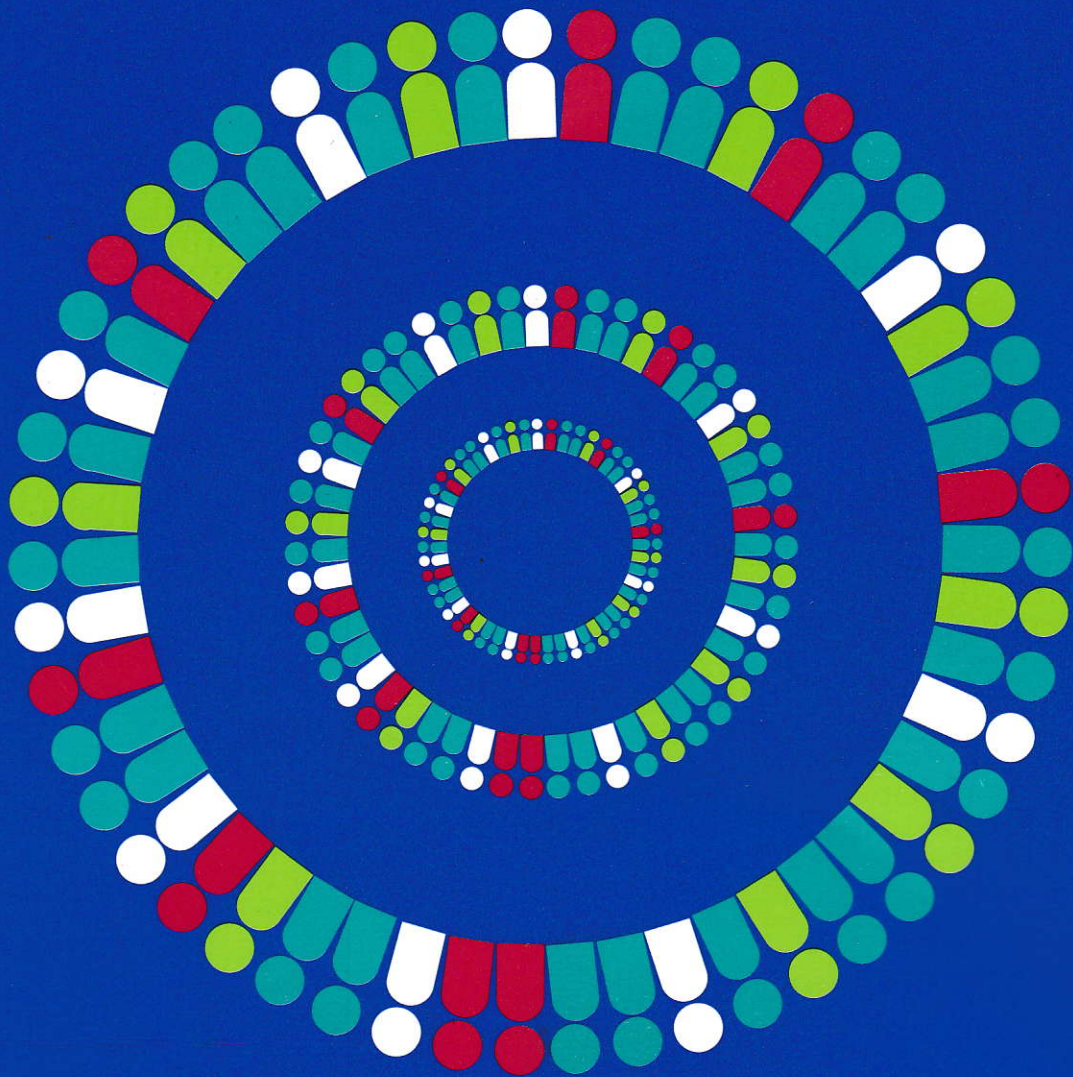


M.M. Securities (Private) Limited
Financial Statements
For the year ended
June 30, 2022



M. M. Securities (Private) Limited

Director's Report

Dear Shareholders

Assalam-o-Alaikum

The Directors of your Company are pleased to present the Annual Report with the audited financial statements of the Company and Auditor's Report thereon for the year ended June 30, 2022.

Economic review:

Pakistan economy has undergone a very difficult time during the year under review. political instability, high international fuel and commodity prices and clubbing trade deficit exerted immense pressure on foreign exchange reserves resulting significant depreciation of Pak Rupee against US Dollar and consequential high inflation.

Financial Highlights:

A brief financial analysis is presented as under:

Financial Overview	2021-2022	2020-2021
	Amount in Rupees	
Revenue	8,491,693	15,018,612
Operating & Admin expenses	24,896,184	22,763,459
Other Income / (Loss)	(31,385,798)	15,306,674
Profit / (Loss) before Taxation	(47,790,289)	7,561,827
Taxation	(160,235)	(225,279)
Profit / (Loss) After Taxation	(47,950,524)	7,336,548

Revenue of the Company decreased by Rs. 6.527 Million from Rs. 15.019 Million (2020-21) to Rs. 8.492 Million (2021-22). Operating & Admin expenses are increased by Rs. 2.133 million from 22.763 Million (2020-21) to Rs. 24.896 Million (2021-22). Other Income / (Loss) for the year under review is loss of Rs. 31.386 Million as compare to the profit of Rs. 15.307 Million last year. Profit / (Loss) before taxation also decreased by Rs. 55.352 Million from profit of Rs. 7.562 Million (2020-21) to the loss of Rs. 47.790 Million (2021-22).

The KSE 100 Index has lost 13% during the year under review from 47,800 points at the beginning of the year to 41,540 points at the close of the year. Stock Market Shown up and down trends with low volumes which clearly indicated lack of investor confidence and interest in the market during the year.

Future Outlook:

The business outlook for CY23 to remain challenging for the country. The political condition of the country and economic reforms to remain within IMF Program would be the key factor to decide the direction of the equity market and to restore the confidence and interest of the investor.

Auditors:

The present Auditors are UHY Hassan Naeem & Co, Chartered Accountants being the retiring auditors have offered their services for another term.

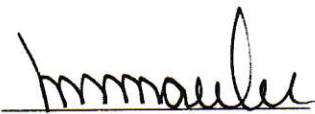
Board of Directors:

The current members of the Board are listed below:

- Mr. Mahmood Baqi Moulvi
- Mrs. Madiha Moulvi



Mahmood Baqi Moulvi
Chief Executive / Director



Madiha Moulvi
Director

Place: Karachi

Date: October 07, 2022

ایم ایم سکیورٹیز (پرائیویٹ) لمیٹڈ

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز

اسلام و علیکم

کمپنی ڈائریکٹرز مسرت کے ساتھ 30 جون 2022 کو اختتام پذیر ہونے والے سال کے لیے سالانہ رپورٹ کے ہمراہ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

کمپنی کا مختصر مالیاتی جائزہ ذیل کے مطابق ہے :

2020-2021	2021-2022	کاروباری نتائج
(رقم روپے میں)		
15,018,612	8,491,693	سیلز
22,763,459	24,896,184	دیگر کاروباری اخراجات
15,306,674	(31,385,798)	دیگر منافع / (نقصان)
7,561,827	(47,790,289)	قبل از ٹیکس منافع / (نقصان)
(225,779)	(160,235)	ٹیکس
7,336,548	(47,950,524)	بعد از ٹیکس منافع / (نقصان)

کمپنی کی سیلز 6.527 ملین روپے کی کمی سے 15,019 ملین روپے (2020-21) سے کم ہو کر 8,492 ملین روپے (2021-22) ہو گئی ہے۔ مالیاتی اخراجات میں 2.133 ملین روپے کا اضافہ ہوا ہے جو 22,763 ملین روپے (2020-21) سے بڑھ کر 24,892 ملین روپے (2021-22) ہو گئے ہیں۔ اس سال کا دیگر منافع / (نقصان) 31.386 ملین روپے ہے جب کہ پچھلے سال یہ منافع 15.307 ملین روپے تھا۔ نفع / (نقصان) قبل از ٹیکس

میں بھی 55.352 ملین روپے کی کمی ہوئی ہے جو 7,562 ملین روپے (2020-21) منافع سے گھٹ کر 47,790 ملین روپے (2021-22) نقصان ہو گیا ہے۔

کے ایس ای بنڈرڈ انڈیکس سال کے آغاز میں 47,800 پوائنٹس سے سال کے اختتام پر 41,540 پوائنٹس پر زیر جائزہ سال کے دوران 13 فیصد کم ہوا ہے۔ اسٹاک مارکیٹ میں کم حجم کے ساتھ اوپر اور نیچے کے رجحانات دکھائے گئے جس نے واضح طور پر سال کے دوران سرمایہ کاروں کے اعتماد اور مارکیٹ میں دلچسپی کی کمی کی نشاندہی کی۔

مستقبل کی توقعات:

سال 2022-23 کے لیے کاروباری نقطہ نظر ملک کے لیے کھن رہے گا۔ ملک کی سیاسی صورتحال اور آئی ایم ایف پروگرام کے اندر رہنے کے لیے معاشی اصلاحات ایکویٹی مارکیٹ کی سمت کا تعین کرنے اور سرمایہ کاروں کے اعتماد اور دلچسپی کو بحال کرنے کے لیے کلیدی عناصر ہوں گے۔

آڈیٹر کا تقرر:

موجودہ آڈیٹر میسرز یو ایچ وائی حسن نعیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور اہل ہونے کی بنا پر اپنے دوبارہ تقرر کی پیشکش کی ہے۔

بورڈ آف ڈائریکٹرز:

بورڈ کے موجودہ ممبران درج ذیل ہیں۔

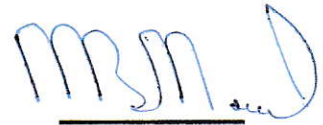
- جناب محمود باقی مولوی
- محترمہ مدیحہ مولوی

کراچی:

17 اکتوبر 2022



محترمہ مدیحہ مولوی
ڈائریکٹر



جناب محمود باقی مولوی
چیف ایگزیکٹو

INDEPENDENT AUDITOR'S REPORT

To the members of **M.M. SECURITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- e) the company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared

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

UHY Hassan Naeem & Co.

KARACHI


DATE: October 11, 2022

UDIN: AR202210215VWyslC2Rg

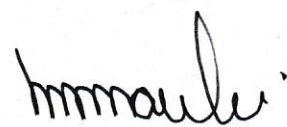
M. M. SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property and equipment	4	2,376,933	2,384,182
Intangible assets	5	2,990,000	2,990,000
Investment-at fair value through other comprehensive income	6	16,398,209	35,761,881
Long term deposits	7	7,400,315	7,400,315
		29,165,457	48,536,378
<u>CURRENT ASSETS</u>			
Trade debts	8	332,780	22,331,214
Investment-at fair value through profit and loss account	9	28,875,024	62,769,103
Advances, deposits, prepayments & other receivables	10	51,731,750	58,124,339
Cash and bank balances	11	17,754,038	22,806,116
		98,693,592	166,030,772
		<u>127,859,049</u>	<u>214,567,150</u>
<u>EQUITY AND LIABILITIES</u>			
<u>CAPITAL RESERVES</u>			
Authorized capital	12.1	<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up capital	12.2	<u>155,000,000</u>	<u>155,000,000</u>
Accumulated loss		(48,215,443)	(264,918)
Surplus/(Deficit) - Investment at fair value through other comprehensive income		398,211	19,761,883
		107,182,768	174,496,965
<u>NON-CURRENT LIABILITIES</u>			
Gratuity payable	13	<u>2,564,000</u>	<u>2,292,417</u>
		2,564,000	2,292,417
<u>CURRENT LIABILITIES</u>			
Trade and other payable	14	<u>18,112,281</u>	<u>37,777,768</u>
		18,112,281	37,777,768
Contingencies and commitments	15	<u>-</u>	<u>-</u>
		<u>127,859,049</u>	<u>214,567,150</u>

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



Chief Executive



Director

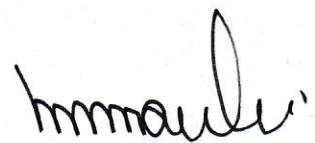
M. M. SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
Revenue from contract with customers	16	8,491,693	15,018,612
Operating and administrative expenses	17	(24,896,184)	(22,763,459)
Other income	18	(31,385,798)	15,306,674
NET PROFIT/ (LOSS) BEFORE TAXATION		<u>(47,790,289)</u>	<u>7,561,827</u>
Taxation	19	(160,235)	(225,279)
NET PROFIT/(LOSS) AFTER TAXATION		<u><u>(47,950,524)</u></u>	<u><u>7,336,548</u></u>

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



Chief Executive



Director

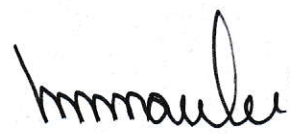
M. M. SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022 (Rupees)	2021 (Rupees)
Profit/(loss) for the year	(47,950,524)	7,336,548
Other Comprehensive Income:		
Unrealised gain/ (loss) on revaluation of investments at fair value through other comprehensive income	(19,363,672)	19,892,646
TOTAL COMPREHENSIVE INCOME/(LOSS)	<u><u>(67,314,196)</u></u>	<u><u>27,229,194</u></u>

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



Chief Executive



Director

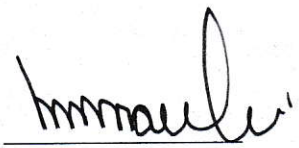
M. M. SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		(47,790,289)	7,561,827
<u>Adjustment for non-cash items:</u>			
Depreciation		265,177	257,001
Loss allowance		1,189,695	-
Unrealized (gain)/loss on Investment at fair value through P&L		33,894,079	(13,398,570)
Provision for gratuity		1,146,750	624,584
Operating profit before working capital changes		36,495,701	(12,516,985)
<u>Changes in working capital</u>			
Decrease / (increase) in trade debts		20,808,739	(20,974,665)
Decrease / (increase) in long term deposits		-	(200,000)
Decrease / (increase) in advances, deposits and prepayments		6,793,824	(10,066,410)
(Decrease) / increase in trade and other payable		(19,665,487)	22,178,258
Net changes in working capital		7,937,076	(9,062,817)
Taxes paid		(561,471)	(426,883)
Gratuity paid		(875,167)	(1,344,167)
Net cash (used in)/generated from operating activities		(4,794,150)	(15,789,025)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition/Disposal of investments - net of sales		-	(47,233,873)
Addition of property and equipment		(257,928)	-
Loan to Director		-	65,000,000
Net cash (used in)/generated from investing activities		(257,928)	17,766,127
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash (used in)/generated from financing activities		-	-
Net increase in cash and cash equivalent		(5,052,078)	1,977,102
Cash and cash equivalent at beginning of the year		22,806,116	20,829,014
Cash and cash equivalent at end of the year		17,754,038	22,806,116

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



Chief Executive



Director

M.M. SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 Legal Status and Nature of Business

M.M Securities (Private) limited was incorporated under the Companies Ordinance, 1984 on 9 August 2007 as a private Limited company. The Company is a corporate member of Pakistan Stock Exchange Limited. The registered office of the company is located at 2nd floor, 9-C, Ittehad Lane No. 12, Phase-II Extension, Defence Housing Authority, Karachi – Pakistan. The principal activities of the Company are investment and share brokerage.

2 Basis of Preparation

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgments

The preparation of financial statements is in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

- Property and equipment (note 4)
- Taxation (note 19)

2.5 New Accounting pronouncements

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

Description effective for periods		Effective for periods beginning on or after
IAS 1	Amendments to 'IAS 1 and IFRS Practice Statement 2' Disclosure of Accounting Policies Amendments to IAS 1 'Presentation of Financial Statements' Classification of Liabilities as Current or Non-current	January 01, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 01, 2023
IAS 12	Income Taxes (Amendments)	January 01, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 01, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
IFRS 3	Business Combinations (Amendments)	January 01, 2022
IAS 41, IFRS (1, 9 and 16)	Annual improvements to IFRS Standards 2018 - 2020 (Amendments)	

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

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2022:

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

3 Summary of Significant Accounting Policies

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

3.1 Taxation

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

Current

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

Deferred Tax

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

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

3.2 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost incurred to replace a component of an item of property and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to the profit and loss account in the period in which they are incurred.

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

3.3 Intangible Assets

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

Trading Right Entitlement Certificate(TREC)

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

Software

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

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

Amortization

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

3.4 Trade debts and other receivables

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

3.5 Provisions

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

3.6 Trade and Other Payable

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

3.7 Revenue recognition

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

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

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

3.8 Cash and Cash Equivalents

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

3.9 Contingent Liabilities

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

3.10 Financial Instruments

3.10.1 Initial recognition, classification and measurement

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

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

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

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

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

(c) Financial assets at FVTPL

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

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

Subsequent measurement

Debt investments at FVOCI

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

Equity Investments at FVOCI

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

Financial asset at FVTPL

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

Financial assets measured at amortized cost

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

Non Derivative financial assets

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

Offsetting of financial assets and financial liabilities

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

Financial Liabilities

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

Impairment

Financial assets

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

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

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

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


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

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

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

Non- financial assets

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



M. M. SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. PROPERTY AND EQUIPMENT

	Office equipment	Furniture & Fixtures	Vehicles	Computers	Total
Cost	630,477	55,615	6,330,025	3,575,028	10,591,145
Accumulated depreciation	(433,420)	(14,137)	(5,021,587)	(2,737,819)	(8,206,963)
Carrying amount at July 1, 2021	197,057	41,478	1,308,438	837,209	2,384,182
Additions	-	-	-	257,928	257,928
Disposals - cost	-	-	-	-	-
Depreciation charge for the year	(15,252)	(2,784)	(179,184)	(67,957)	(265,177)
Disposals - Accumulated depreciation	-	-	-	-	-
Carrying amount at June 30, 2022	181,805	38,694	1,129,254	1,027,180	2,376,933

The carrying amount as at June 30, 2022 is aggregate of:

Cost	630,477	55,615	6,330,025	3,832,956	10,849,073
Accumulated depreciation	(448,672)	(16,921)	(5,200,771)	(2,805,776)	(8,472,140)
	181,805	38,694	1,129,254	1,027,180	2,376,933

Rate of depreciation per annum (%)	5%	5%	5%	5%	
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2022 2021
(Rupees)

5. INTANGIBLE ASSETS

Trading Right Entitlement Certificate (TREC)	5.1	2,500,000	2,500,000
Booth at PSX	5.2	490,000	490,000
		<u>2,990,000</u>	<u>2,990,000</u>

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

6. INVESTMENT-AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investment in shares of Pakistan Stock Exchange	6.1	<u>16,398,209</u>	<u>35,761,881</u>
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- 6.1** This represents 1,602,953 (2021: 1,602,953) shares of Pakistan Stock Exchange Limited This investment is pledge with PSX against Base Minimum Deposit.

7. LONG-TERM DEPOSITS

NCCPL Basic Deposit	200,000	200,000
NCCPL Ready Market Deposit	200,000	200,000
NCCPL Future Market Deposit	1,000,000	1,000,000
Pakistan Mercantile Exchange - Deposit	1,500,315	1,500,315
PSX Deposit (Base Minimum Capital)	4,500,000	4,500,000
	<u>7,400,315</u>	<u>7,400,315</u>

8. TRADE DEBTS

Trade debts	8.1	1,582,195	22,390,934
less: provision for bad debts	8.2	(1,249,415)	(59,720)
		<u>332,780</u>	<u>22,331,214</u>

8.1 Aging Analysis

Less than one year	1,264,120	22,357,015
More than on year	318,075	33,919
	<u>1,582,195</u>	<u>22,390,934</u>

8.2 Provision for bad debts

Opening	59,720	59,720
Provision recorded during the year	1,189,695	-
Less: Write off during the year	-	-
	<u>1,249,415</u>	<u>59,720</u>

9. INVESTMENT-AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT

Investment in quoted securities	9.1.	<u>28,875,024</u>	<u>62,769,103</u>
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- 9.1 Investment in various equity shares carried at market value. This includes securities amounting to Rs. 2,046,000 pledge with Pakistan Stock Exchange Limited against Base minimum capital and securities amounting to Rs. 13,350,000 with National Clearing Company Pakistan Limited against exposure.

10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax - net	12,959,971	12,558,735
NCCPL- Ready Market Exposure	20,000,000	30,000,000
NCCPL- Future Market Exposure	18,000,000	15,000,000
Clearing House Deposit	229,950	254,930
Loan to staff	10,000	46,000
Other receivables	531,829	264,674
	<u>51,731,750</u>	<u>58,124,339</u>

11. CASH AND BANK BALANCES

Cash in hand	7,255	18,762
Cash at bank - Current accounts	17,601,275	22,550,620
- Saving accounts	145,508	236,735
	<u>17,754,038</u>	<u>22,806,116</u>

- 11.1 Bank balances include customers' bank balances held in designated current bank accounts amounting to Rs. 12.95 million (2021: 19.03 million).

12. SHARE CAPITAL

12.1 AUTHORIZED SHARE CAPITAL

2022	2021		2022	2021
Number of Shares			(Rupees)	(Rupees)
<u>2,000,000</u>	<u>2,000,000</u>	ordinary shares of	<u>200,000,000</u>	<u>200,000,000</u>
		Rs. 100 each		

12.2 ISSUED SUBSCRIBED AND PAID-UP

2022	2021		2022	2021
Number of Shares		ordinary shares of	(Rupees)	(Rupees)
		Rs. 100 each fully paid		
		in cash		
1,550,000	1,550,000		155,000,000	155,000,000

12.3 PATTERN OF SHAREHOLDING

	No of shares	Percentage of Holding
i. Mahmood Baqi Moulvi	311,550	20.10%
ii. Madiha Mahmood Moulvi	1,238,450	79.90%
	<u>1,550,000</u>	

13. GRATUITY PAYABLE

Opening
Amount recognized during the year
Benefits paid during the year

2022	2021
(Rupees)	
2,292,417	3,012,000
1,146,750	624,584
(875,167)	(1,344,167)
<u>2,564,000</u>	<u>2,292,417</u>

14. TRADE AND OTHER PAYABLE

Credit balance of clients
Accrued Expenses
Payable to NCCPL

12,953,839	19,027,937
2,219,462	2,463,922
2,938,980	16,285,909
<u>18,112,281</u>	<u>37,777,768</u>

14.1 Credit balances of clients held by the company

<u>12,953,839</u>	<u>19,027,937</u>
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14.2 Number of Securities of client held by the company

<u>28,427,403</u>	<u>25,328,341</u>
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14.3 No Securities of clients is pledged with Financial Institution.

14.4 No Securities of the company is pledged with Financial Institution.

15. CONTINGENCIES AND COMMITMENTS

15.1 There were no contingencies and commitments as at June 30, 2022

16. REVENUE FROM CONTRACT WITH CUSTOMERS

Brokerage income

17.1

<u>8,491,693</u>	<u>15,018,612</u>
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16.1 Gross income

less: Sales tax

Net Brokerage Income

9,595,613	16,971,032
(1,103,920)	(1,952,420)
<u>8,491,693</u>	<u>15,018,612</u>

2022 2021
(Rupees)

17. OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	16,548,062	15,920,998
Conveyance & travelling	879,192	608,784
Printing, stationary and periodicals	35,073	62,622
Utilities	490,698	771,984
Communication expense	1,110,548	1,206,956
Rent, rates and taxes	26,300	302,835
Transaction charges	294,028	445,839
Fees and subscription	216,519	381,144
Repair and maintenance	2,595,231	1,919,851
Depreciation	265,177	257,001
Bad debts expense	1,189,695	-
Insurance	513,993	377,428
Entertainment	10,342	7,100
Legal and professional	411,199	243,000
Auditors' remuneration	227,000	188,600
Bank charges	3,664	8,213
Miscellaneous	79,463	61,104
	<u>24,896,184</u>	<u>22,763,459</u>

17.1

17.1 Auditor's Remuneration

Annual Audit fee	227,000	188,600
	<u>227,000</u>	<u>188,600</u>

18. OTHER INCOME

Capital gain/(loss) on investment through P&L	(33,894,079)	13,398,570
Profit on NCCPL's exposure and PSX's BMC deposits	2,135,782	1,792,095
Dividend Income	360,591	-
Interest income	11,908	10,051
Other income	-	105,958
	<u>(31,385,798)</u>	<u>15,306,674</u>

19. TAXATION

The Company has filed return for the tax year 2021. According to Income Tax Ordinance 2001, the return filed is deemed to be an assessment order unless modified by Commissioner of Income Tax.

Provision for taxation

- Current year	160,235	225,279
- Prior year	-	-
- deferred tax	-	-
Net tax charge	<u>160,235</u>	<u>225,279</u>

21.1

- 19.1. The company has tax losses in the previous years, on which deferred tax asset amounting to Rs.15.4 million (2021: 11.6) will arise. However, as there is continuous losses on account of operating income therefore deferred tax asset has not been recorded.

19.2 Relationship between tax expense and accounting profit

	2022 (Rupees)	2021 (Rupees)
Profit/(loss) before taxation	(47,790,289)	7,561,827
Tax at the applicable rate 29% (2021: 29%)	(13,859,184)	2,192,930
Tax effect of income taxed under FTR	9,670,333	(3,885,585)
Deffered tax asset not recognized	4,349,086	1,917,934
	<u>160,235</u>	<u>225,279</u>

20. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

20.1. Financial instrument by category

20.1.1 Financial assets

2022			
At fair value through profit or loss account	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances & deposits	-	7,400,315	7,400,315
Investment at fair value thorough OCI	16,398,209	-	16,398,209
Investment at fair value through P&L	28,875,024	-	28,875,024
Trade debts	-	332,780	-
Advances, deposits and prepayments	-	38,771,779	38,771,779
Cash and bank balances	-	17,754,038	17,754,038
	<u>28,875,024</u>	<u>64,258,912</u>	<u>109,199,365</u>

2021			
At fair value through profit or loss account	At fair value through OCI	At Amortized Cost	Total
Long term loan, advances & deposits	-	7,400,315	7,400,315
Investment at fair value thorough OCI	35,761,881	-	35,761,881
Investment at fair value through P&L	62,769,103	-	62,769,103
Trade debts	-	22,331,214	22,331,214
Advances, deposits and prepayments	-	45,565,604	45,565,604
Bank balances	-	22,806,116	22,806,116
	<u>62,769,103</u>	<u>98,103,249</u>	<u>196,634,233</u>

20.1.2 Financial Liabilities at amortized cost

2022	
Amount	Total
Gratuity payable	2,564,000
Trade and other Payables	18,112,281
	<u>20,676,281</u>

	2021	
	Amount	Total
Gratuity payable	2,292,417	2,292,417
Trade and other Payables	37,777,768	37,777,768
	40,070,185	40,070,185

20.2. Financial risk management

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

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

Credit risk
Liquidity risk
Market risk
Operational risk

20.2.1 Credit risk

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

Exposure to Credit risk

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

Credit risk is minimised due to the fact that the company invests only in high quality financial assets, all transactions are settled/paid for upon delivery. The company does not expect to incur material credit losses on its financial assets. The maximum exposure to credit risk at the reporting date is as follows:

	2022	2021
	Rupees	
Long term deposits	7,400,315	7,400,315
Investment at fair value through other comprehensive income	16,398,209	35,761,881
Investment at fair value through Profit and Loss Account	28,875,024	62,769,103
Advances, deposits, prepayments and other receivable	38,771,779	45,565,604
Trade debts	332,780	22,331,214
Bank Balances	17,746,783	22,787,354
	109,524,890	196,615,471

20.2.2 Bank Balances

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

	2022	2021
	<i>Rupees</i>	
AAA	17,686,388	20,539,404
AA+	12,545	2,180,158
A+	25,004	46,004
AA-	22,846	21,788
	<u>17,746,783</u>	<u>22,787,354</u>

The long term rating above are taken from SBP website and the rating agencies are PACRA and VIS.

20.2.3 Liquidity risk

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

2022					
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Gratuity payable	2,564,000	2,564,000	-	-	2,564,000
Trade and other payables	18,112,281	18,112,281	18,112,281	-	-
	<u>20,676,281</u>	<u>20,676,281</u>	<u>18,112,281</u>	<u>-</u>	<u>2,564,000</u>
2021					
	carrying amount	contractual cash flows	up to one year	one to two years	Two to five years
Financial Liabilities					
Gratuity payable	2,292,417	2,292,417	-	-	2,292,417
Trade and other payables	37,777,768	37,777,768	37,777,768	-	-
	<u>40,070,185</u>	<u>40,070,185</u>	<u>37,777,768</u>	<u>-</u>	<u>2,292,417</u>

On the balance sheet date, the company has cash and bank balances of Rs.17.7 million (2021: 22.8 million) and investments of Rs 45.2 million (2021 98.5 million) for repayment of liabilities

20.2.4 Market risk

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

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

Currency risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market risk. The company is not exposed to interest rate risk as there is no interest based liability or asset.

Other price risk

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instrument traded in the market.

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

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

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

	Before Tax	
	10% Increase	10% Decrease
as at 30th June 2022	2,887,502	(2,887,502)
as at 30th June 2021	6,276,910	(6,276,910)

20.3 Fair value of Financial instruments

The Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. The company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

The company only hold listed assets amounting to Rs 45.27 million (2021: 98.53 million) that are recorded at quoted price.

20.4 Capital risk management

The primary objective of the company's capital risk management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The company finances its operations through 100% equity with a view to maintain an appropriate mix between various sources of finance to minimise risk.

21. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

	2022	2021
Directors remunerations	3,120,000	3,120,000
	<u>3,120,000</u>	<u>3,120,000</u>

22. CAPITAL ADEQUACY LEVEL

Total Assets	127,859,049	214,567,150
Less: Total Liabilities	(20,676,281)	(40,070,185)
Less: Revaluation Reserves	-	-
Capital Adequacy Level	<u>107,182,768</u>	<u>174,496,965</u>

While determining the value of total assets of TREC holder, the Notional value of the TREC held by M. M. Securities (Private) Limited as at year ended 30th June 2022 determined by Pakistan Stock Exchange has been considered.

23. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	2,376,933	2,376,933	-
1.2	Intangible Assets	2,990,000	2,990,000	-
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.	-	-	-
	Investment in Equity Securities	-	-	-
1.5	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.	13,479,024	2,165,030	11,313,994
	ii. If unlisted, 100% of carrying value.	-	-	-
	iii. Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	iv. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	31,794,209	31,794,209	-
	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 Securities 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.	7,400,315	7,400,315	-
1.9	Margin deposits with exchange and clearing house.	38,000,000	-	38,000,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	-	-	-
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.	-	-	-
	Amounts receivable against Repo financing.	-	-	-
1.14	Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	12,969,971	12,969,971	-
	PLUS			
	ii. Advance tax to the extent it is netted with provision of taxation.			
	iii. Receivables other than trade receivables	531,829	531,829	-
1.16	Receivables from clearing house or securities exchange(s)	-	-	-
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	claims on account of entitlements against trading of securities in all markets including MtM gains.	229,950	-	229,950
	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.			
	ii. In case receivables are against margin trading, 5% of the net balance sheet value.	-	-	-
	ii. Net amount after deducting haircut			

1.17	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haircut	-		-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	93,203	-	93,203
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. v. Lower of net balance sheet value or value determined through adjustments	1,404,662	1,247,970	156,692
	vi. 100% haircut in the case of amount receivable from related parties.	84,330	84,330	-
1.18	Cash and Bank balances	-	-	-
	i. Bank Balance-proprietary accounts	1,479,575	-	1,479,575
	ii. Bank balance-customer accounts	16,267,208	-	16,267,208
	iii. Cash in hand	7,255	-	7,255
1.19	Total Assets	129,108,464		67,547,877

2. Liabilities

2.1	Trade Payables			
	i. Payable to exchanges and clearing house	2,938,980	-	2,938,980
	ii. Payable against leveraged market products		-	-
	iii. Payable to customers	12,953,839	-	12,953,839
2.2	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	2,219,462	-	2,219,462
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans		-	-
	v. Current portion of long term liabilities		-	-
	vi. Deferred Liabilities		-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements		-	-
2.3	Non-Current Liabilities			
	i. Long-Term financing		-	-
	a. Long-Term financing obtained from financial instituion: Long term portion of financing obtained from a financial institution including amount due against finance lease		-	-
	b. Other long-term financing		-	-
	ii. Staff retirement benefits	2,564,000	-	2,564,000
	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.		-	-
	iv. Other liabilities as per accounting principles and included in the financial statements		-	-
2.4	Subordinated Loans			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.		-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP		-	-
2.5	Total Liabilities	20,676,281		20,676,281

3. Ranking Liabilities Relating to :

3.1	Concentration in Margin Financing			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
	Concentration in securites lending and borrowing			
	The amount by which the aggregate of:			

24. NUMBER OF EMPLOYEES

	2022	2021
	(Number of employees)	
Total number of employees at June 30	<u>16</u>	<u>14</u>

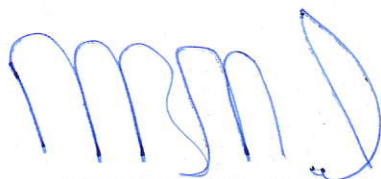
25. DATE OF AUTHORIZATION

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

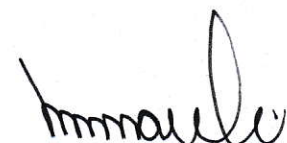
26. GENERAL

Figures have been rearranged and reclassified wherever necessary, for the purpose of comparison.





Chief Executive



Director



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UHY INTERNATIONAL

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