ABBASI AND COMPANY

(PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

Parker Russell-A.J.S.
CHARTERED ACCOUNTANTS

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Queens Centre, Lahore Pakistan.
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INDEPENDENT AUDITORS' REPORT

To the members of Abbasi and Company (Private) Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include financial statements and our auditor's reports thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be

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Materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists,

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we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

e) The Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and section 62 of the Futures Market Act, 2016, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 and the Futures Brokers (Licensing and Operations) Regulations, 2018 as at the date on which the financial statements were prepared.

The engagement partner responsible for the audit resulting in this independent auditor's report is Faisal Iqbal Khawaja.

Parker Russell AJS

Parker Russell-A.J.S.
Chartered Accountants
Lahore
Date: October 12 ,2022
UDIN: AR202210173FXm8xzQru

ABBASI AND COMPANY (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		Rupees	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4.	**217,496,444**	218,030,745
Intangible assets	5.	**1,651,932**	1,169,470
Long term deposits	6.	**5,441,700**	5,441,700
Long term investment	7.	**23,842,294**	19,669,681
		248,432,370	244,311,596
CURRENT ASSETS			
Trade debts	8.	**3,599,549**	2,948,518
Short term investments	9.	**46,808,267**	55,169,418
Advances, deposits and prepayments	10.	**52,925,683**	72,842,243
Cash and bank balances	11.	**189,455,458**	275,444,546
		292,788,957	406,404,725
TOTAL ASSETS		**541,221,327**	650,716,321
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 (2021: 20,000,000) ordinary shares of Rs. 10 each		**200,000,000**	200,000,000
Share capital			
Issued, subscribed and paid up capital	12.	**70,110,000**	70,110,000
Capital reserves			
Share premium reserve		**98,350,000**	98,350,000
Fair value reserve of long term investment at FVOCI	7.2.	**19,106,394**	18,309,681
		117,456,394	116,659,681
Revenue reserves			
General reserve		**200,000,000**	200,000,000
Unappropriated profit		**20,469,193**	67,836,986
		220,469,193	267,836,986
		408,035,587	454,606,667
NON CURRENT LIABILITIES			
Deferred taxation	13.	-	-
			-
CURRENT LIABILITIES			
Trade and other payables	14.	**133,185,740**	196,109,654
Short Term Borrowing	15.	-	-
CONTINGENCIES AND COMMITMENTS	16.	-	-
TOTAL EQUITY AND LIABILITIES		**541,221,327**	650,716,321

The annexed notes from 1 to 33 form an integral part of these financial statements.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi & Company (Pvt) Ltd. Stock Share Dealer ... Lahore

Abbasi
DIRECTOR

ABBASI AND COMPANY (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	*2022*	*2021*
		Rupees	
Operating revenue	17.	**47,803,098**	81,026,716
Capital gain /(loss) on sale of investments at FVTPL - net		**(1,832,595)**	3,311,844
Net fair value gain on re-measurement of investments classified at FVTPL	9.3	**(20,304,095)**	15,534,348
		25,666,408	99,872,908
Finance cost	18.	**(73,532)**	(34,996)
Administrative and operating expenses	19.	**(82,976,710)**	(80,079,641)
Other income	20.	**11,123,536**	13,810,807
Profit / (Loss) before taxation		**(46,260,297)**	33,569,078
Taxation	21.	**(1,107,496)**	(2,487,174)
Profit / (loss) after taxation		**(47,367,793)**	31,081,904
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	22.	**(6.76)**	4.43

The annexed notes from 1 to 33 form an integral part of these financial statements.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi & Company (Pvt) Ltd. Stock Share Dealer ★ 6-Shadman Lahore. ★

Abbasi
DIRECTOR

ABBASI AND COMPANY (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		Rupees	
PROFIT /(LOSS) AFTER TAXATION		**(47,367,793)**	31,081,904
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to statement of profit or loss			
Surplus on re-measurement of investment at FVOCI	7.2	**796,713**	64,142
TOTAL COMPREHENSIVE INCOME / (LOSS)		**(46,571,080)**	31,146,046

The annexed notes from 1 to 33 form an integral part of these financial statements.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi & Company (Pvt) Ltd. Stock Share Dealer * 6-Shadman Lahore. *

S Abbasi
DIRECTOR

ABBASI AND COMPANY (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	SHARE CAPITAL	CAPITAL RESERVES			REVENUE RESERVES		TOTAL
	Issued, Subscribed and Paid up Capital	Share Premium Reserve	Fair Value Reserve of Long Term Investment at FVOCI	Surplus / (Deficit) on Remeasurement of Investments Available for Sale	General Reserve	Unappropriated Profit	
	(IN RUPEES)						
Balance as at July 01, 2020	70,110,000	98,350,000	18,245,539	-	200,000,000	36,755,082	423,460,621
Total comprehensive income							
Profit after taxation	-	-	-	-	-	31,081,904	31,081,904
Other comprehensive income for the year	-	-	64,142	-	-	-	64,142
	-	-	64,142	-	-	31,081,904	31,146,046
Balance as at June 30, 2021	70,110,000	98,350,000	18,309,681	-	200,000,000	67,836,986	454,606,667
Balance as at July 01, 2021	70,110,000	98,350,000	18,309,681	-	200,000,000	67,836,986	454,606,667
Total comprehensive (Loss)							
(Loss) after taxation	-	-	-	-	-	(47,367,793)	(47,367,793)
Other comprehensive (Loss) for the year	-	-	796,713	-	-		796,713
	-	-	796,713	-	-	(47,367,793)	(46,571,080)
Balance as at June 30, 2022	**70,110,000**	**98,350,000**	**19,106,394**	-	**200,000,000**	**20,469,193**	**408,035,587**

The annexed notes from 1 to 33 form an integral part of these financial statements.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi & Company (Pvt) Ltd. Stock Share Dealer

DIRECTOR

ABBASI AND COMPANY (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		(46,260,297)	33,569,078
Adjustments for:			
Depreciation	4.	10,420,738	7,731,196
Amortisation	5.1	267,538	405,913
Net fair value gain on re-measurement of investments	9.3	20,304,095	(15,534,348)
Capital (gain) / loss		1,832,595	(3,311,844)
Allowance for ECL	8.1	268,947	319,180
Gain on sale of property and equipment	4.1	(1,874,070)	(5,348,003)
Dividend income	20.	(3,354,231)	(1,809,542)
Cash flow from operating activities before working capital changes		(18,394,684)	16,021,630
Adjustments for working capital changes:			
(Increase) / decrease in current assets			
Trade debts		(919,978)	(817,367)
Short term investments		(13,775,539)	(2,461,049)
Advances, deposits and prepayments		20,437,822	(6,141,057)
		5,742,305	(9,419,472)
Increase / (decrease) in current liabilities			
Trade and other payables		(62,923,914)	(73,308,249)
Cash (used in) / generated from operating activities		(57,181,609)	(82,727,721)
Income tax paid		(1,628,758)	(1,916,172)
Net cash (used in) / generated from operating activities		(77,205,052)	(68,622,263)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale proceeds from disposal of property and equipment		9,075,000	23,672,721
Payment for acquisition of property and equipment		(17,087,367)	(34,274,583)
(Increase) / decrease in Long Term Investment in Shares		(3,375,900)	-
Payment for acquisition of intangible asset		(750,000)	(100,000)
Dividend received		3,354,231	1,809,542
Net cash (used in) / generated from investing activities		(8,784,036)	(8,892,320)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash generated from financing activities		-	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(85,989,088)	(77,514,583)
CASH AND CASH EQUIVALENTS AT START OF THE YEAR		275,444,546	352,959,129
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	11.	189,455,458	275,444,546

The annexed notes from 1 to 33 form an integral part of these financial statements.

Muhammad Ismail
CHIEF EXECUTIVE

Abbasi & Company (Pvt) Ltd. Stock Share Dealer

Abbasi
DIRECTOR

1. STATUS AND NATURE OF BUSINESS

Abbasi and company (private) limited (the Company) was incorporated as a private limited company in Pakistan on February 13, 1999. The Company is a TREC holder of Pakistan Stock Exchange Limited and has also acquired membership of the Pakistan Mercantile Exchange Limited. It is principally engaged in the business of brokerage, underwriting, buying and selling of stocks, shares, modaraba certificates, etc. The head office of the Company is situated at 6-Shadman, Lahore. The branch office of the Company is situated at 42-Shahrah-e-Quaid-e-Azam, Lahore.

1.1. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

Sr#	Particulars of Immovable Property	Geographical Location
1.	Head Office	6 - Shadman, Near China Chowk, Lahore, Pakistan
2.	Branch Office	42 - Shahrah-e-Quaid-i-Azam, Lahore, Pakistan

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 such:

- International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB) and
- provisions of and directives issued under the Companies Act, 2017.

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

2.2 *Basis of Measurement*

2.3 *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is the Pakistan Rupee (Rs).

2.4 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.4.1 *Standards, amendments to published standards and interpretations that are effective in the current year*

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements

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

There following standards, amendments to the IFRS and interpretations are mandatory for companies having accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements:

Amendments to existing Standards:

		Effective date (annual periods beginning on or after)
IFRS - 17	Insurance Contracts	1 January 2023
IFRS - 1	**Financial Instruments: Disclosures (Amendments)** Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter).	1 January 2022
IFRS - 3	**Business Combinations** Updating a reference to the Conceptual	1 January 2022
IFRS - 9	**Financial Instruments** Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities).	1 January 2022
IFRS - 17	**Insurance Contracts** Amendments to address concerns and implementation challenges that were identified after IFRS 17.	1 January 2023
IAS - 1	**Presentation of Financial Statements** Amendments regarding the disclosure of accounting policies. Classifications of liabilitie	1 January 2023
IAS - 8	**Accounting Policies, Changes in Accounting Estimates and Errors** Amendments regarding the definition of accounting estimates.	1 January 2023
IAS - 12	**Income Taxes** Amendments regarding deferred tax on leases and decommissioning obligations	1 January 2023
IAS - 16	**Property, Plant And Equipment** Prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.	1 January 2023
IAS - 37	**Provisions, Contingent Liabilities and Contingent Assets** Costs to include when assessing whether a contract is onerous.	1 January 2023

Abbasi & Company (Pvt) Ltd. Stock Share Dealer 6-Shadman Lahore

2.5 ***Use of Estimate & Judgment***

In preparing these financial statements, management has made judgment, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively. Information about judgments made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

Property and Equipment (refer note 3.1)
Intangible Assets (refer note 3.2)
Expected credit loss (refer note 3.14 (a) (ix)
Taxation (refer note 3.8)
Provisions (refer note 3.9 b)

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, except as otherwise specified, to these financial statements:

3.1 **Tangible fixed assets - Property and Equipment and Depreciation**

Property and equipment is stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land which is stated at cost. Cost of these assets consists of historical cost and directly attributable cost of bringing the assets to working condition. Depreciation on property and equipment is charged to the statement of profit or loss applying the reducing balance method to write off the cost / depreciable amount of the asset over their estimated useful lives at the rates specified in note 4. Depreciation on addition and deletion is charged on the basis of number of days the asset remain in use of the company up to the date of its disposal. Assets' residual values, useful life and depreciation rates are reviewed and adjusted, if appropriate, at each reporting date. Any impairment loss, or its reversal, is also charged to statement of profit or loss. When an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the assets' carrying amount less the residual value over its estimated useful life. Normal repair and maintenance is charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized in statement of profit or loss.

3.2 **Intangible assets**

These include computer software and trading rights entitlement certificate.

a) **Computer software**

These are measured on initial recognition at cost. Following initial recognition these are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The carrying amounts are reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed estimated recoverable amount, these are written down to their estimated recoverable amount. Intangible assets are amortised using the straight line method over their useful life.

b) **Trading right and entitlement certificate**

These are measured on initial recognition at cost. Following initial recognition these are carried at cost less accumulated impairment, if any. Cost on initial recognition in an acquisition transaction is determined as the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of asset acquisition. When there is an exchange of assets and the fair value of neither the asset received nor the asset given up can be reliably measured, the cost of the asset received should be measured at the carrying amount of the asset given up. The carrying amounts are reviewed at each reporting date to assess whether they are recorded in excess of their recoverable amounts and where carrying values exceed estimated recoverable amount, these are written down to their estimated recoverable amount.

3.3 **Trade debts and other receivables**

Trade debts and other receivables are recognized at transaction price less expected credit loss, if any. Actual credit loss experience over past year is used to base the calculation of expected credit loss. Trade debt and other receivables considered irrecoverable are written off.

3.4 **Revenue recognition**

Revenue from trading activities - brokerage

Commission revenue from trading of securities is recognized when the performance obligation is satisfied, being when transaction is settled by the clearing house and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Broker's bills are also generated at that point in time.

A receivable is recognized when the transaction is settled by the clearing house as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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.

Revenue from operating, consultancy and advisory services.

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

Dividend income

Dividends 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.

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.

3.5 **Borrowing Costs**

Mark-up, interest and other charges on borrowings which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs i.e. mark-up, interest and other charges are charged to the statement of profit or loss in the period in which they are incurred.

Stock Share Dealer

3.6 **Foreign Currency Translation**

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the reporting date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange differences are included in statement of profit or loss for the year.

3.7 **Trade and other payables**

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

3.8 **Taxation**

Income tax expenses comprise current and deferred tax.

Current

Provision of current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

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

3.9 **Employees Retirement Benefits**

a) **Defined contribution plan:**

The company operates a funded provident fund scheme covering permanent employees and monthly equal contribution is made to the trust @10% of basic pay both by the employer and the employees.

b) **Provisions**

Provisions are recognized when the company has the legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and are reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

3.10 **Dividend & Appropriation to reserves**

Dividend distribution to the Company's shareholders and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

3.11 **Cash and Cash Equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost/amortized cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

3.12 **Earning per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.13 **Share Capital**

Ordinary shares are classified as equity and recognized at their fair value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

3.14 **Financial Instruments**

a) **Financial Assets**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. Company initially measures a financial asset at its fair value plus transaction cost. In the case of a financial asset not at fair value through profit or loss at its fair value. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

(i) **Financial assets at amortized cost**

Instruments that meet the following conditions are measured subsequently at amortized cost:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are measured at fair value through the statement of profit or loss (FVTPL). Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition. If such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

(iii) Financial assets at fair value through other comprehensive income (FVOCI)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

(iv) Impairment of financial assets

The Company recognizes a loss allowance for ECL on trade debts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognizes lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the 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 ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

(v) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(a) The financial instrument has a low risk of default,
(b) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(c) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(vi) Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(vii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event;
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(viii) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery

(ix) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

(x) Derecognition of financial assets

Financial assets are derecognized when the contractual 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.

b) Non-financial assets

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

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized. Reversal of impairment loss is recognized as income.

(i) **Financial Liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

(ii) **Financial Liabilities at FVTPL**

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognized in the statement of profit or loss. The net gain or loss recognized in the statement of profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch statement of in the profit or loss. The remaining amount of change in the fair value of liability is recognized in the statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in statement of other comprehensive income are not subsequently reclassified of the statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued (if any) by the Company that are designated by the Company as at FVTPL are recognized in the statement of profit or loss.

(iii) **Financial liabilities measured subsequently at amortized cost**

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

(iv) **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the statement of profit or loss.

(v) **Offsetting of financial assets and financial liabilities**

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

3.15 **Settlement date accounting**

All "regular way" purchases and sales of financial assets are recognized on the settlement date, i.e. the date on which the transaction is settled. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

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PROPERTY AND EQUIPMENT

	Freehold land	Building on freehold land	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
As at July 01, 2020							
Cost	164,257,807	52,112,577	2,870,201	19,825,736	19,579,574	42,415,831	301,061,726
Accumulated Depreciation	-	(37,109,907)	(1,991,834)	(11,179,394)	(15,560,139)	(25,408,374)	(91,249,648)
Net Book Value	164,257,807	15,002,670	878,367	8,646,342	4,019,435	17,007,457	209,812,078
Year ended June 30, 2021							
Opening Net Book Value	164,257,807	15,002,670	878,367	8,646,342	4,019,435	17,007,457	209,812,078
Additions	-	-	450,000	153,325	2,930,693	30,740,565	34,274,583
Disposals							
Cost	-	-	-	-	-	(37,179,235)	(37,179,235)
Accumulated Depreciation	-	-	-	-	-	18,854,516	18,854,516
	-	-	-	-	-	(18,324,719)	(18,324,719)
Depreciation	-	(1,500,267)	(101,337)	(868,751)	(1,432,871)	(3,827,971)	(7,731,196)
Closing Net Book Value	**164,257,807**	**13,502,403**	**1,227,030**	**7,930,916**	**5,517,257**	**25,595,332**	**218,030,745**
As at June 30, 2021							
Cost	164,257,807	52,112,577	3,320,201	19,979,061	22,510,267	35,977,161	298,157,074
Accumulated Depreciation	-	(38,610,174)	(2,093,171)	(12,048,145)	(16,993,010)	(10,381,829)	(80,126,328)
Net Book Value	**164,257,807**	**13,502,403**	**1,227,030**	**7,930,916**	**5,517,257**	**25,595,332**	**218,030,745**
Year ended June 30, 2022							
Opening Net Book Value	164,257,807	13,502,403	1,227,030	7,930,916	5,517,257	25,595,332	218,030,746
Additions	-	-	-	-	2,399,797	14,687,570	17,087,367
Disposals					-	-	-
Cost	-	-	-	-	-	(12,366,702)	(12,366,702)
Accumulated Depreciation	-	-	-	-	-	5,165,771	5,165,771
	-	-	-	-	-	(7,200,931)	(7,200,931)
Depreciation	-	(1,350,240)	(122,703)	(793,092)	(2,031,421)	(6,123,282)	(10,420,738)
Closing Net Book Value	**164,257,807**	**12,152,163**	**1,104,327**	**7,137,824**	**5,885,633**	**26,958,690**	**211,610,811**
As at June 30, 2022							
Cost	164,257,807	52,112,577	3,320,201	19,979,061	24,910,064	38,298,029	302,877,739
Accumulated Depreciation	-	(39,960,414)	(2,215,874)	(12,841,237)	(19,024,431)	(11,339,339)	(85,381,295)
Net Book Value	**164,257,807**	**12,152,163**	**1,104,327**	**7,137,824**	**5,885,633**	**26,958,690**	**217,496,444**
Rate of Depreciation (%)	-	10%	10%	10%	30%	20%	

Details of property and equipments disposed during the year are as follows:

Sr#	Description	Buyer	Mode of disposal	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain on disposal
1.	Motor Car	Third party	Negotiation	5,091,702	3,643,836	1,447,866	2,425,000	977,134
2.	Motor Car	Third party	Negotiation	3,044,500	639,434	2,405,066	2,650,000	244,935
3.	Motor Car	Third party	Negotiation	2,678,000	556,620	2,121,380	2,450,000	328,621
4.	Motor Car	Third party	Negotiation	1,552,500	325,879	1,226,621	1,550,000	323,380
				12,366,702	5,165,769	7,200,933	9,075,000	1,874,070

	Note	2022	2021
		Rupees	
INTANGIBLE ASSETS			
Computer Software	5.1	1,011,932	529,470
Trading rights entitlement certificate	5.2	640,000	640,000
		1,651,932	1,169,470

COMPUTER SOFTWARE - FINITE USEFUL LIFE

As at July 1,		
Cost	7,440,909	7,340,909
Accumulated amortisation	(6,911,439)	(6,505,526)
Net Book Value	529,470	835,383

	Note	2022	2021
Year ended June 30,			
Opening Net Book Value		529,470	835,383
Additions		750,000	100,000
Amortisation		(267,538)	(405,913)
Closing Net Book Value		1,011,932	529,470
As at June 30,			
Cost		8,190,909	7,440,909
Accumulated amortisation		(7,178,977)	(6,911,439)
Net Book Value		1,011,932	529,470
		20%	20%

TRADING RIGHTS ENTITLEMENT CERTIFICATE - INFINITE USEFUL LIFE

Pakistan Stock Exchange Limited	5.2.1	640,000	640,000
		640,000	640,000

5.2.1 TRECs were received by the Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. These are trading rights in Pakistan Stock Exchange which had replaced membership cards of stock exchanges pursuant to the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the 2012 Act). Subsequently from 11th January 2016 Lahore, Islamabad and Karachi Stock Exchanges have been integrated to form Pakistan Stock Exchange with the approval of SECP. Before demutualization in 2012 the stock exchanges were functioning as Guarantee Limited Companies, wherein ownership and trading rights were conferred to members through membership cards. Pursuant to demutualization, the ownership in a stock exchange has been segregated from the right to trade on the exchange. Therefore the membership cards were replaced by shares in the exchange representing ownership in the exchange and trading rights entitlement certificates (TREC) representing rights to trade in the exchange in pursuance of section 5 of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Act) and with regulation 6 of the Stock Exchanges (Corporatization, Demutualization and Integration) Regulations, 2012.

These have been carried at cost less accumulated impairment losses. The ownership in a stock exchange segregated from the right to trade on the exchange and accordingly, the Company has received equity shares of PSX and Trading Right Entitlement Certificates (TRECs) in lieu of its membership card of PSX.

The notional value of the TRE certificate was Rs. 2.5 million for the purpose of Base Minimum Capital. The base minimum capital being maintained by the Company is regularly monitored by the SECP.

	Note	2022	2021
		Rupees	
LONG TERM DEPOSITS			
Deposit with Central Depository Company of Pakistan Limited		**100,000**	100,000
Mobile deposit		**101,500**	101,500
Electricity and Sui gas deposit		**110,200**	110,200
Deposit with NCCPL		**300,000**	300,000
Building deposit with PMEX		**2,500,000**	2,500,000
Deposit for Sialkot and Faisalabad trading floors and booth		**50,000**	50,000
Security deposit LSE Financial Services Limited		**30,000**	30,000
Security deposit (NCCPL) - DFC		**1,000,000**	1,000,000
Deposit with PSO		**400,000**	400,000
Security deposit - Murabaha shares		**100,000**	100,000
Security deposit membership card- PMEX		**750,000**	750,000
		5,441,700	5,441,700

LONG TERM INVESTMENT

	Note	2022	2021
	7.1	**19,669,681**	19,605,539
		3,375,900	-
	7.2	**796,713**	64,142
		23,842,294	19,669,681

7.1 This represents trading rights in Pakistan Stock Exchange (Previously Lahore Stock Exchange Limited) and LSE Financial Services Limited shares which had replaced membership cards of stock exchanges pursuant to the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the 2012 Act). Subsequently from 11th January 2016 Lahore, Islamabad and Karachi Stock Exchanges have been integrated to form Pakistan Stock Exchange with the approval of SECP. Before demutualization in 2012 the stock exchanges were functioning as Guarantee Limited Companies, wherein ownership and trading rights were conferred to members through membership cards. Pursuant to demutualization, the ownership in a stock exchange has been segregated from the right to trade on the exchange. Therefore the membership cards were replaced by shares in the exchange representing ownership in the exchange and trading rights entitlement certificates (TREC) representing rights to trade in the exchange. As a result 1,181,565 shares of Rs.10/- each have been allotted to the Company out of which 60% of the shares were blocked in a separate account held with CDC and would be sold to strategic investors and general public in future at a price which remains to be finalized, proceeds of which would come to the members, while the remaining 40% were available to members with no condition on their future sale. The LSE Financial Services Limited, issue right shares of 337,590 against the number of shares held at the date of entitlement during the year 2022. The right issue constitutes 40%.

The Institute of Chartered Accountants of Pakistan in its 'selected opinion' concluded that the demutualization, in substance, had not resulted in exchange of dissimilar assets, and therefore no gain or loss should be recognized and the segregation of ownership rights and the trading rights should be accounted for by allocating the cost/carrying value of the membership card between the two distinct assets on a reasonable basis. The TREC can only be sold or transferred once, however once sold it would not be sellable / transferable again. The transaction is in nature an exchange of an intangible asset (membership card) with a financial asset (shares) together with an intangible asset (TREC).

Institute of Chartered Accountants of Pakistan further in its 'selected opinion' stressed that any subsequent measurement of the shares and / or TREC would only be possible where reliable fair values can be measured. This would most likely happen when the blocked shares are sold to the strategic investor or to the general public through an IPO and an active market develops for the TREC.

Taking to account the above factors and in the absence of an active market for TREC and shares, the value of the TREC and shares was initially measured at the value of the membership card with which they were exchanged and subsequently carried at cost. For this purpose, the value of the membership card was allocated between TREC and Shares on proportionate basis at the initial ratio of 32:68 which was determined on the basis of the estimated values of LSE shares (Rs. 8.439 million) and TREC (Rs. 4.0 million). Resultantly the shares have been recognized at Rs. 1.360 million and TREC at Rs. 0.640 million. Institute of Chartered Accountants of Pakistan further in its 'selected opinion' stated that the apportioned carrying value would be required to be tested for impairment as per IAS 36, if any. When the management and the auditor conclude that there is no impairment, they may continue to use the apportioned carrying value.

7.2 These shares are neither listed on any exchange nor are they actively traded. The latest net asset value per share of these shares as notified by LSE Financial Services Limited is Rs. 24.25 per share as at December 31, 2022(2021: Rs. 23.306 per share). The Company is valuing the shares on the latest available NAV of LSE Financial Services Limited.

		Note	2022	2021
			Rupees	
TRADE DEBTS AND OTHER RECEIVABLES				
	Considered good and secured			
	Trade debts		**3,599,549**	2,948,518
	Trade debts - PMEX		-	-
			3,599,549	2,948,518
	Considered doubtful		**1,339,117**	1,070,170
			4,938,666	4,018,688
	Less: Allowance for expected credit loss	8.1	**(1,339,117)**	(1,070,170)
			3,599,549	2,948,518
8.1	*Movement in allowance for expected credit loss*			
	Balance as on July 01		**1,070,170**	750,990
	Add: Charged for the year		**268,947**	319,180
	Balance as on June 30		**1,339,117**	1,070,170

8.2 Fair value of capital securities of clients, pledged with banking companies against various short term running finance facilities and bank guarantees as at June 30, 2022 amounted to Rs. 1,008.88 million (2021: Rs. 1,081.94 million). Total value of pledged securities with financial institutions indicating separately securities belonging to customers is as under:

Stock Share Dealer

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	June 30, 2022		June 30, 2021	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Client	69,752,139	1,008,887,352	68,633,034	1,081,940,572
Total	69,752,139	1,008,887,352	68,633,034	1,081,940,572

8.3 **Ageing Analysis**

Upto fourteen days	2,049,791	137,140
More than fourteen days	2,888,875	3,881,548
	4,938,666	4,018,688

SHORT TERM INVESTMENTS

At fair value through profit or loss:			
Shares of listed companies - at fair value	9.1	46,808,267	55,169,418
		46,808,267	55,169,418

9.1 *Investments in shares of listed companies at fair value through profit or loss*

Name of Securities	Number of Shares 2022	2021	2022 Rupees	2021
FRIESLANDCAMPINA ENGRO PAKISTAN LIMITED	173,500	-	11,846,580	-
BIAFO INDUSTRIES	39,007	32,238	2,613,469	4,455,292
BANK OF PUNJAB	522,562	-	2,832,286	-
INTERNATIONAL STEELS LIMITED	120,000	-	7,123,200	-
NISHAT CHUNIAN LIMITED	45,000	100,000	2,015,550	5,029,000
PACKAGES LTD	6,700	6,200	2,672,362	3,380,240
AISHA STEEL LTD	-	50,000	-	1,245,500
CRESCENT STEEL	25,000	-	1,041,750	-
BANK AL HABIB LTD	-	45,000.00	-	3,155,400
BUNNY'S LTD	60,500	53,000.00	1,291,070	2,185,720
ENGRO FOODS	-	172,000	-	19,793,760
HABIB BANK LTD	-	12,500	-	1,529,625
ENGRO POLYMER		72,500		3,424,900
GLAXOSMITHKLINE	12,900	12,900	3,074,457	3,226,161
HABIB SUGAR MILLS LIMITED	-	50,000	-	1,650,000
SHELL PAKISTAN	20,600	20,600	2,433,478	3,609,120
INDUS DYING	5,000	3,500	1,119,750	1,225,000
PSO	11,500	-	1,976,160	-
BERGER	10,000	-	731,800	-
TRG PAKISTAN	5,000	-	386,650	-
AVANCEON	15,500	-	1,207,605	-
FAUJI FOOD LIMITED	670,000		4,442,100	-
CRESCENT STEEL	-	15,000		1,259,700
			46,808,267	55,169,418

9.2 *Reconciliation between fair value and cost of investments, classified as investments at fair value through profit or loss*

Market value of the investments	9.1	46,808,267	55,169,418
Cost of the investments		71,020,408	59,077,464
		(24,212,141)	(3,908,046)

	Note	2022	2021
		Rupees	
9.3 *Movement in unrealized gain / (loss) on remeasurement of short term investments*			
At the beginning of the year		(3,908,046)	(19,442,394)
Net unrealized gain / (loss) in value of investment for the year		(20,304,095)	15,534,348
At the end of the year	9.2	(24,212,141)	(3,908,046)

ADVANCES, DEPOSITS , PREPAYMENTS AND OTHER RECEIVABLES

Advances to employees		8,145,000	6,634,000
Tax refund due from government		6,803,600	6,282,338
Short term deposits	10.1	37,502,124	59,376,578
Other advances		56,411	23,991
Prepayments		333,806	336,579
Other Receivables		84,742	188,757
		52,925,683	72,842,243

	Note	2022	2021
		Rupees	

10.1 This includes the margin deposit and clearing deposit with PMEX and margin deposit with NCCPL that are shown below:

Clearing deposit with PMEX	10.1.1	11,952,124	8,876,578
Margin deposit with PMEX		-	-
Margin deposit with NCCPL	10.1.2	25,550,000	50,500,000
		37,502,124	59,376,578

10.1.1 This deposit represents trade exposure from members on behalf of clients' trades with PMEX.

10.1.2 This represent deposit with National Clearing Company of Pakistan Limited against exposure margin in respect of future and ready counter.

Stock Share Dealer

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	Note	2022	2021

CASH AND BANK BALANCES

	Note	2022	2021
Cash and cash equivalents			
Cash in hand		**904,862**	1,192,920
Cash at bank			
-In current accounts		**104,799,581**	211,030,832
-In saving accounts	11.1	**83,751,015**	63,220,794
	11.2	**188,550,596**	274,251,626
		189,455,458	275,444,546

11.1 This carries profit at average rate of 5.26% (2021: 6.75%) per annum.

11.2 Cash at bank

	2022	2021
-House account	**56,728,947**	80,942,987
-Client account	**131,821,648**	193,308,639
-PMEX account	-	-
	188,550,595	274,251,626

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	Note	2022	2021
6,611,000 (2021: 6,611,000) Ordinary share of Rs 10/- each fully paid in cash.		**66,110,000**	66,110,000
400,000 Ordinary share of Rs. 10/- each issued for consideration other than cash.		**4,000,000**	4,000,000
	30.	**70,110,000**	70,110,000

12.1 There is only one class of shares

DEFERRED TAX - NET

	Note	2022	2021
Deferred taxation	13.1	-	-

13.1

	Note	2022	2021
Deferred tax liabilities on taxable temporary differences:			
Accelerated tax depreciation and amortisation		**7,020,158**	6,424,121
Deffered tax asset on deductible temporary differences:			
On remeasurement of investments at FVTPL		**(3,631,821)**	(586,207)
Business loss		**(11,854,790)**	(5,026,277)
Alternate corporate tax		**(979,868)**	(979,868)
Allowance for expected credit loss		**(388,344)**	(310,349)
Minimum tax on brokerage commission		**(3,240,887)**	(2,643,349)
		(13,075,552)	(3,121,929)
Unrecognised deferred tax asset	13.2	**13,075,552**	3,121,929
		-	-

13.2 The company, based on the future projections, has recognized deferred tax assets only to the extent of deferred tax liabilities amounting, in aggregate to Rs.7.020 million (2021: 6.424 million). The company has not recognized further deferred tax asset amounting to Rs. 13.076 million (2021: 3.122 million) pertaining to unused business losses, decelrated depreciation, remeasurement of investments at FVTPL, expected credit losses, minimum tax and alternate corporate tax.

	Note	2022	2021
		Rupees	

TRADE AND OTHER PAYABLES

	2022	2021
Creditors	131,821,648	193,308,639
Accrued expenses	544,702	660,699
PST payable	479,505	1,723,120
Margin with PMEX payable to clients	-	-
Other liabilities	339,885	417,196
	133,185,740	196,109,654

14.1 This includes Rs. NIL (2021: NIL) due to related parties.

SHORT TERM BORROWINGS

The company has obtained facility amounting to Rs. 40/- Million (2021: Rs. 40 Million) which remained un-utilized for the current year. The facility has been provided against pledge of shares in the name of Company with 50% margin.

CONTINGENCIES AND COMITTMENTS

There are no contingencies and commitments as at 30 June 2022 (2021: Nil)

OPERATING REVENUE

	2022	2021
Brokerage income - Pakistan Stock Exchange	**45,263,902**	77,634,187
Brokerage income - Pakistan Mercantile Exchange Limited	**2,539,196**	3,392,529
	47,803,098	81,026,716

FINANCE COST

	2022	2021
Bank charges	**73,532**	34,996
	73,532	34,996

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		Rupees	
ADMINISTRATIVE AND OPERATING EXPENSES			
Directors' remuneration		7,993,192	8,199,444
Salaries and other benefits		32,866,854	32,826,988
Provident fund		1,772,699	1,256,521
Utility expenses		4,017,838	3,925,623
Travelling and conveyance		156,862	62,922
Agent commission		-	1,067,338
Fax and internet expenses		1,915,048	1,775,067
Postage, telegram and SMS charges		125,122	144,042
Parcels		473,631	283,161
Insurance		794,912	706,359
Auditors' remuneration	19.1	275,000	275,000
Legal and professional charges		4,217,207	4,385,243
Vehicle running and maintenance		4,053,393	3,627,999
Newspapers and periodicals		56,825	54,961
Printing and stationery		977,444	409,115
Repair and maintenance		1,211,640	2,313,759
Fee and subscription		1,589,191	917,278
Rent, rates and taxes		1,057,066	880,216
Donation		2,147,752	3,860,373
Entertainment		1,174,963	1,306,419
Computer expenses		372,939	1,151,062
Other expenses		4,769,909	2,194,461
Allowance for expected credit loss		268,947	319,180
Amortisation	5.1	267,538	405,913
Depreciation	4.	10,420,738	7,731,196
		82,976,710	80,079,641

19.1 **Auditors' remuneration**

	2022	2021
Annual audit fee	275,000	275,000
	275,000	275,000

OTHER INCOME

	Note	2022	2021
Income from financial assets			
Profit on deposits with banks		1,915,738	2,988,764
Dividend income		3,354,231	1,809,542
Return on PSX exposure deposit and PMEX deposit		1,199,913	1,537,110
Consultancy and IPO Income		25,585	308,884
Income from non financial assets			
Gain on sale of property and equipment	4.1	1,874,069	5,348,003
Client account maintenance fee		2,754,000	1,818,504
		11,123,536	13,810,807

	Note	2022	2021
TAXATION			
Current			
- For the year		1,107,496	2,458,637
- Prior years		-	28,537
Deferred			
- For the year		-	-
		1,107,496	2,487,174

21.1 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.

21.2 Due to taxable losses, provision for current year income tax is based on section 113 of the Income Tax Ordinance, 2001.

EARNINGS /(LOSS) PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic loss per share of the company, which is based on :

	Note	2022	2021
		Rupees	
Profit / (loss) after taxation		(47,367,793)	31,081,904
Weighted average number of ordinary shares		7,011,000	7,011,000
Earnings / (loss) per share (Rupees)		(6.76)	4.43

REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts during the year for remuneration including benefits is as follows:

	June 30, 2022			June 30, 2021		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Remuneration	2,435,125	5,531,517	10,865,997	2,400,050	5,799,394	8,362,220
Provident fund	153,996	234,072	540,226	147,001	223,442	319,753
	2,589,121	5,765,589	11,406,223	2,547,051	6,022,836	8,681,973
Number of Persons	1	2	8	1	2	5

No meeting fee has been paid to any director of the company during the year (2021: Rs. Nil). Two executives are provided with company maintained car for business and personal use.

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RELATED PARTY DISCLOSURES

Related parties comprise entities with common directorship or under influence, directors and key management personnel. Details of transactions with related parties during the year have specifically been disclosed elsewhere in these financial statements, where applicable.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

25.1 *Risk management framework*

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

A Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Committee is assisted in its oversight role by internal audit department. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

25.2 *Financial assets and liabilities by category and their respective maturities*

	June 30, 2022		June 30, 2021	
	Maturity up to one year	**Maturity after one year**	Maturity up to one year	Maturity after one year
		Rs.		
Financial asset				
At amortized cost				
Long term deposits	-	5,441,700	-	5,441,700
Trade debts - unsecured and considered good	3,599,549	-	2,948,518	-
Advances, deposits and prepayments	37,502,124	-	59,376,578	-
Cash and bank balances	189,455,458	-	275,444,546	-
Fair value through other comprehensive income				
Long term investment	-	23,842,294	-	19,669,681
Fair value through profit or loss				
Short Term Investments	46,808,267	-	55,169,418	-
Total	277,365,398	29,283,994	392,939,060	25,111,381

	June 30, 2022		June 30, 2021	
	Maturity up to one year	**Maturity after one year**	Maturity up to one year	Maturity after one year
Financial liabilities at amortized cost		Rs.		
Trade and other payables	132,706,235	-	194,386,534	-
Total	132,706,235	-	194,386,534	-

25.3 *Fair values estimate*

In case of equity instruments, the Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : 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.

i) Fair value at initial recognition

The Company takes in to account factors specific to the transaction and to the asset or liability, when determining whether or not the fair value at initial recognition equals the transaction price. Except for long term deposits and employee vehicle scheme the fair value of financial assets and financial liabilities recognized in these financial statements equals the transaction price at initial recognition. Due to immaterial effect the fair value of the long-term deposits and employee vehicle scheme has not been determined and their carrying value has been assumed to be equal to their fair value.

ii) Valuation techniques and inputs used

Fair values of financial assets that are traded in active markets are based on quoted market prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length. The Company uses widely recognized valuation techniques, for determining the fair value of assets and liabilities, that use only observable market data and require little management judgement and estimation. The short term investments at fair value through profit or loss are measured at level 1 while long term investments at fair value through other comprehensive income are measured at level 2 due to unavailability of active market of blocked shares of LSE financial services limited.

	Level	June 30, 2022		June 30, 2021	
		Carrying Value	**Fair Value**	Carrying Value	Fair Value
			Rupees		
Financial assets carried at fair value:					
Long term investment	**Level 2**	23,842,294	23,842,294	19,669,681	19,669,681
Short Term Investments	**Level 1**	46,808,267	46,808,267	55,169,418	55,169,418

iii) Fair value of the Company's financial assets and liabilities that are not measured at fair value after initial recognition.

The carrying amount of financial assets and financial liabilities recognized in these financial statements approximate their respective fair values. Fair values of financial assets and liabilities carried at amortized cost.

iv) Determination of fair values:

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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 for such financial instruments company uses observable inputs like net assets values.

25.4 ***Financial Risk Factors***

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

- Credit Risk
- Liquidity Risk
- Market Risk

25.5 ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking to account of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would causes their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Exposure to credit risk

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts and deposits. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery. The Company's management as part of risk management policies and guidelines, reviews clients' financial position, considers past experience and other factors, and obtains necessary collaterals to reduce credit risks. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors. In addition, credit risk is also minimized due to the fact that the Company invests only in high quality financial assets, majority of which have been rated by a reputable rating agency. The Company does not expect to incur material credit losses on its financial assets.

	Note	2022	2021
		Rupees	
The carrying amount of financial assets represent the maximum credit exposure, as specified below:			
At Amortized Cost			
Long term deposits		**5,441,700**	5,441,700
Trade debts - unsecured and considered good		**3,599,549**	2,948,518
Advances, deposits and prepayments		**52,925,683**	59,376,578
Bank balances		**188,550,596**	274,251,626
		250,517,528	342,018,422

i) Credit quality and impairment:
Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. Counterparties, with the exception of long-term deposits, trade debts and other receivables have external credit ratings determined by various credit rating agencies.

a) Counterparties without external credit ratings:
The counterparties for which external credit ratings are not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations. These mainly include long-term deposits, trade debts and other receivables which are considered good.

b) Counterparties with external credit ratings:
These include banking companies and financial institutions which are counterparties to cash deposits, saving deposits etc.

Following are the credit ratings of the counterparties with external credit ratings:

Bank Name	Agency	Date	Short term rating	Long term rating	2022 Rupees	2021 Rupees
MCB Bank Ltd	PACRA	June 30, 2022	A-1+	AAA	1,173,630	1,151,421
Allied Bank Ltd	PACRA	June 30, 2022	A-1+	AAA	170,891	170,996
Habib Bank Ltd	VIS	June 30, 2022	A-1+	AAA	55,032,182	36,192,196
Bank Al Habib Ltd	PACRA	June 30, 2022	A-1+	AAA	86,369,895	236,737,013
Meezan Bank Limited	VIS	June 30, 2022	A-1+	AAA	35,773,998	-
The Bank of Punjab	PACRA	June 30, 2022	A-1+	AA+	10,030,000	-
					188,550,596	274,251,626

25.6 **LIQUIDITY RISK**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines. The following are the contractual maturities of the financial liabilities. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

	2022			
	Carrying amount	**Contractual cash flow**	**Less than one year**	**More than one year**
	------------ Rupees ------------			
Financial liabilities				
Trade and other payables	132,706,235	132,706,235	132,706,235	-

	2021			
	Carrying amount	Contractual cash flow	Less than one year	More than one year
	------------ Rupees ------------			
Financial liabilities				
Trade and other payables	194,386,534	194,386,534	194,386,534	-

25.7 **MARKET RISK**

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

Foreign Exchange Risk Management

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. The company is not significantly exposed to currency risk as the company does not maintain bank accounts in foreign currencies.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates and entering into interest rate swap contracts. The Company's interest rate risk arises from short term cash finance facility. The company analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into accounts various other financing options available.

Price Risk

Price risk represents the risk that fair value of financial instrument will fluctuate because of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instruments traded in the market. The company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 46.808 Million (2021: Rs. 55.169 Million) at the reporting date. The Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

The table below summarises the Company's equity price risk as of 30 june 2022 and shows the effect of a hypothethical 10% increase and a 10% decrease in market prices as at the year end.

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders equity
	Rupees	Rupees	Rupees	Rupees
June 30, 2022	46,808,267	10% increase	51,489,094	3,323,387
		10% decrease	42,127,440	(3,323,387)
June 30, 2021	55,169,418	10% increase	60,686,360	3,917,029
		10% decrease	49,652,476	(3,917,029)

The sensitivity analysis prepared is not necessarily indicative of the effects on equity / investments of the Company.

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities. Therefore, a change in interest rate will not affect fair value of any financial instrument.

CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safe guard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stake holders and to maintain strong capital base to support the development of its business.

The company does not obtained any financing facility and working with 100% equity financing, therefore no gearing is identified.

	2022	2021
	------Rupees------	
The Capital adequacy level as required by CDC is calculated as follows:		
Total Assets	543,081,327	652,576,321
Less: Total Liabilities	(133,185,740)	(196,109,654)
Less: Revaluation Reserves (created upon revaluation of fixed assets)	-	-
Capital Adequacy Level	409,895,587	456,466,667

While determining the value of the total assets of the TREC holder, notional value of the TRE certificate held by Abbasi & Company (Private) Limited as at June 30, 2022 as determined by Pakistan Stock Exchange has been considered.

LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	217,496,444	217,496,444	-
1.2	Intangible Assets	1,651,932	1,651,932	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
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.	46,808,267	22,357,657	24,450,610
	ii. If unlisted, 100% of carrying value	23,842,294	23,842,294	-
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 Securites 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.	4,800,000	4,800,000	-
1.9	Margin deposits with exchange and clearing house.	25,550,000	-	25,550,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	975,506	975,506	-

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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	Receivables other than trade receivables	27,041,877	27,041,877	-
	Receivables from clearing house or securities exchange(s)			
1.16	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	14,701	-	14,701
	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.			
1.17	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***	-	-	-
	iii. Incase receivalbes are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract.	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	38,015	-	38,015
	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	3,331,210	-	3,331,210
	vi. 100% haircut in the case of amount receivable form related parties.	-	-	-
	Cash and Bank balances			
1.18	I. Bank Balance-proprietory accounts	56,728,948	-	56,728,948
	ii. Bank balance-customer accounts	131,821,648	-	131,821,648
	iii. Cash in hand	904,862	-	904,862
1.19	**Total Assets**	**541,005,704**		**242,839,994**
2. Liabilities				
	Trade Payables			
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	131,821,648	-	131,821,648
	Current Liabilities			
2.2	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	479,505	-	479,505
	iii. Short-term borrowings	884,587	-	884,587
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	1,339,117	-	1,339,117
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	Non-Current Liabilities			
2.3	i. Long-Term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	Subordinated Loans	-	-	-
2.4	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	-	-
2.5	**Total Liabilites**	**134,524,857**	-	**134,524,857**
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 securites 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 issuse : if the market value of securites 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 issuse where the market price of securities is greater than the subscription	-	-	-
	(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	-	-	-

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3.5	**Foreign exchange agreements and foreign currency positions**	-	-	-
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurency less total liabilities denominated in foreign	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	**Repo adjustment**		-	-
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securites.	-	-	-
	In the case of financee/seller the market value of underlying securities after applying haircut			
3.8	**Concentrated proprietary positions**	-	-	-
	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	-	-	592,329
3.9	**Opening Positions in futures and options**			
	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	**Short selll positions**			
	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 proprietory 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 Liabilites**	-	-	**592,329**

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.19)	242,839,994
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(134,524,857)
(iii) Less: Total ranking liabilities (series number 3.11)	(592,329)
	107,722,808

Basis of Measurement
The statement has been prepared under histroical cost convesntion except investment in listed securities which are measured on fair value. Commission may issue guidelines and clarifications in respect of the treatment of any component of Liquid Capital including any modification, deletion and inclusion in the calculation of Adjusted value of assets and liabilities to address any practical difficulty.

NUMBER OF EMPLOYEES

Number of employees at year end	**53**	53
Average number of employees during the year	**52**	52

PROVIDENT FUND TRUST

The Company has maintained an employees' provident fund trust and investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose. The information of the fund is based on un-audited financial statements of the fund for the year ended 30 June 2022.

		2022	2021
		RUPEES	***RUPEES***
Size of fund		**26,231,565**	22,087,961
Cost of investments made	28.1	**530,482**	-
Percentage of investments made		**2.02%**	0.00%
Fair value of investments		**498,713**	-

28.1 These represent investments in shares of listed equity securities and funds.

28.2	Balance in scheduled banks		
	Saving account	**26,231,565**	22,087,961

DETAIL OF SECURITIES PLEDGED

	No. of Shares	Amount
-House account	1,353,100	31,732,988
-Client account	69,862,139	1,010,935,752
	71,215,239	**1,042,668,740**

PATTERN OF SHARE HOLDING

CATEGORIES OF SHAREHOLDERS			
DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN	**SHAREHOLDERS**	**SHARES HELD**	**PERCENTAGE**
NAME:-			
1 - Syed Muhammad Ismail Abbasi		4,886,790	69.70%
2 - Syed Awais Ali Abbasi		3,505	0.05%
3 - Syed Farooq Ali Abbasi		641,638	9.15%
4 - Mrs. Yasmeen Ismail		904,419	12.90%
5 - Syed Muhammad Umar Abbasi		574,648	8.20%
Associated companies, undertakings and related parties.	NIL	NIL	NIL

ABBASI AND COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Executives	NIL	NIL	NIL
Public sector companies and corporations	NIL	NIL	NIL
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension	NIL	NIL	NIL
Others	NIL	NIL	NIL
TOTAL	5	7,011,000	100%
SHAREHOLDERS HOLDING 5% OR MORE.			
NAME		**SHARES HELD**	**PERCENTAGE**
Syed Muhammad Ismail Abbasi		4,886,790	69.70%
Syed Farooq Ali Abbasi		641,638	9.15%
Mrs. Yasmeen Ismail		904,419	12.90%
Syed Muhammad Umar Abbasi		574,648	8.20%

DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 07 October 2022 by the Board of Directors of the Company.

CORRESPONDING FIGURES

Comparative figures have been re-arranged / reclassified, wherever necessary, to facilitate comparison. Rearrangements have been made in these financial statements for better presentation of the financial statements.

GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR

ABBASI AND COMPANY (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

30. DETAIL OF SECURITIES AS PER BACK OFFICE RECORD AND CDC RECORD

SECUTIRITES AS PER BACK OFFICE RECORD

Description	House Account		Directors/ Sponsors/CEO /Shareholder Account		Employees Account		Client Account	
	Number of Securities	Value of Securities	Number of Securities	Value of Securities	Number of Securities	Value of Securities	Number of Securities	Value of Securities
Securities held	1,742,769	46,808,267	1,042,741	20,458,905	272,307	7,351,337	324,091,390	8,419,121,870
	1,742,769	**46,808,267**	**1,042,741**	**20,458,905**	**272,307**	**7,351,337**	**324,091,390**	**8,419,121,870**

SECUTIRITES AS PER CDC RECORD

Description	House Account		Sub-accounts					
			Directors/ Sponsors/CEO /Shareholder		Employees		Clients' account	
	Number of Securities	Value of Securities	Number of Securities	Value of Securities	Number of Securities	Value of Securities	Number of Securities	Value of Securities
Securities available	389,669	15,075,279	1,012,741	18,410,505	272,307	7,351,337	156,579,472	5,495,485,940
Securities pledged with PSX/ NCCPL	1,353,100	31,732,988	30,000	2,048,400	-	-	-	-
Securities pledged with Banks	-	-	-	-	-	-	69,832,139	1,008,887,352
Freeze shares	-	-	-	-	-	-	97,617,738	1,911,661,295
Securities in Blocked a/c	-	-	-	-	-	-		
Pending In	-	-	-	-	-	-	37,169	3,087,284
Pending out	-	-	-	-	-	-	24,872	-
Reconciling entries:								
1 Pre-settlement delivery	-	-	-	-	-	-	-	-
2 MF Securities	-	-	-	-	-	-	-	-
3 MTS securities	-	-	-	-	-	-	-	-
4 Physical shares	-	-	-	-	-	-	-	-
5 Right Shares subscription	-	-	-	-	-	-	-	-
6 Short delivery from NCCPL	-	-	-	-	-	-	-	-
7 Square up transaction	-	-	-	-	-	-	-	-
Others:								
1 e.g (Securities appearing in CDC but not mentioned in back office or vice versa)	-	-	-	-	-	-	-	-
2 Self Released PSD	-	-	-	-	-	-	-	-
	1,742,769	**46,808,267**	**1,042,741**	**20,458,905**	**272,307**	**7,351,337**	**324,091,390**	**8,419,121,870**

Abbasi & Company (Pvt) Ltd. Stock Share Dealer

DIRECTORS' REPORT

Economic Outlook

Pakistan's economy continued to witness a V-shaped economic recovery for the second consecutive period, in FY22. The country attained a real GDP growth of 5.97% which is higher than growth of 5.74% recorded last year.

Average inflation rate in Pakistan stood at approx. 12.2% during FY22 compared to 8.9% in the same period last year. This sharp increase in headline inflation can be attributed to the increase in the prices of electricity, gas and non-perishable food items resulting from massive increase in global petroleum and commodity prices. The Russian-Ukraine conflict has disrupted important supply chains, leading global gasoline and food prices to surge. On the other hand, the Government has made every effort to mitigate the effects of global inflation through careful monitoring and monetary tools. Due to recovery in aggregate demand and higher commodities prices, SBP decided to raise the policy rate to combat inflationary pressures. The policy rate increased by cumulative of 675 basis points from September, 21 to May, 22. The current high SBP's Policy Rate of 15%, heightened volatility, the size of national debt, its servicing and currency depreciation have created unprecedented problems.

Politically instability in the Country and change of government, further led to a huge increase in economic instability. Other burning issue i.e. FATF's gray-list and resumption of IMF's Facility, hopefully, near resolution, after lot of reforms work, being carried out but uncertainty level and cause of heavy flooding is negatively affecting the economy.

Operating and Financial Result

Abbasi & Company (Private) Limited "ACPL" is the TREC Holder of Pakistan Stock Exchange Limited and Universal Member of Pakistan Mercantile Exchange Limited and Company engaged in business of brokerage. The Board and Management of the Company is continually reviewing its business strategy to hold the opportunity, avoid concentration-risk, alternative revenue streams with well aware of the current challenges.

	FY 2021-22 Rs. In 000	FY 2020-21 Rs. In 000
Revenue	47,803	81,026
Other Income / (Loss)	(11,013)	32,655
Total Revenue	36,790	113,681
Operating Expenditure	(82,977)	(80,079)
Finance Cost	(73)	(34)
Profit/(Loss) Before Taxation	(46,270)	33,568
Taxation	(1,107)	(2,487)
Profit/(Loss) After Taxation	(47,367)	31,081
Earning/(Loss) Per Share	(6.76)	4.43

During the financial year ending, June 30, 2022, Abbasi & Company (Private) Limited (ACPL) earned total revenue of Rs.36.79 million, which include realized and un realized capital loss from listed securities of Pakistan Stock Exchange Limited (PSX), as compared to Rs.113.681 million last year's comparative period, i.e., an decreased of Rs.76.891 million. The revenue was mainly generated from shares trading in listed companies of PSX, return from house deposits into the bank and exposure deposit to the PSX. The administrative expenses and finance cost were Rs.83.050 million, i.e., and increase by Rs. 2.631 million or 3.168% last year comparative period. The Company loss before taxation of Rs. -46.260 million for the period under review, which is profit of Rs.33.568 million, as compared to comparative period of the last year. Furthermore, loss after tax is also increased by Rs.47.367 million, as compared to comparative profit of Rs.31.081 million from last year.

Loss Per Share (Basic & Diluted) for the period ended June 30, 2022 was recorded as Rs.(6.76) per share against Rs.4.43 profit per share (Basic & Diluted) of last year's comparative period.

External Auditor

The present M/S Parker Russell-A.J.S., Chartered Accountants, is the retiring Auditors of the Company and being eligible have offered themself for appointment as Auditors for the year ending June 30, 2023.

Internal Control

The Board of the Company is responsible for the establishment and maintenance of the Company's system of internal control in order to identify and manage risks faced by the Company.

The Company has outsourced its Internal Audit functions to M/S Fazal Mahmood & Company, Chartered Accountants.

The Board is confident that the system of internal control is sound in design and has been effectively implemented and monitored.

Credit Rating

During the period, Pakistan Credit Rating Agency Limited (PACRA) maintained Broker Fiduciary Rating as BFR2 to Abbasi & Company (Private) Limited and outlook on the assigned rating is 'Stable' on date of June 24, 2022.

During the period, Pakistan Credit Rating Agency Limited (PACRA) maintained Broker Management Rating as BMR2 to Abbasi & Company (Private) Limited and outlook on the assigned rating is 'Stable' on date of June 24, 2022.

Cash Dividend

In view of the company's financial results, the director has not recommended declaring any dividends.

Statement of Compliance with Corporate Governance Code

The Company has prepared a "Code of Ethics" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures. Furthermore, the Company is compliant with the requirement as mentioned in the Corporate of Governance Code.

Corporate Social Responsibility-CSR

As part of CSR activities, the Company allocated an aggregate amount of Rs.2,147,752/- during the financial year 2021-2022 to Saylani Welfare Trust to support the noble cause for humanity.

Future Outlook

Abbasi and Company are always committed to serve its clients. We have ensured business continuity during the challenging work environment created by the COVID 19 virus situation.

During the year market participation remained low due to overall low market volumes. The future prospects of Abbasi and Company are bright on account of our efforts in increasing the Company's market share, through wider participation in all its business segments and our expectations of positive market performance in coming financial year.

We are continuously working on expanding our online client base in order to increase the market participation of investors and avail benefits from it.

Acknowledgment

The Board of Directors express its sincerest appreciation to the employees for their dedication and hard work and to our clients and shareholders for their support and confidence. We also acknowledge the valuable contribution and active role of the members of the Board Committees in supporting and guiding the management on every issue.

We Continue to pray to ALLAH for the success of our Company and for the benefit of all employees, and the country in general. (Ameen)

For and on behalf of the Board of Directors
Abbasi & Company (Private) Limited

Muhammad Ismail

Syed Muhammad Ismail Abbasi
Chief Executive Officer
Lahore.
October 07th. 2022

Abbasi & Company (Pvt) Ltd.
Stock Share Dealer
6-Shadman Lahore.

ABBASI AND COMPANY (PRIVATE) LIMITED

TREC Holder: Pakistan Stock Exchange Ltd.
Universal Member: Pakistan Mercantile Exchange Ltd.

Head Office: 6-Shadman, Lahore.
Phone No. 0092-42- 38302028
www.abbasiandcompany.com
E-mail:
support@abbasiandcompany.com

CEO Statement As per Regulation 9(a) of Annexure D read with Regulation 16(1) (f) of the Securities Brokers (Licensing and Operations) Regulations, 2016.

There were no transactions entered into by the Abbasi and Company (Private) Limited during the year ended June 30, 2022 which were fraudulent, illegal or in violation of any securities market laws.

Muhammad Ismail

Syed Muhammad Ismail Abbasi
Chief Executive Officer