-
Total deferred tax asset position	**998,380**	3,435,153

16. SHORT TERM BORROWINGS - Secured

	Note	2022	2021
Running finance:			
JS Bank Limited		**113,677,740**	-
JS Bank Limited - Intraday		**20,500,000**	-
	16.1	**134,177,740**	-

16.1 Short term running finance facilities are available with the M/s. JS Bank Limited, under mark-up arrangements, amounting to Rs. 700 million (2021: Rs. 1,500 million) having maturity date of February 28, 2023. These running finance facilities carry mark-up ranging from 3 month KIBOR + 2% to 5% (2021: 3 month KIBOR + 2.0%) calculated on a daily product basis that is payable quarterly. These arrangements are secured against pledge of marketable securities having fair value Rs. 218.09 million and personal guarantee of all directors' holding more than 10% shareholding of the Company.

17. TRADE AND OTHER PAYABLES

	Note	2022	2021
		Rupees	
Trade payables	*17.1*	**167,305,619**	235,617,841
Commission payable to dealers		**23,192,588**	16,131,104
Future profit withheld		**2,611,626**	14,088,417
Other accrued expenses	*29.1*	**3,276,331**	4,659,434
Withholding taxes payable	*29.1*	**7,759,545**	338,309,821
Other payables	*29.1*	**1,077,261**	632,357
		205,222,970	609,438,973

17.1 This includes Rs. 0.22 million (2021: Rs. Nil) payable to related parties.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 Contingent liability existing as at the reporting date

As of June 30, 2022, there were no material contingent liabilities known to exist.

18.1.2 Previously reported contingent liability that was resolved during the year

As reported in note 21 to its financial statements for the year ended June 30, 2021, the Company had been contesting a demand of Rs. 3.505 million raised vide order dated July 07, 2017 by the Additional Commissioner, Inland Revenue by making an amendment of the deemed assessment order filed u/s 120(1) for the tax year 2016 by means of addition to income and proration of expenses into FTR and NTR regime. The Company had filed an appeal u/s 122(5A) against the impugned order before the CIR (Appeals) and the matter was pending for adjudication as of June 30, 2021.

During the year ended June 30, 2022, the CIR (Appeals), vide its order dated December 12, 2021, disposed off the said appeal in favour of the Company.

18.2 Commitments

Following commitments were outstanding as at the reporting date:

	Note	2022	2021
		Rupees	
Bank guarantee	*18.2.1*	**400,000,000**	484,000,000

18.2.1 This bank guarantee has been issued by M/s. Dubai Islamic Bank Pakistan Limited in favor of National Clearing Company Pakistan Limited amounting to Rs.300 million against Ready Market and amounting to Rs. 100 million against Future Market on behalf of the Company.

19. OPERATING REVENUE

	2022	2021
	Rupees	
Brokerage commission	**245,966,299**	479,398,405
Underwriting & financial advisory service revenue	**13,671,470**	19,441,919
Markup on Margin Financing	**27,444,177**	38,664,808
Dividend income on investment in equity securities	**9,329,720**	2,491,113
	296,411,666	539,996,245

20. ADMINISTRATIVE EXPENSES

	Note	2022	2021
		Rupees	
Salaries, commission and other benefits	20.1	**159,775,038**	240,342,577
Directors remuneration		**12,152,283**	13,208,030
PSX rent, electricity and service charges		**1,605,547**	1,455,542
CDC and NCCPL charges		**11,765,595**	14,835,562
Printing and stationery		**602,702**	2,396,280
Legal and professional charges		**19,001,254**	14,815,760
Communication expenses		**14,798,914**	16,298,564
Auditor's remuneration - audit fee		**800,000**	700,000
Entertainment expense		**1,458,934**	1,173,909
Rent, rates and taxes		**13,262,192**	9,928,099
Utility expense		**4,441,947**	3,883,377
Advertisement expense		**1,529,618**	-
Bank charges		**6,275,373**	6,098,352
Repair and maintenance		**932,066**	562,227
Traveling and conveyance expenses		**1,114,754**	1,116,061
Postage and courier		**136,819**	222,458
Receivables and deposits written off		**13,873,584**	7,297,161
Allowance for expected credit losses on trade debts		**-**	5,084,982
Write-off of intangible assets		**-**	695,608
Irrecoverable amount due from dealers written off		**-**	2,018,182
Depreciation on operating fixed assets	4	**4,479,254**	5,455,148
Amortization of intangible assets	5.2	**160,317**	200,397
Vehicle maintenance expense		**207,853**	288,925
Insurance expense		**700,001**	1,167,350
Loss on disposal of operating fixed assets		**541,374**	515,323
Donation expense		**-**	2,810,000
Branch expense		**3,347,925**	3,729,523
Other expense		**2,123,425**	8,253,160
		275,086,769	364,552,556

20.1 Salaries, commission and other benefits

	Note	2022	2021
Salaries and other benefits	20.1.1	**100,565,125**	99,468,769
Commission		**59,209,913**	140,873,808
		159,775,038	240,342,577

20.1.1 Salaries, commission and other benefits include Rs. 8.95 million (2021: Rs. 7.69 million) in respect of provident fund contribution.

21. OTHER INCOME

	2022	2021
	Rupees	
Interest income on bank deposits	**989,489**	1,516,783
Interest income on deposits with NCCPL	**3,369,033**	7,504,716
Others	**379,364**	183,766
	4,737,886	9,205,265

22. FINANCE COSTS

	2022	2021
Markup on short term borrowings	**21,782,180**	11,795,893
Markup on long term finance	**-**	437,448
	21,782,180	12,233,341

23. TAXATION

	Note	2022	2021
		Rupees	
Current - for the year		**12,243,813**	46,404,890
Current - for the prior year		**(396,653)**	(2,396,155)
		11,847,160	44,008,735
Deferred	*15*	**2,379,634**	-
		14,226,794	44,008,735

23.1 Relationship between tax expense and accounting profit

Profit before taxation		234,676,467
Tax at the applicable rate of 29% (2021: 29%)		68,056,175
Tax effect of:		
- income under Presumptive Tax Regime		(348,756)
- income under Minimum Tax Regime		(273,122)
- income taxed at lower rate		(16,706,540)
- non-deductible expenses		4,079,097
- exempt income / permanent differences		(1,349,107)
- realized and unrealized capital losses on short term investments		-
- prior year charge		(2,396,155)
- other miscellaneous items		(7,052,857)
		44,008,735

23.2 In relation to the year ended June 30, 2022, the numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate as required by IAS 12 *'Income Taxes'* has not been presented since the Company has suffered an accounting loss before tax for the year.

23.3 Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2021. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	Note	2022	2021
		Rupees	
Cash and bank balances	*13*	**170,686,381**	297,971,450
Short term borrowings from banking companies			
- running finance	*16*	**(134,177,740)**	-
		36,508,641	297,971,450

25. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of associated companies, key management personnel including directors and their close family members, major shareholders of the Company and staff provident fund. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules. Remuneration of the Chief Executive and Directors is disclosed in note 26 to the financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

Name of the related party, relationship with company and Nature of Transaction	Note	**2022**	2021
		Rupees	
ASSOCIATED COMPANIES *(common directorship)*			
Intertechnologies (Private) Limited			
Balance due	*11.2*	**42,522,234**	42,522,234
Intermarket Xpress (Private) Limited			
Balance due	*11.2*	**-**	1,800,618
Write off during the year		**1,800,618**	-
Vision Commodities (Private) Limited			
Balance due	*11.2*	**1,118,987**	963,147
Advance made during the year		**115,840**	186,840
AB Holdings Limited			
Brokerage Commission earned		**903,887**	1,682,320
Balance due		**25,003,866**	19,209,464
KEY MANAGEMENT PERSONNEL			
Erum Bilwani (Director)			
Brokerage commission earned		**13,039,143**	11,786,308
Loan provided during the year	*11.3*	**20,000,000**	-
Loan paid off during the year	*11.3*	**20,000,000**	-
Balance outstanding		**218,884**	-
Azneem Bilwani (Spouse of Director)			
Brokerage commission earned		**5,593,327**	48,943,499
Receivable against sale of office		**-**	6,840,000
Balance due		**49,325,487**	24,319,936
Muhammad Rehan Alam (Director)			
Brokerage commission earned		**98,560**	-
Loan provided during the year	*11.3*	**2,000,000**	-
Loan paid off during the year	*11.3*	**1,229,200**	-
Loan to be received	*11.3*	**770,800**	-
Balance due		**320,170**	-
Laiba Azneem Bilwani (Close family member of director)			
Brokerage commission earned		**612**	-
Balance due		**766,122**	-

26. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including certain benefits to the Chief Executive, Directors and executives of the Company, are as follows:

Particulars	Chief Executive		Directors		Executives		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rupees							
Managerial remuneration	**7,270,000**	6,060,000	**11,252,283**	7,148,030	**30,414,000**	35,713,260	**48,936,283**	48,921,290
Retirement benefits	**393,000**	360,000	**522,285**	411,558	**1,580,340**	1,878,750	**2,495,625**	2,650,308
	7,663,000	6,420,000	**11,774,568**	7,559,588	**31,994,340**	37,592,010	**51,431,908**	51,571,598
Number of persons	**1**	1	**2**	1	**11**	12		

26.1 The Company has also provided its Chief Executive, Directors and certain executives with the use of Company maintained car.

27. FINANCIAL INSTRUMENTS

27.1 Financial risk analysis

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest/mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

27.1.1 Market risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risks: foreign currency risk, price risk and interest rate risk. The market risks associated with the Company's business activities are discussed as under:

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Company was not exposed to currency risk since there were no foreign currency transactions and balances at the reporting date.

(ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by regulatory authorities which reduces the volatility of prices of equity securities. The Company manages price risk by monitoring the exposure in quoted securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of equity investments and collaterals held before it leads the Company to incur significant mark-to-market and credit losses. As of the reporting date, the Company was exposed to price risk since it had investments in quoted equity securities and unit of mutual funds, amounting in aggregate, to Rs. 244.489 million (2021: Rs. 49.878 million) and also because the Company held collaterals in the form of equity securities against their debtor balances.

The carrying value of investments subject to price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and, consequently, the amount realized on the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized on the sale of a particular security may be affected by the relative quantity of the security being sold.

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of securities in particular sectors of the market.

The table below summarizes Company's price risk as of June 30, 2022 and 2021 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of markets and the aforementioned concentrations existing in Company's investment portfolio.

	Note		Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in profit / (loss) before tax
June 30, 2022	8	*Rupees*	**244,498,577**	**10% increase**	**268,948,435**	**24,449,858**
				10% decrease	**220,048,719**	**(24,449,858)**
June 30, 2021	8	*Rupees*	49,878,288	10% increase	54,866,117	4,987,829
				10% decrease	44,890,459	(4,987,829)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings from banks and term deposits with banks. At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2022	2021
Financial assets	Rupees	
Variable rate instruments		
Bank balances - saving accounts	**21,010,381**	75,791,942
Financial assets		
Variable rate instruments		
Short term borrowings	**134,177,740**	-

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect the profit or loss and equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / increased loss before tax by Rs. 1.55 million (2021: Rs. 0.76 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for last year.

27.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is **past due for 90 days or more**.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

Maximum exposure to credit risk

As of the reporting date, the maximum exposure to credit risk was as follows :

	Note	2022	2021
		Rupees	
Long term deposits	7	**4,994,395**	15,724,395
Trade debts - *Note (a)*	9	**406,285,279**	374,534,138
Receivables against margin financing	10	**129,109,608**	177,216,440
Short term deposits	11	**37,035,391**	488,680,272
Other receivables	11	**49,392,464**	67,797,598
Short term loans	12	**42,646,012**	61,456,012
Bank balances - *Note (b)*	13	**170,686,381**	297,971,450
		840,149,530	1,483,380,305

Note (a) - Credit risk exposure on trade debts

To reduce the exposure to credit risk arising from trade debts, the Company has developed its own risk management policies and guidelines whereby each customer is assigned a credit limit and, in the event that the outstanding balance due from the customer exceeds its credit limit, further trading is not allowed to that customer.

The aging analysis of the total receivable from clients (i.e. inclusive of trade debts - brokerage and operating) as at the reporting date is as follows:

	June 30, 2022		June 30, 2021	
	Gross carrying amount	**Provision for expected credit losses**	Gross carrying amount	Provision for expected credit losses
Past due 1-90 days	**347,490,308**	**-**	312,750,395	-
Past due 91-180 days	**31,748,905**	**198,547**	45,514,442	530,018
Past due 181-365 days	**14,874,022**	**445,266**	2,251,223	182,228
More than 365 days	**14,014,561**	**1,402,103**	22,346,061	7,615,737
	408,127,795	**2,045,916**	382,862,121	8,327,983

Note (b) - Credit risk exposure on bank balances

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

Rating long term	**Rating Agency**	2022	2021
		Rupees	
AAA	PACRA	**24,118,226**	9,636,899
AAA	VIS	**23,678,433**	19,523,229
AA+	PACRA	**1,028,193**	6,724,155
A+	VIS	**394,054**	51,344,126
AA	VIS	**22,526,467**	14,326,749
AA-	PACRA	**80,608,282**	159,970,959
AA-	PACRA	**18,332,726**	36,445,333
		170,686,381	297,971,450

27.1.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with 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. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

	Contractual cash flows					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	Rupees					
June 30, 2022						
Short term borrowings - secured	134,177,740	134,177,740	134,177,740	-	-	-
Trade and other payables	197,463,425	197,463,425	197,463,425	-	-	-
Accrued markup	9,496,747	9,496,747	9,496,747	-	-	-
	341,137,912	341,137,912	341,137,912	-	-	-
June 30, 2021						
Trade and other payables	271,129,152	271,129,152	271,129,152	-	-	-
	271,129,152	271,129,152	271,129,152	-	-	-

27.1.4 Fair value of assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

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.

Level 2 : Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market \ quoted price in an active market and whose fair value cannot be reliably measured.

The table below analyses assets 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	Total
June 30, 2022	----------- Amount in Rupees ----------			
Financial assets measured at fair value				
Short term investments	244,498,577	-	-	244,498,577

	Level 1	Level 2	Level 3	Total
June 30, 2021	----------- Amount in Rupees ----------			
Financial assets measured at fair value				
Short term investments	49,878,288	-	-	49,878,288

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27.2 Financial instruments by categories

The table below provides reconciliation of the line items in the Company's statement of financial position to the categories of financial instruments.

	June 30, 2022		
	At fair value through profit or loss	At amortised cost	At fair value through other comprehensive income
	Rupees		
Financial assets			
Long term investment	-	30,127,296	-
Long term deposits	-	4,994,395	-
Short term investments	244,498,577	-	-
Trade debts	-	406,285,279	-
Receivables against margin financing	-	129,109,608	-
Short term deposits	-	37,035,391	-
Other receivables	-	49,392,464	-
Short term loan	-	42,646,012	-
Cash and bank balances	-	170,686,381	-
	244,498,577	870,276,826	-
Financial liabilities			
Short term borrowings - secured	-	134,177,740	-
Trade and other payables	-	197,463,425	-
Accrued markup	-	9,496,747	-
	-	341,137,912	-

	June 30, 2021		
	At fair value through profit or loss	At amortised cost	At fair value 'through other comprehensive income
	Rupees		
Financial assets			
Long term investment	-	30,127,296	-
Long term deposits	-	15,724,395	-
Short term investments	49,878,288	-	-
Trade debts	-	374,534,138	-
Receivables against margin financing	-	177,216,440	-
Short term deposits	-	488,680,272	-
Other receivables	-	67,797,598	-
Short term loan	-	61,456,012	-
Cash and bank balances	-	297,971,450	-
	49,878,288	1,513,507,601	-
Financial liabilities			
Trade and other payables	-	271,129,152	-
	-	271,129,152	-

28. CAPITAL MANAGEMENT

28.1 Management of capital

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

Following is the quantitative analysis of what the Company manages as capital:

	Note	2022	2021
		Rupees	
Borrowings:			
Short term borrowings - secured	*16*	**134,177,740**	-
Shareholders' equity:			
Issued, subscribed and paid up capital	*14*	**503,404,510**	503,404,510
Unappropriated profit		**346,995,991**	555,068,168
		850,400,501	1,058,472,678
Total capital managed by the Company		**984,578,241**	1,058,472,678

28.2 Capital Adequacy Level

The Capital Adequacy Level as defined by Central Depository Company of Pakistan Limited (CDC) is calculated as follows:

	Note	2022	2021
		Rupees	
Total assets	*28.2.1*	**1,201,677,592**	1,675,246,756
Less: Total liabilities		**(351,277,091)**	(616,774,078)
Less: revaluation reserves (created upon revaluation of fixed assets)		-	-
Capital Adequacy Level		**850,400,501**	1,058,472,678

28.2.1 While determining the value of the total assets the notional value of the TRE certificate as at year end as determined by Pakistan Stock Exchange has been considered.

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

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	23,932,043	23,932,043	-
1.2	Intangible Assets	3,141,273	3,141,273	-
1.3	Investment in Govt. Securities	-	-	-
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	**Investment in Equity Securities**			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	204,971,074	38,291,968	166,679,106
	ii. If unlisted, 100% of carrying value.	30,127,296	30,127,296	-
	iii.Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	iv.100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	39,527,502	39,527,502	-
1.6	Investment in subsidiaries	-	-	-
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securitas Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	2,350,000	2,350,000	-
1.9	Margin deposits with exchange and clearing house.	37,035,391	-	37,035,391
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	8,322,896	8,322,896	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	4,390,869	-	4,390,869
	ii. Advance tax to the extent it is netted with provision of taxation.	49,759,503	49,759,503	-
	iii. Receivables other than trade receivables	89,486,301	89,486,301	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	claims on account of entitlements against trading of securities in all markets including MtM gains.	2,552,175	-	2,552,175

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. **i. Lower of net balance sheet value or value determined through adjustments.**	129,109,608	18,068,673	111,040,935
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut	-	-	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haricut	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	48,917,688	-	48,917,688
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. v. Lower of net balance sheet value or value determined through adjustments	281,951,947	183,309,952	98,641,995
	vi. 100% haircut in the case of amount receivable form related parties.	75,415,645	75,415,645	-
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietary accounts	2,925,327	-	2,925,327
	ii. Bank balance-customer accounts	167,761,054	-	167,761,054
	iii. Cash in hand	-	-	-
1.19	**Total Assets**	1,201,677,592	561,733,052	639,944,540
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	1,077,261	-	1,077,261
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	167,305,619	-	167,305,619
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	7,759,545	-	7,759,545
	ii. Accruals and other payables	38,577,292	-	38,577,292
	iii. Short-term borrowings	134,177,740	-	134,177,740
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.3	**Non-Current Liabilities**			
	i. Long-Term financing			
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease	-	-	-
	b. Other long-term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements	2,379,634	-	2,379,634

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
	Subordinated Loans			
2.4	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP	-	-	-
2.5	Total Liabilities	**351,277,091**	-	**351,277,091**
3	**Ranking Liabilities Relating to :**			
	Concentration in Margin Financing			
3.1	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
	Concentration in securities lending and borrowing			
3.2	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
	Net underwriting Commitments			
3.3	(a) in the case of right 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 securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
	Negative equity of subsidiary			
3.4	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
	Foreign exchange agreements and foreign currency positions			
3.5	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
	Repo adjustment			
3.7	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
	Concentrated proprietary positions			
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	**6,118,806**
	Opening Positions in futures and options			
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
	Short sell positions			
3.10	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilities	-		**6,118,806**
		850,400,501		**282,548,643**

29. GENERAL

29.1 Corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purpose of comparison and better presentation. Following reclassifications have been made.

Reclassified from component	Reclassified to component	Amount (Rupees)
Receivables from employees against sale of car *(Advances, deposits, prepayment and other receivables)*	Others *(Long term deposits)*	39,300
Future profit receivable - net *(Advances, deposits, prepayment and other receivables)*	Loss on DFC (net of Demand) *(Advances, deposits, prepayment and other receivables)*	6,669,015
Future profit receivable - net *(Advances, deposits, prepayment and other receivables)*	Other payables *(Trade and Other payables)*	632,357
Dealer tax payable (Dealer Account - Other payables)	Withholding income tax payable (Withholding income tax payable)	17,877,965
Withholding income tax payable to NCCPL (Trade and Other Payables)	Others - Other Receivables *(Advances, deposits, prepayment and other receivables)*	150,000
Other Accrued Expenses (Trade and Other Payables)	Commission payable to agents (Trade and Other Payables)	1,812,149

29.2 Date of authorization of financial statement for issue

These financial statements have been authorised by the Board of Directors of the Company in their meeting held on 07 OCT 2022.

29.3 Number of employees

	2022	2021
	Number	
Total number of employees as at the year end	**71**	65
Average number of employees during the year	**68**	60

29.4 Level of rounding

All the figures in the financial statements have been rounded off to the nearest rupee.

Chief Executive Officer **Director**